State of California
Division of Occupational Safety and Health
39141 Civic Center Drive, Suite 310
Index-4012
Fremont, CA 94538
Phone: (510) 794-2521 Fax: (510) 794-3889

Citation and Notification of Penalty

To:
Tesla Motors, Inc.
and its successors
45500 Fremont Blvd.
Fremont, CA 94538

Inspection Site:
45500 Fremont Blvd.
Fremont, CA 94538

Inspection Number: 317216729
Inspection Date(s): 11/13/2013 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Report #: 023-14
Reporting ID: 0950612

The violation(s) described in this Citation and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

This Citation and Notification of Penalty (hereinafter Citation) is being issued in accordance with California Labor Code Section 6317 for violations that were found during the inspection/investigation. **This Citation or a copy must be prominently posted upon receipt by the employer at or near the location of each violation until the violative condition is corrected or for three working days, whichever is longer.** Violations of Title 8 of the California Code of Regulations or of the California Labor Code may result in some instances in prosecution for a misdemeanor.

YOU HAVE A RIGHT to contest this Citation and Notification of Penalty by filing an appeal with the Occupational Safety and Health Appeals Board. To initiate your appeal, you **must** contact the Appeals Board, in writing or by telephone, within 15 working days from the date of receipt of this Citation. If you miss the 15 working day deadline to appeal, the Citation and Notification of Penalty becomes a final order of the Appeals Board, not subject to review by any court or agency.

Informal Conference - You may request an informal conference with the Manager of the District Office which issued the Citation within 10 working days after receipt of the Citation. However, if the citation is appealed, you may request an informal conference at any time prior to the day of the hearing. Employers are encouraged to schedule a conference at the earliest possible time to assure an expeditious resolution of any issues. At the informal conference, you may discuss the existence of the alleged violation, classification of the violation, abatement date or proposed penalty.

Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an agreement which resolves this matter without litigation or contest.

APPEAL RIGHTS

The Occupational Safety and Health Appeals Board (Appeals Board) consists of three members appointed by the Governor. The Appeals Board is a separate entity from the Division of Occupational Safety and Health (Division) and employs experienced attorneys as administrative law judges to hear appeals fairly and impartially. To initiate an appeal from a Citation and Notification of Penalty, you must contact the Appeals Board, in writing or by telephone, within 15 working days from the date of receipt of a Citation. After you have initiated your appeal, you must then file a completed appeal form with the Appeals Board, at the address listed below, for each contested citation. Failure to file a completed appeal form with the Appeals Board may result in dismissal of the appeal. Appeal forms are available from district offices of the Division, or from the Appeals Board:

Occupational Safety and Health Appeals Board
2520 Venture Oaks Way, Suite 300
Sacramento, CA 95833
Telephone: (916) 274-5751 or (877) 252-1987
Fax: (916) 274-5785

If the Citation you are appealing alleges more than one item, you must specify on the appeal form which items you are appealing. You must also attach to the appeal form a legible copy of the Citation you are appealing.

Among the specific grounds for an appeal are the following: the safety order was not violated, the classification of the alleged violation (e.g., serious, repeat, willful) is incorrect, the abatement requirements are unreasonable or the proposed penalty is unreasonable.

Important: You must notify the Appeals Board, not the Division, of your intent to appeal within 15 working days from the date of receipt of the Citation. Otherwise, the Citation and Notification of Penalty becomes a final order of the Appeals Board not subject to review by any court or agency. An informal conference with the Division does not constitute an appeal and does not stay the 15 working day appeal period. If you have any questions concerning your appeal rights, call the Appeals Board, (916) 274-5751 or (877) 252-1987

PENALTY PAYMENT OPTIONS

Penalties are due within 15 working days of receipt of this Citation and Notification of Penalty unless contested. If you are appealing any item of the citation, remittance is still due on all items that are not appealed. Enclosed for your use is a Penalty Remittance Form for payment.

