

June 25, 2010

Greetings DIYC Members,

It is with great enthusiasm that I circulate this announcement. On June 22nd the DIYC Board of Governors authorized the club to enter into an agreement to purchase Duck Island Condo Association slip #1; the slip inside the basin. As directed by the DIYC Constitution, this purchase is contingent on a membership vote to approve the funding plan. In advance of this action, the BOG carefully developed and considered a draft of the funding plan. We anticipate the membership vote on the final funding plan taking place at the Annual Meeting on August 21.

To ensure that the funding plan underpinning this action is as thoughtful as possible and consistent with the best interest of the club, the BOG will be scheduling two *open working sessions* in July when they and any members of the club can present ideas, discuss aspects and propose adjustments and/or improvements to the funding plan. The dates for the working sessions are not finalized yet, however, we will send an email blast and post the dates on the website as soon as they are determined. Naturally any member can send, email or telephone comments if they can not attend.

As specified in the DIYC Constitution, the final funding plan will be presented to the full membership well in advance of the Annual Meeting.

The basic elements of the present funding model are as follows:

- ❑ Driving principles
  - No increase in membership fees
  - No access to “House” capital savings or planned contributions
  - Approximate cash status as of June 2010
    - Fleet - \$45,000
    - House - \$12,000
- ❑ Plan basics
  - Price \$40,500 **including the** \$500 Conveyance Fee
  - \$14,500 - Down payment
    - \$10,500 DIYC - \$3,500 taken from each engine account in the fleet amortization schedule
    - \$3,000 Etchells fleet 24
    - \$1,000 Melges 24's
  - Finance \$26,000 for 5 years at 5%
    - Loan is funded through a modification of the "fleet" amortization schedule which would be revised to include the external loan
    - DIYC would maintain the same rate of capital savings allocation into its "fleet" accounts, however cumulatively fleet resources will see a net reduction in capital accrual of about \$5,800 per year for the 5 year term of the loan

Lots of effort has gone into this plan and we feel this is a unique opportunity for the club. The plan stands on the shoulders of the excellent capital planning system that was instituted years ago. While that planning system did not contemplate this asset becoming available, the overall

structure has allowed us to seize a wonderful opportunity. The capital planning model has been changed and adjusted by the BOG in the past and the board is proposing to do so again to facilitate the enrichment of the club with an asset that will return perpetual benefit both in function and financial appreciation. At the same time, we are mindful that this is an ambitious plan, at a time when membership is down, but in the end the BOG viewed this as a critical opportunity to acquire a valuable asset for the club and that modification of our capital savings plan was justified and appropriate.

I encourage people to contact me or any member of the BOG with any concern or idea associated with this effort.

Todd Berman  
Chairman Duck Island Yacht Club Board of Governors.