NEWS FROM NATIONAL

FROM: Frank C. Patek II, Executive Director
TO: BMW CCA National and Service Officers, Chapter Presidents, Newsletter Editors
DATE:

MEMBERSHIP STATS as of 5/20/2008

<table>
<thead>
<tr>
<th></th>
<th>Full</th>
<th>Associate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Membership</td>
<td>66,292</td>
<td>9,658</td>
<td>75,950</td>
</tr>
<tr>
<td>Last Month's Membership</td>
<td>66,304</td>
<td>9,685</td>
<td>75,989</td>
</tr>
<tr>
<td>Monthly Net Gain (Loss)</td>
<td>-12</td>
<td>-27</td>
<td>-39</td>
</tr>
<tr>
<td>Monthly % Change</td>
<td>-0.02%</td>
<td>-27.00%</td>
<td>-0.05%</td>
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<tr>
<td>Last Year's Membership</td>
<td>66,206</td>
<td>9,923</td>
<td>76,129</td>
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<tr>
<td>Annual Net Gain (Loss)</td>
<td>86</td>
<td>-265</td>
<td>-179</td>
</tr>
<tr>
<td>Annual % Change</td>
<td>0.13%</td>
<td>-2.67%</td>
<td>-0.24%</td>
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<tr>
<td>2006 Membership</td>
<td>66,208</td>
<td>9,489</td>
<td>75,697</td>
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<tr>
<td>Net Gain (Loss) for 2</td>
<td>84</td>
<td>169</td>
<td>253</td>
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<tr>
<td>years % Change for 2 years</td>
<td>0.13%</td>
<td>1.78%</td>
<td>0.33%</td>
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<tr>
<td>New Members</td>
<td>1,228</td>
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<tr>
<td>Renewals</td>
<td>41.31%</td>
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<tr>
<td>Roundels Mailed</td>
<td>66,184</td>
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2008 BMW CCA CAR-OF-YOUR-DREAMS RAFFLE

The raffle has begun! If you have not yet been to the website recently stop by and click on the Raffle Link, http://www.bmwcca.org/index.php?pageid=raffle; from there you can buy your tickets for a chance at the car of your dreams! Amongst the changes for this year are three prize levels: One Grand Prize will be awarded this year. What is the grand prize, you ask? The BMW of your dreams—up to an MSRP of $100,075. (Why the odd number? Because it’s the MSRP of a new M6!) There’s also one First Prize, for which any BMW up to a total MSRP of $60,000 will be awarded. Depending on the number of tickets sold, we will most likely also award several Main Prizes—any BMW up to an MSRP of $42,000.

As always, only BMW CCA members—including associate members—are eligible to purchase tickets and win prizes. Anyone joining the Club prior to August 1, 2008, will qualify to purchase tickets. The maximum number of tickets available for purchase will be seven (7) per valid membership. And this
year for the first time, tickets will be available for purchase on our website. The National Office will send each chapter information on the raffle as it becomes available. We ask that each chapter promote the raffle and take advantage of it as a recruitment opportunity. Remember, the Membership Drive will continue through September 12, 2008.

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**MEMBERSHIP REWARD PROGRAM UPDATE**

Members who are purchasing a new or certified pre-owned BMWs will be interested in the following updates to the **Member Reward Program** that BMW NA established to exclusively benefit CCA Members.

- In the past, MRP rebate requests were sent directly to BMW NA for processing. BMW NA then forwarded a list of applicants to the National Office for membership verification. Verified members were then given notification of complete or incomplete applications. To streamline this process—and remain true to NA and CCA’s commitment to customer service—BMW CCA has recently taken over some of the steps in the MRP process.

- When applying for a MRP rebate, members should now send their application directly to the **BMW CCA National Office**, where the staff will verify membership eligibility and check to see that all necessary paperwork is attached. Members will receive confirmation from the National Office of receipt of their paperwork and its completeness, and—if complete—that it is being sent to BMW NA for final approval and processing.

- Please note that **the 1 Series and X6 are currently not included** in the Member Reward Program. Lest anyone think we are being slighted, such is not the case: Both cars are in limited production this year, and no one—not even BMW employees—are receiving incentives to purchase them.

Below is a grid showing the BMW CCA Member Reward Program results for the last eight years. Beside the year is the number of rebates issued in that year; to the right of that is the value of those rebates received by our membership.

