

Arm's Length Mortgages in your Self-Directed RSP/RRIF

Subject to certain restrictions, an arm's length mortgage (or third party mortgage) of real property in Canada is a qualified investment for an RRSP or RRIF.

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1. Professional Advice Recommended

A mortgage investment is a commercial transaction that involves the identification, consideration and evaluation of various risks. Canadian Western Trust does not provide advice on such risks. Canadian Western Trust strongly recommends that you obtain professional advice in connection with any mortgage investment.

2. Mortgage Terms

You determine the terms and conditions of the mortgage. **It will be your responsibility to ascertain the credit worthiness of the borrower, the value of the property and the borrower's equity in the property and all other matters relevant to your decision to make the mortgage investment.** The mortgage can provide for regular blended principal plus interest payments, interest only payments etc. The interest rate (minimum of 2% and maximum of 30%), term (maximum 10 years), payment details, etc., will be the subject of negotiation between yourself and the borrower. **All mortgages accepted by Canadian Western Trust require at least annual interest payments based on semi-annual, not in advance or simple interest calculations only.**

- You must use the services of a lawyer or notary public to draw up the mortgage documents and to disburse the mortgage proceeds. If the lawyer or notary also represents the borrower, Canadian Western Trust strongly recommends that you retain an independent lawyer to advise you on the transaction.
- You must provide Instructions to Solicitor documents to your lawyer or notary public.

3. RRSP/RRIF Qualifications

An arm's length mortgage will be a qualified investment for your RRSP/RRIF if the mortgage is on **REAL PROPERTY** (residential or commercial) located in Canada.

The following are **NOT** qualified investments for RRSPs and RRIFs:

- **Chattel mortgages** (charges on mobile homes, boats, etc.).
- **Agreements for Sale.**
- **Collateral security** such as security agreements.
- **Promissory Notes**

PLEASE NOTE:

- Fourth, Fifth, etc. mortgages will **not** be accepted by Canadian Western Trust even though they are qualified investments for RRSP/RRIFs. Only investments in First, Second and Third mortgages will be accepted by Canadian Western Trust.
- Canadian Western Trust will not accept a mortgage for a self-directed RRSP or RRIF unless the annuitant signs Canadian Western Trust's Investing in an Arm's Length Mortgage declaration stating that the annuitant and the mortgagor (borrower) are "at arm's length" for the purposes of the Income Tax Act. If you have any direct or indirect connection or relationship with the mortgagor, Canadian Western Trust recommends that you obtain professional advice as to whether you deal at arm's length with the mortgagor for the purposes of the Income Tax Act.
- Establishing a minimum loan-to-value at time of the acquisition – no greater than 90%
- Canadian Revenue Agency regulations state that a mortgage is a qualified investment for an RRSP or RRIF only if the property value at least equals the total amount of the RRSP/RRIF mortgage and all prior mortgages and charges.
- Although Canadian Western Trust has no responsibility to determine whether a mortgage is a qualified investment for your RRSP or RRIF, it reserves the right at its sole discretion to refuse to accept any mortgage if it is not satisfied that the mortgage is a qualified investment or for any other reason.
- Canadian Western Trust does not accept Demand Mortgages, Reciprocal Mortgages, Mortgages of Lease or Mortgages in foreclosure or involved in legal action or in arrears.

4. Mortgage Administration

Canadian Western Trust, as trustee of your RRSP/RRIF, will be responsible for:

- Crediting payments received by Canadian Western Trust to your RRSP/RRIF.

You are responsible for:

- Negotiating the terms of the mortgage transaction.
- Instructing your lawyer or notary to prepare the mortgage (or transfer of mortgage) documents and informing your lawyer or notary of Canadian Western Trust's requirements.
- Ensuring that the mortgage is properly prepared, signed and registered with the correct priority and that all the mutually agreed upon arrangements of the mortgage are clearly defined.
- Ensuring that mortgage payments are made directly to Canadian Western Trust.
- Collecting payments in arrears.
- Commencing foreclosure actions or other proceedings necessary to recover monies owed.
- Ensuring that the property is adequately and properly insured at all times.
- Providing Canadian Western Trust with all documentation requested.
- Notifying Canadian Western Trust if you have incurred any eligible expenses with supporting documentation.
- Provide approved payout statement to Canadian Western Trust (see payout statement form included in this package).

Please Note: (1) It is your responsibility to conduct all communications with the borrower. You should clearly advise the borrower how to contact you (or your agent/broker) for any information about the mortgage, handling of dishonored payments and payout statements.

5. Canadian Western Trust Documentation and Funding Requirements

You must have a self-directed plan with Canadian Western Trust and have sufficient **cash** on hand to fund the mortgage. If the assets in the plan are in investments such as term deposits, bonds, mutual funds, stocks, etc., you will have to redeem or sell prior to the funding date of the mortgage.

You must retain a lawyer or notary public to prepare the mortgage (or transfer of mortgage) documents and to disburse the mortgage proceeds. **Your lawyer or notary public must request funds from us at least 2 business days prior to funding.** The request should be **faxed to (604) 699-4900**, and must consist of:

- Evidence signed by you that the lawyer or notary public has authority to make the request on your behalf.
- An "Investing in an Arm's Length Mortgage" declaration in our standard form signed by you.
- Details of the funding date and the amount required.
- If the borrower is a company, a company search showing directors/officers of the company or a corporate resolution stating same is required.
- A Canadian Western Trust Pre-Authorized Debit Agreement with a void cheque attached for monthly payments.
- **Note: Pre-Authorized Debits must be set up 3 business days before the first payment is due on the mortgage.**
- A signed copy of the mortgage (or transfer of mortgage) showing the mortgagee as:

**CANADIAN WESTERN TRUST COMPANY (Incorporation No. A46845),
In trust for RRSP (or RRIF) Account #####
Suite 600 – 750 Cambie Street, Vancouver, BC. V6B 0A2.**

- CWT requires annuitants to provide an appraisal of property (no more than six months old, issued by a licensed real estate appraiser) two designations that we would be looking for AACI (Accredited Appraiser Canadian Institute), CRA (Canadian Residential Appraiser). OR, a property tax assessment for the property for the current year.
- An undertaking by the lawyer or notary public to provide our office with a copy of the mortgage (or transfer of mortgage) showing registration particulars and a title search or state of title certificate showing the registration of the mortgage (or transfer of mortgage), within 30 days of funding.

FAILURE TO PROVIDE THE REGISTERED DOCUMENTS MAY RESULT IN THE MORTGAGE BEING CONSIDERED A NON-QUALIFIED INVESTMENT AND A T4RSP WILL BE ISSUED FOR THE ACQUISITION COST OF THE MORTGAGE.

- Evidence of insurance coverage showing Canadian Western Trust as loss payee (see section 10 "Insurance").
- Confirmation from lawyer of total mortgage charges (page 24)

Other information may be requested of you or your lawyer or notary.

If the mortgage (or transfer of mortgage) will be registered in British Columbia, a declaration of trust signed by the annuitant, must accompany the mortgage (or transfer of mortgage) to the land title office. We enclose blank declarations of trust for RRSPs and RRIFs. This declaration is to be forwarded to your lawyer or notary.

On a best effort basis, and upon receipt of all required documentation, we will release funds within 2 business days.

Please Note: We will prepare a cheque for pickup from our office at Suite 600 – 750 Cambie Street, Vancouver, British Columbia. If your lawyer has a Canadian Western Bank account the deposit can be made directly to their account, hence account information is to be provided at time of funding. **Canadian Western Trust will levy a charge of \$25.00 if it is asked to make courier arrangements.**

6. Mortgage Renewals

When your mortgage investment matures, as noted on the mortgage document filed at the Land Titles Office, a mortgage renewal must be executed by the annuitant and mortgagor and a copy forwarded to Canadian Western Trust for our files. This will also ensure the correct interest rate and new maturity date is reflected on your statements. For your convenience, we have a Mortgage Renewal form attached.

