NEWS FROM NATIONAL

FROM: Wynne Smith, Executive Director
TO: BMW CCA National and Service Officers, Chapter Presidents, Newsletter Editors
DATE: August 20, 2003

MEMBERSHIP STATS as of 08/20/2003

<table>
<thead>
<tr>
<th></th>
<th>Full</th>
<th>Associate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Month’s Membership</td>
<td>65,378</td>
<td>7,735</td>
<td>73,113</td>
</tr>
<tr>
<td>Monthly Net Gain (Loss)</td>
<td>130</td>
<td>244</td>
<td>374</td>
</tr>
<tr>
<td>Monthly % Change</td>
<td>0.20%</td>
<td>3.15%</td>
<td>0.51%</td>
</tr>
<tr>
<td>Last Year’s Membership</td>
<td>63,039</td>
<td>7,220</td>
<td>70,259</td>
</tr>
<tr>
<td>Annual Net Gain (Loss)</td>
<td>2,339</td>
<td>515</td>
<td>2,854</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>3.71%</td>
<td>7.13%</td>
<td>4.06%</td>
</tr>
</tbody>
</table>

New Members, 08/03 1,250
Renewals 08/03 62.7%
Roundels Mailed 66,050

RAFFLE 2003

The raffle closes on September 26th. Ten cars sold so far! Make sure your chapter members don’t miss out!

OKTOBERFEST 2003

Why pay more? The cost to register goes up on September 1st – fax those registrations in - 864 250-0038!

CHAPTER CONGRESS 2004

Last month when I covered the upcoming conference I indicated that three members of each chapter would be invited to attend, then fouled up and indicated that National would only pay for two. That was a mistake, the BMW CCA National Board voted to cover the expenses of three volunteers from each chapter. I apologize for the misinformation.

Sadly, I may have been inadvertently correct. The club is now faced with a sudden and unexpected financial drain. This is due to a threat of litigation made against BMW CCA, Inc. and/or its board members, and what I personally believe to be the poorly considered actions of a chapter board. (On the advice of counsel, I am not at liberty to discuss details at this time.) We have already incurred substantial legal fees and costs in connection with this threat. In addition, we expect to incur substantial increases in insurance premiums as a result of this threat. We are doing everything reasonably possible to avoid litigation. If, however, a lawsuit is commenced, the costs of defending it may have a material effect on our balance sheet and we must begin planning for this contingency now. Cost-cutting measures are currently under consideration and will be discussed at the October, 2003 Board Meeting.

Despite the unpleasantness indicated above, and in the hopes that it can be resolved without any further expenditure on the part of this organization, I have enclosed a survey – please fill it out and return so that we can do a better job of planning an agenda and segments that will be meaningful and helpful for all who attend.
ADDITIONAL INSURED

Wisenberg has reviewed our procedure for placing additional insureds on our certificates. Wisenberg will continue to add vendors, such as Instructor Trainers to certificates through the end of the policy term (January 31, 2004). However, beginning with the 2004 – 2005 season (February 1, 2004) Wisenberg will be limiting our ability to place additional insureds on our certificates.

According to Wisenberg, it was not contemplated during underwriting our account that BMW CCA regions would be hiring commercial driving instructors that would want their business to be covered as an additional insured. This, in essence, transforms it into a commercial school. The instructor is covered as an additional insured since the instructor is a participant. Wisenberg does not list individual participants by name as it is unnecessary and overly burdensome. They will no longer add any commercial "entity" as an additional insured. Apparently, these requests are a hot button with Wisenberg. If we’re hiring a business, for instance, if an instructor trainer is an independent contractor, then that business really should be providing its own insurance.

MEETING OF THE BOARD OF DIRECTORS

To be held October 18 – 19, 2003 in Minneapolis, MN. If there are topics you’d like your Regional Vice President to present, please contact him to make sure your topic appears on the agenda. As always, those of you wishing to observe the open sessions of any board meeting are welcome to do so. Please call the national office 864 250-0022 to let us know you’d like to attend, or send me an email: wynne_smith@roundel.org.

ELECTIONS

Positions open are: President, Vice President, North Atlantic Regional Vice President and South Central Regional Vice President.

To run for the Presidency, you must have already served on the National Board.

Candidates must be nominated by a member who has been a member for at least six months prior (the nomination must include the BMW CCA membership number of the nominating person) and the candidate’s acceptance of the nomination should be countersigned on the same page (including the candidate’s own membership number). Nominees for Regional Offices, and those nominating them, must reside and be a chapter member in the specific region.

Nominations should include a candidacy statement of no more than 300 words and an appropriate photograph of the candidate. Those wishing to help in refining the CCA’s strategic framework: its values, vision, mission and broad goals; those wishing to help formulate and refine policies that govern our practices should send their nominations, acceptances, candidacy statements and photographs to be received at the National Office before 5 PM EST October 31, 2003.

If you are considering running for a National Board position and would like information on the job requirements and time commitment, please contact me or speak with any of the individuals currently serving.

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The National Office will be closed Monday, September 1, 2003 in observance of Labor Day.