
CENTRAL PAYING AGENT AGREEMENT

between

CIBC MELLON TRUST COMPANY,

as trustee on behalf of

CANADA HOUSING TRUST™ NO. 1,

the Trust,

and

[NAME OF CENTRAL PAYING AGENT]

as Central Paying Agent

Dated as of [●]

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This **CENTRAL PAYING AGENT AGREEMENT** dated as of [●] (this “**CPA Agreement**”), between **CIBC Mellon Trust Company**, as trustee (the “**Trustee**”) on behalf of **Canada Housing Trust™ No. 1**, a trust formed under the laws of Ontario (the “**Trust**”), and **[NAME OF CENTRAL PAYING AGENT]**, as central paying agent, a trust company formed under the laws of Canada (the “**CPA**”).

RECITALS:

WHEREAS the Trust is a party to a Commitment to Guarantee Obligations Agreement, dated as of April 9, 2001, (the “**Commitment Agreement**”) between the Trustee on behalf of the Trust and Canada Mortgage and Housing Corporation, as Guarantor, and has agreed therein to purchase direct or indirect interests in Eligible Housing Loans, which acquisitions are funded by the issuance of Obligations guaranteed by the Guarantor.

WHEREAS the Trustee has represented that the Commitment Agreement requires that all payments by and to the Trust must be administered by a paying agent in accordance with the terms and conditions set out herein.

WHEREAS the CPA wishes to act as paying agent for the Trust as required by the Commitment Agreement.

WHEREAS the Bond Indenture provides that the Bond Indenture Trustee may provide instructions to the CPA with respect to the maintenance and control of all accounts held or maintained by the CPA hereunder.

WHEREAS the Trust and the CPA desire to provide for the ability of the Bond Indenture Trustee to provide such instructions and for the CPA to carry out such instructions.

NOW THEREFORE in consideration of the premises and of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS, RULES OF USAGE

1.1 Definition, Rules of Usage. Capitalized terms used and not defined herein shall have the meanings assigned thereto in Appendix A - Definitions and Rules of Usage to the CMB Program Definitions dated as of April 30, 2010 (as amended, supplemented, restated or replaced from time to time, the “**CMB Program Definitions**”) and the rules of usage set forth therein shall apply hereto.

2. APPOINTMENT OF CPA

2.1 Appointment. The Trust hereby appoints the CPA as central paying agent of the Trust to administer all cash flows by or to the Trust, subject to the instructions of the Bond Indenture Trustee, and to provide or cause to be provided to the Trust all of the other CPA Services described in this CPA Agreement, and the CPA hereby agrees to act in such capacity and to provide or cause to be provided the CPA Services described in this CPA Agreement upon the terms and conditions herein set forth.

3. DUTIES OF CPA

3.1 CPA Services. The CPA shall, in its capacity as CPA of the Trust, during the term of this CPA Agreement and any renewal thereof:

- (a) maintain a segregated Canada Housing Trust Account and any other required segregated accounts for the Trust for the holding of money of the Trust;
- (b) provide a current list of all accounts under its administration to the Trustee, the Bond Indenture Trustee, the Administrator and the Guarantor on a monthly basis;
- (c) maintain separate records relating to each Package purchased by the Trust and each related Hedge Agreement together with all Allocated Costs and Expenses, Allocated Bonds and payments related to any of them;
- (d) make all required payments to the systems maintained by CDS, or to the systems of such other Clearing Agency as directed by the Trust, subject to any instructions received from the Bond Indenture Trustee, where applicable;
- (e) receive the proceeds of the issue or entering into of Obligations by the Trust;
- (f) debit the Canada Housing Trust Account on a monthly basis (or at such times as required by Operative Documents to which it is a party) and transmit payments to the appropriate Hedge Trust Accounts on the 15th day of each month, subject to any instructions received from the Bond Indenture Trustee;
- (g) prior to a Bond Payment Date, debit each Hedge Trust Account, subject to any instructions received from the Bond Indenture Trustee;
- (h) receive payments from any Person holding, administering or investing Trust Property;
- (i) make all payments to CDS, or to such other Clearing Agency as directed by the Trust, subject to any instructions received from the Bond Indenture Trustee, for payments of Obligations to the Bondholders located within Canada and make all payments to any fiscal agent retained as required by the Trust, subject to any instructions received from the Bond Indenture Trustee, to provide payment functions in relation to payments of Obligations to the Bondholders located outside of Canada;
- (j) make payments to Persons holding Obligations (other than Bonds) issued or entered into by the Trust, subject to any instructions received from the Bond Indenture Trustee;
- (k) make payments to or deposits or investments with Counterparties or any other Persons who will hold, administer or invest Trust Property, subject to any instructions received from the Bond Indenture Trustee;

- (l) perform data testing to confirm the adequacy of each Seller's electronic system and notify the Trust, the Bond Indenture Trustee and the Guarantor upon obtaining confirmation of adequacy;
- (m) as permitted or required by the Payment Matrix or the Operative Documents to which the CPA is a party, make payments to any Person entitled thereto for fees, expenses, taxes, indemnity or otherwise as required, subject to any instructions received from the Bond Indenture Trustee;
- (n) receive and comply with all directions provided by or on behalf of the Trust or the Bond Indenture Trustee with respect to the application of all amounts received or held by it on behalf of the Trust and establish the electronic systems necessary to complete any payment directions;
- (o) establish and maintain electronic communications with the Guarantor, Financial Services Advisor, Trustee, Bond Indenture Trustee, Administrator, Custodian, each Counterparty and each Seller;
- (p) based on the Payment Matrix provided by the Administrator, calculate and pay the fees and expenses that are payable to Persons participating in the CMHC CMB Program, subject to any instructions received from the Bond Indenture Trustee;
- (q) receive all data, documents, information, forms, notices, instructions and other communications to be provided as required by the Operative Documents to which it is a party from all Persons participating in the CMHC CMB Program;
- (r) cooperate with and provide any information requested by the accountants of the Trust, the Financial Services Advisor, the Trustee, the Bond Indenture Trustee or the Guarantor;
- (s) prepare and provide to the Administrator, the Guarantor, the Custodian, the Trustee and the Bond Indenture Trustee any monthly reports required (as amended from time to time) within one Business Day of the payment date for the Eligible MBS owned by the Trust in each month reporting on all amounts received and paid by or on behalf of the Trust during the preceding month;
- (t) upon obtaining Actual Knowledge of a shortfall in any payment required to be made to any Person, promptly prepare and provide a report to the Administrator (with a copy to the Bond Indenture Trustee and the Guarantor) describing such shortfall;
- (u) ensure that proper books of account and complete records of all transactions undertaken or performed by it are maintained and render statements or copies thereof from time to time as requested by the Trust, the accountants for the Trust, the Guarantor or the Bond Indenture Trustee and cooperate in all audits of the Trust;
- (v) notify the Trust, the Bond Indenture Trustee and the Guarantor upon obtaining Actual Knowledge of the occurrence of a significant event under or in connection with the CPA Services or this CPA Agreement;

- (w) notify the Trust, the Trustee, the Bond Indenture Trustee and the Guarantor if the CPA is unable to perform any of its duties or where there is a CPA Event of Default under this CPA Agreement;
 - (x) provide to the Trust and the Bond Indenture Trustee on a quarterly basis an Officer's Certificate certifying that the CPA has performed all duties required of it under this CPA Agreement;
 - (y) prepare and provide to the Administrator, the Guarantor, the Bond Indenture Trustee and/or the Financial Services Advisor any reports reasonably requested by, and in a form satisfactory to, such Person and
 - (z) ensure appropriate security and data confidentiality protections and policies are in place, in accordance with such reasonable standards as a prudent [●] would exercise in comparable circumstances (the "**Protection Policies**"), which Protection Policies shall be disclosed to the Trust and Guarantor upon request from either such party, including in connection with Section 3.5 hereof
- 3.2 Procedures. The CPA shall perform the CPA Services described in Section 3.1 as well as any additional Services set out in Schedule A- CPA Services in accordance with the procedures set out therein.
- 3.3 Location of Services. The CPA Services shall be provided from the CPA offices in Toronto, Ontario and such other location or locations in Canada as may be designated by the CPA by written notice to the Trust in accordance with Section 12.1 hereof.
- 3.4 Permitted Activities. The Trust acknowledges that this appointment is non-exclusive and that the CPA may act as a central paying agent of any Person and may take any action or do anything in relation to such services so long as the CPA is performing its obligations under this CPA Agreement. Subject to Section 12.15, no such performance of other services or the taking of any such action or the doing of any such thing by the CPA shall be in any manner restricted or otherwise affected by any aspect of the relationship of the CPA to or with the Trust nor shall it be deemed to violate or give rise to any duty or obligation of the CPA to the Trust except that (i) the CPA shall not use any Confidential Information other than to provide the CPA Services and any other use of Confidential Information shall be a violation of and a default under this CPA Agreement; and (ii) the CPA shall logically isolate and keep confidential all the Confidential Information relating to the CMHC CMB Program from the data, records and items in process of all other clients of the CPA at all times, including under adverse conditions.
- 3.5 Monitoring and Oversight Requirements.
- (a) Rights Relating to Audit. On reasonable prior notice to the CPA, the Trust and/or the Guarantor, the Office of the Superintendent of Financial Institutions ("**OSFI**") (the Trust and/or the Guarantor, as applicable, and OSFI and whether acting independently or jointly with the other party, the "**Requesting Party**") or an independent auditor appointed by the applicable Requesting Party, shall have the right once during each calendar year during the term of this CPA Agreement (and/or

any renewal thereof in accordance with Section 12.29) and any time following the occurrence of a CPA Event of Default hereunder, to audit and evaluate the CPA's operations as they relate to the CPA Services. This right shall include but not be limited to a review of the CPA's control environment as it relates to the CPA Services. Upon receiving notice from a Requesting Party delivered pursuant to Section 12.1 hereof, the CPA shall provide all necessary cooperation to facilitate any such audit. In addition to Section 3.5(b) below, but subject to receiving consent from the CPA's external auditor and the Requesting Party agreeing to sign appropriate confidentiality documentation in form and substance satisfactory to the CPA and the independent auditor (acting reasonably), the CPA shall provide all necessary cooperation such that any Requesting Party may have access to the findings in any external audit of the CPA that relate to any of the CPA Services, and shall provide, to the extent the Requesting Party is acting reasonably, access to and copies of documents and other materials prepared by or for the CPA with respect to the CPA Services and/or other information or documentation with respect to the CPA Services that may be requested by any Requesting Party or its independent auditor, including in connection with inquiries from any regulator.

- (b) Specified Procedures and Report. Once during each calendar year during the term of this CPA Agreement (and/or any renewal thereof in accordance with Section 12.29) and any time following the occurrence of a CPA Event of Default, the Administrator shall have the right to request that the CPA retain the services of an external auditor, acceptable to the Administrator, to examine the CPA's accounting processes and financial controls as they relate to the CPA Services and its compliance with CMHC CMB Program policies, which examination shall include such specified procedures as may be stipulated by the Administrator and/or the Guarantor. The external auditor shall prepare a specified procedures report in accordance with Section 9100 of the Other Canadian Standards issued by the CPA Canada Handbook – Assurance (as may be amended, supplemented, replaced, or restated) and shall deliver a copy of such report to each of the Administrator, Trust, Financial Services Advisor and the Guarantor by the date and upon such other terms as are specified by the Administrator. The CPA shall provide all necessary cooperation to facilitate such examination and report.
- (c) Costs and Expenses of Monitoring and Oversight. Provided that no CPA Event of Default has occurred, all reasonable third party costs and expenses, and extraordinary or unusual internal direct expenses such as staff overtime, incurred by the CPA in connection with an audit, examination or report conducted pursuant to Section 3.5 hereof shall be for the account of the Trust. Such costs and expenses shall be verified by the Administrator in accordance with prudent accounting practices. For greater certainty, any costs and expenses incurred by the CPA that constitute ordinary and usual operating or overhead expenses of the CPA shall not be payable by the Trust. In the event a CPA Event of Default has occurred, all costs and expenses incurred by the CPA in connection with an audit, examination or report conducted pursuant to Section 3.5 hereof shall be for the account of the CPA.