7. Transfer of Existing Mortgage

In addition to funding new mortgages, your RRSP/RRIF may purchase all or part of an existing mortgage, including an arm's length mortgage held by you outside of your RRSP or RRIF that is a qualified RRSP/RRIF investment. The services of a lawyer or notary public to draw up the transfer of mortgage documents is required. The lawyer or notary public will follow the Canadian Western Trust Documentation and Funding Requirements set out above. If the lawyer or notary also represents the transferor, Canadian Western Trust strongly recommends that you retain an independent lawyer to advise you on the transaction.

Your lawyer or notary public must draw a transfer of mortgage document which will transfer the mortgage (or portion of the mortgage) from the current mortgagee to Canadian Western Trust. It must be executed by the current mortgagee and **registered in a Land Title Office.**

In addition, if you are the lender under an arm's length mortgage held outside of your RRSP/RRIF, you may sell all or part of that mortgage to your RRSP/RRIF for its **Fair Market Value** supported by an appraisal.

8. In Kind Contributions of an Arm's Length Mortgage

RRSP contributions can be made to your plan by transferring an existing investment (called an In Kind Contribution) to the plan.

If you hold an arm's length mortgage that is a qualified RRSP investment, you may contribute all or part of that mortgage to your RRSP, and receive a contribution receipt for the **Fair Market Value** supported by an appraisal.

You must use the services of a lawyer or notary public to draw up the transfer of mortgage documents. The Canadian Western Trust Documentation and Funding Requirements as set out above, will be followed by your lawyer or notary.

9. RRSP / RRIF Transfers of Arm's Length Mortgages

If you hold an arm's length mortgage in another RRSP/RRIF with another bank or trust company, you may transfer your whole plan or a specific mortgage in that plan to a new plan with Canadian Western Trust.

Open Your Canadian Western Trust Plan

- Complete the Canadian Western Trust account application form and forward it to our office.
- Complete a **Transfer Authorization For Registered Investments** form (T2033) indicating that the mortgage is to be transferred in kind and is current and in good standing (**i.e. not in foreclosure**). A copy of asset listing from the relinquishing institution showing this asset is to be attached.
- Upon acceptance by Canadian Western Trust, the transfer process will commence.

Instructions to Solicitor

- The services of a notary or lawyer are required to draw the transfer of mortgage from the current trustee to Canadian Western Trust Company.
- The transfer document must be executed by the current trustee and registered in a land titles office.
- Your lawyer or notary must follow the Canadian Western Trust Documentation and Funding Requirements outlined above, to the extent that they are applicable in Section 5.

10. Mortgage Payments

The mortgage payments must be credited to the RRSP/RRIF. There are two ways this can be done:

- We can set up a PAD deducting the payment directly from the borrower's bank account and credit the payment to your RRSP/RRIF. Should there be any returned payments, your account will be charged our Returned Payment Fee and you will be advised of the NSF by mail/fax.
- If you use the services of a mortgage company, they may collect the payment on your behalf, by way of cheque or Pre-authorized debit and then forward to Canadian Western Trust.
- In the case of a shared mortgage, a schedule of the specific payments to each plan is to be attached to the cheque.

Canadian Western Trust does not accept post-dated cheques.

In compliance with the Income Tax Act, only cheques payable to Canadian Western Trust, drawn on the mortgagor's bank account, will be processed to the plan.

11. Insurance

Please ensure that the Property Insurance Policy shows the loss payable as follows:

CANADIAN WESTERN TRUST ITF # _____
C/O: Your Name and Company Address

A copy of the insurance policy should be sent to you so that you will be able to ensure that the property is adequately insured at all times. The annuitant should provide Canadian Western Trust with a copy of the current insurance for our files.

12. Pre Authorized Debits (PAD)

CWT's Pre-Authorized Debit form is required for every mortgage with monthly payments.

You must utilize the Canadian Western Trust PAD form. It must be completed in full indicating the Mortgagor's name, payment amount (if more than one lender involved, a complete breakdown of all payments must be provided), and first payment date followed by the Mortgagor's signature and dated. An encoded VOID cheque must accompany this form and it must be received by us prior to funding of the mortgage. When the mortgage is paid out, it is your responsibility to ensure that a stop payment has been placed at the bank (or instruct the mortgagor to do so at his or her bank) at least 4 business days before the due date. We do not automatically cancel PADs upon receipt of a request for a payout statement, because all payout statements do not result in actual payouts. We will cancel PADs upon full payout, or if notification is received by Canadian Western Trust from the mortgagor's bank that the account has been closed or frozen.

Annual mortgage payments may be forwarded by cheque to Canadian Western Trust on or before the payment due date.

13. Payouts / Discharges

Upon receipt of a request for a payout, from the mortgagor or his lawyer or notary, Canadian Western Trust will request a written payout statement from you the annuitant.

Reminder: If the borrower is paying by PAD we need 4 business days advance notice to cancel a scheduled PAD payment.

Please Note: We will not process a payout cheque until you have approved the payout amount and provided us with a prepared discharge of mortgage for execution by CWT.

14. Foreclosure

As Canadian Western Trust Company (the "Trustee") is the legal mortgagee under RSP/RIF mortgages, foreclosure actions must be commenced in the name of the Trustee. **However, the decision to foreclose should be made by the annuitant and not the Trustee.**

If foreclosure action is taken against a mortgagor, Canadian Western Trust will, upon request, give written authorization to the annuitant's lawyer to proceed on our behalf. Canadian Western Trust must receive a copy of all legal documents for our file. Upon sale of the property, all proceeds are required to be returned to the RSP/RIF and are to come directly from the lawyer who is disbursing funds received from the courts.

The annuitant is solely responsible for retaining his or her own lawyer, who will act on their behalf, and for payment of all expenses of the enforcement process.

If the automatic payments are affected by the foreclosure or if said mortgage is the sole asset held in a self-directed account, the pre-authorized debit process will be terminated.

15. Forms

We have attached a supply of our most commonly used forms for your convenience.

Payout Statement

Date:

Account #:

Mortgagor(s):

Security Address:

Payout Particulars	
Principal Balance as at: (date)	\$
Accrued Interest from: (date)	\$
Late Interest Charge	\$
Fees Payable	\$
Total Funds Required for Discharge as at: (date)	\$ _____
Per Diem Interest if paid thereafter	\$

These funds are to be received at Canadian Western Trust, Personal Trust Department, at Suite 600 – 750 Cambie Street, Vancouver, BC. V6B 0A2 by 1:00pm on the payout date or applicable per diem charges will apply. Funds should be payable to Canadian Western Trust In Trust for Account #_____, and must accompany a prepared discharge of mortgage for execution by 'Canadian Western Trust Company'. A copy of this payout statement should also be included.

After payout is completed, please ensure that a Stop Payment has been placed against any outstanding Pre-Authorized Payment.

Annuitant Signature

Instructions to Solicitor

Please draw a RRSP/RRIF mortgage and related documents as hereinafter set out. The mortgage will be held in the RRSP or RRIF of the annuitant named below. Please note that you are responsible for advising the annuitant on all legal aspects of the mortgage transaction. Canadian Western Trust acts only as trustee for the annuitant's RRSP/RRIF and does not provide any advice to the annuitant.

