

CONFIDENTIAL SETTLEMENT AGREEMENT AND RELEASE

This confidential Settlement Agreement and Release (the "Agreement") is made and entered into by Danielle Stedman, Christa Nemetz, Zachary Richmond, Gary Barrios and Jacob Frackowiak (collectively "Plaintiffs") on the one hand, and Mazda Motor Corporation and Mazda Motor of America, Inc. (collectively "Mazda") on the other. Plaintiffs and Mazda are collectively referred to herein as the "Parties."

RECITALS

This Agreement is entered into with reference to the following facts:

(a) Plaintiff Stedman commenced a class action on October 3, 2014 against Mazda in the United States District Court for the Central District of California, entitled *Stedman et al. v. Mazda et al.*, 8:14-cv-01608 (hereinafter referred to as the "Action"). The Complaints alleges that the dashboard in 2009-2011 Mazda3 and Mazda6 vehicles' deteriorate and melt in hot and humid climates resulting in glare that impedes safe driving. Plaintiffs Richmond and Barrios joined the class action on January 30, 2015, and Plaintiffs Nemetz and Frackowiak joined on June 6, 2015.

(b) The currently operative Second Amended Complaint seeks relief under Florida, Hawaii, Louisiana, and Texas law on behalf of all persons in those state who purchased or leased any 2009-2011 Mazda3 or Mazda6 vehicles.

(c) After extensive discussions between the parties, the parties have agreed that in exchange for Plaintiffs' dismissal of their individual claims with prejudice and dismissal of absent class members' claims without prejudice, Mazda will implement a market action to address dashboards that have become sticky. The following are the terms of the market action agreed to by the parties:

- Covered Vehicles – The Program will cover the following vehicles, nationwide:
 - 2010 Mazda3 vehicles VIN ranges: From JM1BL**** ** 100001 to 325492;
 - 2009-2011 Mazda6 VIN ranges : From 1YVHZ*** ** M00001 to M17344.
- The program will contain a reimbursement component and a replacement component with warranty enhancement.
 - Reimbursement Component: Reimbursement to current and former owners and lessees of Covered Vehicles for the amount paid to replace a dashboard exhibiting the Covered Condition upon submission of information sufficient to substantiate the replacement and cost, such as a receipt or a repair order.

- Replacement Component: The program will modify the warranty coverage on Covered Vehicles to provide no-cost replacement of a dashboard exhibiting the Covered Condition for ten (10) years from the date of first use of the Covered Vehicle, regardless of mileage. The warranty extension would apply only for the Covered Condition and would otherwise be subject to the same terms, conditions, and limitations set forth in the original vehicle warranty. No other modification of the warranty is contemplated under the terms of the agreement.
- Notification – Notification will consist of communication sufficient to inform owners and lessees of the Program and its details, including:
 - Notification letters sent to current owners and lessees of Covered Vehicles;
 - Notification letters, Technical Service Bulletins, or similar communications will be sent to all authorized dealerships and service centers.
- Timing for Notification and Reimbursements –Mazda shall issue notification as described above but by no later than December 31, 2015, and make reimbursements available as soon as practicable.

(d) Mazda denies any and all liability and claims and this settlement shall not be construed in any way as an admission of liability or an admission of any fact alleged by Plaintiffs.

(e) The settlement reached was a result of arms-length negotiations and was in no way collusive, and the settlement of the Action herein is just and proper.

NOW, THEREFORE, in consideration of the covenants and promises set forth below, the Parties agree as follows:

1. Monetary Consideration to Plaintiffs and Plaintiffs' counsel

The Parties agree that, in addition to the benefits of the market action described herein, Plaintiffs will receive a total and sole payment of \$3,750, which Plaintiffs' counsel will allocate equally between the five Plaintiffs. Additionally, Plaintiffs' counsel will receive a total and sole payment of \$340,000 (collectively, the "Settlement Proceeds," which total \$343,750) to fully and finally settle this matter. Plaintiffs' attorney fees and costs shall be covered by the Settlement Proceeds in a proportion as Plaintiffs' counsel shall agree between them. There shall be no additional payment for Plaintiffs' attorney fees and costs beyond the Settlement Proceeds. Within ten (10) business days of dismissing this Action as set forth in Section 2 below, Mazda shall deliver the Settlement Proceeds to Plaintiffs' counsel, Gibbs Law Group LLP.

