

**MASTER SETTLEMENT AGREEMENT AND RELEASE**

Plaintiffs and Class Representatives Vanessa Browne and Paul Moore ("Plaintiffs" or "Class Representatives"), by and through their counsel, and Defendant American Honda Motor Co., Inc. ("Honda"), by and through its counsel, hereby enter into this Master Settlement Agreement and Release ("Settlement Agreement"), subject to the approval of the Court, providing for the settlement of the claims herein described against Honda (the "Settlement") and the Mutual Release set forth herein.

**WHEREAS**, Plaintiffs have filed a putative class action against Honda in the United States District Court for the Central District of California captioned *Browne et al. v. American Honda Motor Co., Inc.* (Case No. 2:09-cv-06750-MMM (DTBx)) (the "Litigation"), asserting claims for violation of California Civil Code § 1750 *et seq.* ("CLRA"), violation of California Business & Professions Code § 17200 *et seq.* ("UCL"), and for breach of written warranty under the Magnuson-Moss Warranty Act (15 U.S.C. § 2301 *et seq.*) and under California Commercial Code § 2313;

**WHEREAS**, Plaintiffs and Honda (the "Parties") have explored and discussed at length the factual and legal issues in the Litigation;

**WHEREAS**, the Parties have participated in three in-person settlement meetings on (1) October 2, 2009 in San Francisco, (2) October 7, 2009 in Los Angeles, and (3) October 30, 2009 in San Francisco, as well as many telephone conferences throughout November and December, on an almost daily basis. Numerous internal Honda documents were shared and explained during these meetings. Honda's lead counsel, in-house senior counsel, and a Honda engineer have attended each of the in-person meetings, as have several of Plaintiffs' counsel. Plaintiffs' expert engineer also attended two of the three meetings between the Parties, during

which he and Honda's engineer had a candid exchange on various technical issues concerning the Class Vehicles' braking system and during which he physically inspected several of the braking system components at issue in the Litigation;

**WHEREAS**, through the vigorous discussions and negotiations described above, the Parties made substantial progress towards reaching an agreement to resolve the Litigation and the disputes between them, but were not able to reach agreement as to all outstanding issues;

**WHEREAS**, on November 18, 2009, the Parties participated in a settlement conference with the Honorable Margaret M. Morrow, United States District Court Judge, in Los Angeles, California to attempt to reach agreement on outstanding issues;

**WHEREAS**, after the November 18, 2009, settlement conference, the Parties continued their discussions and ultimately reached an agreement, subject to the Court's approval, to resolve the Litigation;

**WHEREAS**, for purposes of this settlement only, the Parties agree to the certification of a settlement class ("Class" or "Settlement Class") generally defined as follows:

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 Class Vehicle.

**WHEREAS**, the Parties agree that the following persons and entities should be excluded from the Class: Honda, Honda's employees, employees of Honda's affiliated companies, Honda's officers and directors, Honda's counsel, insurers of Class Vehicles, all entities claiming to be subrogated to the rights of Class Members, issuers of extended vehicle warranties, and the Judge(s) to whom the Litigation is or will be assigned;

**WHEREAS**, Plaintiffs, by and through Class Counsel, have: (a) made a thorough

investigation of the facts and circumstances surrounding the allegations asserted in the Litigation; (b) engaged in, and continue to engage in, investigation and confirmatory discovery of the claims asserted in the Litigation, including but not limited to (i) researching, reviewing and analyzing industry data, information, and public reports; (ii) interviewing and/or deposing witness(es), consultants and experts; (iii) reviewing and analyzing Honda's documents; and (iv) investigating the law applicable to the claims asserted in the Litigation, including the defenses that Honda would likely assert;

**WHEREAS**, Honda does not believe Plaintiffs' claims are meritorious and has denied and continues to deny that it is legally responsible or liable to Plaintiffs or any member of the Class for any of the matters asserted in this Litigation, but has concluded that settlement is desirable to avoid the time, expense, and inherent uncertainties of defending protracted litigation and to resolve, finally and completely all pending and potential claims of Plaintiffs and all members of the Class relating to claims which were or could have been asserted by Plaintiffs and the Class in this Litigation relating to the alleged practices and claimed defects at issue;

**WHEREAS**, Plaintiffs' counsel is experienced in this type of class litigation, recognize the costs and risks of prosecution of this Litigation believe that it is in Plaintiffs' interest, and the interest of all Class Members, to resolve this Litigation, and any and all claims against Honda arising from the conduct alleged in the Action, in this Settlement Agreement;

**WHEREAS**, significant arm's-length settlement negotiations have taken place between the Parties and, as a result, this Settlement Agreement has been reached, subject to the Court approval process set forth herein;

**WHEREAS**, the undersigned Parties believe that this Settlement Agreement offers significant benefits to Class Members and is fair, reasonable, adequate and in the best interest of

Class Members; and

**WHEREAS**, this Settlement Agreement is made and entered into by and among Plaintiffs, individually and on behalf of the Class, and Honda;

**WHEREAS**, this Settlement Agreement is intended to supersede any and all agreements previously executed by the parties with respect to claims asserted in the Litigation;

**NOW, THEREFORE**, it is hereby stipulated and agreed, by and between the undersigned Parties, as follows:

#### **I. DEFINITIONS**

As used in this Settlement Agreement, the following terms shall have the meaning set forth below. Where appropriate, terms used in the singular shall be deemed to include the plural and vice versa.