- 3.6 Compliance with Applicable Law and Directions. The CPA agrees to comply with the requirements of this CPA Agreement and Applicable Law and the requirements of any Governmental Authority having jurisdiction over the CPA, in relation to its position as CPA or its obligations hereunder. In addition, the CPA shall carry out all reasonable written directions with regard to this CPA Agreement given to it by the Trust, subject to any instructions received from the Bond Indenture Trustee.
- 3.7 Independent Contractor. This CPA Agreement is not intended to be and shall not be treated as anything other than a general central paying agent agreement relating to the conduct and operation of the business of the Trust, with the rights of the parties hereto being none other than the rights ascribed to them hereunder. The CPA shall act as an independent CPA for the purposes of the CPA Agreement. It and its employees, officers, agents and service providers are not engaged as employees of the Trust or the Guarantor. The CPA agrees to so advise its employees, officers, agents and service providers. Without limiting the generality of the foregoing, the CPA shall retain complete control of and accountability for its employees, agents and any approved service providers. The CPA shall prepare and process the payroll for its employees directly, and shall withhold and/or pay all applicable employment taxes and statutory payroll deductions required in respect of its employees. Without limitation, this CPA Agreement (and the corresponding relationship between the Trust and the CPA provided for hereby) is not a general partnership, limited partnership, joint venture, syndicate, association, corporation, company or joint stock company nor shall the CPA be deemed or construed to be a general agent of the Trust except as the powers of the CPA as central paying agent are specifically provided herein.
- 3.8 Performance Measures. To the extent not expressly provided in this CPA Agreement, the parties shall agree on and establish performance measures to enable the Trust and the Guarantor to determine whether the CPA's commitments contained in this CPA Agreement are being fulfilled. Such performance measures shall include, at a minimum, those performance measures described in Schedule E- Performance Measures (the "**Performance Measures**"). The CPA shall provide a report to the Trust and the Guarantor no less frequently than annually (or at such more frequent intervals as the Trust or Guarantor may request but not exceeding twice in any calendar year) including information that illustrates how such performance measures have been satisfied.
- 3.9 Delivery Notification. The CPA shall promptly notify the Trust of any events that have the potential to materially affect or have a significant negative impact on the delivery of any CPA Services in accordance with Section 12.1 hereof.
- 3.10 Special Provisions. This CPA Agreement shall be subject to the Special Provisions set out in Schedule B- Special Provisions.

4. PAYMENT PROCEDURES

- 4.1 Payment Matrix. On or before each Closing Date, the CPA shall receive from the Administrator a Payment Matrix setting out the payment directions to be followed by the CPA in relation to each Package to be purchased by the Trust, the Hedge Agreements, the payments to Service Providers by the Trust under the Operative Documents and the

payments with respect to Obligations issued by the Trust. Until the CPA receives modification to any payment directions made in accordance with the Operative Documents it shall make all payments in accordance with the Payment Matrix, subject to any instructions received from the Bond Indenture Trustee.

- 4.2 Payment Method. All payments to be made hereunder are to be made in immediately available funds on the relevant Payment Date.
- 4.3 Credit. If, for any reason, the amount debited by the CPA from an account exceeds the amount required, the CPA will promptly credit such account for the amount of the excess debit.
- 4.4 Corrections. If, for any reason, it is discovered that an error was made in the application of any payment procedure, the CPA will use reasonable best efforts to promptly correct the error.
- 4.5 Compliance with Directions of the Bond Indenture Trustee. The CPA acknowledges and agrees that the Bond Indenture Trustee shall be entitled, as provided under Section 3.1(c) of the Bond Indenture, to direct the CPA with respect to the application of all amounts received or held by it on behalf of the Trust. The CPA shall promptly comply with all such directions of the Bond Indenture Trustee and shall not comply with directions of any other Person inconsistent therewith.
- 4.6 CPA Liquidity Commitment. The CPA will use its best efforts to obtain a line of credit in an amount at least equal to \$350,000,000 in favour of the Trust from a Schedule I Bank under the *Bank Act* (Canada) that is approved by the Trust (the “**Liquidity Provider**”) where the Liquidity Provider agrees that if for any reason the amount retained in the account(s) of the Trust maintained by the CPA, including the Canada Housing Trust Account, from which the CPA has authority to withdraw funds is insufficient to make any payment required under the Payment Matrix, at the CPA's request, such Liquidity Provider shall loan to the Trust, with interest accruing on such loan equal to the Overdue Rate, an amount sufficient to enable the Trust to make such payment (the “**Liquidity Advance**”). The CPA will immediately notify the Trust in the event that it is unable to obtain the requisite liquidity commitments or in the event of any termination or non-performance on the part of the Liquidity Provider has occurred or is about to occur. The Trust, or the Guarantor on behalf of the Trust, shall repay the Liquidity Advance to the Liquidity Provider as soon as practicable and, in any event, within five (5) Business Days. However, if timely payment can be made by the Trust or the Guarantor, then in lieu of the CPA requesting any Liquidity Advance, on one (1) Business Day's prior written notice from the CPA that there are insufficient funds to make the required payment, the Trust or the Guarantor on behalf of the Trust shall make such payment required by the Payment Matrix. For the purposes of this Section 4.6, the Trust acknowledges that The Bank of Nova Scotia is approved by the Trust as the Liquidity Provider.

5. INTELLECTUAL PROPERTY

In this Section 5, the following terms shall have the following meanings:

“**Confidential Information**” has the meaning set out in Section 5.5.

“**CPA Material**” means the systems, programs, and software, templated forms, processes, methodologies, reports, evaluations, manuals, algorithms, analyses and protocols, provided by the CPA for use in the provision of the CPA Services which are owned, supplied, adapted or originated by the CPA (i) prior to the earlier of (1) the entering into of this CPA Agreement or any agreement substantially similar to this CPA Agreement previously entered into by the CPA and the Trust, (2) the provision by the CPA of the CPA Services to the Trust, and (3) the disclosure to the CPA by the Trust of any information respecting the CMHC CMB Program; or (ii) for the purposes of its other business activities that are not related to the provision of the CPA Services;

“**CPA Modifications**” means systems, programs, software, processes, methodologies or protocols and any and all improvements, enhancements or modifications to the CPA Material and any manuals specifically related thereto, which are developed, prepared, conceived, made or suggested by or for the CPA at the CPA's cost to enable the CPA to provide the CPA Services, including all such developments as are originated or conceived during the provision of the CPA Services but are completed or reduced to writing thereafter;

“**Guarantor Material**” means any and all systems, programs, software, templated forms, processes, methodologies, reports, evaluations, manuals, algorithms, analyses, and protocols owned by and/or provided by the Guarantor;

“**Trust Material**” means any and all systems, programs, software, templated forms, processes, methodologies, reports, evaluations, manuals, algorithms, analyses, and protocols which are not CPA Material or CPA Modifications or Guarantor Material and which are owned or originated by or for the Trust (including Confidential Information); and

“**Work Product**” means any and all analyses, evaluations, reports, memoranda, letters and notices which are developed, prepared, conceived, made or suggested by any Person other than the CPA, the Guarantor or the Trust to enable the CPA to provide the CPA Services, including all such developments as are originated or conceived during the provision of the CPA Services but are completed or reduced to writing thereafter, and any improvements, enhancements or modifications thereof, but specifically excluding any Trust Material or Guarantor Material.

5.1 Ownership of CPA Material, Trust Material, Learned Information and Work Product.

- (a) Material Owned by CPA. The CPA Material and the CPA Modifications including the intellectual property rights therein will be and will remain the exclusive property of the CPA. To the extent any CPA Material or CPA Modification is required by the Trust in order to access information, data, files and reports of the Trust, and if the CPA fails to provide any such information, data, files or reports in a timely manner, or upon a CPA Event of Default, then the CPA hereby grants to the Trust a non-exclusive, royalty-free, irrevocable license to use such CPA

Material and/or CPA Modifications during the term of this CPA Agreement for the sole purpose of the provision of CPA Services.

- (b) Material Owned by the Trust. The Trust Material will be and will remain the exclusive property of the Trust. To the extent any Trust Material is required by the CPA to enable it to perform the CPA Services, the Trust hereby grants the CPA a non-exclusive licence to use the Trust Material during the term of this CPA Agreement for the sole purpose of provision of the CPA Services.
- (c) Information. Any and all information, data, files and reports provided under or in connection with the CMHC CMB Program, which were not produced principally for another purpose, regardless of the media, which have been communicated to or learned by the Trust in connection with the provision by the CPA of the CPA Services (the “**Learned Information**”) will be and remain the exclusive property of the Trust.

5.2 Work Product. Work Product will be the exclusive property of the Person who provides such Work Product to or for the Trust or the CPA, as the case may be, provided, as reasonably determined by the CPA, the CPA shall cause such Person to enter into an agreement with the CPA containing provisions of like tenor and effect as contained in this Section 5, including, but not limited to (a) granting the Trust the perpetual, irrevocable right to use such Work Product free of charge, (b) providing copies of any materials to the Trust upon written request of the Trust; (c) agreeing that any Trust Material and any improvements, enhancements, summaries or modifications thereof set forth in the Work Product will be and remain the exclusive property of the Trust and shall be deemed to be Trust Material, and (d) assigning any improvements, enhancements, summaries and modifications of Trust Material to the Trust.

5.3 Material from the Guarantor. To the extent that the Guarantor provides Guarantor Material to the Trust to or to the CPA to assist with respect to the provision of CPA Services, it shall do so without charge and each of the Trust and the CPA shall be granted a non-exclusive licence to use such Guarantor Material for the provision of such CPA Services. Should any other Person need to use such Guarantor Material to provide CPA Services hereunder, the Guarantor shall consent to the CPA granting to such Person a sub-licence to use such Guarantor Material for the sole purpose of provision of the CPA Services. In the event that CMHC ceases to be the Guarantor, the Trust and the CPA and each Person to whom a sub-licence has been granted shall continue to have said licence for so long as it is required to ensure provision of CPA Services hereunder, and is used solely in relation to the CMHC CMB Program at which time all such licences shall terminate and any material belonging to the Guarantor shall be returned to it.

5.4 Use of Materials. To the extent requested by the Trust, and to the extent that the CPA does not incur significant costs in relation thereto, the CPA shall exclusively use and shall cause any Person involved in the provision of CPA Services and/or development of CPA Modifications or Trust Material to exclusively use, such forms, processes, methods, programs, software and manuals provided and/or mandated (providing the mandated form, process, method, program, software and/or manual is available) by the Trust and to the

extent that the use of any such forms, processes, methods, programs, software and manuals does not materially adversely affect the provision of CPA Services.

5.5 Confidentiality. Any and all information or data of a confidential nature that is transferred, directly or indirectly, to the CPA or for which access is provided to the CPA including all Personal Information (as defined in Section 12.12 below), by the Trustee or the Guarantor, and is managed, accessed, collected, used, disclosed, retained, received, created or disposed of in relation to the provision of the Services, whether or not it is marked as confidential, including all of the templated forms, ideas, processes, methods, programs, software and manuals and any improvements, enhancements or modifications thereof and thereto and any other material and all oral, written or documentary information, if any, provided by and/or belonging to the Trust, regardless of its medium, designated as confidential, is disclosed in circumstances of confidence or would be understood by the CPA or any Person providing Work Product, exercising reasonable business judgment, to be confidential and includes information which is obtained by performing the CPA Services or by developing Work Product, and information which is derived or prepared using any of the foregoing, shall constitute confidential information within the meaning of this CPA Agreement (“**Confidential Information**”). For greater certainty, Confidential Information shall include, but not be limited to, business plans, marketing and financial data and research, strategies, client lists, sales volumes, operating costs, fixed costs and pricing information; and any and all copyright, trade-mark, trade dress, patent and industrial design rights associated with or derived from any and all of the foregoing; any special advantages, know-how, of the Trust or Trustee, that cannot be commonly acquired and known by competitors generally through commercial intelligence.

5.6 Return of Material Upon Termination. Upon termination of this CPA Agreement or where the current CPA no longer acts as CPA to the Trust, the CPA shall forthwith deliver to the Trust or the successor CPA, as directed by the Trustee, all copies of all Trust Material and Work Product of a Person other than the CPA and Guarantor Material which are in the possession or under the control of the CPA, and the Trustee shall forthwith deliver to the CPA, all copies of all CPA Material and CPA Modifications which are in the possession or control of the Trust or Trustee.

6. **REPRESENTATIONS AND WARRANTIES**

6.1 Representations of the Trust. The Trust represents and warrants to the CPA that the execution, delivery and performance by the Trust of this CPA Agreement are within the powers of the Trust and have been duly authorized by all necessary action on the part of the Trust and do not contravene Applicable Law, the Declaration of Trust or any contractual restriction binding on or affecting the Trust or the Trust Property.

6.2 Representations of the CPA. The CPA represents and warrants to the Trust that:

- (a) its employees are knowledgeable in, and possess the requisite skills and experience to perform, the administration of cash flows and the obligations and duties of the CPA hereunder, including the Services listed in Section 3.1 and in Schedule A -

CPA Services, which Services will be performed in a professional manner and in accordance with accepted industry standards;

- (b) it is a [●] or an Affiliate of a financial institution with a Net Worth in excess of \$100,000,000, determined in accordance with International Financial Reporting Standards (“IFRS”) and it maintains the long-term committed lines of credit with a Schedule I bank under the *Bank Act* (Canada) as required by Section 4.6;
- (c) it maintains a professional liability insurance policy and a financial institution bond to cover the potential risks under this CPA Agreement and that is reasonably required under normal prudent business practices of a [●] that provides payment agent services;
- (d) any and all Trust Property that it holds in accounts maintained with a third party financial institution are held in segregated trust accounts of such financial institution; and
- (e) the CPA makes the additional representations and warranties set out in Schedule C - CPA Representations and Warranties.

