

## CENTRAL 1 CREDIT UNION FIRST HOME SAVINGS ACCOUNT DECLARATION OF TRUST

WHEREAS: Central 1 Credit Union (the “Trustee”) accepts the office of trustee and issuer for the Holder upon application for a Central 1 Credit Union First Home Savings Account (the “Account” or “FHSA”) upon the following terms and conditions.

### 1. DEFINITIONS

In these terms and conditions

- a) “**Advantage**” has the meaning as set out in Section 207.01 of the *Income Tax Act*.
- b) “**Agent**” means the Credit Union, Cooperative, or Investment Management Company, and its successors and assigns.
- c) “**Application**” means the duly executed and signed Application form that is attached to and forms part of the Declaration of Trust.
- d) “**Arrangement**” means the First Home Savings Account established for the Holder.
- e) “**Beneficiary**” means an individual (including an estate), or a qualified donee that has the right to receive a distribution from the Arrangement after the death of the Holder.
- f) “**Distribution**”, under an Arrangement of which an individual is the Holder, means a payment out of or under the Arrangement in satisfaction of all or part of the Holder’s interest in the Arrangement.
- g) “**Income Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time.
- h) “**Holder**” means: a) until the death of the individual who entered into the Arrangement, the individual; and b) after the death of the individual, the Survivor of the individual, if the Survivor is a qualifying individual who acquires
  - i) all of the individual’s rights as the Holder of the Arrangement, and
  - ii) to the extent it is not included in the rights described in subparagraph (i), the unconditional right to revoke any Beneficiary designation made, or similar direction imposed, by the individual under the Arrangement or relating to property held in connection with the Arrangement.
- i) “**Qualifying Arrangement**” means that after March 31, 2023, an Arrangement that qualifies as a first home savings account pursuant to the *Income Tax Act*.
- j) “**Survivor**” of an individual means another individual who is, immediately before the individual’s death, a spouse or common-law partner of the individual.
- k) “**Tax Legislation**” means the *Income Tax Act* (Canada) and the taxation legislation of the province or territory in which the Holder resides.
- l) “**FHSA**” means a first home savings account, which is a Qualifying Arrangement (as that term is defined in the *Income Tax Act*) the issuer of which has elected, in the form and manner prescribed by the *Income Tax Act*, to register as an FHSA.
- m) “**Trustee**” means Central 1 Credit Union, a Canadian trust company, in its capacity as trustee and issuer of the arrangement governed by this Trust Agreement, its successors, and assigns.

Unless the context otherwise requires or is otherwise defined herein, terms used herein that are defined in Section 146.6, 248, and 252 of the *Income Tax Act* shall have the same meaning herein as in the *Income Tax Act*.

### 2. EXCLUSIVE BENEFIT

The Arrangement will be maintained for the exclusive benefit of the Holder.

### 3. PRESCRIBED CONDITIONS

As described in paragraph 146.6(2)(i) of the *Income Tax Act*, the Arrangement will comply with prescribed conditions once enacted.

### 4. CONTRIBUTIONS

The Trustee shall accept such payments of cash and other transfers of property acceptable to it, as may be made by the Holder from time to time, which together with any income derived therefrom shall constitute a trust fund to be held, used, and invested by the Trustee for the purposes of making distributions under the Arrangement to the Holder, subject to the provisions hereof. No one other than the Holder can make contributions to the Arrangement.

The Holder shall be solely responsible for ensuring the amount of contributions is within the limits as prescribed under the *Income Tax Act*.

**5. REFUND OF CONTRIBUTIONS**

The Trustee shall, upon written application by the Holder in a form acceptable to the Trustee, refund to that Holder an amount necessary to reduce the amount of tax otherwise payable by the Holder under section 207.021 of the *Income Tax Act*. The Trustee shall make such a refund from uninvested funds held in the Arrangement, but, if there are insufficient uninvested funds to make such refund, the Trustee shall sell or redeem such investments as it may be directed by the Holder to enable it to make such refund. If the Trustee does not receive such a direction within fifteen (15) days after giving the Holder notice of the requirement for such direction, the Trustee may sell or redeem such investments as it in its absolute discretion sees fit to enable it to make such a refund.