2. **Filing of Joint Stipulation Dismissing Action:** As a condition of payment of the Settlement Proceeds, the Parties agree to file with the Court a Joint Stipulation of Voluntary Dismissal dismissing Plaintiffs' claims with prejudice and the class claims without prejudice pursuant to Rule 41 (a)(1)(A)(ii) of the Federal Rules of Civil Procedure, attached hereto as Exhibit A (the "Joint Stipulation of Voluntary Dismissal).

3. **Ownership of Released Claim:** The Parties warrant and represent that they each are owners of any and all claims that exist as of the execution of this Agreement, that they have not assigned or transferred their claims to any third party, and that they have full capacity and authority to enter into and perform this Agreement.

4. **Plaintiffs' Releases:** In consideration for the payment of the Settlement Proceeds, the sufficiency of which is hereby acknowledged, Plaintiffs, for themselves, their beneficiaries, heirs, executors, administrators, successors and assigns, do hereby unconditionally release and forever discharge Mazda and its past, present, and future officers, directors, trustees, attorneys, employees, servants, shareholders, contractors, insurers, agents and independent dealers, whether in their individual or representative capacities, as well as Mazda's predecessors, successors, affiliates, and parent companies, and their respective past, present, and future officers, directors, trustees, attorneys, employees, servants, shareholders, contractors, insurers and agents whether in their individual or representative capacities (collectively, the "Released Parties") of and from, and agrees not to sue or commence any legal action or other proceeding of any kind against the Released Parties for any and all known or unknown, suspected or unsuspected claims, charges, demands, liabilities, obligations, promises, controversies, damages, rights, actions, and causes of action of whatever nature, kind, or character, in law or equity, accrued or not, which Plaintiffs now have, claim to have, which they at any time heretofore had or claimed to have or which they in the future may have against the Released Parties based on any act or omission of Mazda or Mazda's employees, servants, contractors or agents based upon the conduct which is or relates to the subject of the Action as of the effective date of this Agreement (collectively, the "Released Claims")

5. **Waiver of Civil Code Section 1542:** Plaintiffs acknowledges they have read and are familiar with 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 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."

Plaintiffs hereby waive and release any right or benefit which they have or may have under Section 1542, as well as any and all rights under any other statutes or common law principles of similar effect, to the full extent that they may lawfully waive all such rights and benefits. Plaintiffs acknowledge that they are aware that they may hereafter discover claims or facts in addition to or different from those which they now know or believe to be true with respect to the claims that are released in this Agreement, which do now exist, may exist, or heretofore have existed. The release herein given shall be and remain a full and complete release of such

released items, notwithstanding the discovery or existence of any such additional or different claims or facts relating thereto.

6. **Confidentiality:** The Parties agree that in consideration for the payment of the Settlement Proceeds, all terms of this Agreement, including the payment of the Settlement Proceeds itself, shall be strictly confidential, and shall not be disclosed to any other person or entity, except: (i) as required by law or order of the court or other government authority, provided that prompt notice is given to each of the other Parties, to allow them to seek a protective order in a court of competent jurisdiction; (ii) as is reasonably necessary to be disclosed to the Parties' spouses, accountants, tax advisors, current or potential investors and business partners, attorneys, employees, representatives, bankers and/or bondholders; (iv) as is reasonably necessary to the defense of any action to which the terms of this Agreement may apply; or (v) as is reasonably necessary to enforce the terms of this Agreement.

7. **No Further Consideration:** Except as expressly provided herein, neither the Parties nor their counsel are entitled to any compensation or consideration related to the Action or the resolution thereof and the Parties are to bear their own costs and fees incurred as a result of this Action. Plaintiffs represent and agree that they and they attorneys will be solely responsible and exclusively liable for the payment of any taxes owed on the Settlement Proceeds or any portion thereof, including (but in no way limited to) federal, state or local taxes.

