

**NOTICE TO CONSUMERS
OF
CALIFORNIA**

Pursuant to California Civil Code Section 1793.2(d), if this vehicle does not conform to its applicable warranties, and Tesla has not repaired the vehicle after a reasonable number of repair attempts, you may be entitled to a replacement or refund under the Song-Beverly Consumer Warranty Act, less an offset for the mileage accumulated before the first repair of the nonconformity.

California Civil Code Section 1793.22(b) presumes that a manufacturer has had a reasonable number of repair attempts to conform the vehicle to its applicable warranties if within the first 18 months from delivery or the first 18,000 miles on the odometer, whichever occurs first, (1) Tesla has made at least two unsuccessful repair attempts on a nonconformity that results in a condition that is likely to cause death or serious bodily injury if the vehicle is driven; OR (2) Tesla has made four or more unsuccessful repair attempts on the same nonconformity (i.e., a defect or condition that substantially impairs the use, value or safety of the vehicle); OR (3) the vehicle has been out of service for the repair of nonconformity for more than 30 calendar days. In the case of (1) or (2) above, if you want the presumption to apply, you must send written notice of the need to repair the nonconformity or non-conformities directly to Tesla at the address listed below.

Tesla offers its customers a third-party dispute resolution through an arbitration program called the California Dispute Settlement Program (CDSP) as administered by the National Center for Dispute Settlement. To be eligible for the process, the vehicle must be purchased or leased in California OR purchased or leased by a member of the armed forces who was stationed or residing in California at the time of purchase/lease or at the time the claim is filed. Whether or not you decide to submit your dispute to CDSP, you are free to pursue other legal remedies. However, certain presumptions under California's Lemon Law (Civil Code 1793.22(b)) may not be available to you if you do not use the program before pursuing other legal remedies.

For additional information about the CDSP, see the New Vehicle Limited Warranty for your vehicle or contact Tesla at the address or toll-free number indicated below. You may also contact the CDSP directly at:

**California Dispute Settlement Program
P.O. Box 526
Mt. Clemens, MI 48046
1-866-629-3204**

The CDSP is certified by the California Department of Consumer Affairs Arbitration Certification Program (ACP). To request additional information regarding California lemon law remedies and the offset for use, refer to the ACP's "Lemon-Aid for Consumers" booklet. You may request a copy from the ACP at 1-800-952-5210 or download it from www.LemonLaw.ca.gov.

Additional information regarding arbitration of disputes in California is included with your new vehicle at delivery. Such information can also be obtained from:

**Tesla Motors, Inc.
3500 Deer Creek Road
Palo Alto, California 94304
Attention: Vehicle Service
1-877-79-TESLA (1-877-798-3752)**

Tesla is fully committed to your satisfaction. From your first phone call or visit to a Tesla Store or Tesla's website, through the purchase and delivery of your new Tesla, to after-sales service, your satisfaction is of utmost importance to us. If you should experience a problem which has not been resolved to your satisfaction through a Tesla Service Center or our customer service team, additional assistance may be available through the California Dispute Settlement Program (CDSP) administered by the National Center for Dispute Settlement (NCDS), an independent dispute settlement service organization. CDSP will resolve your complaint through arbitration—a process by which two or more parties authorize a third party to resolve the dispute. This procedure is offered to you at no charge. The decision is binding upon Tesla, but not on you.

What is the dispute settlement program?

CDSP maintains an active panel of neutrals who are trained and experienced in the process. CDSP will investigate your case by reviewing the facts, inspecting the vehicle if necessary, and rendering a fair and equitable decision. You have the option of having an oral hearing either in person or via teleconference before an arbitrator, or you can have your dispute decided based upon a review of documents only before an arbitration panel.

What types of disputes are eligible?

CDSP arbitrates disputes involving alleged product reliability or warranty performance problems concerning your Tesla vehicle which arise during four years or 50,000 miles from the date of original delivery, whichever is earlier, or the applicable provision of Tesla's New Vehicle Limited Warranty.

