

May 30st 2013Communication No. **SVC1302**

To: CODA Dealer Principals, General Managers, Sales Managers, Service Managers, Parts Managers

From: CODA Service Operations

Subject: Recall Campaign, Roof Mounted Side Curtain Airbag

Affected vehicles: CODA, Model Year 2012,

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. CODA Automotive, Inc. (CODA) has determined that a defect, which relates to motor vehicle safety, may exist on a certain number of vehicles and notified the National Highway Traffic Safety Administration (NHTSA) on May 30th, 2013 of its intention to conduct a voluntary safety recall on an identified list of retail and dealer inventory vehicles.

CODA has decided to conduct this voluntary recall in order to replace both side curtain airbags for a potential supplier manufacturing defect. In the event of a side impact that requires the deployment of a curtain airbag, an improperly manufactured curtain airbag may not deploy properly and thereby offer limited protection to the head of the occupant seated adjacent to the deployed curtain airbag. In August 2012 CODA released Recall R84001 which included an inspection of the Roof Mounted Side Curtain Airbag. Regardless if that campaign was completed, it is now required that both Side Curtain Airbags must be replaced.

CODA dealers will be asked to perform a recall action on all MY 12 retail vehicles and dealer inventory vehicles, at no cost to the owner.

Reimbursement process

CODA will supply each dealer a VIN list of vehicles sold by the dealer that require the campaign to be completed. CODA will prepay the dealer 25% of customer vehicles on the list and for any unsold unit in dealer stock where CODA Automotive cannot perform the recall on behalf of the dealer. This prepayment is for the labor required to perform the airbag installation. When all in stock units and 75% of the customer vehicles are completed, CODA will reimburse the dealer for the next 25% and follow that process until all vehicles are completed. For each prepayment after the initial payment you will need to supply a completed VIN list back to CODA which indicates completed vehicles. If a customer comes into your dealership and you were not the selling dealer, please complete the campaign and add the VIN to the blank fields in the spread sheet and submit it to CODA for reimbursement. It will not be required to submit the claims in the DCS warranty system

Parts process

CODA will pre-ship 50% of the estimated Side Airbags needed to the dealer at no cost. More parts will be shipped to the dealer based on completed campaign reporting.

Additional warranty Repairs

No other additional warranty repairs can be covered under this campaign, with the exception if the repair is a direct result of performing the airbag campaign. The dealer must contact CODA for pre-approval to insure any additional claims can be covered and paid for. Please note - No rental claims are allowable under this campaign.

A Recall Bulletin will be published with complete replacement instructions, the affected VINs, labor operation codes, and warranty reimbursement times. CODA will also publish a customer letter and notify dealers prior to the letter delivery. The campaign launch date will be on or about June 14th, 2013. The owner notification will be sent out the week of June 10th, 2013

Please note that it is a violation of Federal law for a dealer to deliver a dealer owned vehicle covered by the recall under a sale or lease until the defect is remedied.