1) **Action.** "Action" shall mean *Browne et al. v. American Honda Motor Co., Inc.* (Case No. 2:09-cv-06750-MMM (DTBx)), which also is defined as the "Litigation."

2) **Benefit Period.** "Benefit Period" means the three year period commencing on the Original Purchase Date, regardless of mileage, or 90 days from the Final Approval date, regardless of mileage, whichever is longer.

3) **Claim.** "Claim" means a request for reimbursement pursuant to the provisions of Section III(A) and/or Section III(B) of this Agreement.

4) **Claim Form.** "Claim Form" shall mean a form mutually prepared and agreed upon by the Parties, to be used by Class Members to request reimbursement pursuant to Paragraph III(A) of this Settlement Agreement.

5) **Claims Administrator.** "Claims Administrator" shall mean Rust Consulting, Inc. or another agreeable claims administrator.

6) **Class Counsel.** "Class Counsel" shall mean Girard Gibbs LLP and Berk Law PLLC.

7) **Class Counsel Fees and Expenses.** "Class Counsel Fees and Expenses" shall mean attorneys' fees and expenses in the amount not to exceed Two Million Dollars and No Cents (\$2,000,000) that Defendant agrees to pay to Class Counsel, subject to approval of the Court. The Class Counsel Fees and Expenses will be paid separate and apart from any relief provided to the Class.

8) **Class Members.** "Class Members" shall mean 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 Class Vehicle. Honda, Honda's employees, employees of Honda's affiliated companies, their officers and directors, Honda's counsel, insurers of Class Vehicles, all entities claiming to be subrogated to the rights of Class Members, issuers of extended vehicle warranties, and the Judge(s) to whom this Litigation is or has been assigned are specifically excluded from the definition of Class Members.

9) **Class Representatives.** "Class Representatives" shall mean Vanessa Browne and Paul Moore.

10) **Class Notice.** "Class Notice" shall mean the Court-approved form of notice to Class Members, mutually prepared and agreed upon by the Parties, informing Class Member of, among other things, (i) the preliminary approval of the Settlement; (ii) the scheduling of the Final Approval Hearing; (iii) their opportunity to comment on or object to, or exclude themselves from, the Settlement; (iv) their opportunity to submit a claim; (v) how to obtain additional Claim Forms; and (vi) the manufacturers suggested retail price for the New Material Brake Pad.

11) **Class Vehicle(s).** "Class Vehicles" shall mean the following automobiles sold or leased in the United States, Commonwealth of Puerto Rico, U.S. Virgin Islands, or Guam:

- a. 2008 and 2009 model year Honda Accord automobiles;
- b. 2009 model year Acura TSX automobiles;
- c. Certain 2010 model year Honda Accord automobiles identified by VIN numbers included in a list provided to and maintained by Class Counsel and Honda's Counsel; and
- d. Certain 2010 model year Acura TSX automobiles identified by VIN numbers included in a list provided to and maintained by Class Counsel and Honda's Counsel.

12) **Court.** "Court" shall mean the United States District Court for the Central District of California, the Honorable Margaret M. Morrow presiding, or her duly appointed successor.

13) **Defendant.** "Defendant" shall mean Honda, Honda Motor Co., Ltd., Honda R & D Co., Ltd., Honda R & D Americas, Inc., Honda of America Mfg., Inc., Honda Manufacturing of Alabama, LLC, Honda of Canada Mfg., and all Honda related companies involved in the development, design, testing, manufacture, assembly, distribution and sale of the Class Vehicles, all authorized Honda and Acura automobile dealerships, all suppliers, as well as each of their respective predecessors, successors, assigns, directors, officers, agents, insurers, attorneys, representative and employees. Authorized Honda and Acura dealerships are not released under this Settlement Agreement from independent tort liability (if any) related to their servicing or repair of the Rear Braking System on Class Vehicles.

14) **Defendant's Counsel.** "Defendant's Counsel" shall mean Lewis Brisbois

Bisgaard & Smith LLP.

15) **Defendant's Lead Counsel.** "Defendant's Lead Counsel" shall mean Roy M. Brisbois of Lewis Brisbois Bisgaard & Smith LLP.

16) **Effective Date.** "Effective Date" shall mean the date following the entry of the Final Approval Order on which the time for any appeal expires, or the date on which all appeals from the Final Approval Order are finally decided or terminated, whichever date is later.

17) **Final Approval Hearing.** "Final Approval Hearing" shall mean the hearing at which the Court will consider and finally decide whether to enter the Final Approval Order.

