

INFORMATION MEMORANDUM

Annapolis Funding TrustTM

Series A Senior Short Term Asset-Backed Notes:

Class A Series A Senior Short Term Notes

TMDeutsche Bank AG, Canada Branch has adopted the trade-mark "Annapolis Funding Trust", and has filed an application to register such trade-mark with the Registrar of Trade-Marks (Canada).

INFORMATION MEMORANDUM

This Information Memorandum is not, and under no circumstances is to be construed as, an offering of these Notes for sale directly or indirectly in the United States of America or in the territories and possessions thereof or to any U.S. person, except in certain transactions exempt from the registration requirements of the *Securities Act* of 1933. U.S. persons should consult with their tax advisors prior to making any investments in these Notes. Payments of principal and interest on these Notes will not be increased to take into account any Canadian withholding tax payable in respect of interest on these Notes.

This Information Memorandum does not in any way obligate Annapolis Funding Trust™ to accept an offer to purchase any of these Notes.

Annapolis Funding Trust™

Series A Senior Short Term Asset-Backed Notes

Annapolis Funding Trust™ (the “**Trust**”) is a trust established by Montreal Trust Company of Canada in its capacity as trustee (the “**Issuer Trustee**”; any reference to the Trust herein means the Issuer Trustee acting in its fiduciary capacity as trustee of the Trust) under the laws of the Province of Ontario, by an amended and restated declaration of trust made as of June 28, 2006. The business of the Trust will be the purchase, other acquisition, creation, entering into and administration of assets (“**Asset Interests**”) selected by Deutsche Bank AG, Canada Branch in its capacity as financial services agent (the “**Financial Services Agent**”) of the Trust. The Asset Interests may include, but are not limited to, revolving, managed or static securitized pools of residential mortgage loans, commercial mortgage loans, trade receivables, consumer receivables, corporate loans and bonds, securities backed by such assets or economic exposures to such assets obtained through financial contracts such as collateralised credit default swaps, collateralised total return swaps or other similar transactions and agreements.

The Trust will fund its activities wholly or partially with borrowed funds including through the issuance of short term, medium term, senior and subordinated notes (collectively, the “**Notes**”). The Trust is capable of issuing such Notes in an unlimited number of series and, within each series, the Trust may issue one or more classes of Notes. Each Note of the same series and class will rank *pari passu* and will be secured only by the Asset Interests which such Notes are issued to finance and other related collateral as determined under the terms of the Trust Indenture and the related Supplements.

The aggregate principal amount of the Notes which may be issued by the Trust is unlimited, but the Notes may be issued only upon and subject to the limitations and conditions set forth in the Trust Indenture and in any related Supplements. As at the date hereof, the Trust has created two classes of short term Notes — the Class A Series A Senior Short Term Notes (the “**Class A Notes**”) which benefit from the liquidity protection described herein, and the Class E Series A Senior Short Term Notes (the “**Class E Notes**” and, together with the Class A Notes and any class of medium term Notes of the same series, the “**Series A Notes**”) which are not entitled to the benefit of liquidity protection but are extendable and redeemable in certain circumstances. The Series A Notes rank equally and rateably without preference in respect of claims against the Asset Interests and other related collateral which, under the Trust Indenture and the Series A Supplement, stands as security for the Series A Notes as described below under “**The Trust Indenture**”. **This Information Memorandum applies to the Class A Notes only.**

Deutsche Bank Securities Limited (together with such other agents as the Trust may appoint from time to time, the “**Agents**”) has agreed to manage the marketing and distribution of the Notes and supply the Trust with certain related advisory, investment, treasury management and administrative services.

Deutsche Bank AG, Canada Branch, in its capacity as Financial Services Agent, will generally administer the activities of the Trust, including its funding, purchasing, enforcement and administration activities, and its Asset Interests, but does not guarantee the Series A Notes or any other obligations, including any other Notes, of the Trust and will not make good any losses in the portfolio of the Trust.

Class A Series A Senior Short Term Asset-Backed Notes
Rated by Dominion Bond Rating Service Limited: R-1(high)

July 21, 2006

ANNAPOLIS FUNDING TRUST

Annapolis Funding Trust is a trust established by Montreal Trust Company of Canada, as Issuer Trustee, under the laws of the Province of Ontario by an amended and restated declaration of trust made as of June 28, 2006. The beneficiaries of the Trust, after the payment of all of its obligations, are one or more designated charitable organizations.

The Financial Services Agent

Deutsche Bank AG, Canada Branch will act as the Financial Services Agent of the Trust. The Financial Services Agent has been appointed by the Issuer Trustee as the exclusive agent of the Trust to provide or cause to be provided the financial, originating, structuring, analytical, administrative and management services required to permit the Trust to carry out its activities, including its funding, purchasing, enforcement and administration activities. The Financial Services Agent will also be responsible for planning and executing the Trust's strategy for mitigating interest rate, currency and similar risks through the use of swaps and other hedging instruments. The Financial Services Agent provides the Trust with the benefit of its expertise in the structuring and management of transactions of a similar nature.

