

Beem Credit Union First Home Savings Account (FHSA) Declaration of Trust

WHEREAS: Beem Credit Union (the "Trustee" or "Credit Union") accepts the office of trustee and issuer for the Holder upon application for a Beem Credit Union First Home Savings Account (the "Account" or "FHSA" defined below) upon the following terms and conditions.

1. DEFINITIONS

Whenever used in this Declaration of Trust or the Application, capitalized terms shall have the meaning given to them below:

a) "Advantage" has the meaning as set out in Section 207.01 of the Income Tax Act.

b) "Application" means the duly executed and signed Application form that is attached to and forms part of the Declaration of Trust.

c) "Arrangement" means the First Home Savings Account established for the Holder.

d) "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.

e) "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.

f) "FHSA" or "Account" 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.

g) "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
- c) all of the individual's rights as the Holder of the Arrangement, and
- d) 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.

h) "Income Tax Act" means the Income Tax Act (Canada) as amended from time to time.

i) "Issuer" means an entity (such as a bank, credit union, trust, or insurance company) that is authorized to open an FHSA or RRSP on the individual's behalf.

j) "Maximum Participation Period" Maximum Participation Period begins when an individual opens their first FHSA and ends on December 31st of the year in which the earliest of the following events occur:

- a) the 15th anniversary of opening of the Holders First FHSA
- b) the Holder turns 71 years of age
- c) the year following a Qualified Withdrawal from the Holders FHSA.

k) "Non-Qualified Investment" has the meaning attributed to that term in Subsection 207.01(1) of the Income Tax Act;

l) "Property" means any property, including the income thereon, the proceeds thereof and cash, held under the Account from time to time;

m) "Qualifying Arrangement" means that after March 31, 2023, an Arrangement that qualifies as a first home savings account pursuant to the Income Tax Act;

n) "Qualifying Home" means:

- (a) a housing unit located in Canada; or
- (b) a share of the capital stock of a cooperative housing corporation, the Holder of which is entitled to possession of a housing unit located in Canada, except that, where the context so requires, a reference to a share with a right to possession of a housing unit described means the housing unit to which the share relates;

o) "Qualifying Individual" means an individual who:

- a) is a resident of Canada;
- b) is at least 18 years of age, and
- c) did not, at any prior time in the calendar year or in the preceding four calendar years, inhabit a Qualifying Home (or what would be a Qualifying Home if it were located in Canada) as the individual's principal place of residence owned, whether jointly with another person or otherwise, by:
 - (i) the individual; or
 - (ii) the individual's Spouse or Common-law Partner.

p) "Qualified Investment" has the meaning attributed to that term in Subsection 207.01(1) of the Income Tax Act;

q) "Qualifying Withdrawal" means an amount received out of your FHSA where all of the following conditions are met:

- a) the individual must fill out Form RC725, Request to Make a Qualifying Withdrawal from your FHSA and give it to your FHSA issuer
- b) the individual must be a first-time home buyer
- c) the individual must have a written agreement to buy or build a Qualifying Home with the acquisition or construction completion date of the Qualifying Home before October 1 of the year following the date of the withdrawal
- d.) the individual must not have acquired the Qualifying Home more than 30 days before making the withdrawal
- e) the individual must be a resident of Canada from the time that they make their first Qualifying Withdrawal from one of the individual's FHSAs until the earlier of the acquisition of the Qualifying Home, and the date of their death
- f) the individual must occupy or intend to occupy the Qualifying Home as their principal place of residence within one year after buying or building it.

r) "RRIF" means a registered retirement income fund as defined in the Income Tax Act;

s) "RRSP" means a registered retirement savings plan as defined in the Income Tax Act;

t) "Survivor" of an individual means another individual who is, immediately before the individual's death, a Spouse or Common-Law Partner of the individual.

u) "Tax Legislation" means the Income Tax Act (Canada) and the taxation legislation of the province or territory in which the Holder resides.

v) "Third Party" includes any individual, corporation, partnership, joint venture, association, trust, society or other entity, organization, or syndicate other than the Holder or the Trust;

w) "Trustee" means the Credit Union, 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 of the Income Tax Act shall have the same meaning herein as in the Income Tax Act.

2. 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. 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.

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5. 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 responsible for ensuring the amount of contributions is within the limits as prescribed under the Income Tax Act.