8. **Counterparts:** This Agreement may be executed in one or more counterparts, and a facsimile or scanned copy of a signature shall be considered as valid as an original.

9. **Governing Law and Severability:** This Agreement shall be governed by California law. If any of the provisions, terms, or clauses of this Agreement are declared illegal, unenforceable, or ineffective in a legal forum of competent jurisdiction, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

10. **Benefit and Burden:** This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, executors, administrators, agents, employees, affiliates, managers, officers, directors, attorneys, parents, shareholders, subsidiaries, successors, principals, assigns, and/or representatives. This Agreement shall be binding, enforceable, discoverable and admissible to establish the rights, obligations and duties of the Parties hereunder in any action brought to enforce this Agreement.

11. **Amendment:** This Agreement may be amended only by a written agreement executed by the Parties.

12. **Integrated Agreement:** This Agreement supersedes any previous agreements between the Parties, whether oral or written. No other agreement, statement, or promise made by or to either party will be binding on the Parties unless (a) it is made in writing and signed by the Parties, and (b) specifically refers to this Agreement.

13. **Captions:** Paragraph titles or captions contained in this Agreement are used for convenience or reference only.

14. **Cooperation:** The Parties agree that they shall cooperatively take any reasonable steps necessary to effectuate the terms and purpose of this Agreement.

15. **Consultation with Counsel:** By executing this Agreement, Plaintiffs agree and warrant that they, at all times material hereto, have had the opportunity to consult with legal counsel concerning the rights affected by this Agreement, the form and content of this Settlement Agreement and the advisability of executing it. Plaintiffs further acknowledge that they have so consulted with counsel prior to executing this Settlement Agreement and, having carefully read and considered the terms of the Settlement Agreement, fully understands the same.

16. **Neutral Construction:** The terms and provisions of this Settlement Agreement shall be deemed to have been drafted and proposed jointly by all Parties and shall be construed neutrally. No term or provisions hereof shall be construed adversely to a party on the grounds that such party drafted or proposed the term or provision.

17. **Authority:** Each person who signed this Agreement on behalf of any party to this Agreement represents and warrants that he or she has been authorized by such party to enter into this Agreement and to bind the party.

DATED: July ___ 2016

Danielle Stedman

DATED: July ___ 2016

Christa Nemetz

DATED: July __, 2016

Zachary Richmond

DATED: July __, 2016

Gary Barrios

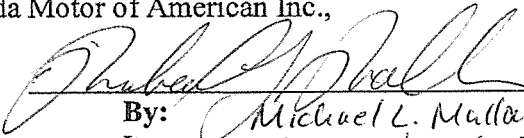
DATED: July 10, 2016



Jacob Frackowiak

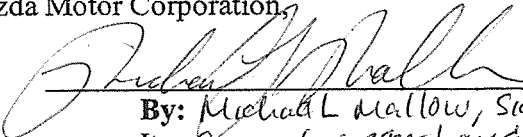
DATED: July 12, 2016

Mazda Motor of American Inc.,


By: *Michael L. Mallow, Sidley Austin LLP*
Its: *Counsel of record and authorized representative*

DATED: July 12, 2016

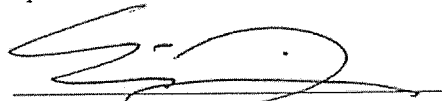
Mazda Motor Corporation,


By: *Michael L. Mallow, Sidley Austin LLP*
Its: *Counsel of record and authorized representative*

Agreed as to Form:

DATED: July 8 2016

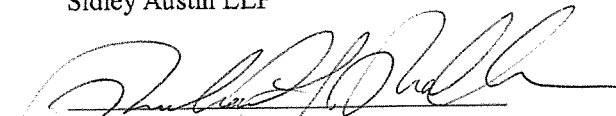
Gibbs Law Group LLP



Eric H. Gibbs
Attorneys for Plaintiffs

DATED: July 2, 2016

Sidley Austin LLP


Michael L. Mallow
Attorneys for Mazda