

SETTLEMENT AGREEMENT AND RELEASE

This agreement ("Settlement Agreement") is entered into as of _____, 2013, by and between American Honda Motor Co., Inc. ("AHM") and plaintiffs in the related matters of *Zakskorn v. American Honda Motor Co., Inc.*, Case No. 2:11-cv-02610-KJM-KJN (E.D. Cal.) and *Hidalgo v. Honda Motor Company Ltd.*, Case No. 2:11-cv-03120-KJM-KJN (E.D. Cal.) (collectively, the "Litigation").

WHEREAS, AHM is engaged in the business of, among other things, distributing cars; and

WHEREAS, Stacie Zakskorn, Rachelle Schreiber, and Javier Hidalgo (the "Representative Plaintiffs") are the named plaintiffs in the Litigation, which was filed as a putative class action on behalf of owners and lessees of certain Honda Civics; and

WHEREAS, the Representative Plaintiffs seek damages and injunctive relief, and assert that the Litigation should proceed as a class action; and

WHEREAS, AHM denies all material allegations in the operative complaints filed by the Representative Plaintiffs, denies that any of the vehicles which are the subject of the Litigation are defective in any way, denies wrongdoing of any kind, and maintains that a class cannot properly be certified for purposes of litigation as opposed to settlement; and

WHEREAS, the Representative Plaintiffs through their counsel have conducted sufficient discovery of the facts and thoroughly vetted the relevant legal issues in the Litigation; and

WHEREAS, the Representative Plaintiffs and AHM recognize the uncertainties of the outcome in the Litigation, and appreciate the likelihood that any final result would require years of further litigation and would entail substantial expense; and

WHEREAS, the Representative Plaintiffs and their counsel believe, in light of the costs, risks and delay of continued litigation, that settlement at this time as provided in this Settlement Agreement is in the best interests of the Settlement Class (as defined below); and

WHEREAS, the Representative Plaintiffs and AHM, including their counsel, agree that the settlement provided in this Settlement Agreement is a fair, reasonable and adequate resolution of the Litigation; and

WHEREAS, the Representative Plaintiffs and AHM intend to settle all claims which have been brought, or which could have been brought, in the Litigation by or on behalf of persons who are included in the Settlement Class;

NOW, THEREFORE, it is agreed that the Litigation shall be settled under the terms and conditions set forth below.

1. DEFINITIONS

1.1 As used in the Settlement Agreement, the following terms have the meanings set forth below. The plural of any defined term includes the singular, and the singular of any defined term includes the plural, as the case may be.

1.2 “AHM” means American Honda Motor Co., Inc.

1.3 “Authorized Honda Dealer” means an automobile dealership authorized by AHM to sell and service Honda vehicles in the United States.

1.4 “Claim Form” means the form attached hereto as Exhibit 1.

1.5 “Claims Period” means the time during which a Settlement Class Member may submit a Claim Form under the settlement. It begins when AHM begins mailing Notices. For reimbursement claims made pursuant to paragraph 4.2(a) of this Settlement Agreement, the Claims Period ends 60 days after the Brake Pad Replacement for which reimbursement is sought or on March 31, 2015, whichever date is sooner. For reimbursement claims made pursuant to paragraph 4.2(b) of this Settlement Agreement, the Claims Period ends 30 days after the Effective Date.

1.6 “Class Counsel” means the following:

Michael A. Caddell
Cynthia B. Chapman
Cory S. Fein
Caddell & Chapman

1331 Lamar, Suite 1070
Houston, TX 77010-3027
Telephone: (713) 751-0400
Facsimile: (713) 751-0906

Payam Shahian
Strategic Legal Practices, APC
1875 Century Park East, Suite 700
Los Angeles, CA 90067
Telephone: (310) 277-1040
Facsimile: (310) 943-3838

Robert L. Starr
The Law Office of Robert L. Starr
23277 Ventura Boulevard
Woodland Hills, California 91364
Telephone: (818) 225-9040
Facsimile: (818) 225-9042

Matthew R. Mendelsohn

Mazie Slater Katz & Freeman, LLC
103 Eisenhower Parkway, 2nd Floor
Roseland, New Jersey 07068
Telephone: (973) 228-9898
Facsimile: (973) 228-0303

L. Timothy Fisher
Joseph I. Marchese
Bursor & Fisher
Bursor & Fisher, P.A.
888 Seventh Ave.
New York, NY 10019
Telephone: (646) 837-7410
Facsimile: (212) 989-9163

1.7 “Class Counsel Fees and Expenses” means the amount approved by the Court pursuant to paragraph 12 for payment to Class Counsel as attorneys’ fees, costs, and litigation expenses, or \$850,000, whichever is less.