18) **Final Approval Order.** "Final Approval Order" shall mean the order of the Court that approves this Settlement Agreement and makes such other final rulings as are contemplated by this Settlement Agreement, which may or may not include approving payment of Incentive Awards and Class Counsel's Fees and Expenses, and which shall be mutually prepared and agreed upon by the Parties.

19) **Glove Compartment Insert.** "Glove Compartment Insert" refers to a section of the Class Notice that can be cut or torn by the Class Member, to be placed in the Class Vehicles' glove compartment and that will contain information explaining eligibility and reimbursement procedures available to Class Members, including how to obtain additional Claim Forms.

20) **Honda.** "Honda" shall mean American Honda Motor Co., Inc., and its successors, assigns, directors, officers, agents, attorneys, representatives and employees.

21) **Incentive Awards.** "Incentive Awards" shall mean up to the Two Thousand Dollars and No Cents (\$2,000) in payments that the Defendant agrees to pay in total to Plaintiffs to compensate them for their time and efforts on behalf of the Class, subject to approval of the Court.

- 22) **Litigation.** "Litigation" shall mean the Action as defined above.
- 23) **New Material Brake Pad.** "New Material Brake Pad" means the newly developed brake pad using different materials identified as D6247 and expected to be available for use on Class Vehicles prior to the Final Approval Hearing.
- 24) **Objection and Comment Date.** "Objection Date" shall mean the date agreed upon by the Parties or otherwise ordered by the Court for Class Members to comment on or object to the Settlement Agreement's terms or provisions and submit any required statements, proof, or other materials and/or argument.
- 25) **Original Purchase Date.** "Original Purchase Date" means the date a Class Vehicle is put into use in one of the following ways: (a) the vehicle is delivered to the first purchaser by the Honda dealer; (b) the vehicle is leased; or (c) the vehicle is used as a demonstrator or company vehicle.
- 26) **Out of Pocket Expense.** "Out of Pocket Expense" means money paid by or on behalf of a Class Member for which the Class Member was not otherwise fully reimbursed by insurance, warranty, or goodwill. Money paid by or on behalf of a Class Member in furtherance of repairs to a Class Vehicle not related to the Rear Braking System is not an Out of Pocket Expense. Money paid by or on behalf of a Class Member as a result of an accident is not an Out of Pocket Expense.
- 27) **Parties.** "Parties" shall mean the Plaintiffs and Honda.
- 28) **Plaintiffs.** "Plaintiffs" shall mean the Class Representatives as defined above.
- 29) **Preliminary Approval Order.** "Preliminary Approval Order" shall mean the order of the Court preliminarily approving this Settlement Agreement, which shall be mutually prepared and agreed upon by the Parties for submission to the Court.



30) **Rear Brake Pad.** "Rear Brake Pad" means brake pads bearing any of the following part numbers: Part No. 43022-TA0-A00, Part No. 43022-TA0-A51, or Part No. 43022-TA0-A70.

31) **Rear Braking System.** "Rear Braking System" refers to the Class Vehicles' rear brake pads, rotors, and calipers.

32) **Request for Exclusion.** "Request for Exclusion" shall mean any request by any Class Member for exclusion from the Settlement.

33) **Required Documentation.** "Required Documentation" shall mean a receipt or other documentary evidence which reflects the date, price, vehicle information and nature of a repair.

34) **Settlement.** "Settlement" shall mean the agreement by the Parties to resolve this Litigation, the terms of which have been memorialized and provided for in this Settlement Agreement.

35) **Settlement Agreement.** "Settlement Agreement" shall mean this Settlement Agreement and Release.

36) **Settlement Class Members.** "Settlement Class Members" shall have the same meaning as Class Members.

37) **VIN.** "VIN" shall mean the vehicle identification number for a Class Vehicle.

## **II. REQUIRED EVENTS**

Promptly after execution of this Settlement Agreement by all Parties:

A. Class Counsel and Defendant's Counsel shall take all reasonable and necessary steps if it is determined and agreed that additional confirmatory discovery is needed.

B. The Parties shall seek entry of a Preliminary Approval Order as soon as

practicable.

C. The Parties will use their best efforts, consistent with the terms of this Settlement Agreement, to promptly obtain a Final Approval Order.

D. In the event that the Court fails to issue the Preliminary Approval Order, or fails to issue the Final Approval Order, this Settlement Agreement is voidable by either party. However, the Parties agree to use their best efforts, consistent with this Settlement Agreement, to cure any defect(s) identified by the Court.

E. The Parties acknowledge that prompt approval, consummation, and implementation of the Settlement set forth in this Settlement Agreement are essential. The Parties shall cooperate with each other in good faith to carry out the purposes of and effectuate this Settlement Agreement, shall promptly perform their respective obligations hereunder, and shall promptly take any and all actions and execute and deliver any and all additional documents and all other materials and/or information reasonably necessary or appropriate to carry out the terms of this Settlement Agreement and the transactions contemplated hereby.

