BBB AUTO LINE PROGRAM SUMMARY

BMW – Kentucky

BMW has agreed to arbitrate certain unresolved claims alleging defects in the material or workmanship in its vehicles and/or the inability to repair a vehicle so that it conforms to the written warranty. This Program Summary describes the claims that may be resolved through BBB AUTO LINE.

AGE/MILEAGE REQUIREMENTS

Claims may be filed under either of the following conditions:

1. Lemon law claims must be received by BBB AUTO LINE within two years after the date of the vehicle’s original delivery to the customer.

2. Warranty disputes must be based on a defect or condition that occurred during the first two years or 25,000 miles, whichever comes first, of the customer’s ownership of the vehicle.

ELIGIBLE VEHICLES

If received within the lemon law filing period, claims may be filed for vehicles purchased or leased in Kentucky by an individual or business that is a resident of Kentucky.

Claims not covered by the lemon law may be filed for vehicles that are:

- Titled or leased in the name of an individual; or
- Used primarily for personal, family, or household purposes.

ELIGIBLE CLAIMS

Claims must allege a defect in material or workmanship of a BMW vehicle.

BBB AUTO LINE REMEDIES

- You may seek repairs to your vehicle.
- You may seek reimbursement for money you paid to repair your vehicle.
- You may seek the repurchase of your vehicle.
- You may seek to have your vehicle replaced if it was new when purchased or leased.
REPAIRS

The arbitrator may award repairs to correct a defect in your vehicle’s material or workmanship that is covered by BMW’s written new vehicle limited warranty. The arbitrator may not order a change in your vehicle’s options or its design.

REPURCHASE/REPLACEMENT

Repurchase or replacement under the lemon law

If an arbitrator decides you are entitled to a repurchase or replacement under the standards of the Kentucky lemon law, you will be awarded all the remedies provided under that law including reasonable attorney’s fees. The award will not include any rebates or incentives you received or used as a downpayment or capitalized cost reduction.

The arbitrator may reduce your award by deducting for the vehicle’s use in accordance with the Kentucky lemon law. The arbitrator may also reduce your award based on damage to your vehicle exceeding normal wear and tear.

Repurchase or replacement not under the lemon law

Repurchase of an Owned Vehicle

If an arbitrator decides you are entitled to a repurchase for an owned vehicle but you do not meet the lemon law standards, the maximum amount that may be awarded is the actual amount you paid for the vehicle, excluding taxes, fees, finance and other charges.

Repurchase of a Leased Vehicle

If an arbitrator decides you are entitled to a repurchase of a leased vehicle but you do not meet the lemon law standards, the lessor will receive the pay-off amount pursuant to the lease agreement, and the lessee will receive any trade-in allowance/downpayment and all base monthly payments actually paid, excluding all collateral charges (e.g., taxes, fees, and finance/lease charges).

Replacement of a Vehicle Purchased or Leased New

If an arbitrator decides you are entitled to a replacement but you do not meet the lemon law standards, the arbitrator may award a replacement vehicle that is new and substantially identical to your current vehicle (excluding any modifications or additions after the vehicle’s purchase or lease). The Manufacturer’s Suggested Retail Price (M.S.R.P.) of the replacement vehicle may not exceed 105% of the M.S.R.P. of your current vehicle. Note: Replacement is not an available remedy if the current vehicle was purchased used.
Deduction from Award

If a repurchase or replacement is awarded and you do not meet the lemon law standards, the arbitrator will reduce your award by deducting for the vehicle’s use in accordance with the following formula:

\[
\text{Use Payment} = \frac{\text{# miles at time of arbitration hearing}}{100,000} \times \text{purchase price}
\]

The arbitrator will also make a deduction for any damage to your vehicle exceeding normal wear and tear.

Customer responsibilities if repurchase or replacement is awarded

If a repurchase or replacement is awarded, you will be responsible for turning over the vehicle with a current registration and in a similar condition as it was at the time of the hearing. You will also be responsible for providing clear title to the vehicle, and signing all documents necessary to effect transfer of the title.

CLAIMS THAT WILL NOT BE ARBITRATED

The following claims will NEVER be arbitrated in BBB AUTO LINE:

- Claims for loss of wages, depreciation or loss of value.
- Claims covered by insurance or by warranties of other manufacturers.
- Claims alleging that an airbag failed to deploy or deployed when it should not have.
- Claims for personal injury or mental anguish.
- Claims involving a vehicle defect if you allege – either as part of your BBB AUTO LINE claim or at any other time – that the vehicle defect has caused bodily injury, or an accident or fire that resulted in damage to any vehicle or damage to property.
- Claims for punitive damages.
- Allegations of fraud or other violations of law.
- Claims that have been resolved by a previous mediation or arbitration, court action, settlement, or agreement between you and BMW.

OTHER IMPORTANT INFORMATION

- You must own or lease and maintain the right to possession of the vehicle throughout the entire arbitration process.
- If you file suit or a state administrative action against BMW prior to the completion of the arbitration process, BMW will not be obligated to continue with the arbitration.
- A test drive will not be taken in your vehicle unless you have liability insurance that satisfies your state’s minimum requirements.

The BBB will let you know if other restrictions apply