Issuing and Paying Agent

Canadian Imperial Bank of Commerce has been appointed as issuing and paying agent (the “**Issuing and Paying Agent**”) for the Notes by the Issuer Trustee. The Notes will be issued (i) for same day delivery at the offices of the Issuing and Paying Agent against payments in immediately available funds; and (ii) in the case of the Class A Notes, in the form incorporated herein and in the case of other series or classes of short term Notes, in the form provided for in the related Supplement. At maturity, repayment for the Notes will be made by the Trust at the offices of the Issuing and Paying Agent.

The Agents

The Agents have agreed to act on behalf of the Trust for the purpose of soliciting and receiving offers to purchase Notes issued from time to time. As agents for the placement of the Notes, the Agents will arrange for the marketing and distribution of the Notes and will supply the Trust with certain related advisory, investment, treasury management and administrative services.

THE ASSET INTERESTS

Asset Interest Eligibility and Monitoring Criteria

All Asset Interests acquired by the Trust must be approved by both the Trust, acting on the advice of the Financial Services Agent, and Dominion Bond Rating Service Limited (“**DBRS**”, and together with any other rating agency that may be engaged to rate the Notes or a particular series or class of Notes, the “**Rating Agency**”) based on strict eligibility and credit criteria. A transaction may only be entered into by the Trust when the Rating Agency has confirmed its rating of the Notes being issued to fund the transaction. The quality of the security supporting a series of Notes will be enhanced by one or more of the following: (i) the high credit quality inherent in the Asset Interests securing the applicable series of Notes, (ii) the diversification inherent in securitized asset portfolios generated by multiple obligors and sellers, (iii) the experience of the Issuer Trustee as trustee to a number of investment trust programs, and (iv) the experience of the Financial Services Agent in administering securitization programs. The Financial Services Agent will, on an ongoing basis, (i) monitor and enforce compliance with the terms of the Asset Interests; and (ii) apply or cause to be applied payments collected from the Asset Interests and other related collateral to the Trust's obligations. The Financial Services Agent will record and account for payments to and from the Trust and hold, maintain and preserve records relating to the Trust and its transactions.

First Loss Protection

First loss protection may be arranged in respect of a transaction in forms and amounts considered by the Trust, acting on the advice of the Financial Services Agent, and the Rating Agency to be appropriate or necessary in light of applicable eligibility criteria, the credit and investment policies of the Trust and the rating of the series or class of Notes financing the transaction. The first loss protection may consist of arrangements designed to protect the Trust and the holders of the series or class of Notes financing the transaction from a loss in respect of that transaction.

Third Party Credit Enhancement

In addition to the transaction-specific protection which may be provided to or for the benefit of the Trust through first loss protection, the Trust may (or may approve certain third parties to), in appropriate circumstances, enter into credit enhancement arrangements in appropriate forms with third parties to provide protection to the Trust and the holders of the series or class of Notes financing the transaction in respect of which the credit enhancement is arranged. Such third parties will be selected by the Financial Services Agent based upon established financial criteria and agreed to by the Rating Agency, such that the participation by any such party will not result in a reduction in the credit rating assigned to the Notes at such time. The level of credit enhancement will be determined based on a number of factors including the rating of the series or class of Notes being issued and historical delinquency, dilutions and loss rates for the portfolio of assets to which the credit exposure is being taken. Credit enhancement may include, but is not limited to, cash collateral accounts, letters of credit, insurance policies, surety bonds, securities, credit default swaps, total return swaps or other similar arrangements (collectively, the “**Credit Enhancement Facilities**”).

Liquidity Arrangements

The Trust will enter into one or more liquidity facilities with counterparties approved by the Rating Agency with respect to a series or class of short term Notes, including the Class A Notes, whereby it may borrow or require the purchase of Notes or Asset Interests, under certain conditions, for liquidity purposes. Loans or purchases under one or more liquidity facilities in respect of those Notes, including the Class A Notes, will not guarantee payment of the applicable Notes and will only be available to the extent that an asset coverage test is met and a disruption in the commercial paper market prevents the Trust from repaying those Notes with the proceeds of the issue of new Notes of the same class or series, as applicable.

Hedging

To mitigate interest rate, currency and similar risks, the Trust may use a combination of swaps and other hedging instruments.

THE NOTES

The Trust Indenture

The Notes will be issued pursuant to the terms of a trust indenture made as of June 28, 2006 among the Trust, Computershare Trust Company of Canada, as indenture trustee (the “**Indenture Trustee**”) and Canadian Imperial Bank of Commerce, as issuing and paying agent (the “**Issuing and Paying Agent**”). The terms of a particular series or class of Notes will be provided for in a supplemental indenture (each a “**Supplement**” and together with the trust indenture as such indenture may be amended, varied, supplemented, restated or replaced from time to time, the “**Trust Indenture**”). The Series A Notes have been created under a Supplement made as of June 28, 2006 (the “**Series A Supplement**”).