Mortgage Particulars		
Mortgagor(s): Address, Occupation, Telephone	Guarantor(s)/Covenantor: Address, Occupation, Telephone	
Civic Address of Property:	Legal Description:	
Mortgagee:		
CANADIAN WESTERN TRUST COMPANY (Incorporation No. A46845) In Trust for RRSP [or RRIF] Plan # _____ Suite 600 – 750 Cambie Street, Vancouver, B.C. V6B 0A2		
Principal Amount:	Interest Rate:	Last Payment Date: Y/M/D
Interest Calculation:	Payment Dates:	First Payment Y/M/D
Payment Amount:	Interest Adj. Date: Y/M/D	Maturity Date Y/M/D

Mortgage Terms: ☐ Prescribed Standard. ☐ Filed Standard. ☐ Express.
D.F. # _____ See Attached

If no particular form of mortgage terms is specified, please exercise your professional judgment to select appropriate mortgage terms. Please note that no collateral security such as promissory notes, assignment of rents or security agreements (chattel mortgages) are permitted. However, standard supporting documentation for the mortgagee such as Directions to Pay, Corporate Resolutions, etc. should be obtained.

Additional or Modified Terms:

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Additional Documents: ☐ PAD Agreement ☐ Declaration of Trust (BC Only)
See Attached See Attached
☐ Confirmation of Total Mortgages Registered (refer to page 23)

*** Please Note: The Property Insurance Policy must show loss payable as:**

CANADIAN WESTERN TRUST COMPANY – ITF # _____
C/O: (Name / Address of Annuitant)

Additional Information:

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Instructions to Solicitor

Please **fax** a request for funding from my/our Self-Directed RRSP or RRIF plan(s) to Canadian Western Trust at **(604) 699-4900**. Canadian Western Trust will release funds to you "In Trust" 48 hours after receipt of the following from you:

- Your written verification that you act on my/our behalf.
- Your legal opinion that the annuitant(s) deal with the mortgagor "at arm's length" as defined in the Income Tax Act, the priority of this charge (i.e. 1st, 2nd or 3rd charge) and that this **mortgage will not exceed the Canadian Western Trust standard of 30% maximum annual return**.
- If the mortgagor is a company, a company search showing directors/officers of the company or a corporate resolution stating same is required.
- Your request for funds specifying the funding date and amount required.
- A completed Investing In an Arm's Length Mortgage form.
- A completed Canadian Western Trust Pre - Authorized Debit Agreement and Void Cheque for monthly payments.
- A signed copy of the mortgagee showing the mortgage as:

**CANADIAN WESTERN TRUST COMPANY, (Incorporation No. A46845)
In Trust For RRSP [or RRIF] Plan #####
Suite 600 – 750 Cambie Street, Vancouver, BC. V6B 0A2**

- Your undertaking to provide Canadian Western Trust with a copy of the mortgage showing registration particulars and a title search or state of title certificate showing the registration of the mortgage (or transfer/modification of mortgage), within 30 days of funding.
- Signed copies of all other documents signed by the mortgagor or mortgagee.
- Evidence of insurance coverage showing Canadian Western Trust as loss payee (see section 10 "Insurance").
- In the case of a transfer of mortgage (including an In Kind Contribution or a transfer from another RRSP/RRIF), written agreement from the mortgagor/mortgagee confirming the principal amount outstanding, interest rate, payment terms and other terms of the mortgage.
- CWT requires annuitants to provide an appraisal of property (no more than six months old, issued by a licensed real estate appraiser) two designations that we would be looking for AACI (Accredited Appraiser Canadian Institute), CRA (Canadian Residential Appraiser).

Please arrange for a courier to pick up the cheque at Canadian Western Trust for delivery to your office or to your Canadian Western Bank account.

Upon successful registration please provide a copy of the registered mortgage and the State of Title Certificate or post-registration title search to Canadian Western Trust.

Authorized Signatory

Authorized Signatory

Canadian Western Trust Account Number(s)

Investing In an Arm's Length Mortgage

(Authorization Letter)
(Arm's Length Declaration)

Annuitant Name:			
Address:			
Plan #:	(the "Plan")	S.I.N. #:	

I hereby authorize Canadian Western Trust as trustee under the Plan to lend out of the assets of the Plan, by way of a registered ☐ **first** ☐ **second** ☐ **third** (please check appropriate box) and that this mortgage does not exceed the Canadian Western Trust standard 30% maximum annual return, mortgage (the "Mortgage") over real property in Canada, the sum of

\$_____ held in the Plan to _____ (the "Mortgagor").

I hereby authorize Canadian Western Trust to release the mortgage proceeds to my lawyer/notary

_____ "in trust".

I do solemnly declare that:

- I am the annuitant under the Plan.
- I am not the Mortgagor.
- I deal at arm's length with the Mortgagor for the purposes of the Income Tax Act (Canada).
- If the borrower is a company, I do not own a controlling interest in the company.
- If the borrower is a company, I am not related by blood, marriage or adoption to any of the individuals who own a controlling interest in the company.

Note to Annuitant: Whether you and the Mortgagor deal at "arm's length" for the purposes of the Income Tax Act, if you have any direct or indirect connection or relationship with the Mortgagor, Canadian Western Trust recommends that you obtain professional advice as to whether you and the Mortgagor deal at arm's length for the purposes of the Income Tax Act.

I acknowledge that CWT is not in the business of providing investment advice or direction with respect to the purchase of any security and has undertaken no due diligence and made no determination whatsoever as to whether the Arm's Length Mortgage is qualified as an investment for registered plans under applicable Canadian Income Tax Legislation or is a suitable investment for myself, such matters being the responsibility of the Annuitant's professional advisors;

I acknowledge that the purchase of the Arm's Length Mortgage may be a high risk investment and that I am aware that in directing CWT to purchase the Arm's Length Mortgage on my behalf, I may be at risk of losing all of the money invested in such purchase.

I agree to indemnify and save harmless CWT from any and all suits, claims, costs or actions resulting from my investing my RRSP/RRIF funds in the above mentioned Arm's Length Mortgage, as well as all costs incurred by CWT either to defend itself from any such suits, claims, costs or actions or to enforce this indemnity.

I hereby certify that the mortgagor is a party with whom I deal at arm's length and that the mortgage complies as defined by the *Income Tax Act*.

Annuitant Signature

Date

Pre Authorized Debit Agreement

Definitions:

Pre Authorized Debit (PAD): Means a pre-authorized payment in paper, electronic, or other form drawn pursuant to a PAD agreement on an account of my choosing as Payer held by my Financial Institution ("FI").

Payee: Means a person or business who creates a PAD and whose account is credited with the amount of the PAD.

Payer: Means a person or business that pre-authorizes the issuance of a PAD and whose account is to be debited with the amount of the PAD.

Operation:

I/we understand and undertake that:

1. This authorization is for the benefit of the Payee and my FI. My FI agrees to process debits against my account in accordance with the rules of the Canadian Payments Association;
2. giving this authorization to the Payee is the same as giving it to my FI;
3. my FI is not required to verify that the PAD conforms with my authorization;
4. my FI is not required to verify that the purpose of payment to which this PAD relates has been fulfilled;
5. revoking this authorization does not terminate any contract between the payee and me. My authorization applies only to the method of payment and has no bearing otherwise on the contract;
6. any personal information within this authorization required by the Payee's FI may be released to them;
7. in this agreement, "I", "We", "My" refers to the Payer;
8. I/we waive all notification rights knowing that I/we are entitled to receive notice from the Payee no less than 10 calendar days in advance:

- (a) in the case of a fixed amount PAD, before the due date of the first PAD and
- (b) every time there is a change; or
- (c) in the case of a variable amount PAD, before every PAD.

The Account:

I confirm that:

1. all persons required to sign on this agreement have signed this agreement;
2. I will inform the Payee in writing of any change to the account information at least 10 business days prior to the next due date of the PAD.

Cancellation:

I may cancel this authorization by advising the Payee of this revocation 10 days prior to the next due date or by placing a stop payment at my FI.