If you are paying electronically, please have the Penalty Remittance Form on-hand when you are ready to make your payment. The company name, index code, reporting ID, and Citation numbers(s) will be required in order to ensure that the payment is accurately posted to your account. Please go to www.dir.ca.gov/dosh to access the secure payment processing site.

If you are paying by check, return one copy of the Citation, along with the Notice of Proposed Penalties Sheet and the Penalty Remittance Form and mail to:

Department of Industrial Relations
Cashier, Accounting Office
P. O. Box 420603
San Francisco, CA 94142-0603

CAL/OSHA does not agree to any restrictions, conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

NOTIFICATION OF CORRECTIVE ACTION

For violations which you do not contest, you should notify the Division of Occupational Safety and Health promptly by letter that you have taken appropriate corrective action within the time frame set forth on this Citation and Notification of Penalty. Please inform the District Office listed on the Citation by submitting the CAL/OSHA Form 160 and/or 161 with the abatement steps you have taken and the date the violation was abated, together with adequate supporting documentation, e.g., drawings or photographs of corrected conditions, purchase/work orders related to abatement actions, air sampling results, etc. The adjusted penalty for serious and general violations **has already been** reduced by 50% on the presumption that the employer will correct the violations by the abatement date." **If the CAL/OSHA Form 161 is not received in the District Office within 10 days following the abatement date, the abatement credit is revoked, causing the penalty to double.**

Note: Return the CAL/OSHA Form 160/161 to the District Office listed on the Citation and as shown below:

Division of Occupational Safety and Health
39141 Civic Center Drive, Suite 310
Fremont, CA 94538
Telephone: (510) 794-2521

EMPLOYEE RIGHTS

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under Labor Code Section 6310 or 6311. An employee who believes that he/she has been discriminated against may file a complaint no later than six (6) months after the discrimination occurred with the Division of Labor Standards Enforcement.

Employee Appeals - An employee or authorized employee's representative may, within 15 working days of the issuance of a citation, special order, or order to take special action, appeal to the Occupational Safety and Health Appeals Board the reasonableness of the period of time fixed by the Division of Occupational Safety and Health (Division) for abatement. An employee appeal may be filed with the Appeals Board or with the Division. No particular format is necessary to initiate the appeal, but the notice of appeal must be in writing.

If an Employee Appeal is filed with the Division, the Division shall note on the face of the document the date of receipt, include any envelope or other proof of the date of mailing, and promptly transmit the document to the Appeals Board. The Division shall, no later than 10 working days from receipt of the Employee Appeal, file with the Appeals Board and serve on each party a clear and concise statement of the reasons why the abatement period prescribed by it is reasonable.

Employee Appeal Forms are available from the Appeals Board, or from a District Office of the Division.

Employees Participation in Informal Conference. Affected employees or their representatives may notify the District Manager that they wish to attend the informal conference. If the employer objects, a separate informal conference will be held.

DISABILITY ACCOMMODATION

Disability accommodation is available upon request. Any person with a disability requiring an accommodation, auxiliary aid or service, or a modification of policies or procedures to ensure effective communication and access to the programs of the Division of Occupational Safety and Health, should contact the Disability Accommodation Coordinator at the local district office or the Statewide Disability Accommodation Coordinator at 1-866-326-1616 (toll free). The Statewide Coordinator can also be reached through the California Relay Service, by dialing 711 or 1-800-735-2929 (TTY) or 1-800-855-3000 (TTY-Spanish).

Accommodations can include modifications of policies or procedures or provision of auxiliary aids or services. Accommodations include, but are not limited to, an Assistive Listening System (ALS), a Computer-Aided Transcription System or Communication Access Realtime Translation (CART), a sign-language interpreter, documents in Braille, large print or on computer disk, and audio cassette recording. Accommodation requests should be made as soon as possible. Requests for an ALS or CART should be made no later than five (5) days before the hearing or conference.