The Trust Indenture provides for certain covenants on the part of the Trust and restrictions on its activities and on the indebtedness that it may incur. The Trust Indenture also provides for meetings of holders of Notes and certain holders of Trust indebtedness for, among other things, the purpose of modifying the rights of such holders. Resolutions passed at such meetings will be binding on all holders of Notes except that resolutions

affecting the Notes of any particular series must have the consent of the holders of such series of Notes. Meetings of the holders of each series of Notes may also pass resolutions modifying their rights alone.

The Trust Indenture constitutes security over the assets of the Trust. The Trust Indenture provides that the Asset Interests, Credit Enhancement Facilities, accounts, other collateral and the proceeds funded or refinanced by a particular series of Notes (the “**Related Collateral**”) will secure the obligations to those noteholders and certain other specified creditors of the Trust and establishes an order of priority of payment of moneys derived therefrom among those creditors by the Trust. Where assets are funded or refinanced by more than one series of Notes the Trust Indenture will also provide for the allocation of the Related Collateral among the series of Notes and certain other specified creditors. In certain cases approved by the Financial Services Agent on behalf of the Trust and the Rating Agency, one series of Notes may be paid from the Related Collateral in full before moneys from the same Related Collateral are allocated to the holders of another series of Notes.

The security interests constituted by the Trust Indenture have been registered in all jurisdictions considered material by the Financial Services Agent on behalf of the Trust. With respect to the interest of the Trust in the Asset Interests it will purchase, otherwise acquire, create or enter into, appropriate registrations thereof will be made in such jurisdictions considered material by the Financial Services Agent or as may be required by the Rating Agency, in order to protect such interest against the claims of third parties.

The Notes

The Notes may be in bearer or registered form and may be issued at a discount to mature at their principal amount or may be interest bearing. The Notes will be issued in integrals of \$1,000, subject to a minimum principal amount that is dependent on applicable securities legislation. The Notes may be in Canadian dollar or U.S. dollar denominations only. Non-extendable short term Notes will have terms to maturity of up to 364 days. Short term Notes, the maturity of which may be extended in certain circumstances, will generally have terms to maturity of up to 184 days with an option to extend up to an additional 180 days. The Class A Notes will have terms to maturity of up to 364 days (as of the date of issuance). The rates applicable to the Notes are available on request.

Certain series or classes of Notes will have the benefit of liquidity protection. The Class A Notes will benefit from liquidity protection.

To address its liquidity needs in respect of Notes benefiting from liquidity protection, including the Class A Notes, the Trust will enter into liquidity facilities with counterparties approved by the Rating Agency whereby it may borrow or require the purchase of Notes or Asset Interests, under certain conditions for liquidity purposes.

No Notes of a particular series or class will be issued if an event of default for that series or class exists under the Trust Indenture, if there would be a negative net asset value in respect of the series or class of Notes and the assets held as Related Collateral in respect thereof after giving effect to any such issuance of Notes, or if, in respect of the issuance of any series or class of Notes which benefit from liquidity protection, including the Class A Notes, liquidity in respect of such Notes would not be available under one or more liquidity facilities.

Limited Liability

THE OBLIGATIONS REPRESENTED BY THE NOTES ARE OBLIGATIONS SOLELY OF THE TRUST AND ARE NOT INSURED OR GUARANTEED BY THE ISSUER TRUSTEE, THE INDENTURE TRUSTEE, THE ISSUING AND PAYING AGENT, THE FINANCIAL SERVICES AGENT, THE AGENTS OR ANY OF THEIR RESPECTIVE AFFILIATES, ANY CREDIT ENHANCER, LIQUIDITY PROVIDER OR ANY OTHER PERSON OR ENTITY, EXCEPT IN ACCORDANCE WITH THE APPLICABLE AGREEMENTS TO WHICH THEY ARE A PARTY AND ANY RELATED AMENDMENTS THERETO. EXCEPT IN CASES OF GROSS NEGLIGENCE OR WILFUL MISCONDUCT, THE LIABILITY OF THE ISSUER TRUSTEE WILL BE LIMITED TO THE ASSETS OF THE TRUST. NO OTHER PROPERTY OF THE ISSUER TRUSTEE, WHETHER OWNED BY IT IN ITS PERSONAL CAPACITY OR OTHERWISE, WILL BE SUBJECT TO EXECUTION OR OTHER ENFORCEMENT PROCEDURE WITH REGARD TO ANY OBLIGATION OF THE

TRUST. THE BENEFICIARIES OF THE TRUST WILL HAVE NO LIABILITY FOR THE OBLIGATIONS OF THE TRUST.

