

BMW Extended Vehicle Protection

Powertrain Plus Sample Customer Contract.



BMW EXTENDED VEHICLE PROTECTION — POWERTRAIN PLUS CUSTOMER CONTRACT

NO PAYMENT WILL BE MADE UNDER THIS CONTRACT WITHOUT COVERAGE BEING VERIFIED AND REPAIRS PERFORMED BY AN APPROVED "REPAIR FACILITY," SEE SECTION 4.b.

Purchase of this CONTRACT is not required to obtain financing or to register a motor vehicle. This CONTRACT is not an insurance policy. This Contract does not cover any costs for any maintenance services specified in the Service and Warranty Information Statement for your Vehicle.

1. DEFINITIONS

Unless otherwise specified, "we," "us," and "our" refer to the Provider/Obligor of this Contract and "you" and "your" refer to the Contract holder shown on the Declaration Page of this Contract.

The following terms are used frequently throughout this Contract and when capitalized shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

BREAKDOWN: means the inability of any Covered Part to perform the function for which it was designed due to defects in material or workmanship. Parts that fail due to wear and tear are not covered under this Contract.

CLAIM: means a demand by you for benefits under this Contract.

CONTRACT: means this Extended Service Contract that you have purchased from us for the Vehicle specified on the Declaration Page.

CONTRACT ADMINISTRATOR: means the company appointed by us to administer the Contract, United Service Protection Corporation, at 400 Carillon Parkway, Suite 300, St. Petersburg, FL 33716, 1-888-283-0912. (California License Number 0D01816.)

CONTRACT EFFECTIVE DATE: means either: (a) for vehicles still covered by the New Vehicle or SAV Limited Warranty at the time of purchasing this contract, the Original In-Service Date as specified on the Declaration Page; or (b) if the Vehicle is no longer covered by the New Vehicle or SAV Limited Warranty at the time of purchasing this contract, the effective date of this Contract is the Contract Purchase Date.

COVERED PART: means a part included under “Coverage” in Section 5 of this Contract.

CONTRACT PURCHASE DATE: means the date your Contract was purchased. This may not be the same as Contract Effective Date, as defined above.

DECLARATION PAGE: means the numbered document executed by you that is populated by the Obligor and must be attached to the inside cover of this Contract. It lists information regarding the Vehicle to be covered, Contract terms, and other pertinent information.

DEDUCTIBLE: means the amount specified on the Declaration Page that you must pay toward the total cost for the repair or replacement of Covered Parts per Claim made. The Deductible does not apply to the 24-Hour Roadside Assistance Benefits.

EXPIRATION ODOMETER MILEAGE: means the expiration mileage specified on the Declaration Page. If the Vehicle is still covered by the New Vehicle or SAV Limited Warranty at the time of purchasing this contract, the Expiration Odometer Mileage is determined by the mileage you have selected for coverage. If the Vehicle is no longer covered by the New Vehicle or SAV Limited Warranty at the time of purchasing this contract, the Expiration Odometer Mileage is determined by adding the number of miles you have selected for coverage to the Odometer Reading as specified on the Declaration Page, which is the mileage on the Vehicle on the Contract Purchase Date.

LIENHOLDER: means the lender specified on the Declaration Page that financed the purchase or lease of the Vehicle.

PLAN: means the Plan you have selected as shown on the Declaration Page of this Contract. Coverage is further described in Section 2b and Section 5 below.

ORIGINAL IN-SERVICE DATE: means the date specified on the Declaration Page which is the date the Vehicle was first put into service.

PROVIDER/OBLIGOR: means BMW of North America, LLC (“BMW”), 300 Chestnut Ridge Road, Woodcliff Lake, New Jersey 07677, 1-800-831-1117. Correspondence may be addressed to the attention of the Customer Relations Department.

REPAIR FACILITY: means any authorized BMW passenger car center and/or BMW SAV center.

SELLING RETAILER: means the authorized BMW passenger car center, authorized BMW SAV center, or BMW Financial Services NA, LLC (“BMW FS”) from whom you purchased this Contract, shown on the Declaration

Page under “Center Name.”

SAV: means Sports Activity Vehicle.

VEHICLE: means the BMW passenger car or BMW SAV specified on the Declaration Page.

