

*BINDING ARBITRATION AGREEMENT*  
*IMPORTANT—READ CAREFULLY*

1. By signing my name below and/or by accepting and/or continuing employment with the Company, I agree to pursue any claims I might have against the Company that currently exist or that may arise in the future exclusively through binding arbitration; similarly, the Company agrees to pursue any claims it might have against me that currently exist or that may arise in the future exclusively through binding arbitration. The only exceptions to this requirement are identified in Paragraph 3, below. Our agreement to submit all claims to binding arbitration includes any claims that either of us may have against any third-party beneficiaries as mentioned below. By agreeing to binding arbitration, we waive our rights to have any and all claims decided in an administrative hearing, in a judge/bench trial, and/or in a jury trial. I understand that our only recourse for pursuing claims is through binding arbitration according to the rules set forth herein and/or those rules incorporated by reference in this agreement. I understand I have the right to arrange for an attorney to represent me or to represent myself during the arbitration proceedings. I understand that neither I nor the Company may later decide that one of us does not want to arbitrate all such claims.
2. I understand that this agreement requires me to pursue all claims I bring against the Company (and any third-party beneficiaries) through binding arbitration and requires that the Company submit any claims it has against me to binding arbitration (except for those claims specifically excluded by this agreement). Our agreement to arbitrate includes any and all claims which arise out of the employment context or any other interaction/relationship we had, have or may have in the future. Those claims include, but are not limited to, any claim, dispute, and/or controversy that either party brings against the other (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, the Americans With Disabilities Act, Title VII of the Civil Rights Act of 1964, as amended, claims pursuant to the California Private Attorneys General Act (“PAGA”) unless prohibited by controlling law, as well as all other applicable state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between myself and the Company, as well as any third-party beneficiaries of the Company. Third-party beneficiaries include the Company’s owners, directors, officers, managers, employees, agents, partners, attorneys, sister-companies, subsidiaries, parent companies, joint-venturers, affiliated persons/entities, independent contractors, and parties affiliated with its employee benefit and health plans. These claims also include any claims arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with the Company or third-party beneficiaries, whether based on tort, contract, statute, equity or otherwise.
3. As the sole exceptions to the obligation to arbitrate our claims, I and the Company both agree that we do not have to arbitrate claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers’ Compensation Act, Employment Development Department claims and, at your option, claims involving Sexual Harassment and/or Sexual Assault Disputes. Sexual Assault Dispute means a dispute involving the allegation of a nonconsensual sexual act or nonconsensual sexual contact. The term Sexual Harassment Dispute means a dispute relating to allegations of unwelcome sexual advances, unwanted physical contact that is sexual in nature, unwanted sexual attention (including unwanted sexual comments and propositions for sexual activity), conditioning employment-related benefits on sexual activity, and retaliation for rejecting unwanted sexual attention. If you signed this arbitration agreement prior to the time that your dispute first arose, you have the right to elect whether or not to proceed to arbitration regarding the Sexual Harassment/Sexual Assault Disputes. If you choose not to proceed to arbitration on such claims, then you agree to arbitrate all other arbitrable claims and to stay Sexual Harassment/Sexual Assault Dispute claims pending the completion of the arbitration proceedings. I understand and agree that nothing in this agreement precludes me from filing any administrative claim/charge with, or from participating in any investigation/administrative proceeding conducted by government agencies such as the Department of Fair Employment and Housing, the California Labor Commissioner and/or the Equal Employment Opportunity Commission. However, after I exhaust such administrative process/investigation, I understand and agree that I must pursue any such claims through binding arbitration for any final adjudication/award.
4. I acknowledge that the Company’s business and the nature of my employment in that business affect interstate commerce. Thus, I agree that this agreement and my employment are governed by the Federal Arbitration Act (FAA) (9 United States Code sec. 1, et seq). The binding arbitration proceedings shall be governed by the rules listed herein or as supplemented by the Federal Arbitration Act and/or the procedures of the California Arbitration Act (California Code of Civil Procedure sec. 1280 et seq., including sec. 1283.05 and all of the California Arbitration Act’s other mandatory and permissive rights to discovery). The arbitrator shall have the same authority as a state or federal court would have

to issue subpoenas to third parties for production of documents and for depositions, in addition to subpoenas to appear at any arbitration hearing. The California Arbitration Act shall only control the arbitration proceedings to the extent it is consistent with this agreement and/or the Federal Arbitration Act.