Protection of Noteholders

There are several layers of protection which may be available to holders of the Notes:

- (a) the quality of the Asset Interests, which are subject to stringent eligibility criteria;
- (b) the process applied to the approval of eligible Asset Interests;
- (c) first loss protection in an amount determined to be appropriate or necessary in light of the Asset Interests which the Trust acquires or in which it acquires an interest; and
- (d) Credit Enhancement Facilities.

DESCRIPTION OF THE CLASS A NOTES

Principal Amount:	The maximum principal amount of the Class A Notes to be outstanding at any one time is unlimited.
Purpose:	The net proceeds from the sale of the Class A Notes will be used to finance the purchase, other acquisition, creation or entering into of Asset Interests by the Trust identified as providing security for the Series A Notes in accordance with the Trust Indenture and the Series A Supplement and the refinancing of such Series A Notes from time to time.
Issuer:	Annapolis Funding Trust™
Issuer Trustee:	Montreal Trust Company of Canada
Indenture Trustee:	Computershare Trust Company of Canada
Financial Services Agent:	Deutsche Bank AG, Canada Branch
Issuing and Paying Agent:	Canadian Imperial Bank of Commerce
Agents:	Deutsche Bank Securities Limited, together with such other agents as the Trust may appoint from time to time.
Denominations:	Multiples of \$1,000 in Canadian dollars subject to any minimum principal amounts that may be required pursuant to applicable provincial security regulations.
Maturities:	The Class A Notes will mature on a business day 364 days or less from the date of issuance.
Rates:	Available on request from the Agents.
Rating:	The Class A Notes have been rated “R-1(high)” by DBRS.
Payment:	Principal of and interest on the Class A Notes will be payable in accordance with the rules established by the Canadian Depository for Securities Limited (“CDS”), and the procedures set out in the Trust Indenture.
Delivery:	Delivery of the Class A Notes will be made in accordance with the rules established by CDS, if applicable, and the procedures set out in the Trust Indenture.
Liquidity Facilities:	Subject to satisfying certain conditions, including an asset coverage test, the Trust may draw upon or require the purchase of Notes or Asset Interests under one or more liquidity facilities for the purpose of funding its immediately maturing obligations under the Class A Notes during a disruption in the Canadian commercial paper market.
Investment Eligibility:	The Class A Notes will be eligible investments under those statutes set out in the attached opinion of counsel for the Trust, subject to the qualifications set out therein.

STIKEMAN ELLIOTT

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July 21, 2006

Annapolis Funding Trust™
c/o Montreal Trust Company of Canada
100 University Avenue, 9th Floor
North Tower
Toronto, Ontario
M5J 2Y1

Dear Sirs/Mesdames:

Re: Annapolis Funding Trust™ — Issuance of Short-Term Asset-Backed Notes

We have acted as special counsel to Annapolis Funding Trust™ (the “**Trust**”), a trust established by an amended and restated declaration of trust made as of June 28, 2006 (the “**Declaration of Trust**”) by Montreal Trust Company of Canada, a trust company established under the laws of Canada (the “**Issuer Trustee**”) in connection with the issuance and sale by the Trust of Class A Series A short-term asset-backed notes (the “**Notes**”) in all of the provinces of Canada (the “**Offering Jurisdictions**”) in accordance with the provisions of a trust indenture made as of June 28, 2006 (the “**Trust Indenture**”) among the Trust, Computershare Trust Company of Canada, as indenture trustee (the “**Indenture Trustee**”), and Canadian Imperial Bank of Commerce, as issuing and paying agent (the “**Issuing and Paying Agent**”). The Notes may be issued in certificated form or in “book entry only” form, and are issuable in multiples of \$1,000 in lawful money of Canada and in maturities of not more than one year from the respective dates of issue thereof, all as described in the information memorandum relating thereto (the “**Information Memorandum**”) dated July 21, 2006. Terms defined in the Trust Indenture are used herein as so defined. The Notes are not convertible or exchangeable into or accompanied by any right to purchase another security and are not being sold to any purchaser in the Province of Québec pursuant to a written agreement. We understand that the Trust will file the Information Memorandum and any other disclosure documents delivered to purchasers of the Notes with L’Autorité des marchés financiers and that if an Information Memorandum is furnished to persons in the Province of Québec, it will be accompanied by the French language form thereof. We are providing this opinion at the Trust’s request for the information of prospective purchasers of the Notes.

We have participated in the preparation of and, with the exception of the Information Memorandum, have examined executed copies of the following documents:

- (a) the Trust Indenture;
- (b) the Declaration of Trust; and
- (c) the Information Memorandum.

For the purposes of the opinions expressed below we have examined originals or copies of the letters patent, by-laws, resolutions and other corporate records of the Issuer Trustee, a Certificate as to Registration in respect of the Issuer Trustee issued by the Financial Services Commission of Ontario dated July 21, 2006 (the “**Ontario Certificate**”), a Certificate of Confirmation in respect of the Issuer Trustee issued by the Office of the Superintendent of Financial Institutions (Ottawa) dated July 21, 2006 (the “**OSFI Certificate**”) and such other documents, certificates and records as we have deemed necessary or appropriate as a basis for the opinions hereinafter expressed.