<table>
<thead>
<tr>
<th>Year</th>
<th>Rebates</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2,885</td>
<td>$1,973,000</td>
</tr>
<tr>
<td>2006</td>
<td>3,058</td>
<td>$2,191,000</td>
</tr>
<tr>
<td>2005</td>
<td>2,488</td>
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<td>2004</td>
<td>3,095</td>
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<td>2003</td>
<td>3,161</td>
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</tr>
<tr>
<td>2002</td>
<td>2,700</td>
<td>$1,899,000</td>
</tr>
<tr>
<td>2001</td>
<td>2,100</td>
<td>$1,580,900</td>
</tr>
<tr>
<td>2000</td>
<td>1,732</td>
<td>$1,461,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21,219</td>
<td>$15,280,409</td>
</tr>
</tbody>
</table>
DIRECTOR & OFFICER INSURANCE and CHAPTER REBATES

It is time for our annual D&O Policy renewal—that time of year when our insurance agent gets glassy-eyed and smiles broadly as he hands me the invoice, all the while thinking of the new boat he is going to buy with his commission check. Too bad for him it will be more of a dinghy this year, as we shaved about $4,000 off our premium!

What’s all this D&O business, anyway? Isn’t that a railroad on the Monopoly board? For the newcomers among us—including me!—we believe it is important to protect chapter officers and volunteers from liability, so each chapter is charged for a share of the D&O insurance premium, which National negotiates at a very good rate. Then, rather than send you a bill, we simply withhold the amount your chapter was charged from your next chapter rebate. This being May, your June chapter rebates will be reduced accordingly.

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2008 BMW CCA Membership Drive

These are the official rules. If they differ from the description elsewhere, the rules here are the ones that govern.

December 1, 2007 to September 12, 2008
The BMW CCA membership drive is open to three categories of participants:

1. Current BMW CCA members,
2. Current BMW CCA members who work for a BMW dealer or independent BMW shop, and
3. BMW CCA chapters.

New Membership Definition
A new membership is defined as a membership for an individual or business that has never before belonged to BMW CCA, or a membership for an individual or business that was a previous BMW CCA member but whose membership lapsed at least six months prior to the date of the new membership. A new membership with a corresponding associate membership counts as one new membership.

Eligibility
To be eligible, current BMW CCA members must be paid members (that is, they may not be members by virtue of being "comped" by BMW CCA or a BMW CCA chapter).

About the Categories
The program differentiates between BMW CCA members who work at BMW dealers or independent shops and those who don't, because those who work at places where BMWs are sold, serviced, or repaired are assumed to have a much greater opportunity to meet BMW owners who may not already be members of BMW CCA. While all BMW CCA members have equal opportunities to receive the membership extension reward, they will only be competing against other members in their own category for the additional prize drawings and grand prizes.
Category 1: Rewards for current BMW CCA members who refer new members
For each new member who joins, referring members will receive a one-month extension of their existing BMW CCA membership, and one ticket in the prize drawing. There is no limit to the number of extensions a member may receive based on new-member referrals. *(Memberships will be extended at the end of the Membership Drive.)* In addition to the prize drawings, there will be grand prizes for the three BMW members who refer the most members.

Category 2: Rewards for BMW dealer or independent BMW shop employees who refer new members
Current BMW CCA Members employed by a BMW dealer or independent BMW shop: For each new member that joins, referring members will receive a one-month extension of their existing BMW CCA membership, and one ticket in the prize drawing. There is no limit to the number of extensions a member may receive based on new-member referrals. *(Memberships will be extended at the end of the Membership Drive.)* In addition to the prize drawings, there will be grand prizes for the three BMW members who refer the most members.

(Please note that memberships purchased by dealers for their customers are not eligible for the one-month extension reward or tickets for the prize drawings. This exclusion is in effect even if a current BMW CCA member is listed on the application as a referrer.)

Category 3: Rewards for chapters that achieve a designated level of new member activity.
Chapters are eligible for rewards based on an overall increase in their total membership and their renewal rate. Both are important for continued growth of the Club, since renewing members are more likely to stay in the Club for more years, while new members are needed to replace those members who don’t renew. Only primary chapter memberships will count toward chapter goals. Dual chapter affiliations will not accrue towards the goals. To be eligible for rewards, chapters must be in good standing. Chapters that are officially on probation during the period of the membership drive will not be eligible.

The basis for chapter goals for new members will be the total number of primary members as of the official close in the National Office on November 26, 2007. The goals for chapters that gain or lose members due to chapter realignment or the creation or dissolution of chapters will be revised so that they maintain an equitable basis for rewards.

The total membership goal for each chapter is 4%; that is, the chapter will have reached its goal if, by September 18, 2008, its total number of primary members is equal to 104% of the number of primary members assigned to the chapter as of November 26, 2007.

The renewal goal for each chapter is 60%; that is, the chapter will have reached its goal if, by September 18, 2008, at least 60% of its primary members as of December 18, 2007, have renewed their memberships.

