NEWS FROM NATIONAL

FROM: Wynne Smith, Executive Director
TO: BMW CCA National and Service Officers,
    Chapter Presidents, Newsletter Editors
DATE: December 20, 2004

MEMBERSHIP STATS as 12/20/2004

<table>
<thead>
<tr>
<th></th>
<th>Full</th>
<th>Associate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Membership</td>
<td>66,625</td>
<td>8,686</td>
<td>75,311</td>
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<td>Last Month's Membership</td>
<td>66,646</td>
<td>8,660</td>
<td>75,306</td>
</tr>
<tr>
<td>Monthly Net Gain (Loss)</td>
<td>-21</td>
<td>26</td>
<td>5</td>
</tr>
<tr>
<td>Monthly % Change</td>
<td>-0.03%</td>
<td>0.30%</td>
<td>-0.01%</td>
</tr>
<tr>
<td>Last Year's Membership</td>
<td>66,667</td>
<td>8,237</td>
<td>74,904</td>
</tr>
<tr>
<td>Annual Net Gain (Loss)</td>
<td>-42</td>
<td>449</td>
<td>407</td>
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<tr>
<td>Annual % Change</td>
<td>-0.06%</td>
<td>5.45%</td>
<td>0.54%</td>
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New Members, 12/04        1,048
Renewals, 12/04           46.8%
Roundels Mailed           67,800

MEMBERSHIPS STATS

We lost members this month, but only 21 and the renewal rate is picking up some, so that’s good news. Thanks to everyone who responded last month to my question about a potential membership drive. Lots of great suggestions to be shared with you. Rather than trying to place it all here, I will be posting it to the FILES section of the various digests for you to review at your leisure and by all means, post comments.

Those that respond to our 'lapsed member surveys' are mainly telling us:

"I sold the car, no longer a BMW owner. thanks and good luck!"
"I sold my BMW...
"I've sold my BMW. Thanks JT"
"I have decided not to renew my membership at this time."

Messages such as:

"if you could ask the local chapters to discuss aspects of these vehicles at their meetings, say a “theme night” E36 or E34 or differences in frames through the year, what sort of tires to use? My feeling was that the local membership group was more like a party. If the local could somehow tie its meeting to an article in the Roundel, I would probably still stay joined. As for partying, I enjoy a good party, but I would rather make a weekend of it and learn something, than see how much beer members can drink in one sitting."

Are forwarded on to the chapter the member was enrolled in.

The responses I find unsettling (because we have no control over them):

"Thank you for the reminder. After many years of owning BMW's, I have decided the marque is just not what it used to be (although I have the greatest respect and admiration for BMW CCA and the Roundel magazine) and I have moved on to another marque. BMW (the corporation) seems to have really lost it's way with overly complex vehicles and styling
which I do not care for at all. They simply are no longer "ultimate driving machines" but rather boring and unnecessarily tricked out gadget carriers. Loved the Club. Thanks again.”

“Thank you for the reminder. My membership has lapsed simply because I no longer own a BMW auto (have been a BMW motorcycle owner for years). I have been impressed with BMWCCA - great magazine, activities, etc. - a very well run club.

If BMW would get rid of Chris Bangle and his ugly designs, I would likely buy another BMW. I would love to see a toned down (style-wise) Z4 with a 6 or 8 cylinder M engine - that would bring me back. The Z3 was such a beautiful car stylistically. It's really a damned shame that Chris Bangle and his team bugged up the Z4 styling so badly - that goes for the 5 and 7 Series and their I-Drive systems as well. Frankly, I'm disgusted with BMW allowing this to happen. Thank you.”

“I wanted to reply to your previous email regarding my decision to not renew. Please understand that this decision has nothing to do with you or the great organization that you represent. My failure to renew is about one thing only, and that is my total disappointment and disgust with the direction that BMW has decided to move in. I am a 37 year old life long BMW enthusiast, and I am the youngest of 5 boys that are (were) BMW fans. Between us we have probably owned as many as 15+ BMW's. Ranging from 2002's, M5's, and 750il's. While at first puzzled with the introduction of the new 7 series a few years back, I thought for sure that the overwhelming controversy and negative feedback would result in the new 5 series being modified accordingly so as to bring BMW back to center. I was very anxiously awaiting the new 545 with cautionous enthusiasm, as it was my intention to replace my current 1999 540. Needless to say, the new 5 series in my opinion is a total disaster. (The new 3 almost as bad) That idiot in Germany should be sent on his way before the company implodes around him. This past month I bought a new Mercedes E500, and I am 100% thrilled and happy. It is a bittersweet feeling however; my loyalties have always been with BMW and for no one's fault but their own, I am now a Mercedes owner. I hope someday, when enough of us have voiced our protest, tat Mercedes dealerships et al... that BMW will someday be what they once were. I will be waiting. Thanks for your great efforts.”

