



VANCOUVER CITY SAVINGS CREDIT UNION

INFORMATION MEMORANDUM SHORT-TERM BEARER DEPOSIT NOTES

This Information Memorandum (the “**Memorandum**”) is not, and under no circumstances is to be construed as, an offering of the short-term bearer deposit notes described herein generally or for sale or delivery in the United States of America or the territories or possessions thereof. The short-term bearer deposit notes offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and accordingly may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

This Memorandum does not constitute an offering of the short-term bearer deposit notes described herein generally or in any jurisdiction where such offering would be prohibited.

This Memorandum is confidential and does not constitute an offer or a solicitation of an offer to the public for the purchase or sale of any securities. Under no circumstances are its contents to be reproduced or distributed to the public or the press. The information contained herein is not guaranteed as to its accuracy, reliability, completeness or timeliness. No person has been authorized to give any information or to make any representation not contained in this Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized.

December 1, 2004

VANCOUVER CITY SAVINGS CREDIT UNION

Vancouver City Savings Credit Union (“**Vancity**”) is incorporated under the *Credit Union Incorporation Act* (British Columbia) and its operations are subject to the *Financial Institutions Act* (British Columbia). Vancity is a financial institution that provides a wide range of financial products and services which serves members in British Columbia. Citizens Bank of Canada (“**Citizens Bank**”), the principal subsidiary of Vancity, is a federally chartered bank and serves customers across Canada.

Founded in 1946, Vancity is Canada’s largest credit union, with approximately 305,000 members and 41 branches throughout Greater Vancouver, the Fraser Valley and Victoria, British Columbia. Both Vancity and Citizens Bank are guided by a commitment to corporate social responsibility and to improve the quality of life in the communities where they each operate.

The head and principal office of Vancity is located at 183 Terminal Avenue, Vancouver, British Columbia, V6A 4G2.

[The remainder of this page left intentionally blank]

SHORT-TERM BEARER DEPOSIT NOTES

Issuer:	Vancouver City Savings Credit Union
Principal Amount:	The maximum principal amount of short-term bearer deposit notes (“Notes”) authorized to be outstanding at any one time is \$200,000,000 in Canadian funds.
Purpose:	The net proceeds from the sale of Notes will be used for general corporate purposes.
Form of Notes:	<p>The Notes will be issued at a discount and mature at the principal amount.</p> <p>The Notes will be issued in “book entry only” form (the “Book-entry-only Form Notes”). Notes and undivided beneficial interests purchased from Participants (as defined below) in CDS (as defined below) (“interests therein”) must be purchased or transferred through participants (“Participants”) in The Canadian Depository for Securities Limited (“CDS”) debt clearing service, which includes securities brokers and dealers, banks and trust companies.</p> <p>Vancity will cause Book-entry-only Form Notes to be held on behalf of, and registered in the name of CDS, or its nominee.</p> <p>Vancity will sell Notes to Participants and Participants, in turn, will sell interests therein to others.</p> <p>Neither Vancity nor the registered dealers who sell the Notes and interests therein will assume any liability for: (a) any aspect of the records relating to the beneficial interests in the Book-entry-only Form Notes held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Book-entry-only Form Notes; or (c) any advice or representation made by or with respect to CDS, including those contained in this Memorandum and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants and CDS has a statutory duty to enforce payment of the Notes on behalf of the Participants. As a result, Participants must look solely to CDS and holders of interests in Book-entry-only Form Notes must look solely to Participants for the payment of the Book-entry-only Form Notes once such payment is made by or on behalf of Vancity to CDS.</p> <p>The Book-entry-only Form Notes will be subject to the <i>Depository Bills and Notes Act</i> (Canada).</p>
Denominations:	Book-entry-only Form Notes and interests therein available in multiples of \$1,000, subject to a minimum of \$100,000, in Canadian funds.
Maturities:	Up to 365 days from date of issue.
Payment and Delivery:	Delivery of Book-entry-only Form Notes and all payments on Book-entry-only Form Notes when due will be made to CDS in accordance with the rules established by CDS.
Issuing Agent:	Credit Union Central of British Columbia (the “ Issuing Agent ”) pursuant to the Note Issuing and Paying Agent Agreement made as of the 1 st day of December, 2004 between the Issuing Agent and Vancity as the same may be amended or replaced.
Redemption:	The Notes and interests therein will not redeemable prior to maturity.
Ranking:	The Notes will be unsecured, and rank <i>pari passu</i> with Vancity’s other

unsubordinated and unsecured indebtedness, subject to such exceptions as may, from time to time, exist under applicable law.

