

## Debentures Description

A SCPA debenture is an unsecured loan. It is not a registered security or registered investment. You are loaning money to the SCPA with the promise that it will be repaid to you from the association's future cash flow. On an annual basis, 3% interest will be paid out to all the debenture holders. Members will have the choice of receiving their interest in cash or depositing their interest payment into their Playing Fee Credit Account.

Until January 1, 2026, the debentures will only receive interest. After that point, some debentures will be redeemed (paid out) each year. The number of debentures repaid each year will depend on the SCPA's financial position each year but the expectation is that more than 10% will be repaid annually. At this point, the promise is that all the debentures will be redeemed over a 10-year period. The SCPA commits to making its best effort to redeem all debentures as soon as is financially prudent.

The repayment timeline may be shortened prior to issuing the debentures depending on the final funding situation. In other words, if we have strong contributions via donations and/or pre-paid fees, the financial plans will be adjusted. However, at this point, you should assume a 10-year repayment period.

The selection of debentures to be redeemed will be done via lottery at the Annual AGM. The debentures will be selected in a priority sequence. If a debenture holder prefers to not have his or her debentures redeemed, their debentures will not be included in the lottery. Estate redemptions will have first priority followed by those who have left the club.

The debenture agreement will be legally prepared for your review and signing before any money changes hands. It is anticipated that the money will be needed by between Sept 1, 2023 and Dec 31, 2023.

## Debenture Facts

Unsecured loan from members to the SCPA with the SCPA's promise to repay

Debentures issued in units of \$2,500. No purchase limit anticipated.

3% Taxable Interest paid annually

Interest only until Jan 1 2027

No more than 10-year repayment plan there after

Selection of debentures to be redeemed by Lottery at AGM

Priority #1 - Estates

Priority #2 - Members who have left the SCPA (they have moved or can no longer play PB)

Priority #3 - Members who are active SCPA members but would prefer to have their debenture(s) redeemed

Priority #4 - Members who would rather their debentures are NOT redeemed - they prefer to receive the interest.

Members can choose between Priority #3 and #4 on a year-to-year basis.

Debentures are transferable.