1.8 “Brake Pad Replacement” means replacing the brake pads (including parts, labor, taxes, and rotor resurfacing, but not including any costs relating to replacing rotors) on a

Settlement Class Vehicle, but does not include brake pad replacements performed on salvage vehicles.

1.9 “Court” means the United States District Court for the Eastern District of California.

1.10 “Effective Date” means the earlier of the following:

(a) The date on which the time for appeal from the Final Judgment has elapsed without any appeals being initiated, except for appeals taken from the Final Judgment that involve only the award of Class Counsel Fees and Expenses or the award to the Representative Plaintiffs described in paragraph 4.3. Any appeals limited to issues of Class Counsel Fees and Expenses or the award to Representative Plaintiffs under paragraph 4.3 (or both) will not prevent the occurrence of the Effective Date; or

(b) The date on which all appeals (other than those relating solely to the award of Class Counsel Fees and Expenses or the award to the Representative Plaintiffs under paragraph 4.3) from the Final Judgment have been exhausted, and no further appeal may be taken, and the Final Judgment has been affirmed in all material respects.

1.11 “Final Judgment” means the Final Judgment of the Court dismissing the Litigation with prejudice and approving this Settlement Agreement.

1.12 “AHM’s Counsel” means Dykema Gossett LLP.

1.13 The “Litigation” means, collectively, the related matters of *Zakskorn v. American Honda Motor Co., Inc.*, Case No. 2:11-cv-02610-KJM-KJN (E.D. Cal.) and *Hidalgo v. Honda Motor Company Ltd.*, Case No. 2:11-cv-03120-KJM-KJN (E.D. Cal.).

1.14 “Notice” means the Court-approved form of notice of the settlement to the Settlement Class, substantially.

1.15 “Notice Plan” means the plan for disseminating Notice to the Settlement Class.

1.16 “Out-of-Pocket Expense” means the amount that a Settlement Class Member paid for costs of replacing the brake pads (including parts, labor, taxes, and rotor resurfacing, but not

including any costs relating to replacing rotors) before the end of the Claims Period. Out-of-Pocket Expense does not include any amounts previously reimbursed by AHM, including pursuant to other litigation, warranty or customer goodwill, or any amounts previously reimbursed by any third party through insurance, vehicle service contracts, or otherwise.

1.17 “Parties” means the Representative Plaintiffs, on behalf of themselves and the Settlement Class, and AHM.

1.18 “Preliminary Approval Order” means the order to be entered by the Court preliminarily approving the settlement and directing that Notice be given to the Settlement Class.

1.19 “Proof of Payment” means written proof originally provided by a person or entity other than the Settlement Class Member that an Out-of-Pocket Expense was incurred by a Settlement Class Member as a result of Brake Pad Replacement. Proof shall consist of one or more contemporaneous writings, including but not limited to third party receipts, invoices, and repair orders or bills, which, either singly or together, prove the existence of Brake Pad Replacement and the amount of the Out-of-Pocket Expense.

1.20 “Released Claims” means all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, matured or unmatured, contingent or non-contingent, asserted or unasserted, or based upon any theory of law or equity now existing or coming into existence in the future, including but not limited to conduct that is negligent, fraudulent, intentional, sounds in warranty either implied or express, contract or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of different or additional facts, that any Representative Plaintiff or Settlement Class Member has or may have against any of the Released Persons arising out of or related in any way to alleged issues relating to brakes in the Settlement Class Vehicles or the premature, uneven or irregular wear of brakes on the Settlement Class Vehicles provided, however, that Released Claims do not include claims for death, personal injury, or collision. The Released Claims include claims that a Settlement Class Member does not know to exist as of the Effective Date, which if known might have affected the Settlement Class

Member's decision not to object to the settlement, or not to seek exclusion from the Settlement Class. Without necessarily agreeing that the foregoing release qualifies as a "general release," upon the Effective Date all Settlement Class Members shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived the rights and benefits of any provision of the laws of the United States or of any state or territory which provides that a general release does not extend to claims which a party does not know or suspect to exist at the time of agreeing to the release, which if known to the party may have materially affected the decision to provide the release. The immediately preceding sentence refers to, among all other similar statutes and rules, Section 1542 of the California Civil Code, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

1.21 "Released Persons" means AHM, all of AHM's parents, subsidiaries and affiliates, including but not limited to Honda Motor Co., Ltd., Honda R&D Co., Ltd., Honda R&D Americas, Inc., Honda of America Mfg., Inc., Honda of Canada Mfg., and Honda Manufacturing of Indiana, LLC, and each of their respective parent companies, subsidiaries, affiliated companies, divisions and suppliers; all Authorized Honda Dealers and distributors; and the past, present and future officers, directors, shareholders, employees, affiliates, parents, subsidiaries, agents, attorneys, suppliers, vendors, predecessors, successors, insurers, trustees, representatives, heirs, executors, and assigns of all of the foregoing persons.