For the purposes of the opinion expressed in the first sentence of paragraph A.1 and in paragraph A.2 below, we have relied exclusively and without independent investigation upon the Ontario Certificate and the OSFI Certificate and our opinion expressed herein is subject to and qualified by the limitations or qualifications contained in the Ontario Certificate and the OSFI Certificate. We have also assumed that the information contained therein continues to be accurate as of the date hereof. For purposes of the opinion expressed in the second sentence of paragraph A.1 below, we have relied upon the Ontario Certificate and the OSFI Certificate, without independent investigation, although not exclusively.

In all the foregoing examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as certified, conformed or photostatic copies or facsimiles thereof. For purposes of the opinions expressed below, we have assumed the due authorization, execution and delivery of the Trust Indenture by the Indenture Trustee and the Issuing and Paying Agent and have assumed that each of the Indenture Trustee and the Issuing and Paying Agent has all necessary corporate power and capacity to execute and deliver the Trust Indenture and that the Trust Indenture constitutes a legal, valid and binding obligation of the Indenture Trustee and the Issuing and Paying Agent, enforceable against each of them in accordance with its terms.

The opinions expressed below are subject to the following qualifications:

- (a) enforceability may be limited by applicable bankruptcy, insolvency and other laws affecting creditors' rights generally;
- (b) the granting of equitable remedies, including specific performance and injunctive relief, is in the discretion of a court of competent jurisdiction;
- (c) rights of indemnification may be limited under applicable law;
- (d) the effectiveness of terms exculpating a party from a liability or duty otherwise owed by it to another may be limited by law;
- (e) the awarding of costs of or incidental to proceedings authorized to be taken in court or before a judge are in the discretion of the court or judge and the court or judge has the full power to determine by whom and to what extent such costs shall be paid;
- (f) any provision in the Trust Indenture which purports to sever therefrom any provision thereof which is, or becomes, illegal, invalid or unenforceable under applicable law without affecting the validity of the remainder thereof would be enforced only to the extent that the court determines that such prohibited or unenforceable provision could be severed without impairing the interpretation and application of the remainder thereof;
- (g) we have assumed that there has been no cease trade order or similar order made by a court or regulatory body having jurisdiction preventing trades in the Trust's securities, that the Trust is not a "market intermediary" as such term is defined in the *Securities Act* (Ontario) and the *Securities Act* (Newfoundland and Labrador) and that the Trust is not a registrant under the *Securities Act* (Manitoba) holding a restricted registration that prevents it from trading the Notes;
- (h) the *Currency Act* (Canada) precludes a court in Canada from giving judgment in any currency other than Canadian currency; and
- (i) no opinion is expressed herein regarding the creation, validity, enforceability or perfection of any security interest expressed to be created by or under any of the documents or as to whether or not the default interest payable under the Notes constitutes an unenforceable penalty.

We are qualified to practice law only in the Provinces of Ontario, Québec, Alberta and British Columbia. Accordingly, in giving the opinions set forth below in respect of the laws of Offering Jurisdictions other than the Provinces of Ontario, Québec, Alberta and British Columbia, we have arranged for and have relied exclusively, without independent investigation or verification, upon opinions provided to us by counsel qualified to practice law therein. To the extent that any such opinions are based upon any assumption or are made subject to any limitation, qualification, or exception, our opinions expressed below are based upon each such assumption and are subject to each such limitation, qualification or exception. Unless otherwise expressly indicated, the opinions

hereinafter expressed are limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof.