6.3 Survival of Representations and Warranties. The representations and warranties made in this CPA Agreement and in Schedule C- CPA Representations and Warranties shall survive the execution of this CPA Agreement and all other Operative Documents.

7. COVENANTS OF THE CPA

7.1 Covenants of the CPA. During the term of this CPA Agreement, the CPA hereby covenants that:

- (a) in carrying out its obligations hereunder, the CPA shall not take any action that would result in the Trust being in default under any of the Operative Documents to which the CPA is a party except as required by Applicable Law;
- (b) the CPA shall at all times be a [●] or an Affiliate of a financial institution, with a Net Worth in excess of \$100,000,000, determined in accordance with IFRS and that during the term of this CPA Agreement and for the purposes of this CPA Agreement, it shall at all times maintain the long-term committed line of credit with a Schedule I Bank under the *Bank Act* (Canada) as required by Section 4.6;
- (c) the CPA shall hold the Trust Property in segregated accounts and shall not commingle its assets with the Trust Property;
- (d) the CPA shall maintain its books and records and those relating to its other clients separate and apart from those of the Trust and shall ensure that all records of the Trust that it maintains are maintained in Canada, and the cost of such maintenance of the records of the Trust (including, without limitation, all costs associated with the acquisition, maintenance, repair and replacement from time to time, as may be required, of any dedicated server) shall be the sole responsibility of the CPA;

- (e) the CPA shall not permit any of the CPA Services to be provided from a jurisdiction other than Canada;
- (f) the CPA shall not hold itself out as able to bind the Trust except as to the payment or receipt of Trust Property as specifically provided herein and in the other Operative Documents to which it is a party;
- (g) the CPA shall not cause the Trust to become indebted to any Person except as it may expressly be permitted in the Operative Documents to which the CPA is a party;
- (h) the CPA shall not cause the Trust to pay or be liable to pay any fees or compensation to any Person except as is necessary for the Trust to issue Obligations and comply with the provisions of this CPA Agreement and the other Operative Documents to which the CPA is a party;
- (i) the CPA shall at all times hold itself out to the public as separate and distinct from any other Person, including without limitation, the Trust;
- (j) the CPA shall at all times ensure that any and all Trust Property that it holds in accounts maintained with a third party financial institution shall be held in segregated trust accounts of such financial institution;
- (k) the CPA shall not change the name or account number of the Canada Housing Trust Account or any Hedge Trust Account without the prior written consent of the Bond Indenture Trustee;
- (l) in the event that the CPA has or subsequently obtains by agreement, operation of law or otherwise a Lien in Canada Housing Trust Account or any Hedge Trust Account, the CPA agrees that such Lien shall be subordinate to the Lien of the Bond Indenture Trustee. In no event shall any payment to be made by the CPA hereunder be subject to deduction, set off, banker's lien or any other right in favour of the CPA or any other Person other than the Bond Indenture Trustee;
- (m) the CPA shall hold in trust all funds held by it for the payment of the principal of or interest on Bonds for the benefit of the Bondholders, and for the benefit of the Bond Indenture Trustee;
- (n) the CPA shall forthwith give written notice to a Responsible Officer of the Trust (with a copy to the Guarantor in the case of (ii) below) signed by a Responsible Officer of the CPA of (i) any payment by the Trust of the principal of or interest on Bonds, specifying the amount paid, segregated as to principal and interest, and identifying each Bond on which any payment was made by number, date, series stated maturity and the name of the Bondholder, and (ii) any failure of the Trust to make any such payment when the same shall be due and payable;
- (o) the CPA shall promptly, and in no event later than ten (10) days after any payment made by it hereunder, give written notice to a Responsible Officer of the Trust of

all payments of Bonds made by it, including and identifying all endorsements of payment made on Bonds by it, if any, signed and containing the specified information as provided in Section 7.1(n) and deliver for cancellation to the Bond Indenture Trustee all certificated Bonds surrendered to the Central Paying Agent, if any;

- (p) the CPA shall at all times maintain insurance coverage, including professional liability insurance, that is reasonably required under normal prudent business practices of a trust company that provides payment agent services, shall disclose the general terms and conditions of such coverage upon request from the Trust or the Guarantor, shall provide any document or other material evidencing that the CPA has complied with such covenant at the request of any of such parties, and shall inform the Trust and Guarantor of any significant change in any insurance coverage in accordance with Section 12.1 hereof; and
- (q) upon a reasonable request from the Trust or the Guarantor to modify the Protection Policies (including additions thereto), the CPA shall cooperate with the Trust or the Guarantor, as applicable, with respect to such request.

8. DEFAULT: RIGHTS OF THE TRUST

8.1 CPA Events of Default. Each of the following events shall constitute a CPA Event of Default under this CPA Agreement:

- (a) Representations or Warranties Untrue. The CPA makes a representation or warranty under any of the Operative Documents to which it is a party, including this CPA Agreement, which is considered, in the sole and absolute discretion of the Trust to be materially incorrect or incomplete when made or deemed to be made and if capable of cure (and if thereby eliminating any adverse effect to the Trust from the original incorrectness or incompleteness) shall not have been cured within five (5) Business Days of receipt by the CPA of written notice thereof from the Trust; provided that if such incorrectness or incompleteness is capable of cure but cannot be reasonably cured within five (5) Business Days, no CPA Event of Default shall exist so long as the CPA is diligently attempting to cure such incorrectness or incompleteness and such incorrectness or incompleteness is cured within thirty (30) Business Days of such notice.
- (b) Payment Default. Provided that adequate monies have been made available to the CPA on a timely basis in immediately available funds or that the CPA is otherwise required to advance funds to the Trust, the CPA fails to pay any amount in respect of its obligations hereunder when due, unless such payment is prohibited by Applicable Law.
- (c) Denied Obligations. The CPA denies, to any extent, its obligations under any Operative Document to which the CPA is a party or claims any Operative Document to which the CPA is a party to be invalid or withdrawn in whole or in part; or any Operative Document to which it is a party is invalidated by any act,

regulation or governmental action or is determined to be invalid or unenforceable by a court or other Governmental Authority.

- (d) Failure to Provide Reports. The CPA fails to provide any report required under this CPA Agreement when required to be provided and such failure shall continue for ten (10) Business Days after the earlier of (i) written notice thereof from the Trust, the Administrator, Financial Services Advisor, Bond Indenture Trustee or the Guarantor, or (ii) the CPA having Actual Knowledge of such failure.
- (e) Failure to meet Performance Measures. The CPA fails to achieve the Performance Measures (as defined in Section 3.8 hereof), and the CPA has not rectified, remediated or otherwise addressed such failure within ten (10) Business Days after the Trust and/or Guarantor has delivered notice thereof to the CPA in accordance with Section 12.1.
- (f) Bankruptcy, Etc. The CPA becomes a bankrupt (voluntarily or involuntarily) or becomes subject to any Bankruptcy Proceeding, or any judgment or order which (as determined by the Trust in its sole and absolute discretion) has or might have a material adverse effect on, any part or parts of its property.
- (g) Cease Carrying on Business/Insolvency. The CPA ceases or threatens to cease to carry on its business, or admits its inability to or fails to pay its debts generally.
- (h) Cross Default. There occurs a material default by the CPA in any capacity under (i) any other Operative Document to which it is a party; or (ii) any agreement under the CMHC MBS Program to which it is a party.
- (i) Possession of Property. Any Person takes possession of all or any substantial portion of the property of the CPA by appointment of a receiver, receiver and manager, or otherwise.
- (j) Material Adverse Change. There occurs any event or circumstance which has or is likely to have a material adverse effect on the CPA or its ability to perform its obligations under this CPA Agreement taken as a whole.
- (k) Judgments, Etc. A final judgment, writ of execution, garnishment or attachment or similar process is issued or levied against any substantial portion of the property of the CPA which, taken as a whole, has or is likely to have a material adverse effect on the ability of the CPA to perform its obligations under this CPA Agreement.
- (l) Net Worth. The CPA fails to meet its Net Worth covenant set out in Section 7.1(b).
- (m) Breach of Covenant. The CPA fails to comply with any other covenant under this CPA Agreement and such failure shall continue for thirty (30) Business Days after the earlier of (iii) written notice thereof from the Trust, the Administrator, Financial Services Advisor or the Guarantor, as applicable or (iv) the CPA having Actual Knowledge of such failure.

- (n) Mergers. If (i) the CPA consolidates, merges with, is amalgamated with, or acquires substantially all the assets or liabilities of another Person, (ii) the CPA disposes of a substantial portion of its assets or liabilities and/or (iii) there is a significant change in the management or control of the CPA, without the prior written consent of the Trust.
- (o) Gross Misconduct and Compliance with Applicable Law. The CPA commits gross misconduct, fraud or fails to comply with any Applicable Law.

8.2 Rights upon a CPA Event of Default. If a CPA Event of Default exists, the Trust shall have the right, if in its sole and absolute discretion it determines that it shall exercise such right, to be consulted by the CPA as to any action to be taken by the CPA in furtherance of its duties hereunder, to recommend action to be taken by the CPA in furtherance of its duties hereunder, to give its prior written consent to and to veto any proposed actions by the CPA in furtherance of its duties hereunder, to receive such information and reports as it requires from the CPA in furtherance of its duties hereunder and the CPA agrees to consult with and seek the guidance and consent of the Trust, in furtherance of its duties hereunder, in immediately rectifying and remedying any CPA Event of Default.

If a CPA Event of Default exists, the Trust shall also have the right, but not the obligation if in its sole and absolute discretion it determines that it shall exercise such right, to cure a CPA Event of Default if it is capable of being cured by taking any action on behalf of the CPA necessary to cure the CPA Event of Default, including (a) paying money on behalf of the CPA to any other Person to satisfy any claim resulting from the CPA Event of Default, (b) providing notices to or making demands upon any Person, (c) receiving such information and reports as it requires from any Person, and (d) upon curing the CPA Event of Default, the Trust shall be entitled to pursue any claims and enforce any remedies on behalf of the CPA which the CPA may have against any other Person resulting from the CPA Event of Default and to pursue any claim against the CPA for recovery from the CPA.

If a CPA Event of Default exists, in order to protect the interests of the Bondholders, the Bond Indenture Trustee shall have the same rights as the Trust has as are set out in this Section 8.2.

8.3 Remedies. If a CPA Event of Default exists, the Trust may exercise the following remedies, unless otherwise instructed by the Bond Indenture Trustee:

- (a) Any of the CPA Services provided under this CPA Agreement by the CPA may be contracted out or assigned to another Person for an appropriate period of time and any additional expense reasonably incurred in so doing shall be borne by the CPA.
- (b) Where the CPA holds or has authority over Trust Property or any assets of any Person under or in connection with the CPA Services, the Trust may require the CPA to post collateral with respect to such Trust Property or assets or transfer or hold in segregated trust accounts for the Trust such Trust Property or assets on such terms and conditions as the Trust may require to safeguard such Trust Property or assets.

- (c) The Trust is hereby authorized to prepare, sign and deliver on behalf of and as attorney for the CPA, assignments and transfers to the Trust of all rights and interests which the CPA had in or under any of the documents or accounts relating to the Eligible Housing Loans comprising a Package.

The CPA acknowledges and agrees that (i) it shall be responsible for all costs, fines, damages and expenses resulting from a breach of its obligations under Sections 12.10 to 12.14 but only to the extent that such breach is attributable to the negligence and/or wilful misconduct of the CPA and (ii) monetary damage will not be adequate if the CPA breaches any of Sections 12.10 to 12.14 and that the Trust shall be entitled to seek injunctive or other affirmative relief or to terminate this CPA Agreement, or both, without such constituting an election of remedies, the Trust being entitled to each and every remedy available under this CPA Agreement, at law and in equity for a breach of any of Sections 12.10 to 12.14 by the CPA.

If a CPA Event of Default exists, in order to protect the interests of the Bondholders, the Bond Indenture Trustee shall have the same rights as the Trust has as are set out in this Section 8.3.

If a CPA Event of Default exists, any related agreement or Operative Document between the Trust, the CPA and any other Person, or any of them will continue in full force and effect unless and until terminated by the Trust, which termination may be effected without notice.

- 8.4 Remedies Cumulative. The rights and remedies of the Trust and the Bond Indenture Trustee under the Operative Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Trust or the Bond Indenture Trustee, as the case may be, of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which the Trust or the Bond Indenture Trustee, as the case may be, may be lawfully entitled for the same default or breach. Any waiver by the Trust or the Bond Indenture Trustee, as the case may be, of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Trust or the Bond Indenture Trustee, as the case may be, shall be deemed not to be a waiver of any subsequent default.
- 8.5 Interest Due. So long as no CPA Event of Default has occurred and the Trust has not otherwise been prejudiced, if the CPA fails to lend any monies required in accordance with Section 4.6 the CPA will, in addition to any other rights and remedies of the Trust set out in this CPA Agreement, pay interest on the amount of the failed loan at the Overdue Rate from the date the loan was due until the date the loan is made.