2. GENERAL PROVISIONS

a. Contract Term: Coverage under this Contract begins upon expiration of the BMW New Vehicle or SAV Limited Warranty on the Vehicle or the Effective Date of the contract whichever is later. Coverage under this Contract will expire on the earlier of the Expiration Date or when the Vehicle reaches the Expiration Odometer Mileage, as specified on the Declaration Page of this Contract. For Vehicles still covered by the BMW New Vehicle or SAV Limited Warranty at the Contract Purchase Date, the Expiration Date is determined by adding the number of years you have selected for coverage to the Original In-Service Date of the Vehicle. If the Vehicle is no longer covered by the BMW New Vehicle or SAV Limited Warranty at the Contract Purchase Date, the Expiration Date is determined by adding the number of years you have selected for coverage to the Contract Purchase Date.

b. Coverage: This Contract provides benefits or coverage in the event of a Breakdown during the Contract Term. Your Vehicle is covered subject to all terms and conditions of this Contract once it has been properly enrolled by a Selling Retailer or BMW. The coverage afforded to you for the Vehicle is determined by the Plan and Term selected by you and pursuant to the terms and provisions of this Contract. We will pay on behalf of you for the approved cost to repair or replace any of the Covered Parts listed in the schedule of Covered Parts which cause a Breakdown, less any Deductible if applicable, provided you comply with all of the terms and provisions of this Contract. All repairs or replacements shall use only genuine BMW new or remanufactured parts. Please see Section 5 for a detailed list of Covered Parts and to determine the coverages applicable to your Plan. All covered components must be functioning properly at the time you purchased this Contract.

c. Territory: This Contract applies only to Breakdowns that occur within the 50 United States, the District of Columbia, and Puerto Rico. This Contract does not provide any coverage or benefits in Guam or any other territory or possession of the United States.

3. OUR RESPONSIBILITIES

We will pay the reasonable expense to repair a Breakdown of a Covered Part that is in excess of the Deductible, provided the repair of the Covered Part is performed at a Repair Facility under the following limits of liability:

a. Single Claim Limit: Our liability with respect to any one Claim is

limited to the cost to repair or replace any Covered Parts using the Repair Facility's BMW warranty labor rate and the applicable BMW labor operations required to complete the repair(s) less your Deductible. In all cases, the replacement cost for Covered Parts shall not exceed list price or the manufacturer's suggested retail price. In no event shall our liability exceed the cost necessary to correct the actual cause of the Breakdown. All repairs or replacements shall use only genuine BMW new or remanufactured parts.

b. Aggregate Limit: Our total liability with respect to all Claims paid or payable for repairs to Covered Parts while this Contract is in force shall not exceed the lesser of the: (1) Vehicle Purchase Price, as specified on the Declaration Page; or (2) NADA retail value of the Vehicle at the time of the repair.

4. YOUR RESPONSIBILITIES

a. MAINTENANCE REQUIREMENTS: You must have your Vehicle serviced and maintained at your expense, in accordance with BMW's established recommendations as outlined in your Service and Warranty Information Statement. You agree to maintain, service, repair, and recondition your Vehicle with new and genuine manufacturer's original equipment replacement parts as recommended in the Vehicle owner's manual. Please ensure that your statement is updated when service and maintenance is performed.

Failure to properly maintain your Vehicle in accordance with your Service and Warranty Information Statement and to provide evidence of such maintenance may result in denial of your Claim if the failure to maintain your Vehicle involved the failed part or parts.

b. HOW TO MAKE A CLAIM: You must take your Vehicle to a Repair Facility to obtain authorization before any repairs will be performed. You must take immediate action to prevent further damage. This Contract does not cover any damage caused by your failure to secure a timely repair of the Covered Parts. No payment will be made under this Contract without coverage being verified and repairs performed by a Repair Facility.

In the event of a Breakdown:

- (i) Take your Vehicle to the Selling Retailer (except where BMW FS is the Selling Retailer) or the nearest Repair Facility before any work is performed on your Vehicle;
- (ii) Provide the Repair Facility with a copy of this Contract and/or the Contract number listed on the Declaration Page. Repairs performed at any place other than a Repair Facility are not covered under this Contract;

- (iii) Provide proof of maintenance to the Repair Facility, as applicable; and
- (iv) Pay the Deductible and, if applicable, pay the costs for all non-covered repairs.
- (v) In the event your Vehicle is not operable, driving it will cause further damage or your Breakdown occurs outside of normal business hours (Mon – Fri, 9:00 am to 9:00 pm, EST), contact BMW Roadside Assistance by calling 1-800-332-4269. BMW Roadside Assistance will assist you in transporting your Vehicle to the nearest Repair Facility, arranging Emergency Valet Service or arranging Trip Interruption Benefits as described in Section 8 of this Contract. This telephone number is available 24-hours a day, 7 days a week. See Section 8.d. for towing and roadside assistance information.
- (vi) We will pay the Repair Facility on your behalf for repair to and replacement of Covered Parts. We will reimburse the Repair Facility for the cost of labor for Covered repairs and replacements performed on the Vehicle, less your Deductible.