Governing Law: The Notes will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

Rating: The Notes have been rated R-1 (low) by Dominion Bond Rating Service Limited.

Not CDIC or CUDIC Insured: The Notes are not insured or guaranteed by the Canada Deposit Insurance Corporation, the Credit Union Deposit Insurance Corporation or any other governmental agency.

Tax Considerations: The Notes and interests therein, if issued on the date hereof, should not constitute “foreign property” for the purposes of Part XI of the *Income Tax Act* (Canada) (the “ITA”). No opinion is given with respect to the status of the Notes and interests therein as qualified investments under the ITA and the regulations thereunder for trusts governed by registered retirement savings plans, registered education savings plans, deferred profit sharing plans or registered retirement income funds and potential purchasers of Notes and interests therein should consult their own tax advisors in this regard. Vancity is a “financial institution” for purposes of the Large Corporations Tax in Part I.3 of the ITA.

Selling Restrictions: The Notes and interests therein have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the benefit of, “U.S. Persons” (as such term is defined in Regulation “S” under the U.S. Securities Act and for United States federal income tax purposes). The Notes and interests therein will not be sold outside Canada or to any person who is not resident in Canada for the purposes of the ITA, or to any person purchasing for resale to, or for the account or benefit of, any person who is not resident in Canada for the purposes of the ITA.

Purchasers’ Representations: By purchasing a Note or an interest therein, the purchaser represents and warrants that it is not a U.S. Person or a person not resident in Canada for the purposes of the ITA and is not purchasing such Notes or interests therein for resale to, or for the account or benefit of, any such U.S. Person or non-resident person.

Lines of Credit: Vancity maintains lines of credit with various financial institutions in amounts which are sufficient for its operations, including its commercial paper activities.

Residents of Nova Scotia: Residents of Nova Scotia shall not purchase the Notes pursuant to this Memorandum unless they review the statutory rights required by the *Securities Act* (Nova Scotia), which form part of this Memorandum.

Eligibility for Investment: As outlined in the attached opinion of McCarthy Tétrault LLP, counsel to Vancity, which opinion forms part of this Memorandum, the Notes and interests therein are eligible investments under, or their purchase will not be prohibited by, the statutes listed below:

Insurance Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Trust and Loan Companies Act (Canada)
Loan and Trust Corporations Act (Alberta)
Employment Pension Plans Act (Alberta)
Insurance Act (Alberta)
Financial Institutions Act (British Columbia)
Pension Benefits Standards Act (British Columbia)
The Insurance Act (Manitoba)
The Pension Benefits Act (Manitoba)
The Trustee Act (Manitoba)
Pension Benefits Act (New Brunswick)
Trustees Act (New Brunswick)
Pension Benefits Act, 1997 (Newfoundland and Labrador)
Pension Benefits Act (Nova Scotia)
Trustee Act (Nova Scotia)
Insurance Act (Ontario)
Loan and Trust Corporations Act (Ontario)
Pension Benefits Act (Ontario)
Trustee Act (Ontario)
An Act respecting insurance (Québec) for an insurer incorporated under the laws of the Province of Québec, other than a guarantee fund
An Act respecting trust companies and savings companies (Québec) for a trust company investing its own funds and funds received as deposits and a savings company investing its funds
Supplemental Pension Plans Act (Québec)
The Pension Benefits Act, 1992 (Saskatchewan)

Legal Relationship:

The representations and warranties set out in this Memorandum are given in favour of Participants only, and no other person shall benefit therefrom or commence a legal action based thereon, but all such persons shall claim, if at all, through a Participant. Initial holders of interests in the Notes as contemplated herein will acquire such interest and be parties to a contract with a Participant; such holders will not acquire their interests from or be parties to a contract with Vancity.