1.22 "Representative Plaintiffs" means Stacie Zakskorn, Rachelle Schreiber, and Javier Hidalgo.

1.23 "Settlement Class" means all residents of the United States, Commonwealth of Puerto Rico, U.S. Virgin Islands, and Guam who currently own or lease, or previously owned or leased, a Settlement Class Vehicle. Excluded from the Settlement Class are AHM, AHM's employees, employees of AHM's affiliated companies, AHM's officers and directors, insurers of Settlement Class Vehicles, all entities claiming to be subrogated to the rights of Settlement

Class Members, issuers of extended vehicle warranties, and any Judge to whom the Litigation is assigned.

1.24 “Settlement Class Member” means a person who falls within the definition of the Settlement Class.

1.25 “Settlement Class Vehicle” means 2006-2011 Civics with rear drum brakes (DX and LX trims) distributed for sale or lease in the United States (including Puerto Rico, Guam, and the U.S. Virgin Islands). Settlement Class Vehicles shall not include EX or Hybrid trims of the 2006-2011 Civics nor any vehicles listed in this Paragraph that were: (a) salvaged prior to any Brake Pad Replacement; and/or (b) manufactured for use in a foreign country; and/or (c) previously registered in a country other than the United States

1.26 “Warranty Period” as used in this Settlement Agreement is intended to be co-extensive with the warranty period established by the New Vehicle Limited Warranty that accompanied Settlement Class Vehicles when originally sold, i.e., 3 years or 36,000 miles, whichever comes first, after a Settlement Class Vehicle is put into use in one of the following ways: (1) the vehicle is delivered to the first purchaser by a Honda dealer, (2) the vehicle is leased, or (3) the vehicle is used as a demonstrator or company vehicle.

2. DENIAL OF WRONGDOING AND LIABILITY

AHM denies the material factual allegations asserted in the Litigation, denies that the Settlement Class Vehicles are defective, and maintains that the Litigation does not qualify for class certification in a contested class certification context.

3. BENEFITS OF SETTLEMENT

3.1 Class Counsel have investigated the law and the facts and have conducted discovery on these issues. Class Counsel and the Representative Plaintiffs recognize the expense and length of the proceedings that would be necessary to prosecute the Litigation through trial and appeals, have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigation, as well as the difficulties and delays inherent in complex litigation, including potential difficulties in maintaining class

certification, and the inherent problems of proof of, and available defenses to, the claims asserted in the Litigation. The Representative Plaintiffs and Class Counsel believe that the proposed settlement confers substantial benefits upon the Settlement Class. Based on their evaluation of all of these factors, the Representative Plaintiffs and Class Counsel have determined that the settlement is in the best interests of the Settlement Class. Multiple arm's-length settlement negotiations have taken place between Class Counsel and AHM's Counsel with the assistance of an experienced mediator, Maureen A. Summers. As a result, this settlement has been reached, subject to Court approval.

4. SETTLEMENT CONSIDERATION

4.1 In consideration of the entry of the Final Judgment and the release of the Released Claims, AHM will provide the following relief:

4.2 Brake Pad Replacement and Reimbursement:

(a) For Settlement Class Members who require a Brake Pad Replacement after the Effective Date, AHM will reimburse Out-of-Pocket Expenses incurred by Settlement Class Members for parts and labor paid for the Brake Pad Replacement according to the following schedule, provided that the replacement occurs within the Warranty Period:

(1) For brake pads that require replacement after being used for 7,500 miles or less, AHM will reimburse 100% of the total costs of replacing the brake pads (including parts, labor, taxes, and rotor resurfacing, but not including any costs relating to replacing rotors).

(2) For brake pads that require replacement after being used for 7,501 miles to 15,000 miles, AHM will reimburse 50% of the total costs of replacing the brake pads (including parts, labor, taxes, and rotor resurfacing, but not including any costs relating to replacing rotors).

(3) For brake pads that require replacement after being used for 15,001 miles to 20,000 miles, AHM will reimburse 25%, of the total costs of replacing

the brake pads (including parts, labor, taxes, and rotor resurfacing, but not including any costs relating to replacing rotors).

To be eligible to receive this benefit, Settlement Class Members must bring their Settlement Class Vehicle to an Authorized Honda Dealer for Brake Pad Replacement within the Warranty Period.

(b) For Settlement Class Members who paid for a Brake Pad Replacement prior to the Effective Date, AHM will reimburse Out-of-Pocket Expenses incurred by Settlement Class Members for parts and labor paid for the Brake Pad Replacement according to the following schedule, provided that the replacement occurred within the Warranty Period:

(1) For brake pads that required replacement after being used for 7,500 miles or less, AHM will reimburse 100% of the total costs of replacing the brake pads (including parts, labor, taxes, and rotor resurfacing, but not including any costs relating to replacing rotors).