In the event of an emergency where you must have a covered repair performed immediately (such that the repair is critical to the safe continued operation of the vehicle and a Repair Facility is not available) and you incur out of pocket expenses which would otherwise be covered under this Contract, you may submit any written Claim requests to the attention of the Customer Relations Department, BMW of North America, LLC, P.O. Box 1227, Westwood, New Jersey 07675, 1-800-831-1117.

All Claims must be submitted within sixty (60) days of the Breakdown, accompanied by the original receipts. Claims received after that time period may not be honored and are subject to the full discretion of BMW Roadside Assistance. If BMW Roadside Assistance is not contacted for prior authorization, the maximum reimbursement for towing shall be One Hundred Dollars (\$100).

c. LIMITED PROTECTION AGAINST UNPAID CLAIMS: In the states of Colorado¹, Hawaii, Mississippi, Oregon, Texas, Virginia, and Wyoming, if we fail to pay any valid Claim within sixty (60) days after proof of loss has been filed, or we cease to do business or go bankrupt, you may make a direct Claim under our reimbursement insurance policy. In these states, our obligations under this Contract are guaranteed under a service contract reimbursement insurance policy, issued by American Bankers Insurance Company of Florida, a member company of Assurant Solutions, 11222 Quail Roost Drive, Miami, Florida 33157, reachable at 1-800-283-0785.

In all other states, the Provider/Obligor's obligations under this service contract are backed only by the full faith and credit of the Provider/Obligor and are not guaranteed under a service contract reimbursement insurance policy.

¹For Colorado residents, the reimbursement insurance policy number is SFM-19-CO-1.

WARNING: ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER, FILES A STATEMENT OF CLAIM OR APPLICATION CONTAINING INCOMPLETE OR MISLEADING INFORMATION WILL BE PROSECUTED TO THE FULL EXTENT OF THE LAW.

d. SUBROGATION: In the event that a Claim is paid under this Contract, you agree that we have all rights of subrogation against those who may be responsible for your Breakdown. You shall do whatever is necessary to secure such rights. You shall do nothing to prejudice those rights, and you shall execute and deliver to Us all instruments and papers required to secure and maintain such rights. All amounts recovered by you, for which you have already received benefits under this Contract, shall belong to and be paid to Us, up to the amount of benefits paid under this Contract.

5. COVERAGE

a. The following items will be covered on the Vehicle:

(i) Engine: Cylinder head(s) and cylinder block. All internally lubricated parts including: pistons, piston rings and pins; crankshaft, main and connecting rod bearings; connecting rods; camshaft and bearings; timing chains and/or belts; sprockets; rocker arms and shafts; valves, valve springs, upper spring plates (retainers); valve collets, guides, and seats; hydraulic valve clearance compensators (lifters); oil pump assembly. Dipstick assembly; vibration damper; flywheel/ring gear; upper and lower timing case covers; intake and exhaust manifolds; engine mounts; valve cover(s); oil pan.

(ii) Automatic/Standard Transmission (including SMG [Sequential Manual Gearbox] and DCT [Dual Clutch Transmission]): Transmission case, torque converter, all internally lubricated parts contained within the transmission case including: all sprockets, shaft bearings, bushings, drums, pumps and valves. Transmission mount; flywheel; drive plate for torque converter. Coverage is **not** afforded for standard/SMG/DCT transmission clutch assemblies, which are subject to wear and tear.

(iii) Final Drive Assembly, Propeller Shaft(s): Final drive housing; all internally lubricated parts contained within the final drive housing including: all sprockets, bearings and output shafts; CV joints; universal joints; front and rear hub assembly, hub bearings; propeller shafts.

(iv) Transfer case (xDrive vehicles only): Transfer case, all internally lubricated parts contained within the transfer case including: all sprockets, shaft bearings, bushings, drums, pumps and valves. Transfer case mounts.

(v) Electrical: Alternator/generator; voltage regulator; starter

motor, starter solenoid; engine control module; engine and transmission control modules.

(vi) Cooling System: Water pump; radiator; fan clutch; coolant recovery tank; additional fan motor.

(vii) Fuel System: Fuel injectors; Piezo injectors; fuel pumps (including high-pressure pump); metal and plastic lines and fittings; fuel injection and air flow sensors.

(viii) Induction System: Turbocharger assemblies (vehicles so equipped).

(ix) SCR (Selected Catalyst Reduction) emission control system (Diesel Models Only): Transfer pump, dosing module.

b. The following items will NOT be covered on the Vehicle:

(i) Upkeep and maintenance services and parts, including but not limited to: engine, transmission, and body adjustments; wheel alignment, balancing or rotation; wiper blade inserts; engine drive belts; spark plugs; filters; fuses; all batteries; all hoses and clamps (except air conditioning and power steering); oils, lubricants, fluids, refrigerants and coolants (except as required in the course of a covered repair); brake pads and rotors; brake shoes and drums; manual transmission clutch assemblies; suspension dampers (shock absorbers/strut elements); exhaust systems; and tires.