Additional Information:

Additional Information about Vancity is available upon request to: Director of Corporate Affairs & Corporate Secretary, 183 Terminal Avenue, Vancouver, British Columbia V6A 4G2

PURCHASERS' STATUTORY RIGHTS

Securities legislation in several Canadian provinces provides purchasers with rights of rescission and/or rights of damages where this Memorandum contains a misrepresentation, provided that such rights are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or should consult with a legal advisor.

Without limiting the generality of the foregoing, purchasers of Notes resident in the Province of Nova Scotia have the following rights:

Where this Memorandum or any amendment hereto or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) in respect of the Notes contains a misrepresentation, a purchaser to whom the Memorandum has been delivered and who purchases Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and the purchaser has a right of action for damages against the seller and, subject to certain additional defenses, against directors of the seller, but may elect to exercise a right of rescission against the seller, in which case he shall have no right of action for damages against the seller or directors of the seller, provided that, among other limitations:

- (a) in an action for rescission or damages, the defendant will not be liable if it proves that the purchaser purchased the Notes with knowledge of the misrepresentation;
- (b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Notes as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Notes were offered.

In addition no person or company other than the seller is liable if the person or company proves that:

- (a) the Memorandum or the amendment to the Memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
- (b) after delivery of the Memorandum or the amendment to the Memorandum and before the purchase of the Notes by the purchaser, on becoming aware of any misrepresentation in the Memorandum, or amendment to the Memorandum, the person or company withdrew the person's or company's consent to the Memorandum, or amendment to the Memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part of the Memorandum or amendment to the Memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (iii) there had been a misrepresentation, or (iv) the relevant part of the Memorandum or amendment to the Memorandum (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company other than the seller is liable with respect to any part of the Memorandum or amendment to the Memorandum not purporting (a) to be made on the authority of an expert; or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (c) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or (d) believed that there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, the Memorandum or amendment to the Memorandum, the misrepresentation is deemed to be contained in the Memorandum or amendment to the Memorandum.

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia) and is in addition to and without derogation from any right the purchaser may have at law.

Pursuant to section 146 of the *Securities Act* (Nova Scotia), no action shall be commenced to enforce the right of action conferred by section 138 thereof unless an action is commenced to enforce that right not later than 120 days after the date on which payment was made for the Notes or after the date on which the initial payment for the Notes was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

For the purposes of the *Securities Act* (Nova Scotia) “misrepresentation” means:

- (a) an untrue statement of material fact, or
- (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS OF
VANCOUVER CITY SAVINGS CREDIT UNION (“Vancity”)**

**AUTHORIZING THE ISSUE AND SALE OF
SHORT-TERM BEARER DEPOSIT NOTES**

Resolved that:

1. Vancity be and is hereby authorized to borrow money from time to time from participants (the “**Participants**”) in The Canadian Depository for Securities Limited (“**CDS**”) by the issue and sale of commercial paper in the form of unsecured bearer deposit notes (the “**Notes**”), in “book entry only” form, each Note to have a maturity date of not more than one year from the date of its issue; provided that the aggregate principal amount of such Notes outstanding at any time shall not exceed the sum of \$200,000,000 in lawful money of Canada; and provided further that such limitation as to aggregate principal amount shall be directory only and shall not in any way limit the rights of a holder of any such Notes.
2. In connection with the issue and sale of Notes to Participants, Vancity is hereby authorized from time to time to appoint and enter into agreements with (i) Credit Union Central of British Columbia (“**CUCBC**”) and/or one or more qualified financial institutions to act as agent or agents for Vancity for the safekeeping, completion, issuance, delivery and payment of Notes on behalf of Vancity, (ii) CDS and/or one or more clearing houses to act in connection with the clearing and settlement of transactions in Notes that are deposited with it, and (iii) CIBC World Markets Inc. and/or one or more sellers (collectively, the “**Dealers**”) to offer Notes and interests therein.
3. In connection with the issue and sale of Notes, Vancity be and is hereby authorized to admit from time to time any one or more of the Dealers, CDS and CUCBC as members of Vancity.
4. Any one of the Chief Executive Officer, the Senior Vice-President, Risk Management and Operations and the Vice-President, Finance, together with any other officer of Vancity (collectively, the “**Authorized Officers**”), be and they are hereby authorized and empowered on behalf of Vancity from time to time to execute, either by manual or facsimile signature, and deliver Notes, subject to the limitations described in paragraph 1 above and otherwise in such forms and in such amounts and upon such terms (including maturity dates and rates of interest or discount) as they may determine, such determination to be conclusively evidenced by their execution thereof, and authorize by instruments in writing, one or more banks, trust companies or other agents to countersign the Notes and to deliver the same to the purchaser or purchasers thereof, and to execute and deliver any or all other documents in any way relating to any money so borrowed.
5. The Notes may be printed in bilingual form in both the English and French languages, and in that case the French language version shall be an accurate translation of the English language version; provided that in the event of any dispute arising as to terms and provisions of any Note, the English language version shall be deemed to be authoritative notwithstanding that there may be a discrepancy between the interpretation of the English and French language versions, and such Note shall be interpreted and enforced accordingly.
6. Any Note which has been executed by the manual or facsimile signatures of any two Authorized Officers and countersigned by either manual or facsimile signature on behalf of Vancity, shall constitute a valid and binding obligation of Vancity enforceable in accordance with its terms notwithstanding that, at any time after execution of such Note, any person duly authorized to execute or countersign the same may cease to hold the office or position held by such person at the time such person executed or countersigned such Note.
7. In connection with issue and sale of the Notes, Vancity is hereby authorized to enter into agreements with CUCBC to provide a standby liquidity facility to Vancity in the principal amount of \$200,000,000, on terms to be agreed between Vancity and CUCBC, such facility secured by a note issued in favour of CUCBC under the trust indenture dated for reference April 10, 1987 (the “**Trust Indenture**”), and the issue of such note is hereby authorized.

