



BBB AUTO LINE PROGRAM SUMMARY

SUBARU – CALIFORNIA

Subaru of America, Inc. (“Subaru”) has precommitted to arbitrate certain unresolved claims relating to its cars. Claim must allege a defect in the vehicle’s material or workmanship, or the inability to repair a vehicle so that it conforms to the written warranty. The following is an explanation of the types of claims that Subaru has agreed to arbitrate through local Better Business Bureaus serving your state.

AGE AND MILEAGE REQUIREMENTS

You must file your claim with the BBB within two year or 24,000 miles – whichever comes first – from the date of your vehicle’s initial retail delivery.

ELIGIBLE VEHICLES

Claims within the above age/mileage requirements may be filed for vehicles that are:

- owned or leased in the name of an individual, OR
- used primarily for personal, family, or household purposes.

TYPES OF RELIEF THAT MAY BE SOUGHT

The following relief may be sought through the BBB AUTO LINE program: **repairs, reimbursement for past repairs, and repurchase or replacement of the vehicle.** Under some circumstances, you may also seek reimbursement for additional amounts. Please review the attached *Remedies* sheets to determine the remedies that you are eligible to seek.

If a repurchase or replacement is awarded, you will be responsible for turning over the vehicle 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.

CLAIMS THAT MAY NOT BE ARBITRATED

Subaru is not precommitted to arbitrate the following claims, although it may do so on a case-by-case basis:

- Claims for legal fees or any incidental or consequential damages that are not listed on the attached *Remedies* sheets;
- Claims covered by insurance or by warranties of other manufacturers;

- 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 damage to another vehicle or damage to property.

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

- 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;
- 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 Subaru;
- Disputes based solely on dealer sales and/or service practices or collision repairs.

OTHER IMPORTANT INFORMATION

- You must own or lease the vehicle throughout the entire arbitration process.
- Your vehicle must have been imported into the United States by Subaru of America, Inc.
- If you file suit against Subaru prior to the completion of the arbitration process, Subaru 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.
- An independent technical expert will automatically be appointed to conduct an inspection of your vehicle prior to every arbitration in which a repurchase or replacement is sought, unless both parties agree in writing that a technical expert should not be used.

The BBB will let you know if other restrictions apply.

REMEDIES IF REPURCHASE IS AWARDED Owned Vehicle

The remedies appearing below MUST be included in a repurchase award based on a nonconformity* that has not been repaired by the manufacturer or its representative after a reasonable number of attempts.

The remedies appearing below MAY be included in a repurchase award based on reasons other than those listed above.

PURCHASE PRICE/COLLATERAL CHARGES/INCIDENTIAL DAMAGES:

- *Purchase Price:* The actual price paid by the buyer, including any charges for transportation and manufacturer-installed options, but excluding nonmanufacturer-installed options, but excluding nonmanufacturer items installed by a dealer or the buyer.
- *Collateral Charges:* Collateral charges such as sales tax, license fees, registration fees, registration fees, and other official fees; and
- *Incidental Damages:* Reasonable expenses incident to the defect/malfunction, including but not limited to:
 - reasonable repair, towing, and rental car costs actually incurred by the buyer, and
 - prepayment penalties, early termination charges and earned finance charges, if actually paid, incurred or to be incurred by the buyer (this does not include charges for which the buyer is justly responsible).

REASONABLE USE DEDUCTION:

The arbitrator may make a deduction for the buyer's use of the vehicle, if the arbitrator determines that a deduction is appropriate, up to the following amount:

$$\text{use deduction} = \frac{\# \text{ miles prior to first delivery to manufacturer/dealer}}{120,000} \times \text{for repair of defect/malfunction that led to repurchase} \times \text{purchase price}$$

DAMAGE DEDUCTION:

The arbitrator may reduce the amount awarded to the buyer if there is damage to the vehicle that is not attributable to normal wear and tear if the arbitrator sets out (in the *Reasons for Decision*) specific reasons that justify such a reduction.

* A nonconformity is a defect, malfunction or failure to conform to the manufacturer's written warranty that substantially impairs the use, value, or safety of the vehicle.

REMEDIES IF REPURCHASE IS AWARDED Leased Vehicle

The remedies appearing below MUST be included in a repurchase award based on a nonconformity* that has not been repaired by the manufacturer or its representative after a reasonable number of attempts.

