

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the National Highway Traffic Safety Administration ("NHTSA") and DaimlerChrysler Corporation ("DaimlerChrysler") for the purpose of resolving disputed issues related to alleged violations of a law commonly known as the National Traffic and Motor Vehicle Safety Act, 49 U.S.C. Chapter 301 ("Safety Act"). This Settlement Agreement resolves disputes arising out of DaimlerChrysler's responses to information requests issued by NHTSA during its investigations of vehicles manufactured by DaimlerChrysler for fuel rail leaks and clutch line failures denominated as EA 95-028, EA 98-007, and EA 98-005 (the "subject investigations") and arising out of DaimlerChrysler's alleged failure to provide NHTSA and vehicle owners with timely notification of and remedies for alleged safety-related defects in certain DaimlerChrysler vehicles.

Whereas, NHTSA conducted the subject investigations into fuel leaks in certain DaimlerChrysler LH vehicles and clutch line failures in certain DaimlerChrysler Ram trucks,

Whereas, in August 1998 and in May 1999, DaimlerChrysler submitted Defect Notification Reports for certain vehicle populations identified as a result of the subject investigations (the "subject vehicles"),

Whereas, NHTSA alleges that DaimlerChrysler, in its response to various NHTSA information requests in the subject investigations, did not provide all responsive documents to NHTSA, as required by 49 U.S.C. § 30166,

Whereas, NHTSA alleges that DaimlerChrysler did not timely notify NHTSA and the owners of the subject vehicles of an alleged safety-related defect in the subject vehicles and did not provide a timely remedy, as required by 49 U.S.C. §§ 30118, 30119 and 30120,

Whereas, DaimlerChrysler acknowledges that some documents were inadvertently omitted from its submissions in response to the information requests in the fuel rail investigation, but denies that those documents added material new facts to the investigation,

Whereas, DaimlerChrysler denies that it violated the Safety Act in any respect,

Whereas, it is the mutual desire of NHTSA and DaimlerChrysler to resolve these issues by agreement in order to avoid a protracted dispute and possible litigation,

Now, therefore, the parties, by their respective undersigned counsel, agree as follows:

1. The Secretary of Transportation has the authority to compromise the amount of any potential civil penalties under the Safety Act, 49 U.S.C. § 30165. The Secretary's authority has been delegated to the Administrator of NHTSA. 49 CFR 1.50.

2 DaimlerChrysler is, and at all times relevant to this action has been, a manufacturer of motor vehicles within the meaning of the Safety Act, 49 U.S.C. § 30101(a)(5).

3. Without any admissions being made by DaimlerChrysler and without any findings being made by NHTSA with respect to the above-referenced allegations, DaimlerChrysler shall pay to the United States a civil penalty in the sum of \$400,000 pursuant to the Safety Act, 49 U.S.C. § 30165. DaimlerChrysler shall pay this penalty no later than thirty days after the execution of this agreement. Payment shall be made by wire transfer of funds to the U.S. Treasury.

4. Upon receipt by the U.S. Treasury of the aforementioned payment, the Secretary of Transportation, by and through the Administrator of NHTSA, releases DaimlerChrysler, its officers, and employees, from liability with respect to any and all potential claims for civil penalties arising out of alleged violations of 49 U.S.C. §§ 30118, 30119, 30120, and 30166 related to the subject investigations; provided that nothing in this Settlement Agreement shall release anyone from liability, if any, for any future violations of the Safety Act and its implementing regulations related to the recalls of the subject vehicles.

5. This Agreement represents the entire understanding and agreement of the parties. There are no oral or other understandings between the parties with respect to any matter or claim that is the subject of this Settlement Agreement.

6. The parties to this Settlement Agreement have the legal authority to enter into this Settlement Agreement, and each party has authorized its undersigned counsel to execute this Settlement Agreement on its behalf.

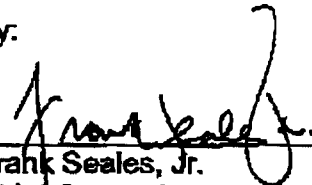
Dated as of July 19, 2000

National Highway Traffic Safety Administration

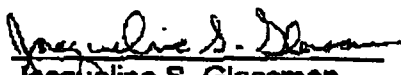
DaimlerChrysler Corporation

By:

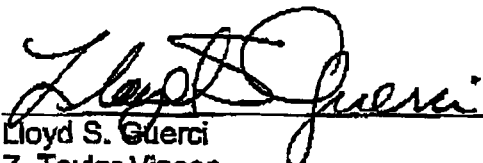
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