9. COMPENSATION

- 9.1 Compensation of the CPA. As compensation for all services rendered by the CPA pursuant to this CPA Agreement, the Trust will pay to the CPA the fees set out in the fee schedule

attached as Schedule D - Fees. This shall include, without limitation, legal fees and expenses. The Trust, subject to the CPA having met its standard of care, hereby agrees to indemnify, defend and hold harmless the CPA from all additional expenses and liabilities properly incurred by the CPA in the performance of its duties for the Trust as set out in Section 11.1.

- 9.2 Additional Services. Except as otherwise provided in this CPA Agreement, no payment for additional services shall be made unless such additional services and the price thereof have been authorized in writing by the Trustee. For clarity, the Trustee may require the CPA to perform additional services at any time during the term of this CPA Agreement outside the scope of the CPA Services as defined herein. When additional services are required, the Trustee will provide the CPA a written description of the additional services and the CPA shall submit a firm price and time schedule for completing the additional services. The CPA will not commence any additional services until the Trustee has secured required approvals for the amendment and issued an approved, written amendment agreement.

10. STANDARD OF CARE, LIMITATION OF LIABILITY AND RELATED MATTERS

- 10.1 Standard of Care. The CPA shall exercise its powers and carry out its obligations hereunder as CPA honestly, in good faith and in the best interests of the Trust and, in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent payment agent would exercise in the circumstances.
- 10.2 Limitation of Liability of the CPA. Subject to Sections 8.2, 8.3 and 8.5, the CPA will not be subject to any liability whatsoever, in tort, contract or otherwise, in connection with the CPA Services provided by the CPA, to the Trust, to any Beneficiary, or to any other Person, for any action taken or permitted by it to be taken or for its failure to take any action including, without limitation, the failure to compel in any way any former or acting CPA to redress any CPA Event of Default in respect of the execution of the duties of its office or in respect of the CPA Services provided by the CPA, provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with the wilful misconduct by or negligence of the CPA or failure by the CPA to comply with the standard of care referred to in Section 10.1. The CPA, in doing anything or permitting anything to be done in respect of the execution of the duties of its office or in respect of the CPA Services provided by the CPA is, and will be conclusively deemed to be, acting as CPA to the Trust and not in any other capacity except where it is expressly provided in the Operative Documents or hereunder that the CPA is acting in its personal capacity. Except as to the extent provided in this Section 10.2 and Sections 8.2, 8.3 and 8.5, the CPA will not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the execution of the duties of its office or for or in respect of the CPA Agreement. Subject to Sections 8.2, 8.3 and 8.5, no property or assets of the CPA, owned in its personal capacity, will be subject to levy, execution, or other enforcement procedure with regard to

any obligation under this CPA Agreement other than where there has been wilful misconduct or negligence of the CPA referred to in this Section 10.2.

- 10.3 Delegation of Responsibilities. The CPA shall not retain outside advisors or delegate or subcontract any of its powers or duties without the prior written consent of the Trust or the Guarantor on such terms and conditions as such consenting party may stipulate, which consent shall not be unreasonably withheld.
- 10.4 Reliance on Professionals. In carrying out its duties on behalf of the Trust, the CPA may retain, rely and act upon any statement, report or opinion prepared by or any advice received from any professional advisor of the CPA or the Trust and shall not be responsible or held liable for any loss or damage resulting from relying or acting thereon if (e) the advice was within the area of professional competence of the person from whom it was received, (f) the CPA acted reasonably in relying thereon and (g) the professional advisor was aware that his advice would be relied on by the CPA and the Trust. The CPA may pay reasonable compensation to a professional advisor for providing the services described above and shall be reimbursed by the Trust for such compensation. The CPA shall not be responsible for the negligent actions or misconduct of a professional advisor. The CPA shall subrogate to the Trust its right to pursue any action against a professional advisor for the negligent actions or misconduct of such professional advisor.
- 10.5 No Obligation to Expend Funds. Except as set out in Section 4.6 and Sections 8.2, 8.3 and 8.5, none of the provisions contained in this CPA Agreement require the CPA to expend, disburse or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. Except as set out in Section 4.6, and Sections 8.2, 8.3 and 8.5, the CPA shall disburse monies hereunder only to the extent that monies have been made available to it.
- 10.6 Reliance on Certificates, etc. In carrying out its duties on behalf of the Trust, the CPA may rely in acting upon any written notice, certificate, request, waiver, consent, receipt, statutory declaration or other paper or document provided to it by the Trust or the Guarantor not only as to its due execution and the validity and effectiveness of its provisions but also as to the truth and acceptability of any information therein contained which the CPA in good faith believes to be genuine and what it purports to be.

11. INDEMNIFICATION

- 11.1 General Indemnity by the Trust. Whether or not any of the transactions contemplated by the Operative Documents shall be consummated, the Trust hereby agrees to indemnify, and does hereby indemnify, and hereby agrees to protect, defend, save and keep harmless, on an After-Tax Basis, out of the Trust Property, each “**Indemnitee**” (which term shall mean the CPA and its Related Indemnitees) from and against any and all liabilities, obligations, losses, damages, penalties, settlements, claims, actions, suits or judicial or administrative proceedings of any kind and nature and any and all costs, expenses (including reasonable legal fees and disbursements and any other reasonable disbursements of any kind and nature whatsoever) (each, an “**Indemnitee Claim**”) which may be imposed on, incurred by or asserted against any such Indemnitee: (a) in any way relating to or arising out of this

CPA Agreement or any of the other Operative Documents or the transactions contemplated hereby or thereby or resulting therefrom or the exercise of rights and remedies thereunder, or the enforcement of any of the terms of any thereof or lack of enforceability of any thereof, (b) arising out of any violation of law with respect to the Eligible Housing Loans, any Hedge Document, the Obligation documents and the other Operative Documents or resulting from the transactions contemplated by the Operative Documents or the failure by the Trust (or any Person dealing with or on behalf of the Trust) to perform or observe any covenant, condition or agreement in or the falsity of any representation or warranty of the Trust made in or pursuant to any Operative Document or arising out of the negligence or wilful misconduct of the Trustee or any Person acting on behalf of or transacting with the Trustee or the negligence or wilful misconduct of any Affiliate, agent, contractor, subtrust, franchisee or licensee of the Trust, in any such case relating to the Trust Activities or the Trust Property, (c) arising out of the offer and sale of any interest in the Obligations, Eligible Housing Loans and other Trust Permitted Investments under the Operative Documents (but for greater certainty, excluding principal and interest received and any cash or disbursements made or received by the CPA for the Trust) (all of the foregoing, **“Costs or Expenses”**); provided that the Trust shall not be required to indemnify for any Costs or Expenses:

- (a) imposed on or against an Indemnitee to the extent that such Costs or Expenses arise out of or are caused by (i) the negligence or wilful misconduct of such Indemnitee (other than any such negligence or wilful misconduct imputed to such Indemnitee solely by reason of its interest in the Trust Property) or (ii) any Indemnitee Claim that in whole or in part is attributed to an inaccuracy or breach of a representation, warranty, covenant or any undertaking contained in this CPA Agreement or any other Operative Document to which such Indemnitee is a party unless caused by an inaccuracy or breach by the Trust or any other party to any Operative Document of any of its representations, warranties, covenants or undertakings;
- (b) to the extent attributable to acts or events which occur during any period after the expiration or earlier termination of this CPA Agreement and the payment by the Trust of all amounts due and owing under the Operative Documents and the satisfaction by the CPA of all of its obligations hereunder but in each such case only to the extent not fairly attributable to acts or events which occurred, or conditions which existed, prior to such expiration, earlier termination or satisfaction of this CPA Agreement;
- (c) to the extent that such Costs or Expenses are Taxes attributable to the Indemnitee or Costs or Expenses of contesting such Taxes, other than as have been requested, consented to or acquiesced in by the Trust;
- (d) to the extent that such Costs or Expenses arise from a Lien attributable to the Indemnitee or Costs or Expenses of contesting such Lien, other than as have been requested, consented to or acquiesced in by the Trust;
- (e) to the extent that such Costs or Expenses constitute ordinary and usual operating or overhead expense of the Indemnitee;

- (f) to the extent that such Costs or Expenses arise in connection with a breach of confidentiality or security pursuant to Section 12.10;
- (g) to the extent such Costs or Expenses are attributable to any future amendments, supplements, waivers or consents with respect to this CPA Agreement and the other Operative Documents or to the authorization or giving, or withholding thereof, by such Indemnitee of any thereof, other than such as have been requested, consented to or acquiesced in by the Trust;
- (h) to the extent that such Costs or Expenses are payable pursuant to any provision of this CPA Agreement or any other Operative Document expressly without any right of reimbursement from the Trust or that are stated not to be paid by or be the responsibility of the Trust or are stated to be the sole cost and expense of such Person;
- (i) with respect to any Indemnitee, to the extent such Costs or Expenses are incurred or arise from or relate to compliance with the requirements of any Governmental Authority having jurisdiction over such Indemnitee under Applicable Law applicable to its business generally pursuant to proceedings which the Trust has not directly or indirectly initiated and in which the Trust has not participated in any way (except in either case at the specific request of such Indemnitee), provided that such Costs or Expenses are solely attributable to acts or omissions of the Indemnitee and are not in any way attributable to the Trust; and
- (j) to the extent attributable to goods and services provided by the Indemnitee to the Trust that are reimbursable as set out in Schedule D - Fees unless such amounts have not been paid by the Trust to the CPA.

To the extent that an Indemnitee Claim is attributable solely to a particular Package or to any Hedge Document or Obligation document reasonably related to that Package, the Trust will first exhaust its recourse against the Trust Property relating to the particular Package and related rights. If such Package and related rights are insufficient to satisfy the indemnity set out in this Section 11.1, or if the Indemnitee Claim is not attributable to a particular Package the Indemnitee Claim will be satisfied from the Trust Property on a *pro rata* basis among all the Eligible Housing Loans owned by the Trust. All Indemnitee Claims under all Operative Documents (other than by or on behalf of the Bondholders or the Guarantor) shall be paid out of the Trust Property amongst all of the Indemnitees that have such Indemnitee Claims on a *pari passu* basis.

This CPA Agreement constitutes a separate agreement with respect to each Indemnitee and is enforceable directly by each such Indemnitee whether or not a claim for indemnification on behalf of such Indemnitee has been made hereunder.

If the Trust has Actual Knowledge of any Indemnitee Claim under this Section 11.1, it shall give prompt written notice thereof to the applicable Indemnitee and if any Indemnitee shall have Actual Knowledge of any Indemnitee Claim it shall give prompt written notice thereof to the Trust (provided that failure to give such notice shall not affect the Trust's indemnity

obligations hereunder except that the Trust shall not be responsible for any increase in any amount otherwise payable by the Trust, which increase would not have accrued if notice had been given in a timely fashion or to the extent the failure to give timely notice precludes the Trust from contesting an Indemnitee Claim in a timely manner). The Trust shall have the right, at its sole cost and expense, to investigate, and the right in its sole discretion to defend or compromise (the assumption of such defense or the making of any such compromise constituting the Trust's acknowledgment of the Indemnitee's right to indemnification hereunder with respect to such an Indemnitee Claim) any Indemnitee Claim for which indemnification is provided under this Section 11.1, and the Indemnitee shall cooperate, at the Trust's expense, with all reasonable requests of the Trust in connection therewith; provided, however, that the Trust may, if it reasonably believes that, on the basis of newly discovered facts, it is not obligated to indemnify such Indemnitee in respect of such proceeding at any time after the exercise of such right, notify the Indemnitee thereof in writing and withdraw, wholly or in part, from such defense (and, if so requested by such Indemnitee, cede the defense of such proceeding to such Indemnitee) and assert defenses to any indemnification obligation hereunder (provided that (a) the Trust shall have given the Indemnitee reasonable prior notice of its intention to withdraw from such defense and (b) such withdrawal does not materially prejudice any defense to such claim available to the Indemnitee). In the event that the Trust shall cease to defend any Indemnitee Claim pursuant to the preceding sentence, the Trust shall indemnify each Indemnitee, without regard to any exclusion that might otherwise apply hereunder, to the extent that the actions of the Trust in defending such Indemnitee Claim or the manner or the time of the Trust's election to withdraw from the defense of such Indemnitee Claim shall have caused such Indemnitee to incur any loss, cost, liability or expense which such Indemnitee would not have incurred had the Trust not assumed the defense of such Indemnitee Claim and shall cooperate, at such Indemnitee's expense, with all reasonable requests of such Indemnitee in connection with its defense of such Indemnitee Claim. Where the Trust undertakes the defense of any Indemnitee with respect to an Indemnitee Claim, during such undertaking no additional legal fees or expenses of such Indemnitee in connection with the defense of such Indemnitee Claim other than reasonable fees of reviewing counsel shall be indemnified hereunder unless such fees or expenses were incurred at the request of the Trust. Notwithstanding the foregoing, if (i) in the reasonable opinion of such Indemnitee based on the written opinion of independent counsel to such Indemnitee an actual or potential material conflict of interest exists where it is advisable for such Indemnitee to be represented by separate counsel, (ii) in the reasonable opinion of such Indemnitee such action, suit or proceeding involves any potential imposition of criminal, quasi-criminal or material civil liability on such Indemnitee, or (iii) such proceedings could involve a material risk of the imminent sale, forfeiture or loss of, or the creation of a Lien (other than a Permitted Lien) prior to the rights of such Indemnitee on, any Trust Property or any material portion thereof or interest therein or the rights of such Indemnitee under the Operative Documents, unless the Trust shall have provided security for the Trust's obligations under this Section 11.1 with respect to such Indemnitee Claim reasonably satisfactory to the relevant Indemnitees with respect to such risk, and such Indemnitee informs the Trust that such Indemnitee desires to be represented by separate counsel, such Indemnitee shall have the right to control its own defense of such Indemnitee Claim and the Costs or Expenses in connection therewith (including the reasonable fees and expenses

of such Indemnitee's counsel) shall be borne by the Trust. An Indemnitee may participate at its own expense in any judicial proceeding controlled by the Trust pursuant to the preceding provisions; provided, however, that such Indemnitee's participation does not, in the reasonable opinion of the independent counsel appointed by the Trust to conduct such proceedings, interfere with such control; and provided further, however, that such participation shall not constitute a waiver of the right to receive the indemnification provided in this Section 11.1. Except in the case of a settlement or compromise that is at no cost or expense to the Indemnitee and does not admit liability on the part of the Indemnitee, the Trust shall not enter into any settlement or other compromise with respect to any Indemnitee Claim indemnified under this Section 11.1 without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld. With respect to any amount which the Trust is requested by an Indemnitee to pay by reason of this Section 11.1, the Indemnitee shall, if requested by the Trust and prior to any payment, submit such additional information to the Trust as the Trust may reasonably request to substantiate the requested payment if such information is available to the Indemnitee and the disclosure thereof would not violate Applicable Law or any confidentiality agreement to which the Indemnitee was subject prior to the request.