(2) For brake pads that required replacement after being used for 7,501 miles to 15,000 miles, AHM will reimburse 50% of the total costs of replacing the brake pads (including parts, labor, taxes, and rotor resurfacing, but not including any costs relating to replacing rotors).

(3) For brake pads that required replacement after being used for 15,001 miles to 20,000 miles, AHM will reimburse 25% of the total costs of replacing the brake pads (including parts, labor, taxes, and rotor resurfacing, but not including any costs relating to replacing rotors).

To be eligible for reimbursement, Settlement Class Members must provide Proof of Payment and submit a Claim Form in the manner described below within the Claims Period. Brake Pad Replacements that are required and performed after a Settlement Class Member receives Notice but before the Effective Date will not be eligible for reimbursement unless they are performed by an Authorized Honda Dealer.

4.3 For each Representative Plaintiff:

AHM will pay Representative Plaintiffs Stacie Zakskorn, Rachelle Schreiber, and Javier Hidalgo an amount to be approved by the Court, not to exceed \$7,500 in the aggregate for all Representative Plaintiffs, on account of their time and effort expended in the Litigation. Plaintiffs will apply for a service award for each Representative Plaintiff in recognition for the work he or she performed in this litigation regardless of whether he or she supports this settlement. The foregoing payments shall not reduce the benefits available to the Settlement Class. AHM will make the payments within 30 days after the Effective Date, or within 30 days after the date when all appeals with respect to the award contemplated in this paragraph have been fully resolved, whichever occurs later, provided that the Representative Plaintiffs have provided AHM with W-9s. The Representative Plaintiffs shall also be entitled to a Brake Pad Replacement and payments for Out-of-Pocket Expenses to the same extent that Settlement Class Members are eligible for such relief.

5. REIMBURSEMENT PAYMENTS

5.1 Within a reasonable time following the Effective Date or AHM's receipt of a Claim Form from a Settlement Class Member, whichever occurs later, AHM will send payments pursuant to paragraphs 4.2 directly to Settlement Class Members who submit valid and timely Claim Forms.

5.2 To be eligible for payment pursuant to paragraph 4.2, Settlement Class Members must provide the following information, as indicated on the Claim Form:

- (a) Name and mailing address of the Settlement Class Member;
- (b) Identification of the Settlement Class Vehicle for which a claim is being made, including the Vehicle Identification Number and dates of ownership;
- (c) Proof of Payment for Out-of-Pocket Expenses; and
- (d) Original documentation establishing the number of miles on the replaced brake pads at the time of replacement, such as an invoice showing when those brake pads were originally installed and the mileage on the vehicle at the time of installation. Absent such

documentation it shall be presumed that the replaced brake pads were the brake pads on the vehicle at the time of its original sale to the first retail customer.

(e) The following attestation: "I declare under penalty of perjury that the foregoing is true and correct. Executed on (date)."

5.3 If AHM denies a claim for a reimbursement, the Settlement Class Member may request reconsideration by AHM within 30 days of the decision in accordance with Section 9.3 of the Settlement Agreement. The Settlement Class Member may also appeal the denial to the Better Business Bureau for resolution in accordance with the terms and conditions of the limited warranty that accompanied the Settlement Class Vehicle, except that any such appeal must be made within 90 days of final denial by AHM and any decision by the Better Business Bureau will be final and binding upon both parties. AHM will pay any cost charged by the Better Business Bureau for resolving the dispute. Each party shall be responsible for paying his, her or its own attorneys' fees and other expenses if they decide to retain counsel.

6. EFFECT ON EXISTING WARRANTIES OR CUSTOMER SATISFACTION PROGRAMS

Nothing in the Settlement Agreement will be construed as adding to, diminishing or otherwise affecting any express or implied warranty, duty or contractual obligation of AHM in connection with the Settlement Class Vehicles, except as it relates to the brake pads at issue in the Litigation. AHM may continue to implement any customer satisfaction or goodwill policy, program or procedure in its discretion, and may extend goodwill consideration to individual Settlement Class Members on a case by case basis, without regard to their entitlement to relief under the Settlement Agreement, except that double recovery is not available under the settlement (i.e., any good will or other payment will reduce or eliminate the right to recover for the same benefit previously provided).

7. RELEASES

7.1 Upon the Effective Date, the Representative Plaintiffs and Settlement Class Members forever release, discharge and covenant not to sue the Released Persons regarding any

of the Released Claims. With respect to all Released Claims, the Representative Plaintiffs and the Settlement Class Members expressly waive and relinquish the Released Claims to the fullest extent permitted by law. The releases set forth in the Settlement Agreement shall apply even if the Representative Plaintiffs or Settlement Class Members subsequently discover facts in addition to or different from those which they now know or believe to be true. The Parties acknowledge that the foregoing release was bargained for and is a material element of the Settlement Agreement.

