



Notice of  
Special Meeting of the Members  
March 12, 2010  
7:00 P.M.

You are hereby notified of and invited to attend a Special Meeting of the Members of Southwestern Yacht Club to be held at the Southwestern Yacht Club, in the Temporary Clubhouse, located at 2702 Qualtrough Street, on Friday, March 12, 2010 at 7:00 p.m., or any adjournment thereof, for the following purposes:

1. To consider **Proposal #1** To authorize the expenditure, not to exceed \$200,000 from Reserve II, General Reserve, for the purchase of items necessary for the opening and operation of the new and expanded clubhouse. The Board of Directors is authorized to transfer \$200,000 from Reserve I, Capital Improvements, to Reserve II, General Reserve fund.

Information regarding matters to be acted upon at the meeting is contained in the Statement of the Secretary included with this notice. Those entitled to vote shall be Flag Members in good standing as of the date of the meeting. Flag Members in good standing are entitled to vote on all issues. Life Members in good standing are entitled to vote only on issues not pertaining to Club finances. Regular Members in good standing are entitled to vote only on issues pertaining to Dues and Assessments. Proxy voting is not allowed. **Members are requested to review the 2009 Club Roster and verify correct documentation of their membership status. Please report any discrepancy to the Club Front Office prior to March 5, 2009.**

By order of the Board of Directors,

Mary Haller, Secretary  
Southwestern Yacht Club  
February 25, 2010



## Statement of the Secretary

### February 26, 2010

I, Mary Haller, being the duly elected and acting Secretary of Southwestern Yacht Club, do hereby certify the following is business pursuant to the Club Bylaws which may properly be brought before the members of Southwestern Yacht Club at a Special Meeting to be held on Friday, March 12, 2010 at 7:00 P.M. or any adjournment thereof

In accordance with the By Laws of Southwestern Yacht Club, Article V, section 13D, no business shall be considered other than the business specified in this notice:

#### **PROPOSAL #1**

To authorize the expenditure, not to exceed \$200,000 from Reserve II, General Reserve, for the purchase of items necessary for the opening and operation of the new and expanded clubhouse. The Board of Directors is authorized to transfer \$200,000 from Reserve I, Capital Improvements, to Reserve II, General Reserve fund.

Flag members in good standing may vote on this proposal.

**The Board of Directors recommends passage of this proposal**

#### **BACKGROUND**

On November 1, 2008, the membership approved Proposal #1, authorizing the Board of Directors to procure a \$6,400,000 construction loan to complete the renovation of the Southwestern Yacht Club clubhouse, and fulfill the Capital Improvements requirement from the San Diego Unified Port district for the renewal of our lease for the next 40 years.

The resulting decks are 34% larger; the bar is 10% larger, and the greatly improved layout of the dining and banquet rooms substantially increases the usable space. The increased size of the building means a proportional increase in the need for furnishings and serve-ware. The additional deck space, specifically the step down deck, will require new purchases to furnish the space.

Additionally, during the **three** years leading up to the renovation, the Board of Directors has put off new purchases, anticipating having to store items for over a year.

The Board of Directors recommends the purchase of these items from Reserves, as they do not feel that it would be fiscally prudent to purchase these items from the FF & E line of our construction loan, thereby paying for these relatively consumable items in a mortgage that will run long after their expected life.

This proposal allows the Board of Directors to purchase items necessary to open and operate the clubhouse, not to exceed \$200,000. It also directs the Board of Directors to transfer funds from Reserve I, Capital Improvements, to Reserve II, General Reserve.

The Board of Directors has provided the following list of items that might be included as expenditures under this approved proposal:

|                               |                               |
|-------------------------------|-------------------------------|
| Bar Tables                    | Bar Chairs                    |
| Dining Room Tables            | Dining/Banquet Chairs         |
| Banquet Tables                | Deck Chairs                   |
| Deck Tables & Umbrellas       | Server Stations               |
| Furniture for Member's lounge | Meeting Room Chairs           |
| Office Furniture              | Bar and Dining Room Glassware |
| China-Place Settings          | Flatware                      |
| Storage, shelving             | Fire-proof safes              |
| Cookware                      | AV equipment                  |
| Tools for Maintenance         |                               |

By order of the Board of Directors,

Mary Haller  
Secretary