Each Indemnitee agrees that if an event, condition or circumstance exists, occurs or is anticipated to occur that could reasonably be expected to result in an Indemnitee Claim hereunder, such Indemnitee will use its reasonable efforts, at the Trust's expense, to comply with any reasonable written proposal by the Trust the effect of which is intended either to eliminate the need to make such claim or to mitigate such indemnity, or both, provided such proposal does not in the reasonable opinion of such Indemnitee create any additional unindemnified liability, obligation, cost, or expense for such Indemnitee. The Trust hereby agrees to make all payments due under this Section 11.1 to the relevant Indemnitee.

- 11.2 Survival of Indemnities; Effect of Other Indemnities. The indemnities and agreements of each of the parties provided for in Section 11.1 shall survive all payments by the Trust, removal or resignation of the CPA and the expiration or other termination of each of the Operative Documents.

The Trust's obligations under the indemnities provided for in this CPA Agreement shall be those of a primary obligation whether or not the Indemnitee shall also be indemnified by some other Person with respect to the same matter under the terms of this CPA Agreement or any other Operative Document and the Indemnitee may proceed directly against the Trust without first seeking to enforce any other right of indemnification. Upon the payment in full by the Trust of any indemnity provided for under this CPA Agreement, the Trust shall be, to the extent permitted by Applicable Law, subrogated to any right of the Indemnitee.

- 11.3 Indemnification by CPA. The CPA agrees to indemnify, defend and hold harmless the Trust and the Trustee from and against any and all liabilities which may be imposed on, incurred by or assessed against the Trust or the Trustee as the result of any negligence or wilful misconduct or a breach of the standard of care by the CPA under this CPA Agreement provided that the CPA will have the exclusive right to compromise or defend, through counsel selected and retained by the CPA, any such liabilities or related claims at

its own expense, which decision shall be binding upon the Trust and the Trustee. It is, however, expressly understood that the CPA is not agreeing to indemnify or hold the Trust harmless with respect to any of the following:

- (a) any breach or failure to perform on the part of any other third party under any Operative Document to which it is a party;
- (b) any amount for which the Trust agrees to indemnify the CPA hereunder; or
- (c) any liability of the Trustee or the Trust accruing after the termination of this CPA Agreement unless attributable to the actions or omissions of the CPA prior to such termination.

12. MISCELLANEOUS

12.1 Notices. Unless otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be in writing and shall be deemed to have been given (h) in the case of notice sent by e-mail, when receipt is confirmed upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), except that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, (i) in the case of notice by letter, the earlier of when delivered to the addressee by hand or courier if delivered on a Business Day and, if not delivered on a Business Day, the next Business Day thereafter or on the third Business Day after depositing the same in the mails, registered or certified mail, postage prepaid, return receipt requested, (j) in the case of notice by facsimile, when receipt is confirmed if delivered on a Business Day and, if not delivered on a Business Day, the next Business Day thereafter, in each case if addressed to any of the parties listed below at its address set forth below or, in the case of any such party, at such other address as such party may from time to time designate by written notice to each such other Person. The Trust may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, but approval of such procedures may be limited to particular notices or communications. Any party to this CPA Agreement may change its address or telecopier number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

Notices shall be sent as follows:

if to the Trust or the Trustee:

CIBC Mellon Trust Company
c/o BNY Trust Company of Canada
1 York Street
6th Floor
Toronto, Ontario
M5J 0B6

Attention: Corporate Trust Administration

Fax: 416-360-1711

if to the Guarantor:

Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, Ontario
K1A 0P7

Attention: [●]

Fax: [●]

email: [●]

with a copy to:

Canada Mortgage and Housing Corporation
70 York Street, Suite 1100,
Toronto, Ontario, M5J 1S9

Attention: Director, Securitization Operations

Fax: 416-218-3312

e-mail: securitization@cmhc-schl.gc.ca

if to the Administrator:

Canadian Imperial Bank of Commerce

Brookfield Place

161 Bay Street, 9th Floor

Toronto, Ontario

M5J2S8

Attention: Manager, Securitization and Structured Products Administration Group

Fax: 416-956-6222

email: SecuritizationMailbox@cibc.ca

if to the Financial Services Advisor:

Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, Ontario
K1A 0P7

Attention: [●]

Fax: [●]

email: [●]

with a copy to:

Canada Mortgage and Housing Corporation
70 York Street, Suite 1100,
Toronto, Ontario, M5J 1S9

Attention: Director, Securitization Operations

Fax: 416-218-3312

e-mail: securitization@cmhc-schl.gc.ca

if to the Custodian:

[●]

[●]

[●]

[●]

[●]

Attention: [●]

Fax: [●]

email: [●]

if to the CPA:

[•]

[•]

[•]

[•]

[•]

Attention: [•]

Fax: [•]

email: [•]

if to the Bond Indenture Trustee:

Computershare Trust Company of Canada

100 University Avenue, 8th Floor

Toronto, Ontario

M5J 2Y1

Attention: Manager, Mortgage-Backed Securities

Fax: 416-981-9788

email: mbs@computershare.com

- 12.2 Waivers of Notice. In any case where notice by mail or otherwise is provided herein, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event. Waivers of notice shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken thereon in reliance upon any such waiver.
- 12.3 Governing Law. This CPA Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada, applicable therein, and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws. Each of the parties hereunder irrevocably attorns and submits to the non-exclusive jurisdiction of the Courts of the Province of Ontario in any suit, action or proceeding relating to this CPA Agreement.

- 12.4 Directions. Unless specified otherwise herein or upon prior written notice issued by the Trust to the CPA, any direction given to the CPA by the Trust can be given to the CPA by the Administrator on behalf of the Trust.
- 12.5 Severability. If any provision of this CPA Agreement, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this CPA Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.
- 12.6 Transfers, Successors and Assigns. Except as provided herein, the CPA Services set out in this CPA Agreement may not be sub-contracted, delegated, transferred or assigned, in whole or in part, without the written consent of each party hereto and the written consent of the Guarantor and the Bond Indenture Trustee. This CPA Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns.
- 12.7 References to Acts of the Trust or the Trustee. For greater certainty, where any reference is made in this CPA Agreement to an act to be performed by the Trust, such reference shall be construed for all purposes as if it referred to an act to be performed by the Trustee as trustee of the Trust and not in its personal capacity.
- 12.8 Directly or Indirectly. Where any provision in this CPA Agreement refers to action to be taken by any Person, or where such Person is prohibited from taking such action, such provision shall be applicable whether such action is taken directly or indirectly by such Person, if so permitted by this CPA Agreement.
- 12.9 Access to and Dissemination of Information. The CPA agrees that the Trust, the Guarantor and the Bond Indenture Trustee shall at all times be entitled to have access to and to examine all records maintained by or on behalf of the CPA and any Person providing Work Product, with respect to the Services provided by the CPA under this CPA Agreement. The Trust authorizes the CPA to have access to information and material of the Trust that the CPA requires to perform its Services hereunder or to confirm the calculation of any amount due to the CPA.
- 12.10 Confidentiality and Non-Disclosure of the Confidential Information. For the purposes of this Section 12.10 and Sections 12.11 to 12.14, the term “Confidential Information” shall include Personal Information, as defined in Section 12.12.
- (a) The CPA understands the sensitive nature of the Confidential Information (as defined in Section 5.5) and, unless otherwise specifically agreed to in writing by the Trust and Guarantor, agrees to treat all the Confidential Information as proprietary, confidential and sensitive, and to protect and maintain the confidentiality of the Confidential Information in a manner no less stringent than the CPA uses to protect its own similar confidential information, which in any event shall not be less than a reasonable degree of care, during the term and following termination of this CPA Agreement.

- (b) The CPA and its employees shall not use the Confidential Information for any purpose other than to perform the CPA Services.
- (c) The CPA shall take all necessary precautions to restrict access to the Confidential Information in accordance with its Protection Policies.
- (d) The CPA further agrees to restrict access to the Confidential Information to those Persons who have a need to know this information in order to perform the CPA Services and who are bound by an obligation of confidentiality in form and substance satisfactory to the Trustee and Guarantor that is as strict as that contained in this CPA Agreement provided such persons meet the appropriate security screening as per Government of Canada security screening classification prior to granting any such access.
- (e) In the event that the CPA experiences a breach of confidentiality with respect to the Confidential Information, the CPA will immediately notify the Trustee and Guarantor and co-operate with the Trustee and Guarantor to the extent required to remedy the breach.
- (f) The CPA further acknowledges and understands that the Trust considers all the Confidential Information to be under its custody and control at all times, and that all Confidential Information is subject to federal laws on privacy and access to information. The CPA and its employees shall comply with all requirements of any and all privacy or access to information legislation applicable to it under Applicable Law, including, without limitation, the *Privacy Act* (Canada) and the *Personal Information Protection and Electronic Documents Act* (Canada), and the use of any “personal information” (as defined in such Acts) that it may obtain under or in connection with the CMHC CMB Program.
- (g) The CPA shall, at all times, ensure to transmit information between the CPA and the Trust through secure means of transmission.
- (h) When the Confidential Information is stored, the CPA and its employees will, at all times, use reasonable administrative, physical and technological security measures to ensure that the information remains confidential where applicable, and that the information is not lost or otherwise accessed without authority, as further described in Schedule F- Privacy and Security Requirements attached hereto. The CPA will also implement information management and governance tools and controls, as further described in Schedule F. Subject to Section 10.3, the CPA shall ensure that the requirements of Schedule F will be binding on any approved third party to whom the CPA outsources any of its IT or information management functions or who is managing such functions on behalf of the CPA.
- (i) The CPA shall execute any further actions to enhance the security controls as may be reasonably required by the Trustee or the Guarantor.
- (j) The CPA shall conduct regular security assessments to ensure safeguards are working effectively.

- (k) The CPA shall promptly notify the Trustee and the Guarantor of any material breach of its Protection Policies that could have an adverse effect on the Trust or on the CPA's provision of the CPA Services.
- (l) The CPA shall ensure all the Confidential Information is encrypted while in transit and at rest at a minimum 128 bit encryption throughout the term of this CPA Agreement or as otherwise specified by the Guarantor from time to time.
- (m) Any the Confidential Information provided to the CPA in the performance of the CPA Services shall be returned, uncopied to the Trust or destroyed by the CPA immediately following the termination of this CPA Agreement or upon the request of the Trustee or the Guarantor. For documents not returned to the Trust, the CPA shall proceed to the destruction of such documents in accordance with the instruction by the Trustee acting reasonably. The CPA shall provide specific proof of the destruction. Notwithstanding the foregoing, the CPA shall be permitted to maintain copies of such documentation as it reasonably requires to comply with Applicable Law, provided that such retained documentation shall at all times remain subject to the other provisions of this CPA Agreement.
- (n) The CPA shall not and, subject to Section 10.3 shall ensure that any subcontractor, reseller, agent or any other entity engaged to perform any portion of the CPA Services shall not, release, share or otherwise divulge the Confidential Information to any other entity including subsidiaries, branch offices, partners of the CPA or subcontractors without the prior written consent of the Trustee and the Guarantor.
- (o) The CPA may disclose the Confidential Information where required to do so pursuant to a lawful requirement or for the purposes of complying with a subpoena, warrant or other legal compulsion lawfully made by a court or other competent authority. When the CPA discovers that it may potentially be required to disclose the Confidential Information for the reasons described in the immediately foregoing sentence, the CPA shall: (a) notify the Trustee and Guarantor promptly so that each of the Trustee and Guarantor has the opportunity to seek a protective order or other appropriate remedy; (b) provide information and other assistance in order for the Trustee and Guarantor to take appropriate legal action against disclosure; and (c) ensure that disclosure is strictly limited to the information lawfully requested.
- (p) Employees of the CPA may be required to undergo a criminal records check or hold a valid personnel security screening at the level of "Enhanced Reliability" prior to commencement of any CPA Services and must provide the results of the check to the Guarantor. The Trustee reserves the right to disallow any person to carry out work under the CPA Agreement on the basis of the results of the criminal records check/security clearance. Each of the CPA's proposed staff, who do not hold a valid clearance, will be required to complete a "Security Clearance Form" (67934) upon request from the Guarantor.