(ii) Wear and tear items, including all suspension parts and components; repairs to any part or component that has not suffered a Breakdown, has not failed or is not completely worn out or unsafe, or if the wear on the part does not exceed the published field tolerance allowed by BMW or for repair costs not necessary to correct a Breakdown, as determined by the Repair Facility.

(iii) Any failure of any Covered Part or component resulting from your failure to maintain or service your Vehicle properly in accordance with the instructions in the Owner's Manual for your Vehicle or the Service section of the Service and Warranty Information Statement. Any repair costs or expenses if you do not provide accurate, verifiable records proving that you have maintained the Vehicle in accordance with the manufacturer's specifications and instructions.

(iv) Damage to any Covered Part or component caused by the failure of a non-covered component.

(v) Any repair covered by the manufacturer's warranty, a recall, or a special policy by the manufacturer or dealer.

(vi) Any additional expenses or consequential damages related to a Breakdown, including but not limited to, car rental, lodging expenses, loss of pay, or telephone charges, except as

specifically set forth in Section 8 of this Contract. Any liability for property damage, bodily injury or death of any person arising out of the operation, repair, maintenance or use of the Vehicle, whether or not related to any Covered Part, or for any incidental or consequential losses or damage, including, but not limited to, property damage, loss of use of the Vehicle, loss of time, inconvenience, or commercial loss resulting from the operation, maintenance and/or use of the Vehicle unless specifically covered in this Contract; or any negligence, error or omission by Us or the Contract Administrator.

(vii) Any Breakdown or failure that existed prior to your purchase of this Contract.

(viii) Costs or expenses resulting from:

- (a) negligence, abuse or misuse (improper operation) of the Vehicle, or improper repair;
- (b) contamination of any kind, including but not limited to corrosion, rust, detonation, pre-ignition, carbon build up, sludge, electrolysis, rattles, water leaks, wind noises, road salt corrosion, or contaminated fuel.
- (c) environmental causes or influences, or for any accidental loss or damage resulting from collision or upset, falling missiles or objects, fire, theft, arson, explosion, nuclear related, lightning, earthquake, windstorm, freezing, ice, hail, water infiltration, flood, malicious mischief, vandalism, riot or civil commotion.
- (d) modification or alteration of the Vehicle or installation of any suspension modifications, performance accessories or components attached to the Vehicle altering the original engineering and/or operating specifications or resulting in damage to the other original components or resulting in electrical interference, electrical shorts, or radio static;
- (e) any mechanical or electrical alterations that have been made to the Vehicle that are not recommended by the manufacturer, including, but not limited to, the use of oversized tires, installation of header pipes or lift kits, and removal of any emission control or parts system.
- (f) your failure to maintain proper qualities or levels of coolants or lubricants, operation of the Vehicle with insufficient levels of (or contaminated) fluids, lubricants, or coolants, or caused by continued operation of the Vehicle in a damaged condition, including any consequential damages related thereto.

(g) repairs, replacements or maintenance services performed by a facility *other than* a Repair Facility as defined in Section 1 of this Contract. Any repairs made with non-genuine BMW parts, or for any damage resulting from the use of non-genuine BMW parts. Any damages or any loss resulting from faulty or negligent auto repair work or from the installation of defective parts. Any charge for shop supplies, freight, or hazardous waste disposal. Any repair costs or expenses reported or made after the expiration of this Contract.

(ix) Costs or expenses if:

- (a) the Vehicle has been used for any commercial purpose, including but not limited to the following: police or law enforcement services, fire, ambulance or emergency services, taxi, limousine or shuttle services, pick-up and/or delivery operations, competitive event or racing, newspaper or mail delivery, rental services, construction, security services, snow removal or snow plowing, cable or line installation, or hauling for hire.
- (b) the Vehicle has been used for hauling trailers in excess of the manufacturer's rated capacity or hauling trailers without suitable equipment, or if the requirements in the manufacturer's manual for Vehicles used to pull trailers are not followed.
- (c) the vehicle identification number (VIN) has been altered or cannot be read, or the odometer has been replaced, altered, disconnected, or rendered inoperative and the true mileage of the Vehicle cannot be determined.
- (d) the Vehicle has been declared a total loss or sold for salvage purposes, repossessed or is the subject of a repossession action, or from any other cause whatsoever, except as stated in this Contract.

6. CANCELLATION OF YOUR CONTRACT

a. Should you wish to cancel this Contract for any reason, including if the Vehicle is stolen or destroyed, you must inform the Contract Administrator in writing. An odometer statement indicating the odometer reading on the date of the cancellation request is required.