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

A. Issuer Trustee

1. The Issuer Trustee is a trust company subsisting under the *Trust and Loan Companies Act* (Canada). The Issuer Trustee has the power and capacity to accept the appointment as, and to act in the capacity of, trustee of the Trust under the Declaration of Trust.
2. All registrations, filings and notices necessary to permit the Issuer Trustee to carry on business as a trustee in the Province of Ontario have been completed.
3. The Trust is a trust created and existing under the laws of the Province of Ontario.
4. The Issuer Trustee (both in its personal capacity and in its capacity as trustee of the Trust) has all necessary power and capacity under the Declaration of Trust to hold title to and to alienate the property of the Trust and to carry on the activities of the Trust in accordance therewith and to execute, deliver and perform its obligations as trustee of the Trust under the Trust Indenture and each of the Notes.
5. The execution and delivery by the Issuer Trustee of the Trust Indenture and each of the Notes and the performance by the Issuer Trustee of its obligations as trustee of the Trust thereunder, do not and will not contravene, breach or result in any default under:
 - (a) the letters patent or by-laws of the Issuer Trustee;
 - (b) the Declaration of Trust;
 - (c) the Financial Services Agreement; or
 - (d) any laws or regulations to which the Trust or the Issuer Trustee is subject.
6. The execution and delivery by the Issuer Trustee of the Trust Indenture and each of the Notes and the performance by the Issuer Trustee of its obligations as trustee of the Trust thereunder have been authorized by all necessary corporate action on the part of the Issuer Trustee and by all necessary action on the part of the Issuer Trustee in its capacity as trustee of the Trust.
7. No (i) authorization, consent or approval of, or recording, registration or filing with or notice or other action to, any governmental authority, regulatory body or other office of public record, in the Province of Ontario except such as have been completed prior hereto; or (ii) consent or approval of any person under the Declaration of Trust or the Financial Services Agreement is required to be obtained or made in connection with the execution or delivery by the Issuer Trustee of the Trust Indenture or any of the Notes or the performance by the Issuer Trustee of its obligations as trustee of the Trust thereunder.
8. The Trust Indenture has been duly executed and delivered by the Issuer Trustee and constitutes a legal, valid and binding obligation of the Issuer Trustee, as trustee of the Trust, enforceable against it in accordance with its terms.
9. The Notes, when issued in the form of the specimen copy of the Notes set out in the Trust Indenture and duly executed by manual or facsimile signature of the Issuer Trustee, and duly certified by manual or facsimile signature of one of the Issuing and Paying Agent's duly authorized signing officers and delivered for value, will be legal, valid and binding obligations of the Issuer Trustee, as trustee of the Trust, enforceable against the Issuer Trustee, as trustee of the Trust, in accordance with their terms, subject to the Trust Indenture.
10. The French language version of the Information Memorandum and the Notes is in all material respects a complete and proper translation of the English language version thereof.

B. Securities Laws

The Trust may, under the securities legislation of the respective Offering Jurisdictions, either directly or through agents (which agents must be registered in an appropriate category pursuant to applicable securities legislation that would permit such agent to effect, or otherwise be exempt from registration in respect of, distributions or trades of Notes), without registration by the Trust and without filing any prospectus or other documents, except, in the case of the Province of Québec, for the filing of the Information Memorandum and any other disclosure documents delivered to purchasers of the Notes with l’Autorité des marchés financiers, offer and sell the Notes to the public in the respective Offering Jurisdictions provided that, in each case and in respect of each trade, the Notes:

- (a) remain non-convertible or non-exchangeable into another security and are not accompanied by a right to purchase another security;
- (b) at the time of distribution, have an approved credit rating at or above one of the following rating categories (each an “**Approved Credit Rating**”) or a category that replaces one of the following rating categories:

<u>Rating Agency</u>	<u>Rating</u>
Dominion Bond Rating Service Limited	R-1 (low)
Fitch Ratings	F1
Moody’s Investors Service	P-1
Standard & Poor’s	A-1 (low)

issued by a credit rating organization shown above or any of their respective successors (each an “**Approved Credit Rating Organization**”); and

- (c) there has been no announcement by an Approved Credit Rating Organization that the rating of the Notes to which the Approved Credit Rating was given may be down-graded to a rating category that would not be an Approved Credit Rating and no Approved Credit Rating Organization has rated the Notes in a rating category that is not an Approved Credit Rating.

C. Eligibility for Investment

- 1. Subject to the general limitations and restrictions as set forth in the Acts and Regulations referred to below as to the amount of funds which may be invested in any one investment or type or class of investment and applicable general investment provisions and quantitative and other restrictions found in such legislation and based upon and subject to the foregoing, the Notes are, at the date hereof, investments:
 - (a) in which the provisions of the *Insurance Companies Act* (Canada) and the Regulations thereunder would not, subject to compliance with the prudent standards for investment contained therein, preclude a company (within the meaning of such Act) or a foreign company (within the meaning of such Act) which has, in each case, obtained the requisite order from the Superintendent (as defined therein), from investing its assets in, other than assets of a segregated fund maintained pursuant to such Act, provided that the investment by each such company in the Notes is not inconsistent with the prudent investment and lending policies, standards and procedures required to be established and adhered to by each such company under such Act and further provided that, with respect to a foreign company, such investment is also in compliance with the provisions contained in the trust deed by which it created the requisite trust for the purpose of obtaining the abovementioned order from the Superintendent;
 - (b) in which pursuant to the provisions of the *Trust and Loan Companies Act* (Canada) and the Regulations thereunder would not, subject to compliance with prudent standards for investment and lending contained therein, preclude a company (within the meaning of such Act) which has obtained, or is deemed to have obtained, the requisite order from the Superintendent (as defined therein) from investing its funds, other than money or assets held in trust by such company which do not constitute guaranteed trust money or assets held in respect thereof and provided that the investment by such