12.11 Information Security Requirements.

- (a) The CPA shall, at all times, ensure to transmit information between the CPA and the Trust through secure means of transmission. In addition, when the Confidential Information, including Personal Information (as defined in Section 12.12 below), is stored, the CPA will, at all times, use reasonable administrative, physical and technological security measures to ensure that the information remains confidential where applicable, and that the information is not lost or otherwise accessed without authority, as further described in Schedule F to this CPA Agreement. The CPA will also implement information management and governance tools and controls, as further described in Schedule F. The requirements of Schedule F will be binding on any third party to whom the CPA outsources any of its IT or information management functions or who is managing such functions on behalf of the CPA.
- (b) The CPA represents and warrants that it has the controls in place to meet Protected B data (as defined in Schedule F) safeguards based on ISO27001:2013, ITSG-33 or equivalent security framework.
- (c) The CPA shall conduct regular security assessments, at a minimum on a yearly basis, to ensure safeguards are working effectively (e.g. Threat and Risk Assessments, Vulnerability Assessments, etc.). Upon request from the Trust, the CPA shall provide proof that such assessments have been conducted.
- (d) The CPA shall ensure that the Confidential Information shall remain in Canada and be accessed from/within Canada.

12.12 Privacy. The CPA acknowledges and agrees that personal information shall mean information about an identifiable individual or other information managed, accessed, collected, used, disclosed, retained, received, or disposed of in relation to the provision of the CPA Services that is subject to any Canadian privacy laws (collectively, “**Personal Information**”) and that all such Personal Information collected or accessible to the CPA in the course of providing the CPA Services constitutes Confidential Information of the Trust to which the provisions of Section 12.10 apply, except to the extent such provisions are inconsistent with this Section 12.12, which prevails with respect to Personal Information. In addition to the foregoing obligations, the CPA will:

- (a) within five (5) Business Days from any request by the Trustee or the Guarantor, the CPA will update, correct or delete Personal Information or modify the individual's choices with respect to the permitted use by the Trust of such Personal Information;
- (b) if the CPA receives a request for access to Personal Information that is under the possession or control of the CPA, it will immediately refer such request to the Trustee and Guarantor, and respond to any such request only by making reference to such referral. If the Trust is required by any Canadian privacy laws to provide Personal Information to an individual that is in the CPA's possession or control, the CPA shall provide such Personal Information to the Trustee or the Guarantor as requested by the Trustee or Guarantor, on or before the deadlines specified by the Trustee or Guarantor such that the Trust can comply with any deadlines applicable to it under such Canadian privacy laws;

- (c) if not legally prohibited from doing so, notify the Trustee and the Guarantor of any subpoena, warrant, order, demand, requirement or request (including any national security letter) made by a Governmental Authority for the disclosure of Personal Information, and, to the maximum extent permitted by Applicable Law, reasonably cooperate with the Trustee and Guarantor in the event of efforts by the Trustee or Guarantor to oppose, seek judicial relief of and appeal any such subpoena, warrant, order, demand, requirement or request;
- (d) immediately notify the Trustee and Guarantor if the CPA receives notice from any Governmental Authority alleging that the Trust or the CPA has failed to comply with Canadian privacy laws in connection with the performance of this CPA Agreement, or if the CPA otherwise becomes aware and reasonably believes that the CPA or the Trust may have failed or may in the future fail to comply with Canadian privacy laws in connection with the performance of this CPA Agreement;
- (e) at the Trustee or Guarantor's direction, cooperate and comply with any requests or instructions issued by any privacy or data protection authority, including any Governmental Authority applicable to the Trustee, the Guarantor or Personal Information;
- (f) provide reasonable assistance to the Trustee and Guarantor in responding to and addressing any complaint relating to the handling of Personal Information in the course of the performance of the CPA Services; and
- (g) upon written request by the Trustee or Guarantor, provide an updated list of all CPA personnel that have handled Personal Information.

12.13 Privacy Breach Notification.

- (a) Without limiting the generality of Section 12.10(k), upon becoming aware of the occurrence of any security breach or privacy breach, the CPA will do the following, subject to Applicable Law:
 - (i) immediately, but in any event not later than two (2) Business Days from the date the CPA becomes aware of the occurrence of such security breach or privacy breach, notify the Trustee and Guarantor by telephone and in writing;
 - (ii) take all steps necessary to enforce against any Person that is or may be engaging in such unauthorized handling any rights that the CPA has to require such person to comply with any obligation of confidence to the CPA and to cease such unauthorized activities;
 - (iii) do all things, execute all documents and give all assistance reasonably required by the Trustee and the Guarantor to enable the Trust to enforce against any Person that is or may be engaging in such unauthorized handling any rights that the Trust has to require such person to comply with any

obligation of confidence to the Trust and to cease such unauthorized activities; and

- (iv) if the security breach involves Personal Information, then, if requested by the Trustee or Guarantor, reasonably cooperate with and assist the Trustee or Guarantor in any communication with the media, any affected persons (by press release, telephone, letter, call centre, website or any other method of communication) and any Governmental Authorities to explain the occurrence of the security breach and the remedial efforts being undertaken. The content and method of any such communications will be determined by the Trustee and the Guarantor. To the extent such communications refer to the CPA, the content and method of such communications will also be determined by CPA.
- (b) Additionally, the CPA shall assist the Trustee or Guarantor in mitigating any potential damage and take such steps as are directed by the Trustee and Guarantor to assist in the investigation, mitigation and remediation of each such security breach.
- (c) As soon as reasonably practicable after any such security breach, the CPA shall conduct a root cause analysis and, upon request, will share summaries of the results of its analysis and its remediation plan with the Trust. The CPA shall provide updated information to the Trust should additional details be discovered regarding the cause, nature, consequences, or extent of the security breach.

12.14 Access to Information.

- (a) The CPA acknowledges that the *Access to Information Act* applies to the Trust and may require the disclosure of information. The parties to this CPA Agreement will comply with the provisions of the *Access to Information Act*, including in connection with a request under the *Access to Information Act* by a third party for access to information (“**Access to Information Act Request**”).
- (b) If an Access to Information Act Request is made to the CPA (rather than to the Trust) for access to any the Confidential Information, the CPA shall: (i) not communicate with or respond to the person making the Access to Information Act Request, except as directed by the Trustee or Guarantor in writing; (ii) promptly, but in any event within seven (7) days (or such other period of time as may be agreed by the parties hereto) of the receipt of such Access to Information Act Request, forward that Access to Information Act Request to the Guarantor; and (iii) without detracting from the Trust's responsibilities and CPA's rights under the *Access to Information Act*, reasonably cooperate with the Trust as necessary to enable the Trust to respond to each Access to Information Act Request or otherwise comply with the *Access to Information Act*.

12.15 Conflict of Interest. The CPA acknowledges and agrees:

- (a) It shall and shall cause its principals, employees, agents and any approved delegates to avoid any real, potential or apparent conflict of interest during the term of this CPA Agreement and shall declare any real, potential or apparent conflict of interest to the Trustee and Guarantor immediately upon becoming aware of the conflict. The CPA shall, upon direction of the Trustee and the Guarantor, take steps to eliminate any conflict, potential conflict or perception that a conflict of interest exists.
- (b) In the event that a conflict of interest, real, potential or perceived, cannot be resolved to the satisfaction of the Trustee and Guarantor, the Trust and the Guarantor shall have the right to immediately terminate this CPA Agreement. All Work Product that has been completed at the date of termination shall be forwarded to the Trust and the Trust shall be liable for payment to the CPA of an amount which, in the sole opinion of the Trustee, constitutes reasonable payment for the partial performance of the CPA's obligations under this CPA Agreement. Upon such payment, the Trust shall have no further obligation of any nature or kind to the CPA.
- (c) Any public office holder or former public office holder must be in compliance with the provisions of the *Conflict of Interest Act* (Canada) in order to derive a direct benefit from any agreement which may arise from this request for proposal.

12.16 Corporation Identification. The CPA agrees that it will make no use whatsoever of the Guarantor's name, logo or initials without the express written consent of the Guarantor.

12.17 Official Languages. The CPA acknowledges and understands that the Guarantor is governed by the *Official Languages Act* (Canada) and follows related Treasury Board policies. The CPA agrees that it will co-operate with the Guarantor to take any measures necessary to ensure compliance with such Act. The CPA further understands and agrees to provide all information, materials and services in relation to this CPA Agreement in English or French, whichever is the preference of the Person or organization requesting the information, materials or services, where a request for such information, materials or services in English or French is made to the CPA. The CPA must ensure that there is sufficient capacity to provide services that are comparable in terms of quality and timeliness in both official languages.

12.18 Limitation of Liability of the Trustee.

This CPA Agreement shall be deemed and construed for all purposes as if made by the Trustee in and only in its capacity as trustee of the Trust. Subject to the exceptions set out in Section 8.2 of the Declaration of Trust, (k) any liability, debt or obligation of the Trustee under this CPA Agreement is non-recourse to the Trustee in its personal capacity and is limited solely to the Trust Property; (l) no other property or assets of the Trustee, whether owned by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with respect to any obligation under this CPA Agreement; and (m) no recourse may be had or taken, directly or indirectly, against the Trustee in its

personal capacity or against any incorporator, shareholder, director, officer, employee or agent of the Trustee or any predecessor or successor of the Trustee.

To the extent that a claim of the CPA against the Trust or the Trustee (other than a claim for indemnification pursuant to Section 11) is attributable solely to a particular Package or to any Hedge Document or Obligation document reasonably related to that Package, the CPA will first exhaust its recourse against the particular Package and related rights. If such Package and related rights are insufficient to satisfy a claim under this Section 12.18, or if the claim is not attributable to a particular Package, the claim will be satisfied from the Trust Property on a pro rata basis among all the Eligible Housing Loans owned by the Trust on a *pari passu* basis with all other unsecured creditors of the Trust.

12.19 Documents Comprising the CPA Agreement.

- (a) The documents which comprise the entire agreement between the parties with respect to this matter consist of the following:
 - (i) The CMB Program Definitions;
 - (ii) this form of CPA Agreement; and
 - (iii) the Schedules to this CPA Agreement.
- (b) In the event of a conflict between them, the CPA Agreement documents shall have precedence among themselves in the order as listed above.

12.20 Scope of Agreement. This CPA Agreement contains all of the agreements of the parties hereto and no other representations or warranties, verbal or otherwise, exist between the parties with respect to the subject matter herein.

12.21 Amendments. This CPA Agreement may be amended from time to time with the mutual consent of the Trust and the CPA and with the written consent of the Guarantor provided that any such amendment shall be in writing and signed by both parties hereto before the same shall be effective. The parties acknowledge and agree that any such amendment shall not be effective until the Trust obtains the written consent of the Guarantor to any such amendment in accordance with the Commitment Agreement. This CPA Agreement supersedes any prior agreements between the parties hereto with respect to the provision of the management and distribution services described herein. Notwithstanding the foregoing, the CPA Agreement shall not be amended in a manner that would impair the rights of the Bond Indenture Trustee without the consent of the Bond Indenture Trustee. The parties agree that they shall make any amendments to this CPA Agreement required from time to time in order to comply with Applicable Law including any Securities Legislation.

12.22 Further Assurances. Each of the parties hereto shall from time to time hereafter upon any reasonable request of the other do such further acts and execute such further deeds and documents as shall be reasonably required in order to perform and carry out the terms of this CPA Agreement.

