



Slocan Valley Co-operative Special Resolution

No. R03

AGM: March 27, 2022

BORROWING POWERS

Board of Directors

“Special Resolution”

Majority = 66%+

Part 21 – Finances

Section 01 – Borrowing Powers

Currently reads as follows:

Borrowing powers

- (a) In addition to the powers given to directors by the Act, and subject to the limitations imposed by 21.01(b), the directors, for the purpose of the Association and on behalf of the Association, may:
- (i) borrow or raise money in the manner and amount, from the sources, on terms and conditions; and,
 - (ii) issue notes, bonds, debentures and other debt securities as the directors consider appropriate.
- (b) Unless authorized to do so by a special resolution of the members, the Association must not secure the repayment of money borrowed by the Association by means of a charge on the whole or substantially the whole of the undertaking of the Association.

BACKGROUND

We believe the existing rule that was originally copied from the British Columbia Co-operatives Act when all societies were required to develop their own bylaws, approved by the members on February 24th, 2002, does not appropriately reflect the specific, high-level authority given to the directors by the members to oversee the finances of the Co-operative in accordance with the responsibilities, duties and powers set out in the Act, the regulation, the Memorandum, and the Rules of the Association.

That after having consulted with appropriate parties, including a review of the bylaws of other Co-operatives, we believe the existing rule places too great a restriction on the directors of the Co-operative to appropriately manage the finances to take advantage of opportunities in a timely manner.

RESOLVED

That Slocan Valley Co-operative Association repeal and replace Rule 21.01 to read, “In addition to the powers given to directors by the Act, the directors, for the purpose of the Association and on behalf of the Association, may:

- (a) borrow or raise money in the manner and amount, from the sources, on terms and conditions; and,
- (b) issue notes, bonds, debentures and other debt securities as the directors consider appropriate.”