**6. INVESTMENTS**

The assets of the Arrangement shall be invested and reinvested by the Trustee, on the direction of the Holder, in such investments as are qualified investments for trusts governed by first home savings accounts (including investments in, and deposits with the Trustee) without being limited to investments authorized by law for trustees. The Trustee may, but need not, require any investment direction to be in writing. In the absence of a direction from the Holder as to the investment of any cash or other property forming part of the assets of the Arrangement, at any time the Trustee may leave such cash or other property uninvested or may invest the same at its sole discretion (including deposits in an account in a chartered bank, trust company, credit union, or cooperative, including the Trustee). The Trustee reserves the right in its discretion to refuse to acquire, hold, or accept certain investments or property even though they may be qualified investments. The Trustee shall exercise the care, diligence, and skill of a reasonably prudent person to minimize the possibility that the trust holds a non-qualified investment. In addition, the Trustee shall not be responsible for any costs, charges, or taxes, other than taxes and charges that are attributable to the Trustee under the *Income Tax Act* in respect of non-qualified investments, or any foreign property, or for any loss resulting from the sale or other disposition of any investment forming part of the Arrangement.

The Trustee has no obligation to give the Holder investment advice in connection with the purchase, sale, or retention of any investments and is not responsible for considering whether any investments held by the Arrangement are suitable for the Holder's financial circumstances.

**7. DISTRIBUTION AND INVESTMENTS**

While there is a Holder, no one other than the Holder or the Trustee has any rights under the Arrangement relating to the amount and timing of Distributions from the Arrangement and the investing of funds.

**8. TRANSFERS**

At the direction of the Holder, the Trustee shall pay or transfer any of the property held under the Arrangement to another issuer of a first home savings account or registered retirements savings plan, or carrier of a registered retirement income fund under which:

- a) the Holder is the Holder or annuitant, or
- b) the Spouse or former Spouse of the Holder, from whom the Holder is living separate and apart, is the Holder and the payment or transfer is made pursuant to a decree, order, or judgment of a competent tribunal, or a written separation agreement, relating to a division of property between the Holder and the Holder's Spouse or former Spouse in settlement of rights arising out of their marriage, or after the breakdown of the marriage or common-law partnership.

**9. BORROWING OF MONEY PROHIBITED**

The trust, relating to the Arrangement, may not borrow money or other property for the purposes of the Arrangement.

**10. SECURITY FOR LOAN**

If the trust, relating to the Arrangement, is pledged, or assigned as security for a loan or other indebtedness, then the fair market value of the property at the time it commenced to be so used shall be included in computing the income of the Holder in the year the Arrangement was pledged.

**11. NO ADVANTAGES**

No advantage, other than a benefit or advantage permitted by the *Income Tax Act*, that is conditional in any way on the existence of the Arrangement may be extended to the Holder or to any person with whom the Holder is not dealing at arm's length other than those advantages or benefits which may be permitted under the *Income Tax Act*.

**12. FILING WITH THE MINISTER**

The Trustee will file an election with the Minister of National Revenue to register the Qualifying Arrangement as a first home savings account under section 146.6 of the *Income Tax Act*.

**13. CEASING TO BE AN FHSA QUALIFYING ARRANGEMENT**

The Arrangement will cease to be an FHSA Qualifying Arrangement upon the earliest of the following times:

- a) after the end of the maximum participation period of the last Holder,
- b) the end of the year following the death of the last Holder,
- c) the time the Arrangement ceases to meet the criteria for being a Qualifying Arrangement pursuant to the *Income Tax Act*,
- d) or the time the Arrangement is not being administered in accordance with the requirements of the *Income Tax Act*.

**14. EFFECT OF CEASING TO BE AN FHSA QUALIFYING ARRANGEMENT**

If the Arrangement, at a particular time, ceases to be an FHSA Qualifying Arrangement,

- a) the trust is deemed
  - i) to have disposed, immediately before the particular time, of each property held by the trust for proceeds equal to the property's fair market value immediately before the particular time, and
  - ii) to have acquired, at the particular time, each such property at a cost equal to that fair market value;
- b) the trust's last taxation year that began before the particular time is deemed to have ended immediately before the particular time; and
- c) a taxation year of the trust is deemed to begin at the particular time.