8. Each Authorized Officer, acting alone, is hereby authorized and directed to do or cause to be done any and all such other acts and things (including, without limitation, the selection and appointment of one or more issuing agents and one or more Dealers for the Notes and interests therein, the preparation and distribution of an information memorandum in the English and French language relating to the offering of the Notes and interests therein and any modifications thereto and amendments and replacements thereof and the execution of credit facility agreements related to the standby liquidity facility and a note under the Trust Indenture) and to execute and deliver any and all agreements, documents, instruments and writings as such Authorized Officer deems necessary or desirable in order (i) to carry out and give full effect to this resolution; and (ii) after the issuance of the Notes and so long as any Notes are outstanding, to discharge or cause to be discharged all obligations, and to exercise or cause to be exercised any and all rights, of Vancity under the Notes and any other agreement or document and under any statute, rule or regulation of any jurisdiction or authority relating to or governing the Notes.

The undersigned, the Director of Corporate Affairs & Corporate Secretary of Vancity, certifies that the foregoing is a true and correct copy of a resolution passed by the board of directors of Vancity in writing and that such resolution has not been amended or repealed and is in full force and effect as of the date hereof.

Dated the 1st day of December, 2004.

“Alexandra Paproski”

Alexandra Paproski
Director of Corporate Affairs and Corporate Secretary

VANCOUVER CITY SAVINGS CREDIT UNION – CERTIFICATE OF INCUMBENCY

We, Elain Duvall and Reva Dexter, Chair and Vice-Chair respectively, of Vancouver City Savings Credit Union, HEREBY CERTIFY THAT:

9. The persons named below are the duly elected or appointed officers and directors of Vancouver City Savings Credit Union.
10. The signature appearing opposite the name of an officer or director is a genuine signature of such an officer or director.