F. Upon Entry of the Final Approval Order, this Action shall be dismissed, on its merits and with prejudice, subject to the continuing jurisdiction of this Court. The Final Approval Order also will enjoin the prosecution of any litigation or class action related to the Rear Braking System on behalf of any member of the Settlement Class (other than any Class Members who timely and properly opt out of or request exclusion from the Settlement Class).

### **III. SETTLEMENT TERMS**

A. Reimbursement for Rear Brake Repairs: Upon the submission of a timely and valid Claim Form and Required Documentation, Honda through the claims administrator agrees to reimburse Class Members for rear brake repairs on the Class Vehicles as follows:

1. Rear Brake Pad Replacement: Honda will reimburse Class Members the lesser of one hundred and twenty five dollars (\$125) or fifty percent (50%) of the Out of Pocket Expense for each Rear Brake Pad replaced (1) with a brake pad bearing either Part No. 43022-TA0-A00, Part No. 43022-TA0-A51, or Part No. 43022-TA0-A70, (2) during the Benefit Period, (3) prior to the installation of a New Material Brake Pad, (4) for which a Class Member incurred an Out of Pocket Expense, and (5) for which a Claim is made no later than ninety (90) days after the Effective Date. There is no cap or limit to the number of Rear Brake Pad replacements for which a Class Member may seek reimbursement. Class Members may submit multiple Claims for Rear Brake Pad replacements using a single Claim Form. Class Members may combine Claims for Rear Brake Pad replacements, on the one hand, and a Claim for the New Material Brake Pad on the other, using a single Claim Form, or may submit Claims for reimbursement for the Rear Brake Pad replacement and the New Material Rear Brake Pad replacement using separate Claim Forms. Class Members may seek reimbursement under this paragraph for qualifying Rear Brake Pad replacements whether they were obtained at an authorized Honda dealership or elsewhere. If a Class Member performed the Rear Brake Pad replacement himself or herself (i.e. did not go to a Honda dealership or third-party repair facility for the repair), he or she may seek reimbursement under this paragraph for the Out Of Pocket Expense for the Rear Brake Pad parts used, but not for the cost of labor.

2. Reimbursement for Installation New Material Brake Pads: Honda will provide a one-time reimbursement to Class Members for the installation of the New Material Brake Pads. The reimbursement amount will be the lesser of one hundred and fifty dollars (\$150) or one hundred percent (100%) of the Out of Pocket Expense for the installation of New Material Brake Pads (parts, labor and turning of rotors). Beginning from the date the

Preliminary Approval Order is issued, Honda agrees to maintain the manufacturer's suggested retail price ("MSRP") for the New Material Rear Brake Pads to \$66.66 for one (1) year. Honda further agrees not to increase the MSRP for the New Material Brake Pad by more than five percent (5%) each of the next two years.

3. Repairs under this paragraph qualify for reimbursement if (1) performed during the Benefit Period, (2) the Class Member incurred an Out of Pocket Expense, and (3) a Claim is made within ninety (90) days after the Effective Date or the date of repair, whichever is later. Repairs under this paragraph qualify for reimbursement whether they are obtained at an authorized dealership or elsewhere, provided original authorized Honda parts are used. If a Class Member installed the New Material Brake Pad himself or herself (i.e. did not go to a Honda or Acura dealership or third-party repair facility for the repair), he or she may seek reimbursement under this paragraph for the Out Of Pocket Expense for the New Material Brake Pad used, but not for the cost of labor.

B. Information Program: Honda agrees to create an information program, subject to Class Counsel's input and approval, that will provide to Honda and Acura authorized dealership personnel, service technicians, field representatives, employees, Class Members (via a posting on the settlement website), and which will be available to third-party technicians through a third-party provider, such as Service Express. The information program will be accomplished through a service news publication. To provide this information:

- (1) Honda will issue a "Service News" to be jointly approved by the Parties, a copy of which shall be available on the Settlement website, which will refer to this Settlement and its associated URL and will include the manufacturer's suggested retail price for the New Material Brake Pad.

The Service News also will be designed to minimize costs for Class Members by discouraging unnecessary services or repairs to the Class Vehicles' Rear Braking System, including the unnecessary resurfacing of rotors;

- (2) Honda through the Claims Administrator will mail Class Notice to all Class Members;
- (3) Honda will include instructions with the New Material Brake Pads regarding the procedures to install them including the reorientation of the caliper slide pins;
- (4) Honda will be prepared, through its customer service department, to respond to questions regarding how to submit a claim under the Settlement and other aspects of this Agreement. Honda's customer service department is accessible through a toll-free telephone number, which will appear in the Class Notice and Settlement website, among other places.