Dispute and Reimbursement:

1. I understand that I/we may dispute a PAD and claim reimbursement if:
 - (a) the PAD was not drawn in accordance with this authorization; or
 - (b) the authorization was revoked; or
 - (c) pre-notification was not received.
2. If I am claiming a reimbursement, I/we must, within 15 calendar days of the date of posting of a Consumer PAD (10 days in the case of business PAD), complete a declaration to my FI that I have a claim for one of the reasons given in the preceding paragraph;
3. Any claim relating to a PAD, which is advanced after the expiry of the time in the preceding paragraph, is strictly a matter between the Payee and me.

Pre Authorized Debit Authorization

I authorize the processing of a Pre-Authorized Debit ('PAD') through my account as detailed below.

Customer name:

Phone #:

Amount \$ _____

First Payment Date _____

Monthly/Quarterly/Annually

This PAD is for Mortgage Payment to

Mtg. Name _____

account # _____

I agree to the terms and conditions of this agreement dated on this form.

Date: _____

Signature: _____

Signature: _____

Attach VOID Cheque Here

MORTGAGE RENEWAL

Mortgagee: _____

Mortgagor: _____

Legal Description: _____

Civic Address: _____

Terms and Conditions:

Balance as at maturity: _____

Interest Rate: _____

Payment: _____

Payment Frequency: _____

New Maturity Date: _____

Signature-Mortgagee

Signature – Mortgagor

Print Name – Account #

Print Name

Signature - Mortgagee

Signature – Mortgagor

Print Name – Account #

Print Name

Date: _____

Date: _____

Comments: _____

Canadian Western Trust Company Self-directed Retirement Savings Plan Declaration of Trust

Annuitant Name: _____

Plan #: _____

Canadian Western Trust Company is a trust company incorporated under the laws of Canada. (The words "us", "our" and "we" are also used in this Declaration of Trust to refer to Canadian Western Trust Company.) "You" (the annuitant as well as "planholder") are the person who has completed the application form (the "Application") to which this Declaration of Trust is attached. Within this Declaration of Trust we use the word "agent" when referencing "agent for the trustee" and "Agent" when referencing "Agent for employee of group plan". We agree to act as trustee for your self-directed Retirement Savings Plan (the "RSP") created pursuant to the Application and this Declaration of Trust (the "Plan") in accordance with the terms and conditions set out below:

1. Registration: We will apply to register the Plan under the Income Tax Act (Canada) (the "Act") and any applicable income tax legislation of a province of Canada (collectively, "Applicable Tax Legislation"). If registered, the Plan will be an "RRSP" and you will be known for the purposes of the Applicable Tax Legislation as the "Annuitant" of the Plan.

2. Purpose of the Plan: The primary purpose of the Plan is to accumulate and invest funds in order to provide retirement income to you.

3. Compliance: The Plan shall, at all times, comply with all relevant provisions of Applicable Tax Legislation. You are bound by the terms and conditions imposed under Applicable Tax Legislation.

4. Contributions: Deposits to the Plan that are made by you or, where applicable, by your spouse or common-law partner, according to this Declaration of Trust and the Applicable Tax Legislation will be called the "Contributions". Contributions may be cash, securities, mutual funds or other property. We will hold the Contributions and any income or gains from them, in trust for you. We will invest and reinvest such income or gains accumulated in accordance with the instructions provided by you. These amounts, together with any amounts transferred to the Plan under section 12 below, will be called the "Plan Assets". No Contributions to the Plan may be made after the Maturity Date defined in section 18 below. The trustee is not responsible for determining whether the aggregate of all Premiums contributed by you, your spouse or common-law partner or former spouse or common-law partner to the Plan in respect of a year exceeds the maximum amount that is permitted to be contributed by the relevant contributor to the Plan in respect of the year.

5. Investments: Plan assets will be invested and reinvested from time to time in accordance with your investment instructions, which must comply with requirements imposed by us in our sole discretion. Your Plan can not be limited to investments authorized by law governing the investments of property held in trust other than the investment rules imposed by the Tax Act for an RRSP. We will only act on your instructions if they are in a form acceptable to us and are accompanied by related documents as required by us, in our sole discretion. We may accept and act on any investment instructions, which we believe, in good faith, to be given by you. At any time, it is your sole responsibility to ensure all investments held in the Plan are qualified investments under the Applicable Tax Legislation. We may be entitled to a fee for any cash deposited in an account at Canadian Western Bank or for any investments made with Canadian Western Bank or, if requested by you, another financial institution, and if so, such a fee shall accrue to us. If we do not have any instructions from you at the time we receive a cash Contribution, we will deposit your cash Contribution in an interest bearing account with us or Canadian Western Bank.

6. Non-Qualified Investments: You are solely responsible for any tax, interest or penalties (collectively, the "Charges") imposed under Applicable Tax Legislation or by any other provincial or federal regulatory authorities as it pertains to the investments in the Plan. If the Plan becomes liable for any Charges, you will be deemed to have authorized us to sell or withdraw any of the Plan Assets and obtain a fair market value that we, in our sole discretion, consider appropriate to pay any Charges to the Plan. We will issue an income tax receipt for any de-registration of Plan Assets and we will not be liable for any loss or income taxes incurred as it pertains to the collection of unpaid Charges. It is your sole responsibility to provide appropriate documents supporting the fair market value of Plan Assets not publicly traded on a recognized stock exchange within the meaning of Applicable Tax Legislation. Furthermore, we may deem Plan Assets as worthless and remove them from the Plan if you can not provide documents supporting their fair market valuation as we may impose. We will not be liable for any Charges imposed on you or the Plan under Applicable Tax Legislation or by any provincial or federal regulatory authorities related to the removal of Plan Assets from the Plan.

7. Accounting: We will maintain records relating to the Plan reflecting the following:

- Contributions to the Plan;
- Name, amount and cost of investments purchased or sold by the Plan;
- Purchases and sales of investments we hold for you in the Plan;
- Any income or loss earned or incurred by the Plan;
- Withdrawals, transfers and any other payments from the Plan; and
- The balance of the Plan.

8. Statements: We will issue statements for the Plan at least once annually or more frequently as determined by us, in our sole discretion. Should there occur full or partial non-payment of fees referred to in Clause 17 hereof, we may, in our sole discretion, cease the issue of statements for the Plan.

9. Income Tax Receipts: As required under Applicable Tax Legislation, we will send you or, where applicable, your spouse or common-law partner, a receipt for income tax filing purposes. Your income tax receipt will report Contributions we have received, payments we have made to you and tax we have withheld. It is your sole responsibility to ensure you do not exceed the maximum allowable contributions permitted each year under Applicable Tax Legislation.

10. Withdrawals: Upon receipt of your written instructions to withdraw all or a part of the Plan Assets before the Maturity Date, we will pay you an amount less any tax under

Applicable Tax Legislation and any other related fees or costs. Prior to us processing your written instructions, you will ensure sufficient cash is in the Plan to cover the amount requested or you will withdraw an investment(s) in-kind, equal to the fair market value at the time of the transaction. Once the withdrawal is issued, we no longer have any further liability or duty to you for the Plan Assets that you have withdrawn.

11. Refunds of Excess Contributions: You or where applicable, your spouse or common-law partner, may send us written instructions to refund an amount to reduce the taxes otherwise payable under Part X.1 of the Income Tax Act (Canada) relating to Contributions that exceed the limits permitted under Applicable Tax Legislation. Prior to us processing your written instructions, you will ensure sufficient cash is in the Plan to cover the amount requested or we will refund an investment in-kind equal to the fair market value at the time of the transaction. Once the refund is issued, we no longer have any further liability or duty to you for the Plan Assets that have been refunded.

12. Transfers to the Plan: You may request a transfer of amounts to the Plan from another "RRSP", Registered Pension Plan ("RPP") or any other source permitted under Applicable Tax Legislation or other applicable law. The trustee may, in its sole discretion refuse to accept the property into the Plan for any reason whatsoever and authorizes to transfer out of the Plan to the Annuitant, without notice, any property of the Plan the trustee believes is not or may not be a Qualified Investment. The terms and conditions of the Plan will be subject to any additional terms or conditions that may be required to complete the transfer according to applicable law.