8. NOTICE PLAN

8.1 AHM will be responsible for implementing the Notice Plan.

8.2 AHM will obtain from POLK or a similar entity the best available names and addresses of all present and former owners and lessees of Settlement Class Vehicles. This data shall be run through the National Change of Address database for the purpose of updating addresses before the Notice is mailed.

8.3 Within 90 days of the Court's issuance of the Preliminary Approval Order, AHM will begin mailing the Notice by first-class mail, together with the Claim Form, to all Settlement Class Members for whom address information is available. AHM may, at its option, mail the Notice and Claim Form in stages to the Settlement Class Members.

8.4 AHM will provide the Notice and Claim Form to any Settlement Class Member who requests them.

8.5 AHM will establish and maintain a website, which will make available documents relating to the settlement (including the Notice and Claim Form) available for download. The Settlement Agreement will also be posted on the website. The website will contain updated information on when the Settlement Agreement will become effective and the duration of the Claims Period.

8.6 AHM, upon request, will provide available information to Class Counsel on a monthly basis about the number of claims submitted, the amount of each claim, and claims rulings so that Class Counsel may monitor the claims process.

9. CLAIMS ADMINISTRATION AND PROCEDURE

9.1 Settlement Class Members who believe they are eligible for monetary reimbursement pursuant to paragraph 4.2(b) must send AHM the Claim Form and Proof of Payment. Upon receiving a Claim Form, AHM will review the documentation and confirm or deny the Settlement Class Member's eligibility for payment within the deadlines set forth in the Settlement Agreement.

9.2 All Claim Forms must be postmarked within the Claims Period. Any Settlement Class Member who fails to submit a Claim Form postmarked by that deadline shall not be entitled to receive any payment pursuant to the Settlement Agreement, but shall in all respects be bound by the terms of the Settlement Agreement, including the release.

9.3 Claim Forms that do not meet the requirements set forth in the Settlement Agreement shall be rejected. Grounds for rejection include, but are not limited to, failure to provide Proof of Payment or any other required information. Within 30 days after expiration of the Claims Period, AHM shall notify in writing any claimant whose Claim Form has been rejected, in whole or in part, setting forth the reasons for the rejection, as well as providing notice of the claimant's right to contest the rejection or to attempt to cure the defect within 30 days. Class Counsel will be provided with a list of all claims that have been denied.

9.4 If any claimant whose Claim Form has been rejected, in whole or in part, contests that decision, the claimant must mail AHM a notice and statement of reasons indicating the claimant's grounds for contesting the rejection, along with any supporting documentation, and requesting further review by AHM. Any challenge to the rejection of a Claim Form must be postmarked within 30 days after the date of mailing of the notice of the rejection. Any claims submitted after this deadline shall be forever barred. The decision of AHM shall be final unless the Settlement Class Member submits the denied claim to the Better Business Bureau for resolution as described in paragraph 5.3. Should the Better Business Bureau decline to adjudicate the dispute, the dispute will be determined by the Court.

9.5 No monetary reimbursement shall be provided to Settlement Class Members pursuant to the Settlement Agreement until after the Effective Date.

9.6 If this settlement is not approved, or for any reason the Effective Date does not occur, no monetary reimbursement of any kind shall be made pursuant to the Settlement Agreement.

10. OBJECTIONS AND REQUESTS FOR EXCLUSION

10.1 The Parties agree to ask the Court to require any Settlement Class Member who intends to object to the fairness, reasonableness or adequacy of the settlement to file any objection via the Court's electronic filing system or to send the objection to the Court and mail a copy to AHM's Counsel and Class Counsel via first-class mail. Objections must be filed electronically or received by AHM's Counsel or Class Counsel not later than a date to be set by the Court, which date shall be approximately 45 days after the mailing of the Notice. Any objecting Settlement Class Member must: (a) set forth his, her or its full name, current address and telephone number; (b) identify the date of acquisition and Vehicle Identification Number for his, her or its Settlement Class Vehicle; (c) state that the objector has reviewed the Settlement Class definition and understands that he, she or it is a Settlement Class Member; (d) explain the legal and factual bases for any objection; and (e) provide copies of any documents the objector wants the Court to consider. In addition, any Settlement Class Member objecting to the settlement shall provide a list of all other objections submitted by the objector, or the objector's counsel, to any class action settlements submitted in any court in the United States in the previous five years. If the Settlement Class Member or his, her or its counsel has not objected to any other class action settlement in the United States in the previous five years, he, she or it shall affirmatively so state in the objection. Objections must be filed with the Court, and if not filed via the Court's electronic filing system, must be served by first-class mail upon:

AHM's Counsel at:

Brian Newman
Dykema Gossett LLP
333 South Grand Avenue, Suite 2100

Los Angeles, California 90071

And upon Class Counsel at: Cory S. Fein
Caddell & Chapman
1331 Lamar, Suite 1070
Houston, TX 77010-3027

10.2 Subject to approval of the Court, any objecting Settlement Class Member may appear, in person or by counsel, at the final fairness hearing (referenced in paragraph 11) to explain why the proposed settlement should not be approved as fair, reasonable, and adequate, or to object to any petitions for Class Counsel Fees and Expenses or incentive awards. The objecting Settlement Class Member must file with the Clerk of the Court and serve upon all counsel designated in the Notice a notice of intention to appear at the fairness hearing by the objection deadline. The notice of intention to appear must include copies of any papers, exhibits, or other evidence that the objecting Settlement Class Member (or the objecting Settlement Class Member's counsel) will present to the Court in connection with the fairness hearing. Any Settlement Class Member who does not provide a notice of intention to appear in accordance with the deadlines and other specifications set forth in the Notice, or who has not filed an objection in accordance with the deadlines and other specifications set forth in the Settlement Agreement and the Notice, may be deemed to have waived any objections to the settlement.

10.3 The filing of an objection allows Class Counsel or AHM's Counsel to take the deposition of the objecting Settlement Class Member pursuant to the Federal Rules of Civil Procedure at an agreed-upon time and location, and to obtain any evidence relevant to the objection. Failure by an objector to make himself or herself available for a deposition or comply with expedited discovery requests may result in the Court striking the objection. The Court may tax the costs of any such discovery to the objector or the objector's counsel if the Court determines that the objection is frivolous or is made for an improper purpose.

10.4 Settlement Class Members may exclude themselves from the settlement, relinquishing their rights to any benefits under the Settlement Agreement. Settlement Class Members who exclude themselves will not release their claims. A Settlement Class Member wishing to exclude himself, herself or itself must send a letter to AHM's counsel so that it is received by a date to be set by the Court, which date shall be approximately 45 days after the date of the mailing of Notice to Settlement Class Members, including: (a) his, her or its name, current address, and telephone number; (b) the approximate date of acquisition and Vehicle Identification Number for his, her or its Settlement Class Vehicle; and (c) a clear statement communicating that he, she or it elects to be excluded from the Settlement Class, does not wish to be a Settlement Class Member and elects to be excluded from any judgment entered pursuant to the settlement. Any request for exclusion must be received on or before the deadline provided in the Notice. Settlement Class Members who fail to submit a valid and timely request for exclusion shall be bound by the Settlement Agreement.

10.5 Any Settlement Class Member who submits a timely request for exclusion may not object to the settlement and shall be deemed to have waived any rights or benefits under the Settlement Agreement. If a Settlement Class Member files a Claim Form and also requests exclusion from the settlement, then the Settlement Class Member will remain in the Settlement Class and the request for exclusion will be void. If a Settlement Class Member opts out and files a separate action based on the same or similar facts, in any tribunal, and also submits a Claim Form, the Settlement Class Member shall be deemed to have opted out of the Settlement Class regardless of the outcome of the separate action.

10.6 Not later than 21 days after the deadline for submission of requests for exclusion, AHM shall provide Class Counsel with a complete exclusion list together with copies of the exclusion requests.

11. **FAIRNESS HEARING**

11.1 Promptly after execution of the Settlement Agreement, Class Counsel will submit the Settlement Agreement to the Court and will ask the Court to issue an order certifying the Settlement Class for settlement purposes only and preliminarily approving the proposed settlement. The final fairness hearing shall be scheduled so as to allow time for filing requests for exclusion and objections (and responses to any objections), as well as the time mandated by the Class Action Fairness Act, and shall be conducted to consider final approval of the settlement, including the amount payable for Class Counsel Fees and Expenses.

12. CLASS COUNSEL FEES AND EXPENSES

12.1 AHM shall pay all expenses incurred in administering the Settlement Agreement, including the cost of the Class Notice and the cost of distributing and administering the benefits of the Settlement Agreement, subject to approval of the Court.

12.2 Class Counsel may apply to the Court for an award of reasonable attorneys' fees and expenses, not to exceed the total sum of \$850,000. AHM will not oppose Class Counsel's application for attorneys' fees and expenses not exceeding the total combined sum of \$850,000. AHM agreed not to oppose this amount after an arms-length adversarial negotiation with Class Counsel, in a mediation session presided over by an experienced neutral mediator, which occurred after all other terms of the Settlement were agreed.

12.3 Within 30 days after the Effective Date, or within 30 days after the date when all appeals with respect to Class Counsel Fees and Expenses have been fully resolved, whichever occurs later, and provided that all Class Counsel have provided AHM with W-9s, AHM shall pay, by wire transfer to the trust account of Caddell & Chapman("Class Counsel Payee"), the Class Counsel Fees and Expenses.