NAME	OFFICE	SIGNATURE
E. Duvall	Chair	<i>"E. Duvall"</i>
R. Dexter	Vice-Chair	<i>"R. Dexter"</i>
D. Braverman	Director	<i>"D. Braverman"</i>
C. Ho	Director	<i>"C. Ho"</i>
C. McCreary	Director	<i>"C. McCreary"</i>
B. Ralston	Director	<i>"B. Ralston"</i>
S. Sylvester	Director	<i>"S. Sylvester"</i>
S. Watson	Director	<i>"S. Watson"</i>
R. Zabinsky	Director	<i>"R. Zabinsky"</i>
D. Mowat	Chief Executive Officer	<i>"D. Mowat"</i>
I. Warner	President & Chief Executive Officer, Citizens Bank	<i>"I. Warner"</i>
C. Dobrzanski	Senior V.P., Treasury & Credit	<i>"C. Dobrzanski"</i>
G. Scott	Senior V.P., Corp. Strategy & Marketing	<i>"G. Scott"</i>
R. Baumbusch	V.P., VISA	<i>"R. Baumbusch"</i>
N. Brown	V.P., Products & Services	<i>"N. Brown"</i>
Drew Collier	Sr. V.P., Operations, Citizens Bank	<i>"Drew Collier"</i>
B. Fenton	Sr. V.P. & Chief Credit Officer, Citizens Bank	<i>"B. Fenton"</i>
K. Grist	V.P., Marketing	<i>"K. Grist"</i>
R. Hama	V.P., Treasury	<i>"R. Hama"</i>
K. Hoffmann	V.P., Wealth Management	<i>"K. Hoffmann"</i>
J. Iseli	V.P., Credit & Operations	<i>"J. Iseli"</i>
L. Johnson	V.P., Sales & Service	<i>"L. Johnson"</i>
J. Lemmer	V.P., Finance	<i>"J. Lemmer"</i>
R. Liang	Chief Executive Officer, Inventure Solutions	<i>"R. Liang"</i>
P. Martin	V.P., Public Affairs & Corp. Communications	<i>"P. Martin"</i>
D. Wilson	V.P., Human Resources	<i>"D. Wilson"</i>
K. Zakus	V.P., Business Services	<i>"K. Zakus"</i>
A. Paproski	Director of Corporate Affairs & Corporate Secretary	<i>"A. Paproski"</i>

AS WITNESS OUR HAND and the Common Seal of Vancouver City Savings Credit Union this 28th day of September, 2004.

"Elain Duvall"
Elain Duvall, Chair

"Reva Dexter"
Reva Dexter, Vice-Chair

December 1, 2004

Vancouver City Savings Credit Union
185 Terminal Avenue
Vancouver, British Columbia
V6B 4G2

Dear Sirs/Mesdames:

Re: Vancouver City Savings Credit Union – Issue of Short -Term Bearer Deposit Notes

We have acted as legal counsel to Vancouver City Savings Credit Union (“**Vancity**”) in connection with the proposed issue and sale in all provinces of Canada by Vancity of short-term bearer deposit notes (the “**Notes**”). The Notes will be issued in “book entry only” form and will be depository notes subject to the *Depository Bills and Notes Act* (Canada). The Notes shall mature not more than 365 days from the date of issue and shall have denominations of not less than \$100,000 in lawful money of Canada on the date of purchase and otherwise have the terms more particularly described in Vancity’s information memorandum dated December 1, 2004, of which this opinion forms part (the “**Memorandum**”). Vancity has limited the aggregate principal amount of Notes which may be outstanding at any time to \$200,000,000 and the Notes are not convertible or exchangeable into or accompanied by a right to purchase another security and are not being sold to any purchaser in Québec pursuant to a written agreement. We understand that Vancity will file the Memorandum and any other disclosure documents delivered to purchasers with the Autorité des marchés financiers.

For the purposes of this opinion, “**Jurisdictions**” means all provinces of Canada, and “**Applicable Securities Laws**” means applicable securities laws of the Jurisdictions and the rules and regulations made thereunder, together with the published policy statements and orders of the applicable securities regulatory authorities.

Scope of Review

We have assisted in the preparation of the Memorandum (including the specimen form of Note reproduced in the Memorandum). We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, records of corporate proceedings, certificates of officers of Vancity and of government officials and such other material as we have considered necessary or appropriate for the purposes of this opinion.

In such examination, we have assumed the genuineness of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as certified or conformed copies or facsimiles. We have further assumed that (i) Vancity is not a “market intermediary” as such term is defined in the *Securities Act* (Newfoundland and Labrador); (ii) any person or company that offers and sells the Notes in the Province of Manitoba and holds a restricted registration under *The Securities Act* (Manitoba) is authorized to trade in the Notes pursuant to such restricted registration; (iii) any “market intermediary” (as defined in the Applicable Securities Laws of Ontario) that participates in a trade of the Notes in the Province of Ontario is registered under the Applicable Securities Laws of Ontario in a category permitting it to distribute securities to a person resident in the Province of Ontario and any such market intermediary has complied with the Applicable Securities Laws of Ontario applicable to its registration in connection with the distribution of the Notes in the Province of Ontario to such person in such province; and (iv) the issue and sale of the Notes is made without preparation, use or delivery of an “**Offering Memorandum**” as such term is defined in the Applicable Securities Laws of Ontario.

