IMPORTANT SAFETY RECALL

This notice applies to your vehicle, [INSERT VIN].

August 2014

Recall Campaign No. 13V-564: Front Passenger Air Bag Seat Occupancy Sensor Mat

Dear BMW Owner/Lessee:

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 Model Year 2006-07 BMW 3 Series Sedans and Sports Wagons, 5 Series Sedans and Sports Wagons, and 7 Series, and also Model Year 2006 X5 SAVs. Our records indicate that you are the owner of a potentially affected vehicle.

IMPORTANT NOTICE

Please note that we had informed you of this matter by letter in January, and indicated that the necessary parts for your vehicle were not yet available. In our January letter, we stated that we would inform you when parts were available, and to schedule a visit with your authorized BMW center at that time. With this letter, we are pleased to inform you that the necessary parts are now available, and we encourage you to schedule an appointment with your authorized BMW center as soon as possible.

DESCRIPTION OF PROBLEM

This recall involves the front passenger air bag seat occupancy sensor mat. Over time, due to the frequency of front passenger seat usage, the sensor can become damaged. If this were to occur, deactivation of the front passenger air bag could result, increasing the risk of injury in the event of a crash. If the front passenger air bag became deactivated, the air bag warning lamp on the instrument cluster, and the front "passenger air bag off" lamp in the overhead console are illuminated at the same time.

DESCRIPTION OF REPAIR

The air bag seat occupancy sensor mat will be repaired so that forces applied to the seat cushion do not damage the sensor.

The actual repair will require approximately three hours; however, additional time may be required depending on the BMW center's schedule. This work will be performed <u>free of charge</u> by your authorized BMW center.

PRECAUTIONS FOR YOUR SAFETY

1. CONTACT YOUR AUTHORIZED BMW CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.

- 2. Please make sure all vehicle occupants always wear their safety belts.
- 3. If the air bag warning lamp on the instrument cluster, and the front "passenger air bag off" lamp in the overhead console are illuminated at the same time, the vehicle may be experiencing this condition.
- 4. If this condition occurs, you should <u>not</u> drive your vehicle with a passenger in the front passenger seat.
- 5. If you are not the only driver of this vehicle, please advise all other drivers and passengers of this important information.

OTHER INFORMATION

If you are no longer the owner of this vehicle, we would appreciate your 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 with ten days.

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

We sincerely apologize for any inconvenience this may cause you. We appreciate your confidence in our product, and we wish to do everything we can to retain it. **Should you have any questions about this campaign, please contact your authorized BMW center.** Should you need additional assistance, you may contact BMW Customer Relations and Services at 1-800-525-7417, or via Email at CustomerRelations@bmwusa.com. Should you need BMW Roadside Assistance, they can be contacted at 1-800-332-4269.

If your BMW 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, 1200 New Jersey Ave., S.E., Washington, DC 20590, call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153), or go to http://www.safercar.gov.

BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.

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 your payment to be considered for reimbursement, please contact your authorized BMW center. Expenses from repair facilities outside of the BMW center network will be considered; however, the repair procedure must meet BMW standards.

Your authorized BMW 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.
- The Manufacturer's Suggested Retail Price (MSRP) for BMW Genuine Parts 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.

We anticipate that your authorized BMW 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 center be your primary contact on this issue; however, our Customer Relations and Services 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 and Services Department BMW of North America, LLC P.O. Box 1227 Westwood, NJ 07675-1227

Please note, if you choose to submit a request for reimbursement to the Customer Relations and Services department, your vehicle will still need to be inspected (if it is still in your possession) at an authorized BMW center before a claim can be submitted for consideration. This is to ensure that prior repairs associated with this recall completed at an outside facility meet BMW standards.