C. Any dispute regarding relief under the terms of the Settlement, including the validity of any Claim Form submitted, will be handled in accordance with the arbitration review procedures set forth in Honda's Limited Warranty (i.e., the Better Business Bureau ("BBB")), as found in the Honda or Acura warranty manual, except that the BBB decision shall be binding on all parties. Class Counsel shall have the right to participate in any arbitration review. The expense of the arbitration review will be borne by Honda, except for attorney's fees by Class Counsel or other counsel selected by the class member (if any), and any other Class Member expenses.

#### IV. NOTICE AND RELATED PROVISIONS

A. Honda will retain a Claims Administrator, which shall be responsible, subject to the Court approving the same, for the following notice program:

1) Direct mailed notice to all Class Members for which Honda maintains names and addresses. Class Notice will be sent within sixty (60) days of the entry of a Preliminary Approval Order and will include one Claim Form.

2) Maintaining a Settlement website by the Claims Administrator—subject to Class Counsel approval—which will contain: (1) instructions on how to obtain reimbursements; (2) instructions on how to contact the Claims Administrator, Honda or Class Counsel for assistance; (3) all bulletins or notices related to the Rear Braking System which are related to this Settlement; (4) a copy of the Claim Form, Class Notice, and this Settlement Agreement; and (5) other information the Parties determine is relevant to this Settlement.

B. The Parties agree that any and all publications (through websites, website postings, chat rooms, media interviews, etc.) or any other communications by the parties regarding this settlement will be consistent with the Settlement Agreement, Class Notice, Claim Form, Preliminary Approval Order, Final Approval Order, and any press release mutually will be prepared and agreed upon by the Parties. Nothing in this paragraph shall limit (1) Class Counsel's ability to communicate with Class Representatives, putative Class Members, or the Court, and (2) Honda's ability to communicate with Honda and Acura dealers and consumers.

C. Proof of Notice. No later than ten (10) days prior to the Final Approval Hearing, the Claims Administrator shall provide an affidavit for the Court, with a copy to Class Counsel, attesting that notice was disseminated in a manner consistent with the terms of this Settlement Agreement, or those otherwise required by the Court.

D. Within ten (10) days after the Settlement Agreement is filed with the Court, Honda shall comply with the notice provisions of the Class Action Fairness Act, 28 U.S.C. § 1715 ("CAFA Notice").

E. All costs of the Claims Administrator, Class Notice, CAFA Notice, and the Claims Administrator website will be paid by Honda. There shall be no charge to Honda, however, if the Class Notice also is posted on Class Counsel's website(s) or for posting any other information on such website(s).

V. **CLAIMS ADMINISTRATOR**

A. Honda agrees to employ a qualified Claims Administrator, suitable to both Parties, to disseminate the Class Notice and to administer the Claims.

B. The Claims Administrator, within ten (10) days of receiving a complete and proper Claim with Required Documentation, will send to the Class Member by first class mail either (1) their reimbursements in the form of a check that must be cashed within ninety (90) days, or (2) a written explanation stating the reasons for refusing to send the reimbursement(s), including all steps the individual can take to cure the alleged deficiencies. If the Class Member's check is not cashed within ninety (90) days, the Claim Administrator will reissue the check at the Class Member's request, so long as the Claims Administrator is continuing to administer the Settlement. The general form of the written explanation response shall be approved by both Parties. Any Class Member whose Claim is denied in whole or in part shall be allowed thirty (30) days after receipt of notice from the Claims Administrator to submit materials to cure the alleged deficiencies. The response will inform the Class Member that he or she has thirty (30) days to cure the deficiencies.

C. In any instance in which the Claims Administrator finally denies a Claim, the

Class Member may, within thirty (30) days of receipt of notice of the decision, after providing notice to Honda and attempting to resolve the issue with Honda's customer service center, seek arbitration review pursuant to the provisions set forth in Paragraph III(C).

D. In connection with its administration of the Settlement, the Claims Administrator shall maintain a record of all contacts from Class Members regarding any Claim or any other topic involving this Settlement. During the first six (6) months after dissemination of Class Notice, the Claims Administrator shall provide Honda and Class Counsel with monthly reports of all contacts and responses. The Parties retain the right to audit and review the claims handling by the Claims Administrator. Thereafter, the Claims Administrator shall provide these reports to the Parties as requested.

#### **VI. REQUESTS FOR EXCLUSION BY CLASS MEMBERS**

A. The provisions of this paragraph shall apply to any Request for Exclusion. Any Class Member may make a Request for Exclusion by mailing or delivering such request in writing to the Claims Administrator at the addresses set forth in the Class Notice. Any Request for Exclusion must be postmarked or delivered not later than the date specified in the Court's Preliminary Approval Order. Any Request for Exclusion shall (i) state the Class Member's full name and current address, (ii) provide the model year and VIN of his/her/its Class Vehicle(s) and the approximate date(s) of purchase or lease, and (iii) specifically and clearly state his/her/its desire to be excluded from the Settlement and from the Settlement Class. Failure to comply with these requirements and to timely submit the Request for Exclusion will result in the Class Member being bound by the terms of the Settlement.