However, CDSP will not arbitrate claims involving:

- A non-Tesla product
- A vehicle sales transaction
- Request for reimbursement of consequential expenses, unless incidental to a service or product complaint being reviewed
- Items not covered by your warranty
- Personal injury
- Property damage where such damage is significant when compared to the economic loss alleged under the warranty dispute
- Cases currently in litigation

You must file a request for arbitration with CDSP within six (6) months of the expiration of the eligibility period, provided the concern or alleged defect was brought to the attention of Tesla or a Tesla Service Center during the eligibility period. You may obtain a copy of the program's written operating procedures upon request and without charge by writing to CDSP at the address above or by calling 1-866-629-3204.

How do I request arbitration?

If you believe your concern qualifies for arbitration:

1. Fill out a customer claim form
2. Complete all of the information requested
3. Attach legible copies of any Repair Orders, reports of inspections, technical service bulletins or other documents related to your concern
4. Mail to: CDSP
P.O. Box 526
Mt. Clemens, MI 48046

How does the arbitration process work?

1. When CDSP receives your claim, it will be reviewed to determine whether your concern is eligible for arbitration. If it is determined that your concern is eligible for CDSP, a copy of your request will be forwarded to Tesla for response. CDSP will send an acknowledgment letter assigning a case number. Should your case not be eligible, CDSP will mail a letter of explanation of why your concern is not eligible. Should you feel that the determination of eligibility was made in error, you have the right to appeal the determination within thirty (30) days of the notice of ineligibility to an

independent three (3) member arbitration panel. The panel will consider and review any written appeals contesting the lack of eligibility at their next board meeting.

2. There is no cost to you for submitting your request to CDSP.
3. To assess your situation, CDSP will request a written statement from Tesla. You will be provided with copies of all documents CDSP receives throughout the administration of your case. Review all documents carefully when you receive them. If you find information you believe is contradictory to your original application or information you believe requires further explanation by you, **promptly** (CDSP must receive this information no later than 48 hours before your scheduled hearing) submit any additional written materials directly to CDSP at the address you received with your case or fax it to CDSP. Be sure to include your case number.
4. If you have elected an oral hearing either in person or via teleconference hearing, all evidence is admissible. In an oral hearing, you and a Tesla representative will present both sides of the case to the arbitrator. Both of you will have an opportunity to present testimony and provide documents. Then you and Tesla will be given time for rebuttal. If you request an oral hearing and if either party to the dispute fails to appear, the other party to the dispute may still present their case before the arbitrator. If you elected a “documents only” hearing, your case will be decided based upon all available information.
5. During the period that your dispute is pending, Tesla may contact you directly or through CDSP to see if your case can be settled by agreement. If a settlement is offered to you, you will be asked to sign a form that contains that settlement so that your arbitration case can be closed. There is no requirement for you to participate in this settlement process. Unless you reach settlement, your participation will not affect the handling of your case or decision of the arbitrator.
6. If the arbitrator determines that an independent technical evaluation of your vehicle is necessary to make a decision, CDSP will arrange with you for such inspection. These arrangements will be made to minimize any inconvenience to you.
7. If a technical evaluation was made, the technical expert will forward an evaluation report to CDSP. At the oral hearing, the arbitrator will listen to all testimony and review all of the available information and the applicable legal standards and render a decision within ten (10) days of a closed hearing.

The entire dispute settlement process, from the time CDSP receives your request to the time the arbitrator makes a decision, will normally take no longer than forty (40) days. To inquire about the status of your dispute, you may call toll free, 1-866-629-3204.

What types of decisions are rendered, and how do I know if Tesla will abide by the dispute settlement program decision?

Decisions are based on what the arbitrator believes is fair and appropriate under the circumstances after applying the appropriate legal standards. Remedies include, but are not limited to, repairs; reimbursement for repair or incidental expenses, such as towing costs; or repurchase or replacement of your vehicle. The decision is binding on Tesla, but not on you. Tesla must comply with the decision within thirty (30) days after you accept it. CDSP will contact you within ten (10) days after scheduled performance to ensure that Tesla has timely complied.

Are there limits on the scope of the dispute settlement program decision?

The CDSP decision will not award consequential expenses such as lost wages, punitive damages or attorney fees. The arbitrator cannot alter the terms of the New Vehicle Limited Warranty.

What other recourse do I have?

You may reject the decision and pursue any other legal remedies which you may have, including small claims court. Arbitration decisions are admissible as evidence in subsequent legal proceedings.