13. Transfers from the Plan: You may request a transfer of all or part of the Plan Assets to a RRSP or a Retirement Income Fund ("RIF") that is registered under applicable Tax Legislation under which you are the Annuitant. You may also request a transfer to a RPP for your benefit (if permitted by the provider). All transfer requests may be subject to tax under Applicable Tax Legislation and any other related fees or costs. We will process your transfer request within a reasonable period of time after we have received all completed documents as required by us and applicable law. Once the transfer is issued, we no longer have any further liability or duty to you for the Plan Assets transferred.

14. Transfers for Division of Property: You may request a transfer of all or part of the Plan Assets to a RRSP or a RRIF under which your spouse or common-law partner (within the meaning of Applicable Tax Legislation) is the Annuitant if the transfer is made under the terms of a decree, order or judgment of a competent tribunal, or of a written separation agreement, that relates to the division of property between you and your spouse or common-law partner or former spouse or common-law partner in settlement of rights arising out of or on the breakdown of your marriage or common-law partnership. Any transfer requests may be subject to any tax under Applicable Tax Legislation and any other related fees or costs. We will process your request within a reasonable period of time after we have received all completed documents as required by applicable law and us. Once the transfer is issued, we no longer have any further liability or duty to you for the Plan Assets transferred.

15. Locked-In Plan Assets: If locked-in Plan Assets are transferred to the Plan in accordance with applicable provincial or federal pension legislation, the additional provisions contained in the Locked-In Retirement Account ("LIRA") or Locked-In Retirement Savings Plan ("LRSP") addendum (the "Addendum") to this Declaration of Trust will form part of this Declaration of Trust and will govern the Plan Assets. In the event of any inconsistencies between the Addendum and Declaration of Trust, the provisions of the Addendum will govern.

16. Group RSP: If the Plan is part of a Group RSP. You are required to be an employee or member, or the spouse or common-law partner of the employee or member, of the sponsoring organization of the Group RSP named in the Application (the "Group Sponsor"). You accept the Group Sponsor as your Agent for the purposes of constituting the plan. Upon your ceasing to be an employee or member of the Group Sponsor and upon notification from the Group Sponsor being received by us, the following will apply:

- We will not accept any further contributions to this Plan; and
- You shall provide us with written notice to transfer the Plan to a self-directed RRSP, self directed RRIF with us or another financial institution which is not part of the Group RSP. If we do not receive your written instructions within fifteen (15) days from the date we receive notice from the Group Sponsor, you will be deemed to have instructed us to transfer Plan Assets and to act as your attorney to execute documents and make elections necessary to establish another RSP or RIF, selected by us in our sole discretion and to apply for registration of such RSP or RIF under Applicable Tax Legislation.

17. Fees: We may charge you or the Plan fees for services we provide to you or the Plan from time to time in accordance with our current fee schedule. We will give you a minimum of sixty (60) days notice of any change in our fees. We are entitled to reimbursement from you or the Plan for all Trustee fees, mortgage foreclosure fees, disbursements, expenses (including taxes, interest and penalties) and any other charges reasonably incurred by us in connection with the Plan. We are entitled to deduct our unpaid fees, disbursements, expenses and any other charges from the Plan Assets and where insufficient cash is available, you authorize us to sell or withdraw any of the Plan Assets and obtain a fair market value that we, in our sole discretion, consider appropriate to collect unpaid fees, disbursements, expenses and any other charges. We will issue an income tax receipt for any withdrawals from the Plan Assets and we will not be liable for any loss or income tax incurred as such loss or tax pertains to the collection of any unpaid fees, disbursements, expenses and any other charges.

18. Designation of Maturity Date: You may designate in writing a date (the Maturity Date) on which to begin receiving retirement income. The Maturity Date will not be later than December 31st of the year in which you become 71 years of age or any other age permitted by the Applicable Tax Legislation.

19. Maturity of the Plan: The Plan will mature on the Maturity Date. No later than ninety (90) days before the Maturity Date you must provide us with written instructions to transfer the Plan Assets to a RRIF or to liquidate the Plan Assets and use the proceeds to acquire a life annuity in accordance with Applicable Tax Legislation. Any annuity purchased by us hereunder shall be either:

a. An annuity payable to you for your life or to you for the lives jointly of you and your spouse or common law partner and to your survivor for his or her life, commencing on the Maturity Date and with or without a guarantee term not exceeding such period of the time calculated in accordance with the formula set out in paragraph b. of this Clause 19, or

b. An annuity commencing at the Maturity Date payable to you for a term of years equal to 90 minus either your age in whole years at the maturity of the Plan, or, where your spouse or common-law partner is younger than you and you so elect, the age in whole years of your spouse or common-law partner at the Maturity Date; and shall be issued by a person selected by you who is licensed or otherwise authorized under the laws of Canada or a province thereof to carry on in Canada an annuities business. Any annuity so purchased shall pay equal annual or more frequent periodic payments until there is a payment in full or partial commutation of the annuity and, where such commutation is partial, equal annual or more frequent periodic payments thereafter. Any such payment in full or partial commutation of annuity shall be made to you or, after your death, your spouse. The aggregate of the periodic payments in a year under any annuity after your death shall not exceed the aggregate of the payments under the annuity in a year before that death. The periodic payments under the annuity in a year may be payable in accordance with paragraph 146(3) (b) of the Act and the corresponding provision of any applicable provincial tax legislation. Any annuity so payable shall not be assigned in whole or in part. Such annuity shall provide for commutation if such annuity would otherwise become payable to a person other than your spouse or common-law partner after your death. It shall be your responsibility to select the form and issuer of any annuity to be purchased by us with the Plan Assets and to ensure that such annuity and the issuer thereof meet the requirements of the Act and any applicable provincial legislation. If we have not received your written instructions prior to the Maturity Date, you will be deemed to have instructed us to transfer the Plan Assets to a self-directed RIF or another RIF in your name selected by us at our sole discretion. Furthermore, you will have deemed us to act as your attorney to execute documents and make elections necessary to establish the self-directed RIF or another RIF and to register such RIF under Applicable Tax Legislation.

20. Date of Birth and Social Insurance Number: The date of birth and social insurance number that you provide on the Application shall be deemed a certification by you of its truth and you give us your undertaking to provide additional evidence if we require the proof of the validity of either.

21. Designation of Beneficiary: Where applicable provincial law permits, you may designate one or more beneficiaries to receive the Plan Assets or the proceeds from the sale of the Plan Assets on or after your death. You may make, change or revoke a beneficiary designation by providing us with a written instruction in a form acceptable to us. When the Plan Assets or the proceeds from the Plan Assets have been distributed to your designated beneficiary, even though the designation may be invalid as a testamentary instrument, we will be fully discharged of any liability under this Declaration of Trust.

22. Death of a Plan Holder: Upon verification of a benefit entitlement under Applicable Tax Legislation, we will require, in our sole discretion, satisfactory evidence of your death and any other documents as it pertains to your death prior to proceeding with a request to distribute the Plan Assets or the proceeds from the Plan Assets less any tax under the Applicable Tax Legislation and any other related fees or costs. If you have designated more than one beneficiary under your Plan, we will distribute Plan Assets as designated by you. If we cannot establish a valid designation of beneficiary or beneficiaries, we will distribute the Plan Assets to your estate. Once the Plan Assets are transferred or the proceeds of the sale of the Plan Assets are paid, we no longer have any further liability or duty to your heirs, executors, administrators or legal representatives.