If you cancel this Contract within the first sixty (60) days of the Purchase Date, we will refund the entire Contract purchase price.

If this Contract is canceled after the first sixty (60) days of the Purchase Date, and there has been no Claim, we will refund the pro rata portion of the purchase price except as otherwise specified in Section 10 of this

Contract. The refund will be the lesser amount produced using either the number of days that have elapsed since the Purchase Date or the number of miles the Vehicle was driven prior to cancellation, less a cancellation fee of fifty dollars (\$50), except as otherwise specified in Section 10 of this Contract.

If the purchase of this Contract was financed, the refund, if any, will be paid to the Lienholder identified on the Declaration Page, unless proof of pay-off is submitted with your cancellation request. If you are eligible for a cancellation refund, the Selling Retailer shall pay your refund on our behalf.

In the event the Vehicle is sold, see Section 7 for details on transferring this Contract to the new owner.

- b.** We may cancel this Contract based on one or more of the following reasons:
- (i) Non-payment of the Contract purchase price;
 - (ii) The Vehicle is sold or traded, except as set forth in Section 7 of this Contract;
 - (iii) The Vehicle is repossessed by the Lienholder;
 - (iv) You made a material misrepresentation;
 - (v) If the Vehicle identification number has been altered or cannot be read, if the odometer has been replaced, altered, disconnected, or rendered inoperative and the true mileage of the Vehicle cannot be determined,
 - (vi) If the Vehicle has been declared a total loss or sold for salvage purposes,
 - (vii) If the Vehicle has been modified for or used in any competitive events; or
 - (viii) You substantially breached your duties under this Contract relating to the Vehicle or its use.

If we cancel this Contract, we will refund the pro rata portion of the Contract purchase price to you or the Lienholder, as applicable. The refund will be the lesser amount produced using either the number of days that have elapsed since the Purchase Date or the number of miles the Vehicle was driven prior to cancellation, less a cancellation fee of fifty dollars (\$50), except as otherwise specified in Section 10 of this Contract.

If the purchase of this Contract was financed, the refund, if any, will be paid to the Lienholder identified on the Declaration Page, unless proof of pay-off is submitted with your cancellation request. If you are eligible for a cancellation refund, the Selling Retailer shall pay your refund on our behalf.

c. If the Vehicle and this Contract have been financed, the Lienholder may cancel this Contract for non-payment or if the Vehicle is declared a total loss, sold for salvage, or is repossessed. This right of cancellation does not confer ownership of this Contract to the Lienholder or otherwise entitle the Lienholder to performance under this Contract.

7. TRANSFER OF YOUR CONTRACT

a. This Contract is transferable to the next subsequent private purchaser of your Vehicle only while your Contract is in force, and if certain conditions are met. You may not transfer this Contract if the Vehicle is sold or traded (retail or wholesale) to an automobile dealer or automotive wholesaler.

b. To transfer your Contract, within thirty (30) days of a change in ownership of the Vehicle, submit to the Contract Administrator a completed Transfer Application Form together with a fifty dollar (\$50) transfer fee, unless a different amount is specified in Section 10, along with all of the following:

- (i) A notarized copy of the documentation showing change of title and odometer reading on the date of ownership change;
- (ii) Proof of maintenance in accordance with the manufacturer's specifications;
- (iii) If the manufacturer's warranty requires a transfer, a copy of the completed transfer form;
- (iv) Your original Contract and Declaration Page; and
- (v) The name and address of the new owner.

c. The Transfer Application Form may be obtained from the Contract Administrator. Transfer Applications are subject to approval by the Contract Administrator. In the event the Transfer Application, fee, and required documentation is postmarked more than thirty (30) days after the change in ownership, then this Contract may become non-transferable.

d. This Contract may not be transferred within the first ninety (90) days of this Contract's Purchase Date, or within ninety (90) days of the effective date of any previous transfer.

8. 24-HOUR ROADSIDE ASSISTANCE BENEFITS²

a. BMW Roadside Assistance: The BMW Roadside Assistance Program reflects BMW's commitment to Your complete satisfaction with the BMW ownership experience. It is available to U.S. version BMWs in all 50 United States, the District of Columbia, and Puerto Rico, 24 hours a day, 365 days a year. It is a valuable benefit provided to you at no additional cost (subject to the limitations and exclusions listed in Section 8.n.).