“No secret. I don't have a BMW any longer. I sold it a year ago, and while I enjoyed the magazine quite a bit, there's really no good reason to stay a member.

I sold the car because it was having a series of mechanical failures that were costing a fortune to repair. they happened just after the warranty expired, so I was stuck paying for it. You'd think that ball joints would last longer than 52,000 miles, but mine went, and BMW would do nothing about it. Same with the A/C compressor at 53,000, the Alternator at 54,000 and the fan in the heating and cooling system at 54,500. I loved the car, but a thousand dollars a month required more love than I had.

So I bought an Acura TL. Not a BMW, but pretty darned nice, and a LOT more reliable. The magazine was fine. No complaints.”

Are all being forwarded to BMW of North America. Are you hearing the same kinds of things from members that are on the fence about renewing? If so, please share them with Larry Koch – larry.koch@bmwna.com

DIRECTORS & OFFICERS LIABILITY INSURANCE

By now everyone should have received the packet of information. If for some reason you did not receive the D & O information for your chapter – please send me an email and I will email the materials, or fax them to you. wynne_smith@bmwcca.org

I have received completed applications (or know that they are on the way) from every chapter except:

Tarheel
Badger Bimmers
Allegheny
Sunbelt
Mountain State
Gulf Coast
Sunshine Bimmers
Pocono Mountain
Nittany Bimmers

It is imperative that the forms be returned to me as soon as humanly possible. If you have misplaced yours please call me and I will send replacements.
AUTOCROSS MINIMUM STANDARDS

WOW! Great responses - again, they will be posted to the digests for all to review and comment upon - but this from Puget Sound, I thought exceptionally well presented:

This is a follow-up to my previous message, saying our chapter approves of the proposed Autocross minimum standards. We would like to comment on two items that caught our attention.

1) The stated minimum age is 16. If this is allowable for autocrosses, why are 16 year olds not allowed to drive at skills schools which are run in a similar environment, at low speeds using cones? The family friendly aspect of our driving schools is an important element, and the ability to include all family members of driving age in the same event strengthens that aspect. And the 16-18 year olds need the instruction more than adults. I know the Street Survival program is meant to address this, but we are averaging an SS event every two years. We put on two skills days a year, and it would be great to include 16-18 year old drivers at those events.

2) Re: the minimum turn radius of 25 feet: Our chief instructor, Walt Conley, has this comment: "I would like to see them reconsider 2.3.1.d requiring a minimum 25' inside radius for any turn or chicane. Pivot cones are an integral part of many autocrosses as it really forces people to slow down to effectively make the turn - I call them discipline turns as you want to go fast but that's not the best way to do it."

Thanks for providing the opportunity for chapters to comment on the proposed standards.
Tom Cox President, Puget Sound Chapter, BMW CCA

DEC ELECTIONS

Deadline to vote for your candidate is Friday, February 11th.

CRAC ELECTIONS

Deadline to vote is Friday, January 14th.

ELECTIONS 2005

Deadline to vote for your candidate is Friday, February 11th.
Be sure to get the word out – save those mailing labels so you can vote! We don’t want anyone to miss out. Results will be available on the BMW CCA website Monday, February 14.

NATIONAL BOARD MEETING

Will be at the Hilton Tampa Airport January 21-23, 2005. Members are encouraged to attend open sessions of the meeting. If you’d like to attend, please let me know. wynne_smith@bmwcca.org

FORMS

The forms are enclosed in these packets and will be available online at the website - you know what I’m going to say – Please, please, please send those Chapter Officer Questionnaires and related forms to us as soon as you can! Especially the Chapter Officer Questionnaires. Your cooperation is greatly appreciated.

best regards, Wynne

The National Office will be closed Monday, January 17 for Martin Luther King Day.