Chapters that meet their total membership goal will receive $50 of BMW CCA merchandise or $5 of BMW CCA merchandise per 100 members, whichever is greater. Chapters that meet both their total membership and renewal goals will receive $100 of BMW CCA merchandise or $10 of BMW CCA merchandise per 100 members, whichever is greater. Chapters that meet their renewal goal and meet or exceed 110% of their total membership goal will receive $100 of BMW CCA merchandise or
$10 of BMW CCA merchandise per 100 members, whichever is greater, and a 5% discount on driving-event insurance premiums for the year 2008. Chapters that meet their renewal goal and meet or exceed 120% of their total membership goal will receive $100 of BMW CCA merchandise or $10 of BMW CCA merchandise per 100 members, whichever is greater, and a 10% discount on driving-event insurance premiums for the year 2009.

The top three chapters in percentage of new members will each receive two registrations for Oktoberfest 2009. The top ten chapters in percentage of new members and renewal rates will be officially recognized in *Roundel* Magazine.

**Additional Prizes**
In addition to ongoing incentive rewards for each member referred, BMW CCA members who refer new members, and BMW CCA members who are employed by BMW dealers or independent BMW shops and who refer new members, will be eligible for drawings for a variety of additional prizes at the end of the membership drive. These drawings will take place at Oktoberfest 2008. Winners need not be present at Oktoberfest to win. The prize list will be published on the [www.bmwcca.org](http://www.bmwcca.org) website as prizes are added.

**New members can join:**
1) By calling 1-800-878-9292 to submit their application and credit card information over the telephone. **The referring member's name and BMW CCA member number must be provided at the time the call is made.**
2) By visiting the [www.bmwcca.org](http://www.bmwcca.org) website and submitting an application online. To receive credit, the referring member's name and BMW CCA member number must be entered in the appropriate space on the online application form.
3) By mailing a membership application to the National Office. In order to receive credit, the referring member's name and BMW CCA member number must be written on the application. Membership applications/BMW CCA brochures are available from the National Office by calling (864) 250-0022 or sending an e-mail to stevens@bmwcca.org.

**Deadline, Procedures, and Restrictions**
*The National Office must receive all new member applications no later than September 12, 2008 to be counted.*
If referred by a current BMW CCA member, a new-member application must contain the name and BMW CCA member number of the referring member in order for the referring member to receive credit. Credit may not be applied retroactively. If a new member cancels the membership within three months after joining, the referring individual will lose credit for that membership. If a new member is referred by a current associate member, the associate member will receive the ticket for the prize drawing; however, the membership-extension credit will be applied to the associate member's corresponding primary member.

Memberships will be extended at the end of the program only to those who are members in good standing.

Prizes will be announced on the BMW CCA website.

BMW CCA members who are members of the National Board of Directors, paid employees of BMW CCA, *Roundel* senior staff, and members of their immediate families or households are eligible for
referred reward incentives, but are not eligible for the prize drawings at the end of the membership drive or the grand prizes. Lifetime members who refer new members may designate their extra months of membership earned to be added to the membership of a friend or family member.

Referral credit will not be given to applications received without the referring member's BMW CCA member number. BMW CCA members will be able to track their referrals by accessing their personal information through the BMW CCA website. Individual membership extensions awarded under this program will be applied at the time of the member's normal renewal, and/or within 30 days after the end of the membership drive, whichever comes first. Chapter membership and renewal rate numbers will be updated monthly and sent to chapters with News From National. Monthly updates will also be posted to the bmwcca.org web site.

Questions?
Questions about the 2008 BMW CCA Membership Drive may be directed to Steven Schlossman, by e-mail to stevens@bmwcca.org.
We have some fabulous new business-card sized recruitment cards available—please call or write to order some!

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OPS MANUAL CHANGE – CLARIFICATION

So: I have been here three months and have already made a mistake. . . or two. . . or three. During a recent conference call with the North Atlantic Region, I said the National Office would not mail copies of your chapter newsletters to the other chapters. I was wrong. We will mail your newsletter to the other chapters. Below is the corrected Ops Manual Change. (Maybe I should headed this Oops! Manual Change!)

—Frank

As of August 1, 2008 Section 6.4 of the BMW CCA Ops Manual will change. Currently, section 6.4 states that Chapters will be reimbursed for the cost of the additional newsletters they are required to send to the National Board, National Service Officers, and the National Office. Chapters will no longer be required to print additional copies of their newsletter for that distribution list. Beginning in August, Chapters will be permitted to transmit electronically a copy of their newsletter to the National Office. Once the newsletter is received, it will be reproduced and distributed to all appropriate parties, as determined by the National Board.

Chapters wishing to take advantage of this streamlining process are encouraged to do so immediately.

Section 6.4 as of August 1, 2008

“Each chapter is required to issue at least one newsletter per each 90 days to each member of that chapter and to the National Office, each member of the National Board, and to all other BMW CCA chapters reciprocating in kind. By definition a newsletter must contain the following minimum items:

• The date or period the newsletter covers.
• A listing of all chapter officers and at least two telephone numbers, with area code, of any chapter officers.
• At least one automotive-related article.
• Notification of at least one chapter event or business meeting per each 90 days.
• The Post Office address of the chapter.
• A disclaimer of the materials published in the newsletter.