²24-Hour Roadside Assistance Benefits are provided by Signature Motor Club, Inc. and Signature Motor Club of

b. Owner's Eligibility: You are entitled to the BMW Roadside Assistance benefits and services for the Vehicle listed on the Declaration Page. Coverage is provided for the Vehicle, regardless of the driver. Protection commences on your Contract Effective Date, and runs concurrent with the term of your Contract.

c. Getting Started: Enclosed with the package your Contract was delivered in is your BMW Roadside Assistance identification card. The Contract Effective Date and the VIN are embossed on the card. The driver of your Vehicle should carry this card.

d. Calling for Assistance: You may contact BMW Roadside Assistance 24 hours a day by calling 1-800-332-4269. To receive quick and reliable services, You must provide detailed and accurate information to the service representative.

Be prepared to provide:

- (i) Your name and address.
- (ii) Your complete VIN (found on your Vehicle registration or your permanent BMW Roadside Assistance ID Card).
- (iii) The model description of your Vehicle.
- (iv) The date you purchased your Vehicle.
- (v) The color and license plate number of your Vehicle.
- (vi) Your Vehicle's location (including nearby crossroads/intersections, highway mile markers, street numbers, landmarks, etc.).
- (vii) The location you are calling from (including a telephone number where you can be reached). If you are calling from a public phone, wait there for the return call. Unless you are concerned for your safety, do not leave this location without informing the Roadside Assistance service representative.
- (viii) A description of your Vehicle's problem. Specific and accurate information enables the Roadside Assistance service representative to provide the proper help.

e. Services: From the information you provide, the BMW Roadside Assistance service representative will determine the type of help required.

f. Dispatch Service: A service vehicle or flatbed tow truck will be dispatched to the site of your Vehicle.

g. On-Site Assistance: On-site service for disablements such as flat tires, dead batteries and/or out of fuel conditions will be provided up to a maximum of One Hundred Dollars (\$100) per incident by BMW Roadside Assistance. You are solely responsible for the cost of any on-site parts and fuel needed for your Vehicle. These services are not covered under the BMW New Vehicle or SAV Limited Warranty or your Contract.

h. Lock-Out: For security purposes, you will need to prove ownership by presenting proper documentation (i.e., a valid driver's license, registration, etc.) to the provider of the service. Lock-out service will be provided up to a maximum of One Hundred Dollars (\$100) per incident.

i. Towing Service: In the event of a Breakdown normally covered under either the BMW New Vehicle or SAV Limited Warranty or the Contract, or in the event of an accident or collision, your Vehicle will be transported at no cost to you to the nearest Repair Facility.

If a Breakdown occurs after normal business hours, your Vehicle will be transported to a secure location and transported to the nearest Repair Facility on the next business day. If you request that the Vehicle be taken to a location other than the nearest Repair Facility, any additional expense will be solely your responsibility. However, you may request to be taken to a different Repair Facility as long as it is within 50 additional miles of the "nearest" Repair Facility.

Towing requests for BMW vehicles disabled because of casualty, fire, act of God, or violation of law (federal, state or local) are accepted at your expense. If it is necessary for you to have your Vehicle towed through your own arrangements, you must contact BMW Roadside Assistance for prior authorization and instructions on Claim procedures.

All claims for towing services must be submitted within sixty (60) days of the mechanical breakdown, accompanied by the original receipts. Claims received after that time may not be honored and are subject to the full discretion of the BMW Roadside Assistance. If BMW Roadside Assistance is not contacted for "prior" authorization, the maximum coverage for towing situations is one hundred dollars (\$100).

j. Sign-and-Drive: In most instances, services provided under the BMW Roadside Assistance Program do not require immediate payment. Usually, you will simply sign a receipt, and the provider of the service will be reimbursed directly by BMW Roadside Assistance. Costs for parts, materials, and fuel must be paid directly by you to the provider of the service.

k. Emergency Valet Service: Should there be a need beyond BMW Roadside Assistance, Emergency Valet will provide a personal assistant who will help in every way to get you to your final destination. Emergency Valet will help you locate a rental car or taxi agency, hotel or even help procure airline reservations. In the event of an emergency, this service will assist you in getting information out to the proper party whether it is business or personal. If unable to make contact, the message relay service will document the information, and will make reasonable efforts to deliver the message to the message recipient.

l. Trip Interruption Benefits: Trip interruption reimbursement benefits are provided for the following:

- Breakdowns that are related to either the New Vehicle or SAV Limited Warranty or this Contract (whichever is in effect at the time of the Breakdown), which occur in excess of 100 miles from your residence; and
- Repairs that cannot be completed during normal business hours on the day of the Breakdown.

