

(3) The manufacturer or factory branch, its agent or its authorized dealer, or the lessor or the lessor's agent shall correct the nonconformity, defect, or condition at no charge to the lessee, even if repairs are made after the expiration of the warranty period.

(d) (1) (i) If, during the warranty period, the manufacturer or factory branch, its agent or authorized dealer, or the lessor or the lessor's agent is unable to repair or correct any nonconformity, defect, or condition that substantially impairs the use and market value of the motor vehicle to the lessee after a reasonable number of attempts, the manufacturer or factory branch, at the option of the lessee shall:

1. Replace the motor vehicle with a comparable motor vehicle acceptable to the lessee; or

2. Accept return of the motor vehicle from the lessee and refund to the lessee all moneys paid by the lessee to repair the defect, condition, or nonconformity pursuant to a lease, including all excise tax, license fees, registration fees, and any similar governmental charges, less a reasonable allowance for the lessee's unimpaired use of the vehicle; and

(ii) In the event a motor vehicle is replaced under paragraph (1)(i)1 of this subsection and provided that the lessee meets the lessor's then current credit criteria with respect to the lease, the lessor shall:

1. Transfer the title of the defective MOTOR vehicle to the manufacturer;

2. Accept title to the comparable replacement MOTOR vehicle;

3. Transfer possession of the comparable replacement MOTOR vehicle to the lessee; and

4. Execute a lease agreement with the lessee with the same time period, terms, and conditions of the original lease.

(2) (i) In the event a manufacturer accepts return of a motor vehicle, under paragraph (1)(i)2 of this subsection, the lessee shall be compensated BY THE MANUFACTURER for any moneys paid during the period in which the MOTOR vehicle was not available due to the defect, condition, or nonconformity AND THE LESSOR SHALL BE PAID BY THE MANUFACTURER ALL AMOUNTS DUE TO THE LESSOR UNDER THE TERMS OF THE LEASE.

(ii) This subsection shall be construed to provide a mechanism through which the lessee and the lessor shall be made whole for losses incurred as a result of a motor vehicle's nonconformity, defect, or condition, and actions taken to conform the motor vehicle to applicable warranties.

(3) If a manufacturer, factory branch, dealer, or lessor accepts return of a motor vehicle as described under paragraph (1)(i) of this subsection, the lessee may not be obligated to pay any penalties, early termination fees, or other charges as a consequence of the return of the MOTOR vehicle.