23. Ownership and Voting Rights: The Plan Assets will be held in our name, our nominee's name, bearer form or any other name that we determine. The voting rights attached to securities held under the Plan and credited to your account may be exercised by you and for this purpose, you are hereby appointed as our agent and attorney to execute and deliver proxies and/or other instruments mailed by us to you according to applicable laws.

24. Notices: Any notices, demands, orders, documents or any other written communication we may forward to you by mail, postage paid, to your address indicated on the Application (or sub-sequent written notification of a new address which we acknowledge received) shall

be deemed to be received by you (3) days after such mailing. You acknowledge that we shall be under no further obligation to locate you for the purpose of forwarding any such notices, demands, orders, documents or any other written communication.

25. Restrictions: No advantage that is conditional in any way on the existence of the Plan may be extended to you or any person with whom you do not deal at arm's-length, other than the benefits and advantages specifically permitted under Applicable Tax Legislation. The Plan provides that Retirement Income under The Plan may not be assigned in whole or in part as governed by 146(2)(c) of the Income Tax Act (Canada).

26. Amendments: We may from time to time, in our sole discretion, amend the terms of the Plan and this Declaration of Trust, providing that such amendments shall not disqualify the Plan as a RRSP within the meaning of Applicable Tax Legislation. We will obtain approval from the necessary provincial and federal authorities if any amendments are made and as required. We will provide you with thirty (30) days notice of any amendments.

27. Delegation of Duties: Without limiting our responsibility as trustee of the Plan, we may appoint agents and may delegate to our agents the performance of administrative and any other duties required under the Plan and Declaration of Trust. We may engage accountants, brokers, lawyers or others for their advice and services and may rely on them for the same. We may pay to any agent or advisor a fee under the provisions of this Declaration of Trust but we will not be liable for any acts, omissions or negligence of any of our agents or advisors so long as we have acted in good faith. We acknowledge that we are ultimately responsible for the administration of the Plan.

28. Liability of Canadian Western Trust Company: We, our directors, officers, employees, agents and their respective heirs, executors, administrators, personal representatives, successors and assigns are not responsible for determining whether an investment made in the Plan is a qualified investment within the meaning of the Applicable Tax Legislation. We are not responsible for valuing Plan Assets that are not publicly traded on a stock exchange recognized within the Applicable Tax Legislation. We, our officers, employees, and agents shall be indemnified by you and the Plan directly from Plan Assets against all expenses, liabilities, claims, demands or penalties arising out of or in respect of the Plan and the Plan Assets. We, our officers, employees, and agents will accept investment instruction made in good faith by you or your authorized agent, dealer, or representative. We will not be liable for any expense, liability, claim, demands, taxes, damages, losses or penalties imposed on us or the Plan as a result of us acting in good faith on your authority or the authority of your authorized agent, dealer or representative. We will not be liable for any Charges incurred in performing our duties under the Plan, the Declaration of Trust or any additional terms and conditions which may apply to the Plan under applicable law in connection with any transfers by the Plan, unless caused by willful misconduct or gross negligence by us, our officers, employees or agents.

29. Indemnification: You, your heirs, executors, administrators or legal representatives and each beneficiary under the Plan will at all times indemnify the trustee, its directors, officers, employees and agents and their respective heirs, executors, administrators, personal representatives, successors assigns and our agents directly and out of the Plan Assets for any taxes, interest, penalties or charges levied or imposed on us in respect of the Plan, costs incurred in performing our duties under this Declaration of Trust or any losses incurred by the Plan as a result of any loss or diminution of the Plan Assets, purchases, sales, or retention of any investments, payments or distributions out of the Plan made according to these terms and conditions, or acting or declining to act on any instructions given to us, whether by you, a person designated by you or any person purporting to be you or the person designated by you.

30. Successor Trustee: We may resign as the trustee of the Plan and be discharged from all duties and liabilities under this Declaration of Trust by giving thirty (30) days written notice to you. If you do not appoint a successor trustee within ten (10) days of our written notice, we may appoint a successor trustee for the Plan. Upon our resignation we will provide the successor trustee with all conveyances, transfers and further assurances that may be required to give effect to the appointment of the successor trustee.

31. Governing Law: The terms of the Plan will be construed, administered and enforced according to the laws of the Province of British Columbia and the federal laws of Canada applicable in British Columbia.

32. Binding: The terms of this Declaration of Trust will be binding on your heirs, executors, administrators or legal representatives and permitted assigns and our successors and assigns.

Authorization

I am the planholder of the Self Directed RRSP named on the face hereof and do hereby authorize Canadian Western Trust Company to enter into mortgages on my behalf generally and from time to time as follows;

- (a) CONTRIBUTORY Mortgages;
- (b) FIRST, SECOND or THIRD Financial Charges

In witness whereof, Canadian Western Trust Company has caused the Declaration of Trust to be executed in the city of _____, Province of British Columbia, at the date signed below.

Date

Annuitant Signature

Witness Signature

Annuitant – Print Name

Witness – Print Name

Canadian Western Trust Company Self-directed Retirement Income Fund Declaration of Trust

Annuitant Name: _____

Plan #: _____

Canadian Western Trust Company is a trust company incorporated under the laws of Canada. (The words "us", "our" and "we" are also used in the Declaration of Trust to refer to Canadian Western Trust Company.) "You" (the annuitant as well as the planholder) are the person who has completed the application form (the "Application") to which this Declaration of Trust is attached. Within this declaration of Trust, we use the word "agent" when referencing "agent for the trustee" and "Agent" when referencing "Agent for employee group fund". We agree to act as trustee for your self-directed Retirement Income Fund (the "RIF"), created pursuant to the application and this Declaration of Trust (the "Fund"), in accordance with the terms and conditions set out below:

1. **Registration:** We will apply to register the Fund under the Income Tax Act (Canada) (the "Act") and any applicable income tax legislation of a province of Canada (collectively, "Applicable Tax Legislation"). If registered, the Fund will be a Registered Retirement Income Fund ("RRIF") and you will be known for the purposes of Applicable Tax Legislation as the "Annuitant", who is the planholder of the fund. After your death, your spouse or common-law partner, if living, may become the Annuitant for the purposes of Applicable Tax Legislation.

2. **Purpose of the Fund:** The primary purpose of the Fund is to provide retirement income to you. Each year following the year the Fund is established we must make a minimum payment of retirement income to you, in accordance with Applicable Tax Legislation.

3. **Compliance:** The Fund shall, at all times, comply with all relevant provisions of Applicable Tax Legislation. You are bound by the terms and conditions imposed under Applicable Tax Legislation.

4. **Investments:** Transfers to the Fund will be invested and reinvested from time to time in accordance with your investment instructions, which must comply with requirements imposed by us, in our sole discretion. These amounts will be called the "Fund Assets". We may be entitled to a fee for any cash deposited in an account at Canadian Western Bank or for any investments made with Canadian Western Bank or, if requested by you, another financial institution, and if so, such fee shall accrue to us. We will not be limited to investments authorized by law governing the investments of property held in trust other than investment rules sole discretion. We may accept and act on any investment instructions, which we believe in good faith to be given by you. At any time, it is your sole responsibility to ensure all investments held in the Fund are qualified investments under Applicable Tax Legislation. If we do not have any instructions from you at the time we receive a cash transfer, we will deposit your cash transfer in an interest bearing account with us or Canadian Western Bank imposed by the Tax Act for a RRIF. We will only act on your instructions if they are in a form acceptable to us and are accompanied by related documents as required by us, in our sole discretion. We may accept and act on any investment instructions, which we believe in good faith to be given by you. At any time, it is your sole responsibility to ensure all investments held in the Fund are qualified investments under Applicable Tax Legislation. If we do not have any instructions from you at the time we receive a cash transfer, we will deposit your cash transfer in an interest bearing account with us or Canadian Western Bank.