**15. DESIGNATION OF QUALIFYING INDIVIDUAL/BENEFICIARY**

Where applicable legislation permits, the Holder may designate their spouse or common-law partner as a qualifying individual or one or more Beneficiaries to receive the FHSA assets on or after your death. The Holder may make, change, or revoke a Beneficiary designation at any time prior to death by providing us a written instruction in a form acceptable to the Trustee, in which case such designation will be regarded as null and void. If the Trustee receives more than one form, they will act on the one with the latest signature date.

The individual designated as the qualifying individual will become the Holder, if eligible, or Beneficiary of the Arrangement if they remain the surviving spouse or common-law partner at the time of the original Holder's death; otherwise, the Arrangement will be transferred or paid to the person(s) named as Beneficiary(ies).

**16. DEATH OF AN FHSA HOLDER**

If the Holder dies without designating their spouse or common-law partner as the Successor Holder, or Beneficiary, of the Arrangement, or the spouse or common-law partner predeceased the Holder, the Trustee shall, upon compliance with such reasonable requirements as the Trustee may prescribe, realize and convert into cash all assets of the Arrangement (unless the person to receive the same requests in specie payment) and after deduction therefrom of any and all tax payable, its fees and other charges applicable, shall pay the net proceeds thereof in a lump sum to the designated Beneficiary duly designated as hereinafter provided, if any, or in the absence of such designation to the legal representative of the Holder.

If there is no valid successor or Beneficiary designated at the time of death or if the successor or designated Beneficiary(ies) all predecease the Holder, the Trustee will pay the Arrangement proceeds to the Holder's estate upon written instructions from the estate representative and in accordance with Tax Legislation.

The Trustee will be fully discharged by such payment or transfer even though any Beneficiary designation made by the Holder may be invalid under the applicable laws of the jurisdiction where the Holder was domiciled at death.

**17. FEES AND EXPENSES**

The Trustee, unless otherwise paid the following amounts directly by the Holder, shall be entitled to receive and be paid out of the Arrangement all costs, charges, and expenses incurred by the Trustee in connection with the administration of the Arrangement, other than taxes and charges that are attributable to the Trustee under the *Income Tax Act* in respect of an Arrangement that is not a Qualifying Arrangement, and to be paid for its services as Trustee in accordance with its fee schedule, provided that the Trustee may adjust and amend its fee schedule from time to time after giving the Holder not less than thirty (30) days written notice of any adjustments or amendments. For the purpose of paying the Trustee in accordance with the foregoing, the Trustee may realize and convert the assets of the Arrangement but only to the extent of such indebtedness. The Holder shall be liable to the Trustee for all such costs, charges, expenses, and fees to the extent that the realizable value of the assets of the Arrangement is not sufficient to cover the same.

**18. ACCOUNT STATEMENTS**

The Trustee shall maintain an account for the Arrangement in which will be recorded all contributions received by the Trustee for the Arrangement, investments held in the Arrangement, and the income earned from such investments. The Trustee shall forward a statement to the Holder from time to time, but at least annually, showing all contributions, withdrawals, investments, and income therefrom since the date of the preceding statement.

**19. INCOME TAX INFORMATION**

The Trustee shall provide the Holder with the appropriate information slips for income tax purposes and such other information as may be required under the applicable laws.

**20. POWERS OF THE TRUSTEE**

Subject to the right of the Holder to direct the Trustee as to the investments of the property in the Arrangement, the Trustee shall have and shall be entitled to exercise from time to time, in its sole discretion, any and all rights, powers, and privileges that could be exercised by a beneficial owner of any of the property and assets of the Arrangement, and the Trustee may employ or engage the services of and rely and act on information or advice received from brokers, advisors, lawyers, accountants, and others and shall not be responsible or liable for the acts or omissions of such persons.