December 1, 2004

- 2 -

As to various questions of fact material to our opinion which we have not verified independently, we have relied upon certificates of, or letters from, government officials, Vancity or its officers and Vancity's auditors. The qualification of any opinion or statement with respect to the existence or absence of facts "of which we are aware" means actual awareness by those of our lawyers involved in the issue by Vancity of the Notes.

As to matters of law in the provinces of Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island, we have relied on opinions of counsel in such provinces, copies of which have been delivered to you today. We believe you, and we, are entitled to rely on such opinions. To the extent that such opinions are based on any assumption or are made subject to any limitation or qualification, this opinion is based on the same assumption and made subject to the same limitation or qualification. Except to the extent this opinion is rendered in reliance on the opinions of counsel described above, this opinion is rendered solely with respect to the laws of the provinces of Alberta, British Columbia, Ontario and Québec and the federal laws of Canada applicable therein, in effect on the date hereof.

In expressing the opinion set forth in paragraph 1 below that Vancity is a corporation incorporated under the *Credit Union Incorporation Act* (British Columbia) and its operations are subject to the *Financial Institutions Act* (British Columbia), we have relied upon a certified copy of the certificate of business authorization issued by the Financial Institutions Commission of British Columbia dated November 22, 2004.

The opinions expressed in paragraph 6 below are also subject to the general limitations and restrictions contained in the statutes and regulations referred to therein as to the amount of funds which may be invested in any one investment or type or class of investment. We have also assumed that with respect to the issuance of the Notes by Vancity, the sale of interests therein (as defined below) and any subsequent trade of such Notes or interests therein (as defined below), that at the relevant time no order, ruling or decision is issued or granted by a court or regulatory or administrative body that has the effect of either restricting any trades of the Notes or interests therein (as defined below) or affecting any person who engages in such trade.

Qualifications

With respect to the opinion expressed in paragraph 3, the enforceability of the Notes may be limited by: (i) any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally; (ii) the qualification that the granting of equitable remedies, including without limitation remedies such as specific performance and injunction, are in the discretion of the court having jurisdiction; (iii) the equitable or statutory powers of the court having jurisdiction, including without limitation the power to grant relief from forfeiture, to stay proceedings before it and to stay the execution of judgments; (iv) the applicable laws regarding limitations of actions; (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court; (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law; and (vii) that rights to indemnity, contribution and waiver under the documents may be limited or unavailable under applicable law.

Opinion

Based upon and subject to the foregoing, we are of the opinion that:

1. Vancity is a corporation incorporated under the *Credit Union Incorporation Act* (British Columbia) and its operations are subject to the *Financial Institutions Act* (British Columbia).
2. All necessary corporate action has been taken by Vancity to authorize the borrowing of money through the sale of the Notes and the creation, issue and sale of the Notes.

3. The Notes, in the specimen form set forth in the Memorandum, when (i) duly executed on behalf of Vancity; (ii) completed by Credit Union Central of British Columbia (the “**Issuing Agent**”) in accordance with the Note Issuing and Paying Agent Agreement made as of the 1st day of December, 2004 between the Issuing Agent and Vancity as the same may be amended or replaced; and (iii) delivered by or on behalf of Vancity for value, will constitute a valid and binding obligation of Vancity enforceable against Vancity in accordance with its terms.
4. The French language texts of the Memorandum and the specimen form of Note are, in all material respects, complete and proper translations of the respective English language texts thereof. All laws of the Province of Québec relating to the use of the French language (other than those relating to oral communications as to which we express no opinion) will have been complied with in connection with the offer and sale of the Notes in the Province of Québec.
5. As at the date hereof, the offering, issue, sale and delivery by Vancity of the Notes to purchasers in the Jurisdictions is exempt from the prospectus and registration requirements under the Applicable Securities Laws and no prospectus or other document is required to be filed, any proceeding taken or any approval, permit, consent, order or authorization obtained under the Applicable Securities Laws of any of the Jurisdictions to permit such distribution:
- (a) in the Provinces of Alberta, Manitoba, Ontario, Newfoundland and Labrador, and Prince Edward Island;
 - (b) in the Province of Québec (provided a copy of the Memorandum, together with any other disclosure documents delivered to purchasers of Notes resident in the Province of Québec, is promptly filed with the Autorité des marchés financiers);
 - (c) in the Province of British Columbia, so long as the purchaser is not an individual;
 - (d) in the Province of New Brunswick, provided that:
 - (i) the Notes have a rating at or above one of the following rating categories (each an “**Approved Credit Rating**”) or a category that replaces one of the following ratings:

<u>Approved Credit Rating Agency</u>	<u>Approved Rating</u>
Dominion Bond Rating Service Limited	R-1(low)
Fitch Ratings	F-1
Moody’s Investor Services	P-1
Standard’s & Poor’s	A-1 (low)

issued by a credit rating organization shown above (each an “**Approved Credit Rating Organization**”) for the Notes; and
 - (ii) there has been no announcement by an Approved Credit Rating Organization that the rating of the Notes to which the Approved Credit Rating was given may be down-graded to a rating category that would not be an Approved Credit Rating and no Approved Credit Rating Organization has rated the Notes in a rating category that is not an Approved Credit Rating;
 - (e) in the Province of Nova Scotia, provided that:

- (i) the Notes have a rating at or above an Approved Credit Rating or a category that replaces one of the Approved Credit Ratings issued by an Approved Credit Rating Organization for the Notes; and
 - (ii) there has been no announcement by the Approved Credit Rating Organization that the rating of the Notes to which the Approved Credit Rating was given may be down-graded to a rating category that would not be an Approved Credit Rating and no Approved Credit Rating Organization has rated the Notes in a rating category that is not an Approved Credit Rating; and
- (f) in the Province of Saskatchewan, provided that:
- (i) the Notes have a rating at or above one of the following rating categories issued by a credit rating organization shown below:

<u>Approved Credit Rating Organization</u>	<u>Approved Rating</u>
Dominion Bond Rating Service Limited	R-1(low)
Fitch IBCA, Duff & Phelps	F-1
Moody's Investor Service, Inc.	P-1
Standard's & Poor's Corporation	A-1

- (ii) and there has been no announcement by the approved credit rating organization that the rating of the Notes may be downgraded to a rating category that would not be an approved credit rating.
6. The Notes and undivided beneficial interests purchased from participant members in The Canadian Depository for Securities Limited ("interests therein"), as of the date hereof, are eligible investments, where applicable, without resort to the so-called "basket provisions" or their purchase would not be precluded as investments for certain investors, subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statutes referred to below (and, where applicable, regulations or guidelines thereunder) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies or goals and, in certain cases, the filing of such policies or goals, under the following statutes:

Insurance Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Trust and Loan Companies Act (Canada)
Loan and Trust Corporations Act (Alberta)
Employment Pension Plans Act (Alberta)
Insurance Act (Alberta)
Financial Institutions Act (British Columbia)
Pension Benefits Standards Act (British Columbia)
The Insurance Act (Manitoba)
The Pension Benefits Act (Manitoba)
The Trustee Act (Manitoba)
Pension Benefits Act (New Brunswick)
Trustees Act (New Brunswick)
Pension Benefits Act, 1997 (Newfoundland and Labrador)
Pension Benefits Act (Nova Scotia)
Trustee Act (Nova Scotia)
Insurance Act (Ontario)
Loan and Trust Corporations Act (Ontario)

December 1, 2004

- 5 -

Pension Benefits Act (Ontario)
Trustee Act (Ontario)
An Act respecting insurance (Québec) for an
insurer incorporated under the laws of the
Province of Québec, other than a guarantee fund
An Act respecting trust companies and savings
companies (Québec) for a trust company investing its
own funds and funds received as deposits and
a savings company investing its funds
Supplemental Pension Plans Act (Québec)
The Pension Benefits Act, 1992 (Saskatchewan)

This opinion is given as of the date hereof and reliance on this opinion as to Notes issued after the date hereof must be on the assumption that there has been no change in the law, whether by legislative or judicial action, or in the factual matters in which the opinion is based. This opinion is being furnished for the sole benefit of the addressee hereof and may not be relied upon or distributed to any other person or entity for any other purpose without our express prior written consent.