B. Any Class Member who submits a timely Request for Exclusion may not file an objection to the Settlement and shall be deemed to have waived any rights or benefits under this



Settlement Agreement.

C. Class Counsel shall report the names of all individuals who have submitted a Request for Exclusion to the Court no less than ten (10) days prior to the Final Approval Hearing.

**VII. OBJECTIONS BY SETTLEMENT CLASS MEMBERS**

A. The Parties will request that the Court enter an order requiring any Class Member who wishes to be heard orally at the Final Approval Hearing, or who wishes for any objection to be considered, to file a written notice of objection by the Objection Date, as well as a notice of intention to appear at the Final Approval Hearing. To state a valid objection to the Settlement, an objecting Class Member must provide the following information in his, her or its written objection (i) set forth his/her/its full name, current address, and current telephone number; (ii) identify the model year of his/her/its Class Vehicle(s), as well as the VIN of his/her Class Vehicle(s); (iii) set forth a statement of the position(s) the objector wishes to assert, including the factual and legal grounds for the position; and (iv) provide copies of any other documents that the objector wishes to submit in support of his/her/its position. In addition, any Class Member objecting to the Settlement shall provide a detailed list of any other objections submitted by the objector, or the objector's counsel, to any class action settlements submitted in any court, whether state, federal or otherwise, in the United States in the previous five (5) years. If the Class Member or his or her counsel has not objected to any other class action settlement in any court in the United States in the previous five (5) years, he, she or it shall affirmatively so state in the written materials provided in connection with the objection to this Settlement.

B. Subject to approval of the Court, any objecting Class Member may appear, in person or by counsel, at the Final Approval Hearing held by the Court, to show cause why the

proposed Settlement should not be approved as fair, adequate and reasonable, or object to any petitions for attorneys' fees, incentive awards, and reimbursement of reasonable litigation costs and expenses. The objecting Class Member must file with the Clerk of the Court and serve upon all counsel designated in the Class Notice, a notice of intention to appear at the Fairness Hearing ("Notice of Intention to Appear") by the Objection Deadline or on such other date that may be set forth in the Class Notice. The Notice of Intention to Appear must include copies of any papers, exhibits, or other evidence that the objecting Class Member (or his/her/its counsel) will present to the Court in connection with the Fairness Hearing. Any Class Member who does not provide a Notice of Intention to Appear in complete accordance with the deadlines and other specifications set forth in the Class Notice, and who has not filed an objection in complete accordance with the deadlines and other specifications set forth in this Settlement Agreement and the Class Notice, subject to approval by the Court, will be deemed to have waived any objections to the Settlement and can be barred from speaking or otherwise presenting any views at the Final Approval Hearing.

C. The filing of an objection allows Class Counsel or Counsel for Honda to notice such objecting person for and take his or her deposition consistent with the Federal Rules of Civil Procedure at an agreed-upon location, and to seek any documentary evidence or other tangible things that are 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 said objector's objection and otherwise denying that person the opportunity to make an objection or be further heard. The Court reserves the right to tax the costs of any such discovery to the objector or the objector's counsel should the Court determine that the objection is frivolous or is made for an improper purpose.

D. The agreed-upon procedures and requirements for filing objections in connection with the Final Approval Hearing are intended to ensure the efficient administration of justice and the orderly presentation of any Class Member's objection to the Settlement Agreement, in accordance with the due process rights of all Class Members.

**VIII. MUTUAL RELEASE, DISMISSAL OF ACTION, AND JURISDICTION OF COURT**

A. By this Settlement Agreement and the following Release, Defendant is released from any and all claims or causes of action that were, or could have been, asserted by the Plaintiffs or any Class Members against them, regarding the Class Vehicle's Rear Braking System as alleged in the Action. Without assuming that the Release given by this Settlement Agreement is a general release, Plaintiffs and Class Members expressly waive and relinquish to the fullest extent permitted by law, the rights provided by Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.

Plaintiffs and the Settlement Class Members recognize that, even if they later discover facts in addition to or different from those which they now know or believe to be true, they nevertheless agree that, upon entry of the Final Approval Order and accompanying Judgment, Plaintiffs and the Settlement Class Members fully, finally, and forever settle and release any and all of the Released Claims. The Parties acknowledge that the foregoing waiver and release was bargained for and is a material element of the Settlement Agreement.

B. This Settlement Agreement and Release does not affect the rights of Class

Members who timely and properly request exclusion from the Settlement Agreement. The Settlement Agreement and Release does not release claims for personal injury, property damage, or claims for subrogation.

C. By this Settlement Agreement and the following Release, Defendant releases Class Representatives and Class Counsel from any and all claims or causes of action that were, or could have been, asserted by Defendant pertaining to the Litigation and/or Settlement. Defendant recognizes that, even if it later discovers facts in addition to or different from those which it now knows or believes to be true, Defendant nevertheless agrees that, upon entry of the Final Approval Order and accompanying Judgment, Defendant fully, finally, and forever settles and releases any and all of the Released Claims. The Parties acknowledge that the foregoing waiver and release was bargained for and is a material element of the Settlement Agreement.