**21. TRUSTEE'S LIABILITY**

The Trustee shall not be liable for the making, retention, or sale of any investment or reinvestment made by it as provided herein nor for any loss or diminution of the Holder's investment, except due to the Trustee's negligence, willful misconduct, or lack of good faith.

**22. USE OF AGENTS**

The Trustee may from time to time appoint agents to perform certain administrative duties relating to the operation of the Arrangement on behalf of the Trustee, including acceptance of deposits, transfers, contributions, and investment of any related Property of the Arrangement in accordance with the Holder's instructions.

The Trustee acknowledges and confirms that the ultimate responsibility for administration of each Arrangement will remain with the Trustee.

**23. DELEGATION BY TRUSTEE**

The Holder expressly authorizes the Trustee to delegate to the Agent the performance of the following duties of the Trustee under the Arrangement:

- a) receiving contributions to the Arrangement from the Holder or their legal representative;
- b) receiving transfers of property to the Arrangement;
- c) investing and reinvesting the property as directed by the Holder;
- d) registering and holding the property in the Trustee's name or in the name of their respective nominees as determined by the Trustee or its Agents from time to time;
- e) maintaining the records of the Arrangement, including designation of Beneficiaries, where applicable;
- f) providing to the Holder statements of account for the Arrangement at least annually;
- g) preparing or assisting with all government filings and forms;
- h) making payments out of the Arrangement pursuant to the provisions hereof; and
- i) such other duties and obligations of the Trustee under the Arrangement as the Trustee in its sole discretion may from time to time determine.

The Holder acknowledges that, to the extent the Trustee delegates any such duties, the Trustee shall thereby be discharged from performing them.

**24. DISCHARGE OF TRUSTEE**

Upon payment by the Trustee of the entire amount standing to the credit of the Arrangement (less all proper charges, including applicable taxes) in accordance with these terms and conditions, the Trustee shall thereupon be relieved and discharged from any and all obligations and responsibilities created herein, and the within trust shall thereupon cease and be of no further force and effect.

**25. RESIGNATION OR REMOVAL OF TRUSTEE**

The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder upon not less than thirty (30) days' notice in writing to the Holder, or such shorter period as the Holder shall accept as sufficient, and the Holder in like manner may terminate the services of the Trustee. In the event of such resignation or termination, the Holder shall appoint a successor trustee prior to the resignation of the Trustee taking effect, and if the Holder fails to appoint such a successor trustee within such period of time, the Trustee may appoint a successor trustee, and the Trustee shall transfer the assets of the Arrangement to the successor trustee together with all records, books, reports, and accounts of the Arrangement within three (3) months of the Trustee ceasing to be trustee of the Arrangement.

## **26. WITHDRAWALS**

The Trustee shall, upon written application of the Holder, pay to the Holder in cash or in specie as the Holder shall direct, out of the assets of the Arrangement or the realization thereof, the amount specified in the Holder's written application.

As per subsection 146.6(1) of the Act, qualifying withdrawal of an individual means an amount received at a particular time by the individual as a benefit out of or under a FHSA if:

- a) the amount is received as a result of the individual's written request in prescribed form in which the individual sets out the location of a qualifying home that the individual has begun, or intends not later than one year after its acquisition by the individual to begin, using as a principal place of residence;
- b) the individual
  - i) is a resident of Canada throughout the period that begins at the particular time and ends at the earlier of the time of the individual's death and the time at which the individual acquires the qualifying home, and
  - ii) does not have an owner-occupied home within the meaning of paragraph 146.01(2)(a.1) in the period
    - A) that begins at the beginning of the fourth preceding calendar year that ended before the particular time, and
    - B) that ends on the 31st day before the particular time;
- c) the individual entered into an agreement in writing before the particular time for the acquisition or construction of the qualifying home before October 1 of the calendar year following the year in which the amount was received; and
- d) the individual did not acquire the qualifying home more than 30 days before the particular time.