- 12.23 Acknowledgment of Guarantor's Rights. The parties acknowledge and agree that the Guarantor has the rights, power and remedies set forth in Article 9 of the Commitment Agreement and that in the event that the Guarantor exercises any of its rights, powers or remedies under such Article, it may do so on behalf of the Trust (or pursuant to a power of attorney on behalf of the Trust) and the parties also agree for the purposes of this CPA Agreement to accept the authority of the Guarantor while so acting, that copies of any and all notices, reports, or documents required to be given to the Trust by the CPA shall also be given to the Guarantor and that the Guarantor may exercise any of the Trust's rights hereunder. It is acknowledged that the Guarantor will receive a copy of this CPA Agreement and that it may rely on the provisions of this Section 12.23. The CPA hereby acknowledges receipt of a copy of the Commitment Agreement and having read and familiarized itself with Article 9 thereof.
- 12.24 Force Majeure. Notwithstanding any provision to the contrary contained in this CPA Agreement, the CPA shall be excused from the consequences of any breach of this CPA Agreement or any CPA Event of Default hereunder if and to the extent that such breach or CPA Event of Default was caused in whole or in part by Force Majeure, provided that the CPA shall not be so excused if (n) the CPA has in any material way caused or contributed to such breach, (o) such breach would have been prevented by reasonable and ordinary precautions, such as would be employed by a reasonably prudent provider of services similar to the Services, and (p) such breach would not have occurred if the CPA had been in compliance with Section 12.25. The CPA shall make diligent efforts in the circumstances to give notice of the existence or occurrence of a Force Majeure event in accordance with Section 12.1 hereof. Force Majeure shall excuse a breach of this CPA Agreement or CPA Event of Default hereunder only for such period of time that the Force Majeure event remains in existence or remains the cause of the CPA's continuing failure to perform or other continuance of the breach. In the event a Force Majeure event exists or occurs such that the CPA is unable to provide any of the CPA Services, the Trust shall have the right, in its sole discretion, to engage another Person to provide such CPA Services, and the CPA shall provide its full cooperation and shall take any and all action required by the Trust, Financial Services Advisor or the Guarantor to facilitate such engagement. The existence of a Force Majeure event which has caused in whole or in part a breach of this CPA Agreement or a CPA Event of Default hereunder shall not prevent the Trust from asserting and acting upon a breach of this CPA Agreement or CPA Event of Default hereunder which has not been caused in whole or in part by a Force Majeure event.
- 12.25 Business Recovery System. The CPA shall at all times have, and regularly test in accordance with prevailing regulatory expectations, a business recovery system, including specific measures to ensure that reasonably adequate backup records and facilities are available, and other reasonable measures to provide reasonable assurance that the CPA Services shall continue to be provided in the event of problems or events that may affect the CPA's operations, including systems breakdown and natural disaster, and other reasonably foreseeable events. The CPA shall provide, upon request, the Administrator and the Guarantor with a summary of the test results and shall provide the Administrator and the Guarantor with notification of the occurrence of known circumstances that can have a serious impact on the provision of the CPA Services in accordance with Section 12.1. In the event any test results identify any material deficiencies that could have an adverse

effect on the Trust or on the CPA's provision of the CPA Services, the CPA shall forthwith rectify such deficiencies.

12.26 Resolution of Differences. In the case of any difference or dispute between the parties, the Trust may, if it so elects, refer any dispute to mediation, arbitration, or such other dispute resolution methodology as it may determine. In the event the Trust does make such an election, the Trust shall also have the right, but not the obligation, to extend any cure period provided for in Section 8.1 hereof, as it determines in its sole discretion. The CPA shall under all circumstances continue to provide the CPA Services until the CPA Agreement is terminated in accordance with the terms hereof.

12.27 Time of Essence. Time shall be of the essence of this CPA Agreement.

12.28 Initial Term. The initial term of this CPA Agreement shall be for a period of five (5) years commencing as of January 1, 2021 and terminating on December 31, 2025, unless terminated by CMHC in accordance with the provisions contained in this agreement.

12.29 Extension/Renewal of CPA Agreement. After the initial term, this CPA Agreement shall be automatically renewed for successive one-year terms ending December 31 of each year, up to a maximum of three (3) additional consecutive terms of one (1) year each, unless it is terminated by either party giving prior written notice to the other party not less than one hundred and twenty (120) days prior to the end of any term.

12.30 Termination.

- (a) This CPA Agreement may be immediately terminated by the Trust with the consent of the Guarantor by notice in writing to the CPA if:
 - (i) the CPA ceases to have the power and authority pursuant to Applicable Law or any other relevant law to provide the services hereunder;
 - (ii) the CPA fails to meet the financial criteria set forth in this CPA Agreement;
 - (iii) the CPA shall cease to carry on business, become bankrupt or insolvent, resolve to wind up or liquidate or if a receiver of any of the assets of the other party is appointed;
 - (iv) there is a CPA Event of Default; or
 - (v) the CPA shall commit any other material breach of the provisions hereof and shall not have remedied such breach within thirty (30) Business Days after written notice requiring the same to be remedied;

provided, however, that rights already accrued at the time of termination of this CPA Agreement shall not be affected by such termination.

- (b) This CPA Agreement shall terminate:

- (i) upon the maturity or termination of all Eligible Housing Loans owned by the Trust and Obligations issued by the Trust and following the payment of all amounts owed to any Person from any of the accounts administered by the CPA; or
- (ii) subject to the prior written approval of the Guarantor and the Trust, and on such terms and conditions as the Guarantor or the Trust may require, on mutual consent of the Trust and CPA.

12.31 Obligations of CPA upon Termination. In addition to and not in substitution for the obligations set out in Section 3.1, upon termination of this CPA Agreement, the CPA shall forthwith deliver to the Trust:

- (a) to the extent that it maintains records in electronic format, electronic versions of all such records not previously delivered prior to such termination in a format and version that would be reasonably accessible by a substitute CPA whose normal business is similar to that of the retiring CPA;
- (b) all records, documents and books of account of, or relating to the Trust;
- (c) all Work Product;
- (d) all materials and supplies for which the CPA has been paid by the Trust; and
- (e) all Confidential Information, all tangible forms of Confidential Information, including any and all whole or partial copies thereof, and all electronic copies of Confidential Information;

which are in the possession or under the control of the CPA and relate directly or indirectly to the performance by the CPA of its obligations under this CPA Agreement provided, however, that the CPA may retain notarial or other copies of such records, documents and books of account and the Trust shall provide at its head office the originals of such records, documents and books of account whenever required to do so by the CPA for the purpose of legal proceedings or dealings with any Governmental Authorities.

The CPA agrees that upon termination of this CPA Agreement and so long as the Trustee is diligently seeking a successor CPA for the Trust the CPA will continue to perform the CPA Services set out in this CPA Agreement until a successor central paying agent possessing the necessary qualifications required by the Operative Documents to act as CPA has been approved by the Guarantor and has entered into a CPA Agreement with the Trust, but in no event shall the CPA be required to perform the CPA Services for more than one hundred and eighty (180) days after the termination of this CPA Agreement.

12.32 Termination Assistance. The CPA shall make available qualified resources reasonably requested by the Trust to work with the Trust to develop a detailed transition plan for the transition from the CPA of the CPA Services to a successor CPA (the “**Transition Plan**”) and in connection therewith shall: (q) prepare and deliver to the Trust for the Trust's approval: (i) this CPA Agreement (including all Schedules thereto) and all other

documentation relating to this CPA Agreement or the CPA Services; (ii) a consolidated, up-to-date description of the CPA Services provided by the CPA pursuant to this CPA Agreement and the then-current CPA Services levels; and (iii) such other information and documentation reasonably required by the Trust in order to develop the Transition Plan; and (r) update, make corrections to and provide additional detail relating to the records, documents, materials and information delivered pursuant to Section 12.31 to the extent reasonably requested by the Trust.

- 12.33 Survival of Terms. Any terms of this CPA Agreement that by their nature extend beyond its termination remain in effect until fulfilled, and apply to respective heirs, executors, administrators, successors and assignees. Without limiting the foregoing or any other provision herein, the CPA's obligations under Section 5 (Intellectual Property Rights), Section 7.1(p) (Insurance), Section 11 (Indemnification), Section 12.10 (Confidentiality and Non-Disclosure of the Confidential Information) and Section 12.3 (Governing Law), ownership shall survive the expiry or termination of this CPA Agreement regardless of the method or manner in which it is terminated.
- 12.34 Counterparts. This CPA Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of this CPA Agreement in electronic form, whether by facsimile, e-mail, or through an information system, and whether executed in counterparts or otherwise, shall be deemed to be valid execution and delivery of this CPA Agreement. If the parties deliver scanned copies of a counterpart that has been executed by hand, the parties shall mail or otherwise physically deliver the executed counterpart to this CPA Agreement to each other as soon as possible after delivering the facsimile or scanned and e-mailed copy, provided, for the avoidance of doubt, that this CPA Agreement shall be fully binding and enforceable upon execution and delivery of counterparts in electronic form, and any failure by either or both parties to so deliver a manually signed counterpart shall not affect the validity and enforceability of this CPA Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have duly executed this CPA Agreement as of the day and year first written above.

**CIBC MELLON TRUST COMPANY,
as trustee on behalf of
CANADA HOUSING TRUST™ NO. 1**

Per: _____
Name:
Title:

Name:
Title:

[NAME OF CENTRAL PAYING AGENT]

Per: _____
Name:
Title:

Name:
Title:

**SCHEDULE A
CPA SERVICES**

1. Counterparty Approval
 - a) receive notice from Administrator of all approved Counterparties;
 - b) establish electronic communications with the Administrator, Bond Indenture Trustee, Guarantor and Counterparties;
 - c) receive hard copies of incumbency documents;
 - d) arrange to perform system data testing as requested; and
 - e) provide confirmation to the Administrator, Guarantor and Financial Services Advisor of data testing results.
2. Prior to Issuance of Obligations
 - a) receive final approved schedule of Eligible Housing Loans being sold to the Trust from CMHC;
 - b) receive identification of Counterparties from the Administrator; and
3. Issuance of Obligations
 - a) establish internal system to provide investor payments as per Obligations Payment Matrix schedule received from the Administrator;
4. Monthly Accounting of Trust's Assets
 - a) withdraw Eligible MBS Certificate or other investment payment receipts from the Canada Housing Trust Account;
 - b) pay the fees and expenses and transfer Eligible MBS interest payments to Counterparties;
 - c) pay for Trust Permitted Investments with Eligible MBS principal payments based on the initial or revised Payment Matrix;
 - d) prepare receipt and disbursements reports for forwarding (relevant portion only) to the Administrator, Guarantor and each Counterparty; and
 - e) report any shortfalls in monthly accounting for payment of fees or expenses to Administrator, Bond Indenture Trustee and the Guarantor.

5. Valuation and Hedge Transaction Reporting
 - a) no involvement.
6. Obligation and Bond Payment Month
 - a) receive Obligation and Bond interest payment for investors from the Hedge Trust Account (operating or trust account depending on credit rating);
 - b) forward Obligation and Bond interest payment to CDS, including interim funding of cash flow shortfalls arising due to non-performance by any Counterparty and notify the Administrator, the Bond Indenture Trustee and the Guarantor of any such shortfalls;
 - c) prepare and forward cash flow payment and reconciliation reports to the Administrator, the Bond Indenture Trustee and the Guarantor and the payment report to each Counterparty; and
 - d) in the final month, withdraw Obligation and Bond principal payments owing to investors from each Hedge Trust Account (based on payment instructions from the Administrator) for deposit to CDS.
7. Reports
 - a) prepare and provide to the Administrator, the Guarantor and/or the Financial Services Advisor any reports reasonably requested by, and in a form satisfactory, to such Person.

SCHEDULE B
SPECIAL PROVISIONS

The following Special Provisions apply to this CPA Agreement and this CPA Agreement is hereby modified to the extent such provisions are inconsistent:

Nil.

SCHEDULE C
CPA REPRESENTATIONS AND WARRANTIES

1. Due Organization Etc. The CPA is a [●] duly organized, validly existing and in good standing under the laws of [●] and has the power and authority, under the laws of such jurisdiction, to enter into and perform its obligations under this CPA Agreement and any other Operative Document to which it is or will be a party, to own its property and to carry on the business in which it is engaged.
2. Due Authorization. The entering into and the performance by it of this CPA Agreement and the other Operative Documents to which it is or will be a party (i) have been duly authorized by all necessary corporate or other action on its part and (ii) do not and will not violate its Constatng Documents, any Applicable Law or any material obligation to which it is a party.
3. Due Execution, Etc. This CPA Agreement and the other Operative Documents to which it is or will be a party have been or will be duly executed and delivered by it and constitute legal, valid and binding obligations enforceable against it in accordance with their respective terms, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally.
4. Litigation. There are no litigation, arbitration or administrative proceedings outstanding which, taken as a whole, have or are likely to have a material adverse effect on the ability of the CPA to perform its obligations under this CPA Agreement except as disclosed on Schedule C-1 - Litigation.
5. Governmental Registrations, Approvals, Breach of Law.