Reimbursements will be made for meals, lodging, car rentals, and alternate transportation to reunite you and your Vehicle after the Vehicle has been repaired by a Repair Facility. Trip interruption coverage is limited to One Thousand Dollars (\$1000) per incident, up to a maximum of five (5) days per incident. You must contact BMW Roadside Assistance for assistance in making and prior authorization of trip interruption arrangements.

m. Car Rental Discounts: Discounts are available from selected car rental companies. Benefits may vary with each company and location and are subject to change without notice. Simply display your BMW Service Card (showing the applicable plan number) at the time of rental to secure your discount.

n. Exclusions: The following are excluded from BMW Roadside Assistance coverage:

- Fines, taxes, or impound towing fees caused by a violation of local or state law.
- Expenses related to hazardous weather conditions (removal from snow, ice, etc.)
- Expenses for the removal of snow tires, and mounting or removal of snow chains.

BMW Roadside Assistance Services are provided by Signature Motor Club, Inc. and Signature Motor Club of California, Inc., 200 N. Martingale Road, Schaumburg, IL 60173.

BMW Roadside Assistance is not a warranty and does not affect your rights under the BMW of North America, LLC New Vehicle or SAV Limited Warranty, or this Contract.

9. ARBITRATION CLAUSE

PLEASE REVIEW — IMPORTANT — AFFECTS YOUR LEGAL RIGHTS

For purposes of this Section 9 only, "I," "me," or "my" refer to the Contract Holder as indicated on the Declaration Page and "you" and "your" refer to Selling Retailer, Contract Administrator, or the Provider/Obligor.

NOTICE: Either you or I may choose to have any dispute between us decided by arbitration and not in a court or by jury trial.

If a dispute is arbitrated, I will give up my right to participate as a class representative or class member on any class claim I may have against you including any right to class arbitration or any consolidation of individual arbitrations. Any claim or dispute is to be arbitrated by a single arbitrator on an individual basis and not as a class action or other mass action. I expressly waive any right I may have to arbitrate a class action.

Discovery and rights to appeal in arbitration are generally more limited than in a lawsuit, and other rights you and I would have in court may not be available in arbitration.

Any claim or dispute, whether in contract, tort, statute or otherwise (including the interpretation and scope of this clause, and the arbitrability of the claim or dispute), between me and you or your employees, agents, successors or assigns, which arise out of or relate to this Contract or any resulting transaction or relationship (including any such relationship with third parties who do not sign this Contract) shall, at your or my election, be resolved by neutral, binding arbitration and not by a court action.

I may choose the following arbitration organization and its applicable rules: the National Arbitration Forum, Box 50191, Minneapolis, MN 55405-0191 (www.adrforum.com), or any organization that I may choose subject to your approval. I may get a copy of the rules of these organizations by contacting the arbitration organization or visiting its website.

Arbitrators shall be attorneys or retired judges and shall be selected pursuant to the applicable rules. The arbitrator shall apply governing substantive law in making an award. The arbitrator's award shall be final and binding on all parties.

The arbitration hearing shall be conducted in the federal district in which I reside unless the Selling Retailer is a party to the claim or dispute, in which case the hearing will be held in the federal district where this Contract was purchased.

You will advance my filing, administration, service or case management fee and my arbitrator or hearing fee all up to a maximum of \$1500, which may be reimbursed by decision of the arbitrator at the arbitrator's discretion.

Each party shall be responsible for its own attorney, expert and other fees, unless awarded by the arbitrator under applicable law. If the chosen arbitration organization's rules conflict with this clause, then the provisions of this clause shall control.

Any arbitration under this Arbitration Clause shall be governed by the

Federal Arbitration Act (9 U.S.C. § 1 et. seq.) and not by any state law concerning arbitration; however, the governing law as to the substantive issues of the Contract and Vehicle shall be the law of the state in which this Contract was purchased. Any court having jurisdiction may enter judgment on the arbitrator's award. This clause shall survive any termination or transfer of this Contract.

If any part of this Arbitration Clause, other than waivers of class action rights, is deemed or found to be unenforceable for any reason, the remainder shall remain enforceable. Notwithstanding any other provision for notice contained in the Contract, any arbitration claim or other notice provided under the rules of the arbitration administrator will be given to you at the following address:

If my claim is against the Selling Retailer, I agree that notice of my claim will be given to the Selling Retailer at the address specified on the Declaration Page of the Contract. If my claim is against the Obligor (designated in Section 1 of this Contract), I agree that notice of my claim will be given to Obligor at 300 Chestnut Ridge Road, Woodcliff Lake, NJ 07677. If my claim is against Contract Administrator, I agree that notice of my claim will be given at United Service Protection Corporation, at 400 Carillon Parkway, Suite 300, St. Petersburg, FL 33716. If my claim is against Selling Retailer, Obligor and Contract Administrator collectively, I agree to notify each of my claim under separate cover at the addresses indicated herein.

10. STATE SPECIFIC DISCLOSURES

ARIZONA:

Any arbitration award resulting from a claim or dispute arising under this Contract is non-binding.