D. The administration and consummation of the Settlement as embodied in this Settlement Agreement shall be under the authority of the Court. The Court shall retain jurisdiction to protect, preserve, and implement the Settlement Agreement, including, but not limited to, the Release. The Court expressly retains jurisdiction to enter such further orders as may be necessary or appropriate in administering and implementing the terms and provisions of the Settlement Agreement, including, but not limited to, orders enjoining Class Members from prosecuting claims that are released pursuant to the Settlement Agreement and allowing for discovery related to objecting persons.

E. Upon issuance of the Final Approval Order: (i) the Settlement Agreement shall be the exclusive remedy for any and all Class Members, except those who have opted out in accordance with the terms and provisions hereof; (ii) Defendant shall not be subject to liability or expense of any kind to any Class Member(s) for reasons related to the Litigation except as set

forth herein; and (iii) Class Members shall be permanently barred from initiating, asserting, or prosecuting any and all released claims against Defendant.

**IX. ATTORNEYS' FEES AND INCENTIVE AWARDS**

A. All expenses incurred in administering this Settlement Agreement, including, without limitation, the cost of the Class Notice, and the cost of distributing and administering the benefits of the Settlement Agreement, shall be paid by Defendant, subject to the limitations contained herein and approval of the Court.

B. Defendants have agreed to pay, subject to Court approval, and to support the award of attorneys' fees, costs and expenses up to the total sum of Two Million Dollars And No Cents (\$2,000,000), which shall be paid upon application by Class Counsel to the Court. In no event shall Defendant be required to pay Plaintiffs, Class Members or Class Counsel in aggregate attorneys' fees, costs or expenses in an amount greater than \$2,000,000 for any activity related in any way to this Action or Litigation. Such award shall be paid by wire transfer and shall be delivered to an account to be designated and agreed upon by the Parties fourteen (14) days after the date the Final Approval Order is entered or as shall otherwise be agreed to in writing by Class Counsel and Honda. In the event the Final Approval Order is reversed, and such reversal becomes final (i.e., all appeals and avenues of review are exhausted), the full amount of attorneys' fees, costs and expenses shall be remitted to Defendant within fourteen (14) days of such reversal becoming final.

C. Given the efforts of the two named Plaintiffs on behalf of the Class Members, Defendant has agreed to pay Plaintiffs up to a total of Two Thousand Dollars and No Cents (\$2,000) in Incentive Awards, to be as follows: \$1,000 each to Vanessa Browne and Paul Moore. Such award shall be paid by check and shall be delivered to plaintiffs' counsel (14) days

after the date the Final Approval Order is entered or as shall otherwise be agreed to in writing by Class Counsel and Honda. In the event the Final Approval Order is reversed, and such reversal becomes final (i.e., all appeals and avenues of review are exhausted), the full amount of all Incentive Awards shall be remitted to Defendant within fourteen (14) days of such reversal becoming final.

**X. REPRESENTATIONS, WARRANTIES AND COVENANTS**

A. Class Counsel, who are signatories hereof, represent and warrant that they have the authority, on behalf of Plaintiffs, to execute, deliver, and perform this Settlement Agreement and to consummate all of the transactions contemplated hereby. This Settlement Agreement has been duly and validly executed and delivered by Class Counsel and Plaintiffs and constitutes their legal, valid and binding obligation.

B. Defendant, through its undersigned attorneys, represents and warrants that it has the authority to execute, deliver, and perform this Settlement Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Defendant of this Settlement Agreement and the consummation by it of the actions contemplated hereby have been duly authorized by all necessary corporate action on the part of Defendant. This Settlement Agreement has been duly and validly executed and delivered by Defendant and constitutes its legal, valid, and binding obligation.

**XI. MISCELLANEOUS PROVISIONS**

A. This Settlement Agreement is not to be used in evidence and shall not at any time be construed or deemed to be any admission or concession by Defendant with respect to any alleged wrongdoing, fault, or omission of any kind whatsoever, regardless of whether or not this Settlement Agreement results in entry of a Final Approval Order as contemplated herein.

Defendant specifically denies all of the allegations made in connection with the Litigation. Neither this Settlement Agreement nor any class certification pursuant to it shall constitute, in this or in any other proceeding, an admission by Defendant, or evidence or a finding of any kind, that any requirement for class certification is satisfied with respect to the Litigation, or any other litigation, except for the limited purpose of settlement pursuant to this Settlement Agreement. This Settlement Agreement also is made with the Parties' express understanding and agreement that (a) under applicable laws, it is appropriate that a class be certified for settlement purposes only (i.e., without needing to satisfy fully the standard required for certification of the matter for litigation purposes); (b) Defendant contests and denies that any class, including the proposed Settlement Class, is suitable for certification as a class under the law of any jurisdiction, other than for the purposes of this Settlement Agreement; and (c) notwithstanding any other provisions of this Settlement Agreement, all actions and proceedings pursuant to it shall be consistent with the foregoing. This provision shall survive the expiration or voiding of the Settlement Agreement.