(a) the execution, delivery and performance by the CPA of this CPA Agreement and each of the other Operative Documents to which it is or will be a party (i) are not in violation of its Constatng Documents, (ii) are not in violation of any Applicable Law the violation of which materially adversely affects or is reasonably likely to materially adversely affect the ability of the CPA to perform any of its obligations under this CPA Agreement or any of the other Operative Documents to which it is a party, and (iii) do not require any consent or approval of, or the giving of notice to, or the taking of any other action by the CPA;

(b) neither the execution and delivery by the CPA of this CPA Agreement and each of the other Operative Documents to which it is or will be a party nor the consummation by the CPA of any of the transactions contemplated hereby or thereby nor the performance by the CPA of any of its obligations hereunder or thereunder requires the consent or approval of, the giving of notice to or registration with, or the taking of any other action in respect of, any Governmental Authority or agency of Canada, other than those (i) that have been or will have been obtained, taken or made, (ii) that are not required on the date hereof or (iii) for which the failure to obtain, take or make will not have a material adverse effect on the ability of the CPA to perform any of its obligations under this CPA Agreement or under any of the other Operative Documents to which it is a party;

(c) the CPA is not in default under any mortgage, pledge, deed of trust, indenture or other instrument or agreement to which the CPA is a party or by which it or any of its properties or assets may be bound, which default is reasonably likely to adversely affect the ability of the CPA to perform any of its obligations under this CPA Agreement or under any of the Operative Documents to which it is a party, or in violation of any Applicable Law in Canada, which violation of Applicable Law materially adversely affects or is reasonably likely to materially adversely affect the ability of the CPA to perform any of its obligations under this CPA Agreement or under any of the other Operative Documents to which it is a party; and

(d) neither the CPA nor any Person acting on its behalf has offered any interest in the Eligible Housing Loans or any Obligations for sale to, or solicited any offers to buy any thereof from, or otherwise approached or negotiated in respect of any thereof with, any Person or Persons whomsoever or directly or indirectly taken any action that would subject the offering, issuance or sale of Eligible Housing Loans or the Obligations to the requirements of the Securities Act or require the issuance or filing of a prospectus under the Securities Act except as contemplated by this CPA Agreement or any of the other Operative Documents; and the CPA agrees that it will not take any action that would subject such offering, issuance or sale to such requirements.

6. Liens. There are no Liens on the Trust Property attributable to the CPA other than Permitted Liens.
7. Chief Executive Office. Its chief executive office is located in [●].
8. Remittances of Taxes. It has collected and remitted to the appropriate tax authority when due or required by law to do so all amounts collectible and remittal in respect of goods and services tax and similar provincial, state or local Taxes, and has paid all such amounts payable by it on account of sales Taxes including goods and services and value-added taxes, except for such Taxes for which provision has been made and the validity of which are being contested diligently and in good faith by appropriate proceedings by the CPA.
9. Securities Legislation. Neither the CPA nor anyone authorized to act on its behalf has, directly or indirectly, in violation of the Securities Legislation, offered or sold any interest in Obligations, for purposes of the Securities Legislation or would be deemed to be part of the same offering as the offering of the aforementioned securities or solicited any offer to acquire any of the aforementioned securities other than as contemplated by this CPA Agreement or any of the other Operative Documents.
10. True Legal Name. Its true legal name is [●].

* * * * *

**SCHEDULE C-1
LITIGATION**

[•]

SCHEDULE D FEES

Initial Services Fee: Acceptance fee for the assumption by the CPA of its responsibilities as CPA and for all preliminary work relating thereto, including the review and execution of the CPA Agreement and other ancillary documents, setting up customized procedures and reporting, and any and all meetings, telephone calls, correspondence and other preliminary services that may be required in connection therewith:

\$[●] (up to 100 hours, thereafter at \$[●] per hour, per person)

Retainer Fee: For administration of the CPA Agreement including the receipt of Package reports, the delivery of reports to various parties, payments by cheque or otherwise in compliance with each Payment Matrix, maintenance of Canada Housing Trust Accounts (and other required accounts), the provision of payment reports to the holders of Bonds, Counterparties, the Administrator and the Bond Indenture Trustee, all transactional activities in the nature of cash receipts, preparation and issuance of tax slips and summaries. Such fee is to be calculated and billed monthly at 1/12 of the specified annual rate, on the basis of the principal value of the underlying Housing Loans comprising the Eligible Housing Loans owned by the Trust as of the beginning of each month:

0.1 basis points multiplied by the total outstanding par amount of Bonds per annum to a maximum annual amount of \$[●].

In addition to the fees above, the CPA shall be entitled to reimbursement from the Trust for its out-of-pocket expenses in accordance with the Custodial Agreement.

All of the above is exclusive of all applicable taxes.

SCHEDULE E PERFORMANCE MEASURES

The CPA is expected to fulfill, at all times, its commitments and responsibilities as contained in Schedule A to this CPA Agreement, which as the parties agree, should include the following performance measures:

Counterparty Approvals

- Perform all duties related to the Trust's existing and new Counterparties as required with the timeframes dictated by the CMB Guide;

Issuance of Obligations

- Perform all duties required under the terms of this CPA Agreement, as directed by the Administrator, relating to the issuance of Obligations by the Trust, as well as coupon and maturity payments within timeframes as specified in the CMB Guide and/or this CPA Agreement;

Monthly Accounting of Trust Assets

- Debit the Canada Housing Trust Account and transmit payments to the appropriate Hedge Trust Accounts within timeframes and instructions provided by the Administrator;
- Based on the Payment Matrix, pay fees and expenses payable to Persons participating in the CMHC CMB Program within the timeframes specified by the Administrator;

Reporting

- Prepare and provide to the Administrator, any monthly reports required within the timeframe specified in this CPA Agreement and/or the CMB Guide; and
- Ensure proper books of account and complete records of all transactions are maintained and render statements or copies thereof from time to time as requested by the Trust or the Guarantor.

SCHEDULE F TRUST PRIVACY AND SECURITY REQUIREMENTS

Definitions for the purposes of this Schedule F, including any Exhibits

“**Authorized Person**” means officers, employees and contractors of the CPA who have a need to know to the Confidential Information.

“**Data Custodian**” means the employee designated by the CPA to perform the responsibilities set out in Exhibit 1 to this Schedule F of this CPA Agreement.

“**Identified Person**” means an Authorized Person whose current work-related responsibilities require access to the Confidential Information.

“**Logical Access Controls**” means the process of enforcing proper identification, authentication and accountability with respect to access to a computer system, based on the latest information technology (IT) security guidance. These include:

- individual user accounts;
- complex passwords eight (8) characters minimum, lower and upper case, numbers, special characters;
- access-based on role (privileged vs. non-privileged); and
- auditing.

“**Portable Storage Devices (PSDs)**” means devices that are portable and contain storage or memory into which users can store information, including, but not limited to, laptops, CD-ROMs, flash memory sticks, backup media and removable hard disks.

“**Protected B**” means a security level assigned to information or assets that, if compromised, could cause serious injury to an individual, organization or government.

“**System**” means a single IT-related device, a component of such a device or a group of IT-related devices that may be used to receive, store, process or transmit information. This includes, but is not limited to, personal computers, servers, laptops, tablets, smart phones, virtual computers and cloud based virtual systems.

“**Visitor**” means an individual, other than an Authorized Person, who has been invited into the secure area by an Authorized Person, as permitted by the CPA's access policies.

Privacy and Security Requirements

The parties to the CPA Agreement are required to protect the Confidential Information in accordance with applicable direction and guidelines from the Treasury Board of Canada, or their equivalent in the case of the CPA, with respect to the protection of “Protected B” data, including guidance from CSE (ITSG-33) which aligns with the ISO 27001 framework. Further as a federal

government institution, the CPA acknowledges that the Trust is subject to the Access to Information Act (Canada) and the Privacy Act (Canada) and therefore the CPA agrees to submit to whatever reasonable measures are necessary in order to ensure that the Trust can comply with these laws and their related regulations, policies, and directives (“**ATIP Legislation**”).

As such, the CPA agrees: (i) to protect any Personal Information that it may access through the course of providing CPA Services under this CPA Agreement in a manner that is compatible with provisions of ATIP Legislation; and (ii) that it has in place appropriate privacy protection measures to safeguard all the Confidential Information that it has access to under this CPA Agreement. More specifically, the CPA shall, as required by the provisions of Section 12.10 of this CPA Agreement, comply with the security requirements described below at all times.

The CPA is required to acquire industry-leading compliancy reports such as SOC 2 Type 2.

Physical Access:

11. The Confidential Information will be accessed within a secure location that allows unescorted access only to Authorized Persons. All Visitors to the secure location will be escorted by an Authorized Person at all times. The secure location can be within a series of buildings, one entire building, an entire floor within a building, or a single room. Once the perimeter of the secure location is defined, these requirements apply to all areas within the perimeter. Where a series of buildings is involved, a secure perimeter will be defined for each building. The Trust may approve other secure environments that provide a similar level of protection to the Confidential Information.
12. Access to the Confidential Information is limited to Identified Persons. The duties of the Data Custodian, as stated in Exhibit 1 to this Schedule E, include maintaining an auditable trail on access to the Confidential Information by Identified Persons. Under no circumstances may Visitors be permitted to access the Confidential Information.

IT Storage and Transmission:

13. The CPA shall ensure that the Confidential Information remains in Canada and expressly agrees to segregate the Confidential Information (whether in electronic format or in hard copy) from any other information in a database or repository either logically segregated or physically independent from all other databases or repositories. All Systems with access to the Confidential Information will employ Logical Access Controls at the device and network level and will have functional and current antivirus software.
14. Where the Confidential Information is held on PSDs, complex passwords with encryption will be used. The encryption level will meet the commercially accepted standards for “Protected B” information which aligns with the ISO 27001 framework. This applies equally to backups of the Confidential Information stored on PSDs.
15. Servers storing and transmitting unencrypted data, where used, will be located in a secure, controlled-access area, preferably in the same area where the Confidential Information is accessed. If located in a separate area, controls will be in place to ensure that only Identified

Persons can access the server. Unless the Confidential Information is encrypted continuously while outside the secure area, a conduit will be used for all cabling and all cross-connect areas will be physically secured.

16. Network firewall rules will be in place such that no system processing the Confidential Information can communicate at the network layer with any system that can be accessed by non-Identified Persons.

Network firewall rules will also be in place such that no system processing the Confidential Information can be accessed at the network layer by a system outside of the secure area. The Confidential Information may be stored on and transmitted over networks not meeting these requirements, provided that it is encrypted, except when at rest and in use by an Identified Person. Alternatively, the Confidential Information may be stored on a stand-alone computer in a secure area with no external connections, or on a closed network within the secure area. When the network transmits information that leaves a secure area (for example, when a series of buildings house employees within a single organization), the Confidential Information will be encrypted whenever it is outside the secure area.

Physical Storage:

17. When not in use, PSDs containing the Confidential Information will be stored in secure containers. This applies equally to backups of the Confidential Information.
18. The Confidential Information will not be removed from the secure area (as described in point 1 above) in any format (e.g., printouts, PSDs, etc.), and in accordance with this Schedule F. When not in use, printed documents containing the Confidential Information will always be stored in secure containers.

Information Copying and Retention & Record Management:

19. Copies and extracts of the Confidential Information may only be made for the purposes of carrying out the permitted purposes as covered by this CPA Agreement. When no longer needed, any such copies or extracts will be destroyed in a secure manner as required under Section 12.10 of this CPA Agreement (as applicable).
20. Paper documents containing the Confidential Information will be destroyed (shredded) in a secure manner before disposal.
21. All electronic storage media used in the processing of the Confidential Information, including all back-up, PDSs, photocopiers and other electronic media where the Confidential Information has been electronically stored, will be sanitized or destroyed, in accordance with the latest communications security establishment standards for "Protected B" information when disposing of such media, or when return or destruction of the Confidential Information is required pursuant to Section 12.10 of this CPA Agreement (as applicable).

These security requirements will be communicated to all Identified Persons prior to them accessing the Confidential Information and be available for reference, as required.

EXHIBIT 1 to SCHEDULE F – Responsibilities of the Data Custodian

The Data Custodian designated by the CPA will implement the following requirements:

1. Prepare a document for the use of the CPA's employees and contractors engaged by the CPA, outlining the terms and conditions governing the use of the Confidential Information, as well as the procedures to send, receive, handle and store the Confidential Information (hereinafter the “**Confidentiality Document**”). The Confidentiality Document will include the following terms and conditions of the CPA Agreement:
 - (a) Confidentiality of the Confidential Information, as specified in the CPA Agreement;
 - (b) Use of the Confidential Information, as specified in the CPA Agreement;
 - (c) Access to the Confidential Information, as specified in the CPA Agreement; and
 - (d) Security Requirements, as specified in the CPA Agreement.
2. Prior to granting access, the Data Custodian will ensure that every employee and every contractor engaged by the Contractor who accesses the Confidential Information has acknowledged and agreed to comply with the terms of this CPA Agreement and that they have read, understood and agree to comply with the terms and conditions of this CPA Agreement as highlighted in the Confidentiality Document.

EXHIBIT 2 to SCHEDULE F – Service Locations and IT Security Controls

Service Location (Name and Place)	Nature of Services	Data Type	Type of access (is access to the Trust Development or production environments required. Please specify)	Proponent Personnel and subcontractors have obtained and are compliant with the security screening requirements of Section 12.10	Controls proposed by Proponent