State of California
Division of Occupational Safety and Health
Cal/OSHA District Office (0950612; 4012)
39141 Civic Center Drive, Suite 310
Fremont, CA 94538

Phone: (510) 794-2521 Fax: (510) 794-3889

Inspection Number: 317216729
Inspection Dates: 11/13/2013 - 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Inspection Nbr: 023-14

Citation and Notification of Penalty

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538

Citation 1 Item 1 Type of Violation: General

Title 8 CCR section '3203. Injury and Illness Prevention Program.
(a) Effective July 1, 1991, every employer shall establish, implement and maintain an effective Injury and Illness Prevention Program (Program). The Program shall be in writing and, shall, at a minimum:
(4) Include procedures for identifying and evaluating work place hazards including scheduled periodic inspections to identify unsafe conditions and work practices. Inspections shall be made to identify and evaluate hazards.
(6) Include methods and/or procedures for correcting unsafe or unhealthy conditions, work practices and work procedures in a timely manner based on the severity of the hazard:
(A) When observed or discovered; and,
(B) When an imminent hazard exists which cannot be immediately abated without endangering employee(s) and/or property, remove all exposed personnel from the area except those necessary to correct the existing condition. Employees necessary to correct the hazardous condition shall be provided the necessary safeguards.

On and before November 13, 2013, the employer failed to effectively implement its Injury and Illness Prevention Program in that:

Instance 1: The employer failed to conduct scheduled periodic inspections to identify unsafe conditions and work practices relating to the use of the Low Pressure Die Casting Machine;

Instance 2: The employer failed to correct the unsafe conditions/ work practice, of allowing employees to continue operating the Low Pressure Die Casting machine after the safety interlock on the holding furnace of the Die Casting Machine had been damaged and removed.

Date By Which Violation Must be Abated:		Abated
Proposed Penalty:	$	850.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

State of California
Division of Occupational Safety and Health
Cal/OSHA District Office (0950612; 4012)
39141 Civic Center Drive, Suite 310
Fremont, CA 94538

Phone: (510) 794-2521 Fax: (510) 794-3889

Inspection Number: 317216729
Inspection Dates: 11/13/2013 - 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Inspection Nbr: 023-14

Citation and Notification of Penalty

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538

Citation 1 Item 2 Type of Violation: General

Title 8 CCR section '3314. The Control of Hazardous Energy for the Cleaning, Repairing, Servicing, Setting-Up, and Adjusting Operations of Prime Movers, Machinery and Equipment, Including Lockout/Tagout.
(g) Hazardous Energy Control Procedures. A hazardous energy control procedure shall be developed and utilized by the employer when employees are engaged in the cleaning, repairing, servicing, setting-up or adjusting of prime movers, machinery and equipment.

On and before November 13, 2013, the employer failed to develop and ensure the utilization of hazardous energy control procedures for the repairing and servicing of the Low Pressure Die Casting Machine.

Date By Which Violation Must be Abated:		Abated
Proposed Penalty:	$	850.00

State of California
Division of Occupational Safety and Health
Cal/OSHA District Office (0950612; 4012)
39141 Civic Center Drive, Suite 310
Fremont, CA 94538

Phone: (510) 794-2521 Fax: (510) 794-3889

Inspection Number: 317216729
Inspection Dates: 11/13/2013 - 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Inspection Nbr: 023-14

Citation and Notification of Penalty

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538

Citation 2 Item 1 Type of Violation: Serious

Title 8 CCR section '3314. The Control of Hazardous Energy for the Cleaning, Repairing, Servicing, Setting-Up, and Adjusting Operations of Prime Movers, Machinery and Equipment, Including Lockout/Tagout.
(c) Cleaning, Servicing and Adjusting Operations.
Machinery or equipment capable of movement shall be stopped and the power source de-energized or disengaged, and, if necessary, the moveable parts shall be mechanically blocked or locked out to prevent inadvertent movement, or release of stored energy during cleaning, servicing and adjusting operations. Accident prevention signs or tags or both shall be placed on the controls of the power source of the machinery or equipment.