- company in the Notes is not inconsistent with the prudent investment policies, standards and procedures required to be established and adhered to by such company under such Act;
- (c) in which the provisions of Schedule III to the Pension Benefits Standards Regulations, 1985 made pursuant to the *Pension Benefits Standards Act*, 1985 (Canada) would not, subject to compliance with the prudent standards for investment contained therein, preclude a pension plan registered under that Act from investing its funds, provided that the investment in the Notes by the plan is not inconsistent with any statement of investment policies and procedures that has been established and filed by the administrator (as defined therein) of such plan;
 - (d) in which the provisions of the *Cooperative Credit Associations Act* (Canada) would not, subject to compliance with the prudent standards for investment and lending contained therein, preclude an association (within the meaning of such Act) which has obtained, or is deemed to have obtained, the requisite order from the Superintendent (as defined therein) from making, provided that the investment by such association in the Notes is not inconsistent with the prudent investment policies, standards and procedures required to be established and adhered to by such association under such Act;
 - (e) in which the provisions of the *Bank Act* (Canada) would not, subject to compliance with the prudent standards for investment and lending contained therein, preclude a bank to which such Act applies which has obtained, or is deemed to have obtained, the requisite order from the Superintendent (as defined therein) from making, provided that the investment by such bank in the Notes is not inconsistent with the prudent investment policies, standards and procedures required to be established and adhered to by such bank under such Act;
 - (f) in which the provisions of the *Financial Institutions Act* (British Columbia) and the Regulations thereunder would not, subject to compliance with prudent standards as contemplated by such Act, preclude a financial institution (as defined in such Act) from making an investment on the date hereof, provided that (i) the investment by such financial institution in the Notes is consistent with the written investment and lending policy adopted by such financial institution in accordance with such Act; (ii) the Trust is not a related party (as defined in such Act) of such financial institution; and (iii) such investment would not result in such financial institution, or any of its subsidiaries, or any combination of such financial institution and its subsidiaries, acquiring, holding or controlling, whether directly or indirectly, an interest of 10% or more in the Trust;
 - (g) in which the provisions of the *Pension Benefits Standards Act* (British Columbia) and the Regulation thereunder would not, subject to compliance with the prudent standards for investment contained therein, preclude the funds of a pension plan registered thereunder and which has filed a statement of investment policies and procedures, from being invested, provided that the Notes are within a category of investment specifically permitted or for which guidelines have been established in such plan's statement of investment policies and procedures;
 - (h) in which the provisions of the *Loan and Trust Corporations Act* (Alberta) and the regulations thereunder would not, subject to compliance with the prudent standards for investment contained therein for a provincial corporation (as defined in that Act) making investment decisions and managing its total investments, and the policies and procedures established by the board of directors of such provincial corporation in that regard, if any, preclude a loan corporation or a trust corporation incorporated or continued under such Act from investing the funds which it receives as deposits;
 - (i) in which the provisions of the *Insurance Act* (Alberta) and the regulations thereunder would not, subject to compliance with the prudent investment standards contained therein for a provincial company (as defined in that Act) making investment decisions and managing its total investments, and the policies and procedures established by the board of directors of such provincial company in that regard, preclude a provincial company from investing its funds;
 - (j) in which the provisions of the *Alberta Heritage Savings Trust Fund Act* and the regulations thereunder would not, subject to compliance with the investment and lending policies, standards and procedures