5. **Non-Qualified Investments:** You are solely responsible for any tax, interest or penalties (collectively, the "Charges") imposed under Applicable Tax Legislation or by any provincial or federal regulatory authorities as it pertains to the investments in the Fund. If the Fund becomes liable for any Charges, you will be deemed to have authorized us to sell or withdraw any of the Fund Assets and obtain a fair market value that we, in our sole discretion, consider appropriate to pay any Charges to the Fund. We will issue an income tax receipt for any withdrawal of Fund Assets and we will not be liable for any loss or income taxes incurred as it pertains to the collection of unpaid Charges. It is your sole responsibility to provide appropriate documents supporting the fair market value of Fund Assets not publicly traded on a recognized stock exchange within the meaning of Applicable Tax Legislation. Furthermore, we may deem Fund Assets as worthless and remove them from the Fund if you cannot provide documents supporting their fair market valuation as we may impose. We will not be liable for any Charges imposed on you or the Fund under Applicable Tax Legislation or by any provincial or federal regulatory authorities related to the removal of Fund Assets from the Fund.

6. **Accounting:** We will maintain records relating to the Fund reflecting the following:

- Transfers to the Fund;
- Name, amount and cost of investments purchased or sold by the Fund;
- Purchases and sales of investments we hold for you in the Fund;
- Any income or loss earned or incurred by the Fund;
- Minimum payment information;
- Withdrawals, transfers and any other payments from the Fund; and
- The balance of the Fund.

7. **Statements:** We will issue statements for the Fund at least once annually or more frequently as determined by us, in our sole discretion. Should there occur full or partial non-payment of fees referred to in Clause 15 hereof, we may, in our sole discretion, cease the issue of statements for the plan.

8. **Transfers to the Fund:** You may request a transfer of amounts from another ("RRIF"), a Registered Retirement Savings Plan ("RRSP"), Registered Pension Plan ("RPP") or another source permitted under Applicable Tax Legislation or other applicable law. We will not accept property as consideration for benefits under the Fund, other than property that is a valid premium for a RIF under Applicable Tax Legislation or is transferred from another RRSP, RRIF or RPP under which you or your spouse or common-law partner or former spouse or common-law partner are the Annuitant or that is part of a division of property as described in section 10 below or that is otherwise permitted by Applicable Tax Legislation. The trustee may, in its sole discretion, refuse to accept the property into the Fund for any reason whatsoever and authorizes to transfer out of the Fund

to the Annuitant, without notice, any property of the Fund the trustee believes is not or may not be a Qualified Investment. The terms and conditions of the Fund will be subject to any additional terms or conditions that may be required to complete the transfer according to applicable law.

9. **Transfers from the Fund:** You may request a transfer of all or part of the Fund Assets to a RRSP or RRIF under which you are the Annuitant. You may transfer all or part of the Fund Assets to purchase an annuity, subject to the limitations of the Applicable Tax Legislation. All transfer requests may be subject to tax under Applicable Tax Legislation and any other related fees or costs. Prior to transferring all or part of the Fund Assets, we will make a payment of any unpaid minimum amount required under Applicable Tax Legislation. Upon receipt by us of all completed documents, as required under applicable law and us, we will process your request for a transfer of Fund Assets, or an amount equal in value at the time of the request, within a reasonable period of time. If you request a transfer to a RRIF we will also transfer all information necessary for continuance of registration of the Fund. Once the transfer is issued, we no longer have any further liability or duty to you for the Fund Assets transferred.

10. **Transfers for Division of Property:** You may request a transfer of all or part of the Fund Assets to a RRSP or a RRIF under which your spouse or common-law partner (within the meaning of Applicable Tax Legislation) is the Annuitant if the transfer is made under the terms of a decree, order or judgment of a competent tribunal or of a written separation agreement, that relates to the division of property between you and your spouse or common-law partner or former spouse or common-law partner in settlement of rights arising out of or on the breakdown of your marriage or common-law relationship. Any transfer requests may be subject to any tax under Applicable Tax Legislation and any other related fees or costs. We will process your request within a reasonable period of time after we have received all completed documents as required by applicable law and us. Once the transfer is issued, we no longer have any further liability or duty to you for the Fund Assets transferred.

11. **Locked-In Fund and Prescribed RIF (PRIF) Assets:** If locked-in Fund Assets are transferred to the Fund in accordance with applicable provincial or federal pension legislation, the additional provisions contained in the Life Income Fund ("LIF") or Locked-In Retirement Income Fund ("LRIF") or Prescribed RIF ("PRIF") addendum (the "Addendum") to this Declaration of Trust will form part of this Declaration of Trust and will govern the Fund Assets. In the event of any inconsistencies between the Addendum and Declaration of Trust, the provisions of the Addendum will govern.

12. **Retirement Income Payments from the Fund:** Retirement income payments must begin no later than the first calendar year after the year in which you establish the Fund. A minimum payment is required each year and is calculated in accordance with Applicable Tax Legislation. Payments may not be assigned, in whole or in part. You may elect to take a payment greater than the minimum payment each year subject to provincial or federal legislation pertaining to locked-in funds; however, any payment exceeding the minimum is subject to tax in accordance with Applicable Tax Legislation. You may elect to use your spouse's or common-law partner's age, subject to Applicable Tax Legislation, as a factor in calculating the annual minimum payments as long as you have not yet received any payments from the Fund. If you do not provide us with written instructions prior to thirty (30) days from the end of the year, for the payments and frequency of payments to be made from the Fund, you will receive a default payment not less than the minimum payment required, prior to the end of each year at a time we may determine which may be amended from time to time with-out notice. If sufficient cash is not available to cover the minimum payment or any other payment for the Fund, you will have deemed us to withdraw any of the Fund Assets in-kind, as we consider appropriate, and obtain a fair market value that we, in our sole discretion, consider appropriate to satisfy any payment amounts at the time of the transaction. Once the payment is issued we will not be liable for any loss or taxes incurred as a result of us withdrawing any Fund Assets as it pertains to making payments from the Fund.

13. **Group RIF:** If the Fund is part of a Group RIF, you are required to be an employee or member or spouse or the common-law partner of the employee or member of the sponsoring organization of the Group RIF named in the Application (the Group Sponsor). You accept the Group Sponsor as your Agent for the purposes of constituting the Fund. Upon your ceasing to be an employee or member of the Group Sponsor and upon notification from the Group Sponsor being received by us, you shall provide us with written notice to transfer the Fund to a self-directed RRSP if eligible, self-directed RRIF with us or another financial institution which is not part of the Group RIF. If we do not receive your written instruction within fifteen (15) days from the date we receive notice from the Group Sponsor, you will be deemed to have instructed us to transfer Fund Assets and to act as your attorney to execute documents and make elections necessary to establish another RSP or RIF, selected by us in our sole discretion and to register such RSP or RIF under Applicable Tax Legislation.

14. **Successor Annuitant:** At any time, you may elect for your spouse or common-law partner to receive payments after your death for as long as there are Fund Assets. You may make this election on the Application or in your will. If you have not made this election, we may make the payments to your spouse or common-law partner as successor annuitant after your death, as long as your legal representative requests it and provides us with satisfactory evidence of their consent and other requirements we may impose.

15. **Fees:** We may charge you or the Fund fees for services we provide to you or the Fund from time to time in accordance with our current fee schedule. We will give you a minimum of sixty (60) days notice of any change in our fees. We are entitled to reimbursement from you or the Fund for all Trustee fees, mortgage foreclosure fees, disbursements, expenses (including taxes, interest and penalties) and any other charges reasonably incurred by us in the connection with the Fund. We are entitled to deduct our unpaid fees, disbursements, expenses and any other charges from the Fund Assets and where

insufficient cash is available, you authorize us to sell or withdraw any of the Fund Assets and obtain a fair market value that we, in our sole discretion, consider appropriate to collect unpaid fees, disbursements, expenses and any other charges. We will issue an income tax receipt for any withdrawal from Fund Assets and we will not be liable for any loss or income tax incurred as such loss or tax pertains to the collection of any unpaid fees, disbursements, expenses and any other charges.