On and before November 13, 2013, the employer failed to release the air pressure used to inject molten aluminum into the molds, prior to servicing the Low Pressure Die Casting machine. As a result, on November 13, 2013, three employees were seriously injured when molten aluminum was projected through the sudden release of pressurized air while they were servicing the Low Pressure Die Casting machine

Date By Which Violation Must be Abated: Abated
Proposed Penalty: $ 18000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

State of California
Division of Occupational Safety and Health
Cal/OSHA District Office (0950612; 4012)
39141 Civic Center Drive, Suite 310
Fremont, CA 94538

Phone: (510) 794-2521 Fax: (510) 794-3889

Inspection Number: 317216729
Inspection Dates: 11/13/2013 - 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Inspection Nbr: 023-14

Citation and Notification of Penalty

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538

Citation 3 Item 1 Type of Violation: Serious

Title 8 CCR section '3314. The Control of Hazardous Energy for the Cleaning, Repairing, Servicing, Setting-Up, and Adjusting Operations of Prime Movers, Machinery and Equipment, Including Lockout/Tagout.
(j) Training.
(1) Authorized employees shall be trained on hazardous energy control procedures and on the hazards related to performing activities required for cleaning, repairing, servicing, setting-up and adjusting prime movers, machinery and equipment.

On and around November 13, 2013, the employer failed to ensure that all employees were trained on hazardous energy control procedures and on the hazards related to performing activities required for cleaning, repairing, servicing, setting-up and adjusting prime movers, machinery and equipment, including the Low Pressure Die Casting machine. As a result, on November 13, 2013, three employees were seriously injured when molten aluminum was projected through the sudden release of pressurized air while they were servicing the Low Pressure Die Casting machine.

Date By Which Violation Must be Abated:	Abated
Proposed Penalty:	$ 18000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

State of California
Division of Occupational Safety and Health
Cal/OSHA District Office (0950612; 4012)
39141 Civic Center Drive, Suite 310
Fremont, CA 94538

Phone: (510) 794-2521 Fax: (510) 794-3889

Inspection Number: 317216729
Inspection Dates: 11/13/2013 - 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Inspection Nbr: 023-14

Citation and Notification of Penalty

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538

Citation 4 Item 1 Type of Violation: Serious

Title 8 CCR section '3328. Machinery and Equipment.
(c) Machinery and equipment with defective parts which create a hazard shall not be used.

On and before November 13, 2013, the employer failed to prevent employees from using the Low Pressure Die Casting Machine, which had a defective interlock bar creating a hazard. As a result, on November 13, 2013, three employees were seriously injured when molten aluminum was projected through the sudden release of pressurized air. The absence of the interlock allowed employees to open the lid without first releasing the air pressure.

Date By Which Violation Must be Abated:	Abated
Proposed Penalty:	$ 18000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

State of California
Division of Occupational Safety and Health
Cal/OSHA District Office (0950612; 4012)
39141 Civic Center Drive, Suite 310
Fremont, CA 94538

Phone: (510) 794-2521 Fax: (510) 794-3889

Inspection Number: 317216729
Inspection Dates: 11/13/2013 - 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Inspection Nbr: 023-14

Citation and Notification of Penalty

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538

Citation 5 Item 1 Type of Violation: Serious

Title 8 CCR section '3328. Machinery and Equipment.
(g) Machinery and equipment in service shall be maintained in a safe operating condition.

On and before November 13, 2013, the employer failed to ensure that the Low Pressure Die Casting Machine was maintained in a safe operating condition while it was in service, in that the safety interlock bar was not functioning and was ultimately removed. As a result on November 13, 2013 three employees were seriously injured when molten aluminum was projected through the sudden release of pressurized air. Because the interlock safety bar was not maintained, employees were able to open the lid without previously releasing the air pressure.

