

**SATURNA ISLAND FIRE PROTECTION SOCIETY (SIFPS)
DIRECTORS MEETING
Prior to AGM
June 24, 2012 at Saturna Rec Centre**

Directors Present: Bernie Ziegler, Eva Hage, Ron Hall, Theresa Howard, John Savage, Dan Thachuk, Lee Middleton, Wayne Quinn, Ted Syverson

1. Call to Order

The meeting was called to order at 10:07 am

2. Approval of Agenda

The agenda was approved as circulated.

3. New Business

3.a Consideration of new Members

Secretary Eva Hage only had one application for membership at this time. The application from John Simpson was accepted in the property owner category.

3. b Approval of Special General Meeting July 14, 2012

Bernie Ziegler explained the necessity for calling a Special General Meeting regarding the subdivision of ESB#1 from the Recreation Centre Society lease to freehold title. In order to do this Toronto Dominion Bank requires transfer of the current mortgage which will require authorization from the SIFPS membership. For a Special General Meeting, fourteen days notice is mandated so the July 14 date was chosen. Notice will be given at today's meeting and written notices will go out early next week so that requirement can be met. Dan Thachuk suggested that a brief preamble be added to clarify that this is not a new mortgage but a transfer of the current mortgage to the new freehold property at ESB#1.

Motion: Wayne Quinn moved that notice of a Special General Meeting on July 14, 2012 be sent out to all SIFPS members. **Carried**

3. c Other

3.c.i Item from Islands Trust Meeting, June 21, 2012

At the Islands Trust Meeting, June 21 at the Saturna Hall, discussion relating to the covenant on ESB#2 landscaping was added to the agenda. Paul Brent recused himself from the discussion and vote, leaving only Trustee Pam Janszen and Ken Hancock. Although it was pointed out that the neighbours on either side and behind ESB#2 had indicated that they are satisfied with the landscaping and Trustee Janszen was in favour of giving final approval, Ken Hancock noted that it was not in strict compliance with the covenant as written. He acknowledged that he has yet to see the property but commented that it is "unusual for a fire department not to obey a covenant". The item has again been tabled until the fall Islands Trust meeting on Saturna.

Bernie Ziegler suggested that Eve Hage be removed from the landscaping responsibilities so there would not be any appearance of conflict for Trustee Brent re this issue. Wayne

Quinn pointed out that the covenant was drafted even before the site plan was developed. Eva noted that the landscaping has been completed and the issue is now in the hands of the Islands Trust.

Dan Thachuk suggested that this item not be brought up at the AGM unless it comes from the membership as it could spark prolonged discussion. There will be an opportunity for input at the September Islands Trust meeting.

It was agreed to try and complete the AGM within 1 1/2 hour if possible.

3.c.ii Approval of May 17, 2012 SIFPS Minutes

There were two typos identified which have already been corrected.

Motion: John Savage moved the minutes be approved as corrected. **Carried.**

4. Adjournment

The meeting was adjourned at 10:25 am.

Bernie Ziegler, President

Eva Hage, Secretary

Bev Lowsley, Recording Secretary

June 24, 2012

**SATURNA ISLAND FIRE PROTECTION SOCIETY
("SIFPS")**

NOTICE OF SPECIAL GENERAL MEETING

The Board of Directors of the Saturna Island Fire Protection Society ("SIFPS") hereby advise you of a Special General Meeting to be held on:

JULY 14, 2012 AT 11:00 A.M

AT THE SATURNA RECREATION CENTRE

In accordance with an existing agreement with the Recreation Centre Society ("RCS"), the Board of SIFPS has effectively completed the subdivision of the Emergency Services Building ("ESB") #1 property, currently occupied under a lease from the RCS.

In order to register the subdivision and ownership by SIFPS in the Land Titles Office, a Special Resolution authorizing the transfer of the mortgage debt, currently secured by a charge on ESB#2 and on the lease on ESB#1, to the newly created freehold property at ESB#1.

The Society Act and requires a Special Resolution by the members be passed in order to borrow funds that cannot be repaid within one year. The mortgages to be held against the ESB#1 freehold property, even though the amount of debt remains unchanged, are considered to be an issuance of a new loan. Therefore this Special Resolution is a technical requirement.

As the amount of security required by the TD Bank has been reduced from the original \$500,000 to \$350,000, the security of ESB#2 will be removed, with that property then being held by SIFPS under clear title ownership.

The vote on this Special Resolution needs to pass with a 75% majority of those members who vote. A person must be a registered member of the SIFPS and be present at the meeting in order to vote on the resolution.

The Board of Directors recommends the passing of the following resolution, which will be presented at the meeting on July 14, 2012:

NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. THE SOCIETY IS AUTHORIZED TO BORROW UP TO \$350,000 AND OBTAIN CREDIT FROM THE TORONTO DOMINION BANK (THE "BANK").
2. THE SOCIETY DO ENTER INTO, EXECUTE AND DELIVER TO THE BANK THE SECURITY DOCUMENTS WHICH INCLUDE:

- a. A MORTGAGE AND ASSIGNMENT OF RENTS (THE "MORTGAGE") CHARGING INTEREST IN THE REAL PROPERTY DESCRIBED AS:

LOT 2, SECTION 8, SATURNA ISLAND, COWICHAN DISTRICT,
PLAN EPP17444

WHICH SHALL BE DELIVERED TO THE BANK AS GENERAL AND CONTINUING COLLATERAL SECURITY AS MORE FULLY SET FORTH THEREIN FOR THE DEBTS;

3. ANY ONE DIRECTOR, OFFICER OR AUTHORIZED SIGNATORY OF THE SOCIETY BE AND IS HEREBY AUTHORIZED AND DIRECTED FOR AN ON BEHALF OF THE SOCIETY TO EXECUTE, AND IF REQUIRED BY THE BANK OR OTHERWISE CONSIDERED NECESSARY OR DESIRABLE, TO AFFIX THE SEAL OF THE SOCIETY TO, AND TO DELIVER TO THE BANK THE SECURITY DOCUMENTS AND ANY OTHER DOCUMENTS OR INSTRUMENTS REQUIRED, WHICH SHALL BE IN SUCH FORM, AND CONTAIN SUCH TERMS AND CONDITIONS AS MAY BE REQUIRED BY THE BANK AND APPROVED BY THE PERSON OR PERSONS EXECUTING THE SAME ON BEHALF OF THE SOCIETY, WHOSE SIGNATURE OR SIGNATURES THEREON SHALL BE CONCLUSIVE EVIDENCE OF SUCH APPROVAL.