6. 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.

7. 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. 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.

8. 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.

9. 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 Retirement Savings Plan (RRSP), or carrier of a Registered Retirement Income Fund (RRIF) 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 of Common-Law Partnership.

10. QUALIFYING WITHDRAWALS

The Trustee shall, upon written application of the Holder, pay to the Holder in cash 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

11. MINIMUM VALUE OF ACCOUNT

If the value of the Property at any time is less than \$500, the Trustee may, in its sole discretion, liquidate part or all of the Property (subject to the terms and conditions of the Property) and pay the Account Proceeds to the Holder.

12. BORROWING OF MONEY PROHIBITED

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

13. 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.

14. 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.

15. 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.

16. 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.

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17. DESIGNATION OF QUALIFYING INDIVIDUAL/BENEFICIARY

Where applicable legislation permits, the Holder may designate their Spouse or Common-Law Partner as a Successor Holder or one or more Beneficiary(ies) 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 Successor 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).

18. 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 Holder or Beneficiary(ies) designated at the time of death or if the Successor Holder 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.

19. PAYMENT INTO TO COURT

If there is a dispute about who is legally entitled or authorized to apply for and accept the transfer or payment from the Account on the Holder's death, the Trustee is entitled to either apply to the courts for direction or to pay the Account Proceeds or a portion thereof into court, and, in either case, the Trustee shall be entitled to fully recover any Expenses in this regard in accordance with Section 20 of this Trust Declaration.

20. 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 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.

21. THIRD PARTY ORDERS or DEMANDS

The Trustee may permit any duly authorized Third Party to have access to and the right to examine and make copies of any records, documents, paper and books involving any transaction of the Account or related to the Account as required and in compliance with any law, regulation, judgment, seizure, execution, notice or similar order or demand which lawfully imposes on the Trustee a duty to take or refrain from taking any action concerning the Account or part or all of the Property, or to issue payment from the Account, with or without instructions from the Holder or in contradiction of instructions of the Holder.

22. ACCOUNTS, STATEMENTS and REPORTING

The Trustee shall maintain a record of the Account for the Holder in which the Trustee shall record all transactions including contributions, income, transfers, distributions, fees and Property relating to the Account, and shall send to the Holder a statement of the Account at least annually. The Trustee shall provide the Holder with appropriate information slips for income tax purposes and such other information regarding the Account as may be required under the Tax Act and Applicable Laws.

23. 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.

24. TRUSTEE'S LIABILITY

The Trustee is ultimately responsible for the administration of the Account, however the Trustee shall not be responsible for any loss or damage suffered or incurred by the Account, the Holder or by any Successor Holder or Beneficiary(ies), except due to the Trustee's gross negligence, dishonesty, or willful misconduct. Although the Trustee is liable for direct losses or damages caused by its gross negligence, dishonesty, or willful misconduct, the Trustee will not be liable for any loss of opportunity or other economic loss, special, indirect or consequential loss or damage, or punitive damages, whether in contract, tort or under any other theory of law or equity, regardless of the cause of action except to the extent that an applicable law expressly prohibits the Trustee from excluding the liability. In no event will the Trustee be liable for any loss or damage of any kind resulting from

- a) the actions or any failure to act, of any other person,
- b) the Trustee's failure to perform or fulfill any obligation due to any cause beyond the Trustee's control,
- c) incomplete or incorrect information or instructions supplied to the Trustee by the Holder, including instructions for contributions to the FHSA or investment of the trust fund that causes a loss or gives rise to a tax or penalty,
- d) any loss or harm for acting in reliance upon any designation, or revocation of designation, of a Successor Holder or beneficiary in an instrument provided by the Holder to the Trustee,
- e) dealing with the Property in accordance with the instructions of the Holder, or
- f) any liquidation of the Property implemented in accordance with this Trust Declaration or instructions of the Holder.

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25. 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.

26. 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.

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. 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.

30. GOVERNING LAW

This Trust Declaration and the Account shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The Holder expressly agrees that any action arising out of or relating to this Trust Declaration or the Account shall be filed only in a court located in the Province of British Columbia and the Holder irrevocably consents and submits to the personal jurisdiction of such court for the purposes of litigating any action.

31. 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 credit union 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.

32. ELECTRONIC EXECUTION

The Holder hereby authorizes 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.

33. 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.

34. 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.