16. Date of Birth and Social Insurance Number: The date of birth and social insurance number that you provide on the Application shall be deemed a certification by you of its truth and you give us your undertaking to provide additional evidence if we require proof of the validity of either.

17. Designation of Beneficiary: Where applicable provincial law permits, you may designate one or more beneficiaries to receive the Fund Assets or the proceeds from the sale of the Fund Assets on or after your death. You may make, change or revoke a beneficiary designation by providing us with a written instruction in a form acceptable to us. When the Fund Assets or the proceeds from the Fund Assets have been distributed to your designated beneficiary, even though the designation may be invalid as a testamentary instrument, we will be fully discharged of any liability under this Declaration of Trust.

18. Death of Fund Holder: Upon verification of a benefit entitlement under Applicable Tax Legislation, we will require, in our sole discretion, satisfactory evidence of your death and any other documents as it pertains to your death prior to proceeding with a request to distribute the Fund Assets or the proceeds from the Fund Assets less any tax under the Applicable Tax Legislation and any other related fees or costs. If you have designated more than one beneficiary under your Fund, we will distribute Fund Assets as designated by you. If we cannot establish a valid designation of beneficiary or beneficiaries, we will distribute the Fund Assets to your estate. Once the Fund Assets are transferred or the proceeds of the sale of the Fund Assets are paid, we no longer have any further liability or duty to your heirs, executors, administrators or legal representatives.

19. Income Tax Receipts: As required under Applicable Tax Legislation, we will send you or where applicable, your spouse or common law partner, a receipt for income tax filing purposes. Your income tax receipt will report payments we have made to you and tax we have withheld.

20. Restriction: No advantage that is conditional in any way on the existence of the Fund may be extended to you or any person with whom you do not deal at arm's-length, other than the benefits and advantages specifically permitted under Applicable Tax Legislation. The Fund Assets cannot be pledged, assigned, or in any way alienated in whole or in part as security for a loan or for any purpose other than to provide you with a retirement income, nor may Fund Assets be used to offset any debt or obligation, unless specifically permitted by Applicable Tax Legislation.

21. Amendments: We may from time to time, in our sole discretion, amend the terms of the Fund and this Declaration of Trust, providing that such amendments shall not disqualify the Fund a RRIF within the meaning of Applicable Tax Legislation. We will obtain approval from the necessary provincial and federal authorities if any amendments are made and as required. We will provide you with thirty (30) days notice of any amendments.

22. Ownership and Voting Rights: The Fund Assets will be held in our name, our nominee's name, bearer form or any other name that we determine. The voting rights attached to securities held under the Fund and credited to your account may be exercised by you and for this purpose, you are hereby appointed as our agent and attorney to execute and deliver proxies and/or other instruments mailed by us to you according to applicable laws.

23. Notices: Any notices, demands, orders, documents or any other written communication we may forward to you by mail, postage prepaid, to your address indicated

on the Application (or subsequent written notification of a new address which we acknowledged received) shall be deemed to be received by you three (3) days after the date of such mailing. You acknowledge that we shall be under no further obligation to locate you for the purpose of forwarding any such notices, demands, orders, documents or any other written communication.

24. Delegation of Duties: Without limiting our responsibility as trustee of the Fund, we may appoint agents and may delegate to our agents the performance of administrative and any other duties required under the Fund and Declaration of Trust. We may engage accountants, brokers, lawyers or others for their advice and services and may rely on them for the same. We may pay to any agent or advisor a fee under the provisions of this Declaration of Trust but we will not be liable for any acts, omissions or negligence of any of our agents or advisors, so long as we have acted in good faith. We acknowledge that we are ultimately responsible for the administration of the Fund.

25. Liability of Canadian Western Trust Company: We, our directors, officers, employees, agents and their respective heirs, executors, administrators, personal representatives, successors and assigns are not responsible for determining whether an investment made in the Plan is a qualified investment within the meaning of the Applicable Tax Legislation. We are not responsible for valuing Fund Assets that are not publicly traded on a stock exchange recognized within the Applicable Tax Legislation. We, our officers, employees and agents shall be indemnified by you and the Fund directly and from Fund Assets against all expenses, liabilities, claims, demands or penalties arising out of or in respect of the Fund and the Fund Assets. We, our officers, employees and agents will not be liable for any Charges incurred in performing our duties under the Fund, the Declaration of Trust or any additional terms and conditions which may apply to the Fund under applicable law in connection with any transfers received by the Fund, unless caused by willful misconduct or gross negligence by us, our officers, employees or agent.

26. Indemnification: You, your heirs, executors, administrators or legal representatives and each beneficiary under the Fund will at all times indemnify the trustee, its directors, officers, employees and agents and their respective heirs, executors, administrators, personal representatives, successors and assigns and our agents directly and out of Fund Assets for any taxes, interest, penalties or charges levied or imposed on us in respect of the Fund, costs incurred in performing our duties under this Declaration of Trust or any losses incurred by the Fund as a result of any loss or diminution of the Fund Assets, purchases, sales, or retention of any investments, payments or distributions out of the Fund made according to these terms and conditions, or acting or declining to act on any instructions given to us, whether by you, a person designated by you or any person purporting to be you or the person designated by you.

27. Successor Trustee: We may resign as the trustee of the Fund and be discharged from all duties and liabilities under this Declaration of Trust by giving thirty (30) days written notice to you. If you do not appoint a successor trustee within ten (10) days of our written notice, we may appoint a successor trustee for the Fund. Upon our resignation we will provide the successor trustee with all conveyances, transfers and further assurances that may be required to give effect to the appointment of the successor trustee.

28. Governing Law: The terms of the Fund will be construed, administered and enforced according to the laws of the Province of British Columbia and the federal laws of Canada applicable in British Columbia.

29. Binding: The terms of this Declaration of Trust will be binding on your heirs, executors, administrators or legal representatives and permitted assigns and our successors and assigns.

Authorization

I am the planholder of the Self Directed RRIF named on the face hereof and do hereby authorize Canadian Western Trust Company to enter into mortgages on my behalf generally and from time to time as follows;

- (a) CONTRIBUTORY Mortgages;
- (b) FIRST, SECOND or THIRD Financial Charges

In witness whereof, Canadian Western Trust Company has caused the Declaration of Trust to be executed in the city of _____, Province of British Columbia, at the date signed below.

Date

Annuitant Signature

Witness Signature

Annuitant – Print Name

Witness – Print Name

(LAW FIRM LETTERHEAD)

_____, 20____

Canadian Western Trust
Suite 600 – 750 Cambie Street
Vancouver, BC
V6B 0A2

Attention: Mortgage Department

Re: [describe mortgage transaction]

We are acting for _____ (the "Borrower") in connection with the mortgage (the "Mortgage") dated _____ in the principal amount of \$_____ granted by the Borrower to Canadian Western Trust Company, in trust, over the real property described as _____ (the "Property").

Having reviewed the Mortgage and made such other searches and investigations as we consider necessary or relevant, we are of the opinion that:

The Mortgage creates a valid mortgage of the Property.

The Mortgage was submitted for registration in the _____ Land Title Office on _____, 200_, as instrument no. _____.

The aggregate face amount of all registered financial mortgages and charges over the Property ranking equally with or in priority to the Mortgage, plus the face amount of the Mortgage, is \$_____.

The Mortgage does not contain any provision that would have the effect of subordinating the Mortgage to any future or unregistered mortgage or charge over the Property or that would obligate the Mortgagee to subordinate the Mortgage to any such mortgage or charge.

Yours truly,

(NAME OF LAW FIRM)