

September, 2004

Recall Campaign No. 04V-402, Suction Jet Pump

Dear BMW Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

BMW AG has decided that a defect which relates to motor vehicle safety exists in certain 2004 BMW X5 Sports Activity Vehicles (SAV). Our records indicate that you are the owner of a potentially affected vehicle.

DESCRIPTION OF DEFECT

The defect involves the suction jet fuel pump. Specifically, an in-tank fuel line may not have been attached according to specifications, and fuel transfer from the left chamber to the right chamber of the fuel tank may become impossible. As a result, engine stalling could occur, even though the vehicle's fuel gauge indicated that fuel is present in the tank.

If stalling were to occur, you would not be able to maintain vehicle speed or accelerate. Depending upon traffic and road conditions, and the driver's reactions, this could lead to a crash.

PRECAUTIONS

- 1. CONTACT YOUR AUTHORIZED BMW SAV CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. Do not operate your vehicle with the fuel tank gauge indicating that the tank is less than half-full. Engine stalling could occur even though the gauge indicates that there is sufficient fuel in the tank. Therefore, you should refuel before the gauge indicates that the tank is half-full.**
- 3. If you experience engine stalling while driving, you should pull over carefully to a safe location, and away from traffic. Do not continue to drive the vehicle. Please contact BMW Roadside Assistance immediately at 1-800-332-4269 to have the vehicle brought to the nearest Authorized BMW SAV Center.**
- 4. BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.**
- 5. If you are not the only driver of this vehicle, please advise all other drivers of this important information.**

DESCRIPTION OF REPAIR

BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the in-tank suction jet pump fuel line of affected vehicles will be inspected and, if necessary, reattached according to specifications.

This repair will require approximately one hour and will be performed *free of charge* by your Authorized BMW SAV Center. Additional time may be required depending on the BMW SAV center's scheduling and processing.

OTHER INFORMATION

If you are no longer the owner of this vehicle, we would appreciate you furnishing us with the name and address of the new owner using the enclosed postage-paid card.

If you are a lessor of this vehicle, Federal Regulations require you to forward this notice to your lessee.

If you have already had this repair performed at your own expense, please see the attachment regarding possible eligibility for reimbursement.

Should you have any questions about this campaign, please contact your Authorized BMW SAV Center.

We appreciate your confidence in our product, and we wish to do everything we can to retain your confidence. Should you need additional assistance, you may contact BMW Customer Relations and Services at 1-800-831-1117.

If the BMW SAV Center is unable to remedy the defect without charge or within a reasonable period of time, you may notify the Administrator, National Highway Traffic Safety Administration, 400 Seventh Street S.W., Washington, DC 20590, or call the toll-free Auto Safety Hotline at 1-888-327-4236.

BMW OF NORTH AMERICA, LLC

TREAD ACT CUSTOMER REIMBURSEMENT PLAN
(BMW of North America, LLC)

If you have paid for the repair described in the attached letter, and you would like to be considered for reimbursement, please contact your authorized BMW SAV center. Expenses from repair facilities outside of the BMW SAV center network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.

Your authorized BMW SAV center will request a copy of your owner notification letter, as well as, a copy of your previously paid invoice, and then inspect the vehicle (if it is still in your possession) prior to submitting a claim on your behalf to BMW of North America, LLC for reimbursement.

Please note the following:

- Only a repair that is the subject of this safety recall is reimbursable. Consequential expenses such as towing, rental, accommodations, damage repairs, etc will not be reimbursed.
- When BMW Genuine Parts are used, the Manufacturers Suggested Retail Price (MSRP) will be considered as the guideline for reasonable charges.
- Expenses for repairs performed more than 10 days after the date of the last owner notification letter sent by BMW are not eligible for reimbursement.
- Taxes and hazardous waste disposal, where previously paid, are eligible for reimbursement.
- BMW will not reimburse for prior repairs that did not utilize BMW Genuine Parts.

We anticipate that your authorized BMW SAV center will be able to answer any questions that you may have regarding your qualifications for reimbursement of a previous repair. If you qualify for such a reimbursement, they will also be able to advise you of the manner in which you could receive reimbursement.

We recommend that your authorized BMW SAV center be your primary contact on this issue; however, our Customer Relations Department may be contacted at 1-800-831-1117 for any special assistance that you may require.

Alternatively, you may submit your request for reimbursement to the following address:

Customer Relations Department
BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07675-1227