The remedies appearing below MAY be included in a repurchase award based on reasons other than those listed above.

PAYMENTS TO LESSOR/LESSEE:

To The Lessor:

- The pay-off amount due to the lease agreement;
- MINUS the amount of any security deposit held by the lessor;
- MINUS the amount of any refund due to the lessor for the unexpired term of a service contract or insurance included in the lease agreement.

To the Lessee:

- *Collateral Charges:* Collateral charges such as sales/use tax paid by lessee up to date of repurchase and license fees, registration fees, and other official fees paid by lessee;
- PLUS *Incidental Damages:* Reasonable expenses incident to the defect/malfunction, including but not limited to reasonable repair, towing and rental car costs actually incurred by the lessee;
- PLUS base monthly payments (total monthly payment minus collateral charges) made by the lessee to the lessor, up to the time of repurchase;
- PLUS the amount of any trade-in or deposit made by lessee (capitalized cost reduction);
- PLUS the amount of any security deposit held by lessor.

REASONABLE USE DEDUCTION:

In determining a repurchase award for a leased vehicle, the arbitrator may make a deduction for the lessee's use of the vehicle, if the arbitrator determines that a deduction is appropriate, up to the following amount:

$$\text{use deduction} = \frac{\# \text{ miles prior to first delivery to manufacturer/dealer}}{120,000} \times \text{purchase price for repair of defect/malfunction that led to repurchase}$$

OTHER DEDUCTONS:

The arbitrator may reduce the amount awarded to the lessee if there is damage to the vehicle that is not attributable to normal wear and tear. The arbitrator may also reduce the award by an amount equal to any early termination charges or other charges for which the lessee is justly responsible. The arbitrator shall set out (in the *Reasons for Decision*) specific reasons that justify a reduction under these circumstances.

* A nonconformity is a defect, malfunction or failure to conform to the manufacturer's written warranty that substantially impairs the use, value, or safety of the vehicle.

REMEDIES IF REPLACEMENT IS AWARDED Owned Or Leased Vehicle

The remedies appearing below MUST be included in a replacement award based on a nonconformity* that has not been repaired by the manufacturer or its representative after a reasonable number of attempts.

The remedies appearing below MAY be included in a replacement award based on reasons other than those listed above.

REPLACEMENT VEHICLE/COLLATERAL CHARGES/INCIDENTAL DAMAGES:

- *Replacement Vehicle:* A new motor vehicle substantially identical to the vehicle replaced. The replacement vehicle shall be accompanied by all express and implied warranties that normally accompany new motor vehicles of that specific kind;
- *Collateral Charges:* Any sales or used tax, license fees, registration fees, and other official fees that the consumer is obligated to pay in connection with the replacement; and
- *Incidental Damages:* Reasonable expenses incident to the defect/malfunction, including but not limited to reasonable repair, towing, and rental car costs actually incurred by the consumer.

REASONABLE USE PAYMENT:

For the consumer's use of the vehicle, the arbitrator may require that the consumer pay the manufacturer up to the following amount:

$$\text{use deduction} = \frac{\# \text{ miles prior to first delivery to manufacturer/dealer}}{120,000} \times \text{purchase price}^{**}$$

for repair of defect/malfunction that led to replacement

DAMAGE PAYMENT:

The arbitrator may also require the consumer to pay for damage to the vehicle that is not attributable to normal wear and tear if the arbitrator sets out (in the *Reasons for Decision*) specific reasons that justify such a payment.

* A nonconformity is a defect, malfunction or failure to conform to the manufacturer's written warranty that substantially impairs the use, value, or safety of the vehicle.

** Purchase price includes charges for transportation and manufacturer-installed options.

REMEDIES IF REPAIR OR REIMBURSEMENT FOR PAST REPAIRS IS AWARDED

Owned Or Leased Vehicle

When a repair or reimbursement for past repairs is awarded, the arbitrator may also award incidental damages (reasonable expenses incident to the claimed defect or malfunction, including repair, towing, and rental car costs incurred by the customer) to the customer when the arbitrator has determined that the manufacturer's written new-vehicle warranty has failed its essential purpose (repeated repair attempts are unsuccessful in resolving the problem within a reasonable time).