## **27. AMENDMENTS**

These terms and conditions may be amended by the Trustee in its discretion at any time and from time to time, provided that such amendments will not disqualify the Arrangement as a Qualifying Arrangement. The Trustee will provide the Holder with written notice of any amendment unless it is made for the purpose of satisfying a requirement imposed by the *Income Tax Act*. In the event of changes to the *Income Tax Act*, the Arrangement will be deemed to have been amended to conform to such changes effective the date such changes come into force.

In the event of changes to the *Income Tax Act*, the Arrangement will be deemed to have been amended to conform to such changes effective the date such changes come into force, without notice to the Holder to ensure that the Arrangement remains in compliance with the *Income Tax Act*.

## **28. NOTICES**

Any notice to be given to the Trustee hereunder shall be valid and effective if given by registered mail at its registered office or such other address as the Trustee may permit and shall be deemed to have been effectively given on the day on which it is received by the Trustee. Any notice to the Holder under the provisions hereof shall be valid and effective if contained in a letter, circular, newsletter, or other publication sent through the ordinary post addressed to the Holder at the Holder's address set out in the Holder's application form for the Arrangement, or such other address as the Holder may in writing advise the Trustee, and shall be deemed to have been effectively given on the next day following the date upon which it is posted.

## **29. BINDING EFFECT**

This Declaration of Trust shall enure to the benefit of and be binding upon the Holder and the Holder's heirs, executors, administrators, and legal representatives and upon the successors and assigns of the Trustee.

## **30. INDEMNITY**

The Holder agrees to indemnify the Trustee for all compensation, expenses, and taxes, other than those taxes for which the Trustee is liable in accordance with the *Income Tax Act* and that cannot be charged against or deducted from the property in accordance with the *Income Tax Act*, incurred or owing in connection with the Arrangement to the extent that such compensation, expenses, and taxes cannot be paid out of the property.

## **31. GOVERNING LAW**

This agreement is governed by the laws of the province of the Arrangement, or if more than one Account, then the jurisdiction of incorporation of the Agent and the federal laws of Canada applicable therein, excluding any rules of private international law or the conflict of laws which would lead to the application of any other laws.

## **32. PROCEEDS OF CRIME LEGISLATION**

The Holder acknowledges that the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and *Regulations* apply to the operation of the Arrangement and that the financial institution will from time to time adopt policies and procedures to address the reporting, record-keeping, and client identification requirements of that legislation. The Holder agrees to abide by and comply with all such laws and procedures.



**33. REMOTE INSTRUCTIONS**

The Holder may provide remote instructions to any office of the Agent, as permitted by the Agent. The remote instructions may concern the Arrangement maintained at that office, or concern other Transactions and arrangements conducted at or with that office.

The Agent may, but will not be obliged to, act on remote instructions received in the name of the Holder along with any requisite personal access code and/or personal identification word, if any, to the same extent as if the remote instructions were written instructions delivered to the Agent by mail signed by the Holder authorized to operate the Arrangement. Any such remote instructions are deemed genuine.

The Agent may, in its sole discretion, acting reasonably, delay acting on or refuse to act on any remote instructions.

A remote instruction is deemed received by the Agent only when received and brought to the attention of an authorized officer of the Agent capable of acting upon and implementing the remote instruction.

Remote instructions can be transmitted to the Agent at the telephone or fax number, email address, or secure portal provided by the Agent, or at such other telephone or fax number or email address as the Agent may advise the Holder by notice in writing, or online through the Agent's secure web portal. The Agent, acting reasonably, is entitled to assume that any person identifying themselves as the Holder is in fact the Holder, and can rely upon such, and the Agent may act on the remote instructions provided by any such person. All remote instructions given to the Agent in the name of the Holder will bind the Holder.

**34. ELECTRONIC EXECUTION**

The Holder hereby authorizes the Agent and the Trustee to rely on all documents executed by the Holder electronically, including the electronic signature on this Application. Use of the Arrangement shall be deemed to be in acceptance of these terms and conditions as of the date of first use, or in the case of a modification of this agreement, acceptance of the modified terms and conditions.

**35. CHOICE OF LANGUAGE**

It is the express wish of the parties that this agreement and any related documents be drawn up and if execution is required, to be executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

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