5. In addition to requirements imposed by law, any arbitrator herein shall be a retired state Superior Court or federal District Court judge and shall be subject to disqualification on the same grounds as would apply to a California Superior Court judge. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator. If applicable, all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under the Code of Civil Procedure section 631.8, that would apply in court or in an administrative proceeding where the actual claims would otherwise have been brought shall apply in the arbitration proceeding. The arbitrator shall apply only the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including, but not limited to, notions of "just cause") other than such controlling law to determine the dispute. The arbitrator shall have the authority to fashion the arbitration proceeding and the award to preserve any special protections afforded by the laws governing the claims. All communications during or in connection with the arbitration proceedings are privileged in accordance with California Civil Code sec. 47(b). The arbitrator shall have the right to extend the times set by the California Arbitration Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion.
6. I understand that in most all circumstances the Company will pay all costs and arbitrator fees unique to the arbitration as required by controlling case law, such as for statutory claims for unpaid wages, discrimination, harassment, retaliation, etc. However, there are some instances where the costs of arbitration will be split between the parties as set forth in the California Arbitration Act, such as where the Company brings a claim against me for violation of trade secret rules, conflicts of interest, or other similar claims. The costs of arbitration may also be split unless the claims you bring involve unwaivable statutory rights where the controlling case law requires that the Company pay such costs (e.g., if you bring a breach of contract claim against the Company such fees may be split). You will not be required to share in any costs unique to arbitration until the arbitrator makes a specific ruling at the outset of the arbitration process that the claims at issue require you to share any portion of the cost of arbitration. It is further agreed that the Company shall not be responsible for paying the arbitrator's fees and costs for the arbitration hearing sooner than 60 days before the commencement of the arbitration hearing.
7. I agree that the arbitrator only has the authority to hear and adjudicate my individual claims and that the arbitrator does not have the authority to make the arbitration proceeding a class, representative or collective action, or to award relief to a group of employees in one proceeding, including claims brought pursuant to PAGA. This arbitration agreement shall not be construed to permit the consolidation or joinder of claims of other claimants, or to permit such claims to proceed as a class, representative or collective action (collectively "class claims"). I and the Company both agree that any challenge to the prohibition against consolidating the claims of others into a single proceeding, whether as a class, a collective action or otherwise, is a gateway issue and shall be determined by the trial court; and any substantive claims shall not be decided by the arbitrator until after the gateway determination is made by the court. By signing below, you expressly waive the right to bring a class, collective, representative or PAGA claim (unless prohibited by controlling law) seeking any relief on behalf of others. Both the Company and I agree that any arbitration proceeding must move forward under the FAA (9 U.S.C. sections 3-4) even though the claims brought in court or otherwise may name, involve and/or relate to persons/entities who are not parties to the arbitration agreement and/or claims that are not subject to arbitration (such as PAGA). Thus, the court may not refuse to enforce this arbitration agreement and may not stay the arbitration proceeding despite the provisions of the Code of Civil Procedure sec. 1281.2(c) and shall instead sever and stay the non-arbitrable claims pending the final adjudication of the arbitrable claims.
8. I understand that all I have to do to begin the arbitration process is to send a letter by United States Postal Service Certified Mail with Return Receipt requested to the Owner(s) of the Company, the President of the Company if the Company is a corporation, or the General Manager of the dealership stating that I have legal claims against the Company and/or any third-party beneficiaries, the nature of the legal claims and that I demand to pursue them via binding arbitration. I understand that my letter must be post-marked prior to the expiration of any statute of limitations that applies to my claims. The Company may similarly commence claims against you by making a similar demand and sending it to you in the same manner. The Company and you will engage in an interactive discussion to try to agree upon an arbitrator, and if an arbitrator cannot be mutually chosen, either party may petition the Superior Court to appoint an arbitrator pursuant to the California Arbitration Act (Code of Civil Procedure sec. 1281.6). I understand that I and the Company will be required to provide more details regarding my claims and causes of action after starting the arbitration process. The arbitrator will also set the timing for the Company to file and serve any responsive pleadings.

9. I further understand that I will not be disciplined, discharged, or otherwise retaliated against for exercising my rights under the National Labor Relations Act, including but not limited to challenging the limitation on a class, collective, representative, or joint action.
10. If any term or provision, or portion of this agreement, is declared void or unenforceable, it shall be severed and the remainder of this agreement shall be enforceable. Notwithstanding the same, the prohibition on the arbitrator hearing class claims and/or collective claims shall not be severable.
11. This is the entire agreement between the Company and me regarding dispute resolution and this agreement supersedes any and all prior agreements regarding this issue to the extent that they differ from the foregoing. It is further agreed and understood that any agreement contrary to the foregoing must be entered into, in writing, by both the Owner(s) and/or President of the Company and me. Oral promises shall not serve to modify and/or cancel this agreement.

**I UNDERSTAND THAT I AM GIVING UP THE RIGHT TO TRIAL BY JURY, BY A SITTING TRIAL COURT JUDGE AND/OR BY FINAL ADJUDICATION THROUGH AN ADMINISTRATIVE PROCESS BY AGREEING TO BINDING ARBITRATION.**

**MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE BEEN GIVEN AN OPPORTUNITY TO READ AND CONSIDER THIS AGREEMENT, AND THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND BY ALL OF THE ABOVE TERMS. I AGREE THAT THE COMPANY IS BINDING ITSELF TO THIS AGREEMENT BY PRESENTING THIS AGREEMENT TO ME FOR SIGNATURE.**

**DO NOT SIGN UNTIL YOU HAVE READ THE ABOVE ACKNOWLEDGMENT AND AGREEMENT.**

**EMPLOYEE:**

Print Full Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**COMPANY:**

Print Full Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**[RETAIN IN EMPLOYEE PERSONNEL FILE]**