Date By Which Violation Must be Abated:	Abated
Proposed Penalty:	$ 18000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

State of California
Division of Occupational Safety and Health
Cal/OSHA District Office (0950612; 4012)
39141 Civic Center Drive, Suite 310
Fremont, CA 94538

Phone: (510) 794-2521 Fax: (510) 794-3889

Inspection Number: 317216729
Inspection Dates: 11/13/2013 - 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Inspection Nbr: 023-14

Citation and Notification of Penalty

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538

Citation 6 Item 1 Type of Violation: Serious

Title 8 CCR section '3382. Eye and Face Protection.
(a) Employees working in locations where there is a risk of receiving eye injuries such as punctures, abrasions, contusions, or burns as a result of contact with flying particles, hazardous substances, projections or injurious light rays which are inherent in the work or environment, shall be safeguarded by means of face or eye protection. Suitable screens or shields isolating the hazardous exposure may be considered adequate safeguarding for nearby employees. The employer shall provide and ensure that employees use protection suitable for the exposure.

On and before November 13, 2013 the employer failed to ensure that employees working near the Low Pressure Die Casting Machine used suitable face and eye protection to safeguard them from the hazards of burns from molten aluminum.

Date By Which Violation Must be Abated:	Abated
Proposed Penalty:	$ 7650.00

State of California
Division of Occupational Safety and Health
Cal/OSHA District Office (0950612; 4012)
39141 Civic Center Drive, Suite 310
Fremont, CA 94538

Phone: (510) 794-2521 Fax: (510) 794-3889

Inspection Number: 317216729
Inspection Dates: 11/13/2013 - 04/25/2014
Issuance Date: 04/25/2014
CSHO ID: B7401
Optional Inspection Nbr: 023-14

Citation and Notification of Penalty

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538

Citation 7 Item 1 Type of Violation: Serious

Title 8 CCR section ' 4265. Shields for Die Casting Machines.
Each die casting machine shall be shielded in a manner which will prevent molten material from striking employees.

On and before November 13, 2013, the employer failed to shield the Low Pressure Die Casting Machine in a manner which would prevent molten aluminum from striking employees.

Date By Which Violation Must be Abated:	Abated
Proposed Penalty:	$ 7650.00

[redacted]
Michael Frye
District Manager

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

State of California
Division of Occupational Safety and Health
Fremont District Office
39141 Civic Center Drive, Suite 310
Index-4012
Fremont, CA 94538
Phone: (510) 794-2521 Fax (510) 794-3889

NOTICE OF PROPOSED PENALTIES

Company Name: Tesla Motors, Inc.
Inspection Site: 45500 Fremont Blvd., Fremont, CA 94538
Mailing Address: 45500 Fremont Blvd., Fremont, CA 94538

Issuance Date: 04/25/2014

Reporting ID: 0950612
Index Code: 4012

Summary of Penalties for Inspection Number 317216729

Citation 1, General	= $	**1700.00**
Citation 2, Serious	= $	**18000.00**
Citation 3, Serious	= $	**18000.00**
Citation 4, Serious	= $	**18000.00**
Citation 5, Serious	= $	**18000.00**
Citation 6, Serious	= $	**7650.00**
Citation 7, Serious	= $	**7650.00**
TOTAL PROPOSED PENALTIES	= $	**89000.00**

Penalties are due within 15 working days of receipt of this notification unless contested. If you are appealing any item of this citation, remittance is still due on all items that are not appealed. Enclosed for your use is a Penalty Remittance Form.

If you are paying electronically: Please have this form on-hand when you are ready to make your payment. The company name, index code, reporting ID and Citation number(s) will be required to ensure that the payment is accurately posted to your account. Please go to www.dir.ca.gov/dosh to access the secure payment processing site.

If you are paying by check: Mail this Notice of Proposed Penalties, the Penalty Remittance Form, along with a copy of the Citation and Notification of Penalty to:

DEPARTMENT OF INDUSTRIAL RELATIONS
CASHIER, ACCOUNTING OFFICE
P. O. BOX 420603
SAN FRANCISCO, CA 94142-0603

CAL/OSHA does not agree to any restrictions, conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions or endorsements do not exist.