CALIFORNIA:

If you cancel this Contract after the first sixty (60) days of the Purchase Date, we will refund the pro rata portion of the purchase price. The refund will be the lesser amount produced using either the number of days that have elapsed since the Purchase Date or the number of miles the Vehicle was driven prior to cancellation, less a cancellation fee of ten percent (10%) of the purchase price of this Contract or twenty-five dollars (\$25), whichever is less. The transfer fee is twenty-five dollars (\$25).

If we cancel this Contract, we will refund the full purchase price within 30 days of cancellation. However, if we have paid a claim, or have advised you in writing that we will pay a claim, we will refund the pro rate amount, less the amount of the claims paid prior to cancellation and no cancellation fee will be charged. The cancellation shall be effective 5 days from the postmark date on the notice of cancellation.

Trip Interruption Benefits are provided by us, and administered on our behalf by Signature Motor Club of California, Inc.

If a dispute is arbitrated, I will retain any rights I might otherwise have to participate as a class representative or class member on any class claim I may have against you including any right to class arbitration or any consolidation of individual arbitrations. Any arbitration under the Arbitration Clause of this Contract shall be governed by the California Arbitration Act (Code of Civil Procedure Section 1280, et. seq.). The arbitrators shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. If I do not prevail in the arbitration, I will not be responsible for any fees or costs incurred by you.

HAWAII:

If you cancel this Contract within the first sixty (60) days of the Purchase Date, we will refund the entire Contract purchase price. A 10 percent (10%) penalty per month will be added to your refund amount if the refund is not mailed to you within forty-five (45) days of your return of your Contract to us.

Any Arbitration award resulting from a claim or dispute arising under this Contract is non-binding.

ILLINOIS:

If this Contract is canceled after the first sixty (60) days of the Purchase Date, we will refund the pro rata portion of the purchase price. The refund will be the lesser amount produced using either the number of days that have elapsed since the Purchase Date or the number of miles the Vehicle was driven prior to cancellation, less a cancellation fee of ten percent (10%) of the purchase price of this Contract or fifty dollars (\$50), whichever is less.

MINNESOTA:

If you cancel this Contract within the first sixty (60) days of the Purchase Date, we will refund the entire Contract purchase price. A 10 percent (10%) penalty per month will be added to your refund amount if the refund is not mailed to you within forty-five (45) days of your return of your Contract to us.

If we cancel this Contract, we will send you a notice of cancellation at least 5 days prior to the date of cancellation. The notice will state the date and reason for cancellation.

MISSISSIPPI:

The arbitration provision contained in Section 9 of this Contract is not applicable to Mississippi residents.

WASHINGTON:

If you cancel this Contract within the first sixty (60) days after the Purchase Date and there has been no claim, we will refund the entire Contract purchase price.

If you cancel this Contract after the first sixty (60) days of the Purchase Date, and there has been no Claim, we will refund the pro rata portion of the purchase price. The refund will be the lesser amount produced using either the number of days that have elapsed since the Purchase Date or the number of miles the Vehicle was driven prior to cancellation, less a cancellation fee of twenty-five dollars (\$25).

If you are owed a refund upon cancellation of this contract, a 10 percent (10%) penalty will be added to your refund amount if the refund is not mailed to you within thirty (30) days of your return of your Contract to us.

Arbitration of any claim or dispute arising under this Contract may take place in your state of residence at the time the claim arises.

WYOMING:

If the purchase of this Contract was financed and either you or we cancel this Contract, the refund, if any, will be paid jointly to you and the Lienholder identified on the Declaration Page unless proof of the retail loan payoff is submitted with your written request for cancellation. If proof of payoff is submitted, the refund check, if any, will be payable to you. If you are eligible for a refund upon cancellation, those funds shall be paid by the Selling Retailer.

If we cancel this Contract, we will mail a written notice to you at your last known address at least ten (10) days prior to cancellation. No notice shall be sent in the event we cancel this Contract for non-payment, you have made a material misrepresentation to us or you have substantially breached your duties relating to the Vehicle or its use. The notice will state the effective date of the cancellation and the reason for the cancellation.

The Lienholder that financed the purchase of the Vehicle covered under this Contract may not cancel this Contract for non-payment of the retail loan payments.

If you are entitled to a refund under the provisions of this Contract, we will mail your refund to you within forty-five (45) days of your return of the Contract to us. A 10 percent (10%) penalty per month will be added to your refund amount if the refund is not mailed to you within forty-five (45) days of your return of the Contract to us.

Towing Service is provided only in the event of a Breakdown normally covered under either the BMW New Vehicle or SAV Limited Warranty or the Contract.

Any dispute arising under the Contract will be settled in accordance with the Wyoming Uniform Arbitration Act.