12.4 Upon the wire transfer described in paragraph 12.3, the Class Counsel Payee shall distribute Class Counsel Fees and Expenses between and among Class Counsel as Class Counsel mutually agree among themselves. Payment of the wire transfer shall constitute full satisfaction of AHM's obligation to pay any amounts to all persons, attorneys or law firms for attorneys' fees, expenses or costs in the Litigation incurred by any attorney or other person on behalf of

Representative Plaintiffs or any Settlement Class Member. Upon payment of Class Counsel Fees and Expenses to the Class Counsel Payee, Class Counsel release all Released Persons from any and all claims resulting from the Litigation or the distribution of Class Counsel Fees and Expenses.

12.5 Class Counsel Fees and Expenses shall be in addition to the benefits provided directly to the Settlement Class, and shall have no effect on the benefits made available to the Settlement Class.

13. CONDITIONS FOR EFFECTIVE DATE; EFFECT OF TERMINATION

13.1 If the Court does not approve the Settlement Agreement or the settlement is terminated or fails to become effective in accordance with the terms of the Settlement Agreement, the Parties and the Settlement Class Members will be restored to their positions in the Litigation as of the date of the Settlement Agreement. If that happens, the terms and provisions of the Settlement Agreement will have no further effect and may not be used in the Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Settlement Agreement will be treated as vacated. No order of the Court or of any appellate court concerning Class Counsel Fees and Expenses will constitute grounds for termination of the Settlement Agreement. In addition, AHM may withdraw from the Settlement Agreement, and render the settlement void, if the total number of exclusions exceeds 5 percent of the Settlement Class.

14. BEST EFFORTS

14.1 The Parties and their counsel agree to cooperate with one another and to use their best efforts to effectuate the settlement, including by promptly agreeing upon and executing all documentation reasonably required to obtain final approval of the settlement and to carry out the terms of the Settlement Agreement.

15. MISCELLANEOUS PROVISIONS

15.1 The administration of the Settlement Agreement shall be under the authority of the Court. The Court shall retain jurisdiction to protect, preserve, and implement the terms of the

Settlement Agreement. In connection with preliminary approval of the settlement, the Court shall preliminarily enjoin Settlement Class Members from commencing or prosecuting any action against the Released Persons relating to any of the Released Claims in aid of the Court's jurisdiction to implement and enforce the settlement. In connection with final approval of the settlement, the Court shall permanently enjoin all Settlement Class Members from instituting any action against the Released Persons relating to any of the Released Claims.

15.2 AHM shall comply with the requirement of 28 U.S.C. § 1715(b) that each defendant participating in a proposed class action settlement notify the appropriate state official of each state in which a Settlement Class Member resides.

15.3 The Parties intend the settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The settlement compromises all contested claims as well as any claims that might be asserted in the Litigation and will not be deemed an admission by AHM as to the merits of any claim which has been or could have been asserted in the Litigation.

15.4 Neither the Settlement Agreement nor the settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement or the settlement is an admission of, or evidence of, the validity of any of the Released Claims, or of any wrongdoing or liability of any of the Released Persons; or is an admission of, or evidence of, any fault or omission of any Released Person in any proceeding. Any Released Person may file the Settlement Agreement or the Final Judgment in any action in order to support any defense or counterclaim, including, without limitation, those based on res judicata, collateral estoppel, release, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion. Nothing in the Settlement Agreement releases any Settlement Class Member from any money owed to any AHM entity for any reason.

15.5 All agreements made and orders entered during the Litigation relating to the confidentiality of information will survive the Settlement Agreement.

15.6 The exhibits to the Settlement Agreement are material and integral parts of the agreement and are incorporated by reference.

15.7 The Settlement Agreement may be amended or modified only in a writing signed by or on behalf of all Parties or their respective successors in interest.

15.8 The Settlement Agreement constitutes the entire agreement among the Parties, and no other representations, warranties or inducements have been made to any party concerning the Settlement Agreement.

15.9 Each individual executing the Settlement Agreement on behalf of any Party represents and warrants that he or she has the full authority to do so.

15.10 The Settlement Agreement may be executed in one or more counterparts.

15.11 The Settlement Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

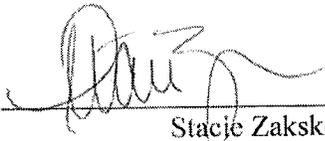
15.12 Except as otherwise provided in the Settlement Agreement, the Parties will bear their own attorneys' fees and costs. AHM shall in no way be liable for any taxes Class Counsel, the Representative Plaintiffs, Settlement Class Members or others may be required to pay as a result of the receipt of settlement benefits.