Yours truly,

“McCarthy Tétrault LLP”



Vancouver City Savings Credit Union

No.
N°

BEARER DEPOSIT NOTE/BILLET DE DÉPÔT AU PORTEUR DISCOUNT/ À ESCOMPTE

This is a depository note subject to the *Depository Bills and Notes Act* (Canada).
Le présent billet est un billet de dépôt assujetti à la Loi sur les lettres et billets de dépôt (Canada).

Issue Date
Date d'émission

Due Date
Date d'échéance

Vancouver City Savings Credit Union, for value received, hereby promises to pay to or to the order of CDS & Co.
Vancouver City Savings Credit Union, *valeur reçue, promet par les présentes de payer à CDS & Co. ou à son ordre*

on the due date, the sum of
à la date d'échéance, la somme de

This bearer deposit note shall become valid only when manually countersigned by a duly authorized officer of the issuing agent.
Le présent billet de dépôt au porteur ne devient valide que lorsqu'il a été contresigné à la main par un signataire dûment autorisé de l'agent émetteur.

Countersigned as issuing agent for **Vancouver City Savings Credit Union**
Contresigné en qualité d'agent émetteur de Vancouver City Savings Credit Union

Vancouver City Savings Credit Union

By/par : _____
Authorized Signing Officer/Signataire autorisé

By/par : _____
Authorized Signing Officer/Signataire autorisé

By/par : _____
Authorized Signing Officer/Signataire autorisé

THIS BEARER DEPOSIT NOTE SHALL BECOME VALID ONLY WHEN MANUALLY COUNTERSIGNED BY A DULY AUTHORIZED OFFICER OF THE ISSUING AGENT AND SHALL BE GOVERNED BY THE LAWS OF BRITISH COLUMBIA AND THE LAWS OF CANADA APPLICABLE THEREIN.
LE PRÉSENT BILLET DE DÉPÔT AU PORTEUR NE DEVIENT VALIDE QUE LORSQU'IL A ÉTÉ CONTRESIGNÉ À LA MAIN PAR UN SIGNATAIRE DÛMENT AUTORISÉ DE L'AGENT ÉMETTEUR ET EST RÉGI PAR LES LOIS DE LA COLOMBIE-BRITIANNIQUE ET LES LOIS DU CANADA QUI S'Y APPLIQUENT.

“Book-Entry-Only Form”
Inscription en compte seulement

LEGEND

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED ("CDS") FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS AN INTEREST HEREIN.

THIS IS A DEPOSITORY NOTE SUBJECT TO THE *DEPOSITORY BILLS AND NOTES ACT* (CANADA).

MENTION

À MOINS QUE LE PRÉSENT CERTIFICAT NE SOIT PRÉSENTÉ PAR UN REPRÉSENTANT AUTORISÉ DE LA CAISSE CANADIENNE DE DÉPÔT DE VALEURS LIMITÉE (« CDS ») AUX FINS DE L'INSCRIPTION D'UN TRANSFERT, D'UN ÉCHANGE OU D'UN PAIEMENT, ET QU'UN CERTIFICAT ÉMIS À CET ÉGARD SOIT IMMATRICULÉ AU NOM DE CDS & CO. OU À UN AUTRE NOM TEL QUE DEMANDÉ PAR UN REPRÉSENTANT AUTORISÉ DE CDS (ET QU'UN PAIEMENT SOIT EFFECTUÉ À CDS & CO. OU À CETTE AUTRE ENTITÉ TEL QUE DEMANDÉ PAR UN REPRÉSENTANT AUTORISÉ DE CDS), TOUT TRANSFERT, MISE EN GAGE OU AUTRE EMPLOI DU PRÉSENT BILLET EFFECTUÉ À TITRE ONÉREUX OU AUTREMENT PAR UNE PERSONNE OU À SON INTENTION EST ILLICITE PUISQUE LE PORTEUR INSCRIT DU PRÉSENT BILLET, CDS & CO., A UNE PARTICIPATION DANS CELUI-CI.

LE PRÉSENT BILLET EST UN BILLET DE DÉPÔT ASSUJETTI À *LA LOI SUR LES LETTRES ET BILLETS DE DÉPÔT* (CANADA).