At the option of any regular chapter newsletter recipients, the newsletter may be furnished to those requesting it in electronic form rather than printed. This is at the option of the recipient; the chapter may not arbitrarily make the decision to convert to electronic newsletters.

Chapters are required to provide one copy of their newsletter to the National Office, the preferred format is in PDF, or as a Word document. Chapters that are unable to submit a PDF or Word document may elect to send a hard copy via U.S. Mail at their own expense. The National Office will then distribute copies of the newsletter to the National Board of Directors, all other BMW CCA Chapters and certain other specified individuals as determined by the National Board. The cost of distributing the extra copies will be borne directly by the National Office. Chapters will not be reimbursed for these expenses.

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OKTOBERFEST 2008 WATKINS GLEN, NY, SEPTEMBER 23 - SEPTEMBER 27, 2008!

Oktoberfest registration is still running ahead of last year's at the same time, so we have added two more hotels to the approved list. They're the Radisson in Corning and the Hilton Garden Inn in Elmira. Two more sponsorships just confirmed include Griot's Garage, and BMW North America. Griot's is back to present the popular Concours d'Elegance at the Logan Ridge Winery. BMW NA will again furnish cars for test drives and sponsor the awards banquet at the Wings of Eagles Discovery Center.

The M1 package plan includes the Car Control Clinic. It's proving so popular that a second Car Control Clinic has been added to the program. The M3 track option is also still attracting lots of interest.

We still have room for more companies and organizations who would welcome the opportunity to display their wares before a national audience such as the BMW CCA nation. If you know anyone who fits this description, please contact Linda Axelson at 864.250.0022 or by e-mail at lindaa@bmwcca.org.

We have heard from some chapters who would be interested in advertising in the Oktoberfest souvenir program. Please contact Linda at lindaa@bmwcca.org if your chapter shares this interest.

A reminder: Our dedicated O'Fest website—www.bmwccaoefest.org—is the best and fastest way to learn everything about this outstanding event. We're hearing that more and more newsletter editors and webmasters are posting the O'Fest link on their own sites. Official O'Fest 2008 merchandise will soon be featured on this site, too!
BI MMERFEST 2008

On May 3rd, EVP Mark John Calabrese, PRVP Steve Johnson, National Events Planner Linda Axelson, and I—your beloved Executive Director!—attended Bimmerfest. This annual one-day event took place in Santa Barbara, California. The four of us manned a booth from early morning till late afternoon. We met many current CCA members and welcomed 25 brand-new members who we signed up on the spot. Of course, we had a secret weapon, a brand new M3 SMG, thanks to BMW NA, who loaned it to us from their LA press fleet—the first time any of us had experienced the new twin-clutch SMG set-up. Sweeeeet!

As some of you may know, thanks to certain squealers, I used to drive a Cadillac STS. Let’s just say a spin through Santa Barbara in the M3 can make a boy forget all about his love affair with Detroit steel! It doesn’t hurt the reputation, either. While the car drew in the crowds, the four of us took advantage of their rapture to plug CCA.

INTERNATIONAL COUNCIL OF BMW CLUBS POSTS SURVEY

Psyma Group AG, a global independent market research institute, is conducting an international online survey of BMW Club members on behalf of the International Council of BMW Clubs and BMW AG. BMW Club members are invited to participate in this online survey. Psyma Group says it takes 15 to 20 minutes to fill out the online questionnaire.

The survey is open through June 30, 2008. The survey asks about your BMW ownership, reasons for owning a BMW, reasons for joining a BMW club, your interests, and your future plans to buy BMWs, BMW motorcycles, and accessories.

The survey will be conducted in English, German, French, Spanish or Japanese. You can choose your preferred language on their website. You can reach the website by clicking on the link below.

http://www.psyma-surveys.com/uc/bmwclubs/

Please post information about this survey on your website, in your newsletter if there is enough time and encourage members to participate.

If you have any questions concerning the survey, please contact Psyma Group at feedback.survey@psyma.com. Answers will be kept confidential and individuals will not be identified. Psyma’s data protection policies are at http://www.psyma-statistics.com/documents/privacy.php?lang=en

BMW CCA Board of Directors Meeting

Will be held Saturday, June 21 and 22 in America’s Finest City—San Diego, California. The host hotel is the Hilton San Diego in Mission Valley. If you’d like to observe, please contact the national office so that we can reserve seating for you (lindaa@bmwcca.org). Those members observing the meeting all day Saturday are welcome to join us for dinner Saturday evening at no charge. Think of it as a reward for putting up with the entire Board—plus Satch—for the whole day!