15.13 None of the Parties will be deemed the drafter of the Settlement Agreement for purposes of construing its provisions. The language in all parts of the Settlement Agreement will be interpreted according to its fair meaning, and will not be interpreted for or against any of the Parties as the drafter.

15.14 The Settlement Agreement will be construed and enforced in accordance with, and governed by, the substantive laws of California, without giving effect to that state's choice-of-law principles. However, the Parties acknowledge that federal law (including Fed. R. Civ. P. 23 and federal case law) applies to consideration and approval of the settlement, certification of the Settlement Class, and all related issues such as any petition for Class Counsel Fees and Expenses.

15.15 The Parties will not make any public statement about the settlement, including any representations by their counsel on their websites or otherwise, other than Class Counsel being permitted to place neutral notices (subject to AHM's review and approval, which approval shall not be unreasonably withheld) on their websites that a settlement has been reached with a hyperlink to the settlement website. The Parties will only make jointly approved public statements regarding the settlement.

Date: 12/15/13



Stacie Zakskorn

Date:

Rachelle Schreiber

Date:

Javier Hidalgo

Date:

American Honda Motor Co., Inc.

By: _____
Bruce T. Smith
Senior Vice President
Parts, Service, and Technical Division

15.15 The Parties will not make any public statement about the settlement, including any representations by their counsel on their websites or otherwise, other than Class Counsel being permitted to place neutral notices (subject to AHM's review and approval, which approval shall not be unreasonably withheld) on their websites that a settlement has been reached with a hyperlink to the settlement website. The Parties will only make jointly approved public statements regarding the settlement.

Date:

Stacie Zakskorn

Date:



Rachelle Schreiber

Date:

Javier Hidalgo

Date:

American Honda Motor Co., Inc.

By: _____

Bruce T. Smith
Senior Vice President
Parts, Service, and Technical Division

15.15 The Parties will not make any public statement about the settlement, including any representations by their counsel on their websites or otherwise, other than Class Counsel being permitted to place neutral notices (subject to AHM's review and approval, which approval shall not be unreasonably withheld) on their websites that a settlement has been reached with a hyperlink to the settlement website. The Parties will only make jointly approved public statements regarding the settlement.

Date:

Stacie Zakskorn

Date:

Rachelle Schreiber

Date: 12-11-2013



Javier Hidalgo

Date:

American Honda Motor Co., Inc.

By: _____

Bruce T. Smith
Senior Vice President
Parts, Service, and Technical Division

15.15 The Parties will not make any public statement about the settlement, including any representations by their counsel on their websites or otherwise, other than Class Counsel being permitted to place neutral notices (subject to AHM's review and approval, which approval shall not be unreasonably withheld) on their websites that a settlement has been reached with a hyperlink to the settlement website. The Parties will only make jointly approved public statements regarding the settlement.

Date:

Stacie Zakskorn

Date:

Rachelle Schreiber

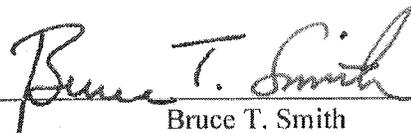
Date:

Javier Hidalgo

Date:

American Honda Motor Co., Inc.

By:



Bruce T. Smith

Senior Vice President
Parts, Service, and Technical Division

APPROVED AS TO FORM:

For Named Plaintiffs and the Settlement Class



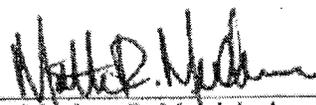
Michael A. Caddell
Cynthia B. Chapman
Cory S. Fein
Caddell & Chapman
1331 Lamar, Suite 1070
Houston, TX 77010-3027
Telephone: (713) 751-0400
Facsimile: (713) 751-0906



Payam Shahian
Strategic Legal Practices, APC
1875 Century Park East, Suite 700
Los Angeles, CA 90067
Telephone: (310) 277-1040
Facsimile: (310) 943-3838



Robert L. Starr
The Law Office of Robert L. Starr
23277 Ventura Boulevard
Woodland Hills, California 91364
Telephone: (818) 225-9040
Facsimile: (818) 225-9042



Matthew R. Mendelsohn

Mazic Slater Katz & Freeman, LLC
103 Eisenhower Parkway, 2nd Floor
Roseland, New Jersey 07068
Telephone: (973) 228-9898
Facsimile: (973) 228-0303



L. Timothy Fisher
Joseph I. Marchese
Bursor & Fisher
888 Seventh Ave.
New York, NY 10019
Telephone: (646) 837-7410
Facsimile: (212) 989-9163

For American Honda Motor Co., Inc.



Derek Whitefield
Dykema Gossett LLP
333 South Grand Avenue, Suite 2100
Los Angeles, California 90071
Telephone: (213) 457-1800
Facsimile: (213) 457-1850