B. This Settlement Agreement is entered into only for purposes of Settlement. In the event that the Final Approval Order is not entered or a Final Approval Order is subsequently reversed by an appeal, this Settlement Agreement, including any releases or dismissals hereunder, is canceled, and no term or condition of this Settlement Agreement, or any draft thereof, or of the discussion, negotiation, documentation or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose, or used for any purposes whatsoever in the Litigation, and all Parties shall be restored to their prior rights and positions as if the Settlement Agreement had not been entered into.

C. The Parties agree that Defendant may withdraw or terminate this Settlement Agreement prior to the Settlement Hearing if more than one percent (1%) of Class Members have submitted valid and timely Requests for Exclusion. For purposes of determining whether the conditions for withdrawal or termination of the Settlement Agreement have occurred, copies of all Requests for Exclusion timely received, together with copies of all written revocations of Requests for Exclusion, shall be delivered to the Defendant's Counsel within three (3) days of receipt by Class Counsel, but, in no event, later than ten (10) Court days before the Final Approval Hearing. In the event of a withdrawal from this Settlement Agreement in accordance with the terms of this paragraph, this Settlement Agreement shall become null and void and of no further force and effect.

D. The Class Counsel Fees and Expenses, as awarded by the Court, shall be paid in accordance with the terms set forth in paragraph IX(B) of the Settlement Agreement or as shall otherwise be agreed to in writing by Class Counsel and Honda.

E. The headings of the sections and paragraphs of this Settlement Agreement are included for convenience only and shall not be deemed to constitute part of this Settlement Agreement or to affect its construction.

F. This Settlement Agreement may not be modified or amended except in writing and signed by all of the Parties.

G. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

H. This Settlement Agreement shall be governed by and construed in accordance with the substantive laws of the State of California without giving effect to any choice or conflict



of law provision, or rule that would cause the application of the laws of any other jurisdiction.

I. Except as otherwise provided in this Settlement Agreement, each party to this Settlement Agreement shall bear his, her or its own costs of the Litigation.

J. The Parties to this Settlement Agreement reserve the right, by agreement and subject to the Court's approval, to grant any reasonable extensions of time that might be necessary to carry out any of the provisions of this Settlement Agreement, as well as to correct any inadvertent, non-substantive mistakes or typographical errors contained in any of the Settlement papers.

K. Proper notice shall be given to Plaintiffs and Defendant of all applications for Court approval or Court orders required under this Settlement Agreement.

L. The determination of the terms of, and the drafting of, this Settlement Agreement has been by mutual agreement after negotiation, with consideration by and participation of all Parties and their counsel. Since this Settlement Agreement was drafted with the participation of all Parties and their counsel, the presumption that ambiguities shall be construed against the drafter does not apply. The Parties were represented by competent and effective counsel throughout the course of settlement negotiations and in the drafting and execution of this Settlement Agreement, and there was no disparity in bargaining power among the Parties to this Settlement Agreement.

M. This Settlement Agreement constitutes the entire, fully integrated agreement among the Parties and cancels and supersedes all prior written and unwritten agreements and understandings pertaining to the Settlement of the Litigation.

N. The Parties agree that any disputes regarding the meaning of the terms and conditions of this Settlement Agreement, the Parties' rights and obligations under this Settlement

Agreement, and/or as to any disagreement regarding the manner in which any issue or dispute arising under this Settlement Agreement should be resolved, shall be submitted to the Court for resolution.

O. All notices to the Parties or counsel required by this Settlement Agreement shall be made in writing and communicated by electronic and regular mail to the following addresses (unless one of the Parties subsequently designates one or more other designees):

Class Counsel:

Eric H. Gibbs  
Girard Gibbs LLP  
601 California Street, 14th Floor  
San Francisco, California  
Telephone: 415.981.4800  
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Honda's Counsel:

Roy Morse Brisbois  
Eric Y. Kizirian  
Lewis Brisbois Bisgaard and Smith LLP  
221 N. Figueroa Street, Suite 1200  
Los Angeles, CA 90012  
Telephone: 213.250.1800  
Facsimile: 213.250.7900  
Email: brisbois@lbbslaw.com

**IN WITNESS WHEREOF**, Plaintiffs and Defendant, by and through their respective counsel, have executed this Settlement Agreement as of the date(s) indicated on the lines below.

Dated: March 4, 2010

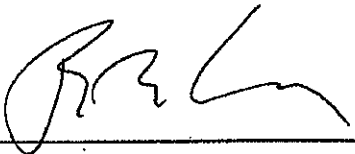


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Facsimile: 202.232.7556  
Attorneys for Plaintiffs and the Proposed Class

Dated: March 4, 2010



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Attorneys for Defendant  
American Honda Motor Co., Inc.