ARC Special Resolution

For consideration at the 23 Apr 2008 AGM

Background

- FCL has recommended that all retail co-operatives review the Borrowing Powers section of their rules in light of certain situations arising in BC over the last few years.
- The ARC has a proven background of successes and is expanding at a significant rate while continuing to pay patronage refunds.
- Today's business environment requires quick reaction times to take advantage of emerging opportunities.
- The board will always make prudent investigations and perform the necessary due diligence, however the length of time required to advertise and set up a special meeting of the ARC membership has the potential to limit future business opportunities that may require quick responses to take advantage of any situations that may arise.

Resolved

That the ARC change section 127 of their bylaws as follows:

Existing

127 (1) In addition to the powers given to the directors by the Act, ~~and subject to the limitations imposed by subrule (2),~~ the directors, for the purposes 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.

~~(2) 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.~~

Where the new section would look as follows if the Special Resolution is carried:

127 In addition to the powers given to the directors by the Act, the directors, for the purposes 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.