- that a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and obtain a reasonable return that will enable the endowment portfolio and the transition portfolio, if any, that comprise the Alberta Heritage Savings Trust Fund (the “Fund”) to meet their respective prescribed objectives, preclude the Fund from investing the assets of the Fund;
- (k) in which the provisions of the *Trustee Act* (Alberta) would not preclude a trustee (as defined in such Act) from investing trust funds, provided that such investment is made (i) with a view to obtaining a reasonable return while avoiding undue risk, having regard to the circumstances of the trust; and (ii) in compliance with the other considerations enumerated in that Act;
 - (l) in which the provisions of the *Financial Administration Act* (Alberta) and the regulations thereunder would not, subject to compliance with the investment and lending policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments to avoid undue risk of loss and obtain a reasonable return, preclude the funds set out in such Act from investing;
 - (m) in which the provisions of the *Employment Pension Plans Act* (Alberta) and the Employment Pension Plans Regulation (the “Regulation”) made thereunder would not preclude the administrator (as defined in the Act) of a pension plan from investing the assets of that pension plan, provided that such investment is made in accordance with the requirements of (i) Schedule III to the *Pension Benefits Standards Regulations, 1985* (made pursuant to the *Pension Benefits Standards Act, 1985* (Canada); (ii) the investment policies and procedures in respect of the pension plan’s portfolio of investments established by the administrator of that pension plan pursuant to the Regulation; and (iii) the fiduciary obligations owed by the administrator as a result of the administrator acting in a fiduciary capacity in relation to members, former members and others entitled to benefits under the plan and in a manner that a reasonable and prudent person would apply to a pension plan’s portfolio of investments having regard to the pension plan’s liabilities;
 - (n) in which the provisions of *The Pension Benefits Act, 1992* (Saskatchewan) and the Regulations thereto would not, subject to compliance with the prudent standards for investment contained therein, preclude a pension a plan registered under that Act from investing its funds, provided that the investment in Notes by the plan is not inconsistent with any statement of investment policies and procedures that has been established and filed by the administrator of such plan;
 - (o) in which the provisions of *The Trust and Loan Corporations Act, 1997* (Saskatchewan) and the Regulations thereunder would not, subject to compliance with the reasonable and prudent investment standards and the general investment provisions thereof preclude the funds of a corporation, as defined in such Act from being invested;
 - (p) in which *The Insurance Act* (Manitoba) would not preclude an insurer incorporated and licensed under the laws of the Province of Manitoba from investing its surplus funds and reserve pursuant to the prudent investment policies, standards and procedures applicable to a company which has obtained an order under section 53 of the *Insurance Companies Act* (Canada);
 - (q) in which *The Trustee Act* (Manitoba) would not preclude a trustee whose investment powers are governed by such statute, subject to any express provision of the law or of the will or other instrument creating the trust or defining the duties and powers of the trustee, from investing any trust money if, subject to any express provision of the will or other instrument creating the trust, in making the investment the trustee exercises the judgment and care that a person of prudence, discretion and intelligence would exercise in administering the property of others;
 - (r) in which *The Pension Benefits Act* (Manitoba) and the regulations thereunder would not preclude a pension plan governed by such statute from investing its funds, pursuant to subsection 16(2) of the regulations to such statute, which subsection incorporates by reference the provisions of sections 6 to 7.2 and Schedule III of the *Pension Benefits Standards Regulations, 1985* (Canada), provided that the investment policies and procedures that have been established and filed by the administrator of such plan have been complied with;

- (s) in which the provisions of the *Pension Benefits Act* (Ontario) and the Regulations thereunder would not, subject to compliance with the prudent standards for investment and the general investment provisions contained therein, preclude a pension plan registered under such Act in respect of which a statement of investment policies and goals has been filed, from investing its funds, provided that the Notes are within a category of investment specifically permitted and for which guidelines are established in such statement and the investment complies with such guidelines;
- (t) in which the provisions of the *Loan and Trust Corporations Act* (Ontario) and the Regulations thereunder would not, subject to compliance with the prudent investment standards described therein, preclude a trustee set out in such Act from investing in the Notes;
- (u) in which the provisions of the *Trustee Act* (Ontario) and the Regulations thereunder would not, subject to compliance with the prudent investment standards described therein, preclude a trustee set out in such Act from investing in the Notes;
- (v) in which the provision of *An Act Respecting Insurance* (Québec) and the Regulations thereunder would not preclude an insurer, as defined under such Act and governed thereby (other than a mutual association, a guarantee fund corporation or a professional corporation, in each case as defined in such Act), from investing its funds, subject to compliance with the prudent investment standards contained therein and provided that such investment is in compliance with the insurer's investment policy established pursuant to such Act and approved by its board of directors;
- (w) in which the provisions of *An Act respecting Trust Companies and Savings Companies* (Québec), would not preclude a trust or savings company in each case as defined under such Act (other than a trust company with respect to funds (except deposits) which it administers for other persons, unless otherwise provided in the instrument creating the administration) from investing its funds, subject to compliance with the prudent investment standards contained in such Act, including the adoption of and adherence to an investment policy approved by its board of directors;
- (x) in which the provisions of the *Supplemental Pension Plans Act* (Québec) and the Regulation thereunder would not, subject to compliance with the prudent standards for investment contained therein, preclude a pension plan registered pursuant thereto from investing its assets, provided that a written investment policy in compliance with such Act has been adopted and that such investment, if selected by the pension committee of such plan or a delegate thereof, falls into a category of investments specifically permitted in the investment policy for such plan applicable at the date of original issue of the Notes;
- (y) in which the provisions of the *Trustees Act* (New Brunswick) would not, subject to compliance with the prudent investment provisions thereof, preclude the funds of a trustee from being invested, provided however that the trustee is not otherwise authorized or directed by an express provision of the law or of the will or other instrument creating the trust or defining the trustee's powers and duties;
- (z) in which the provisions of the *Pension Benefits Act* (New Brunswick) would not, subject to compliance with the prudent standards for investment contained therein, preclude the funds of a pension plan registered thereunder and which has established and filed a statement of investment policies and goals, from being invested, provided that the Notes are within a category of investment permissible under such plan's statement of investment policies and goals;
- (aa) in which the provisions of the *Trustee Act* (Nova Scotia) and the Regulations thereunder would not, subject to compliance with the prudent investment standards described therein, preclude a trustee under such Act from investing in the Notes, provided however that the investment is not forbidden by a trust instrument, if one exists;
- (bb) in which the provisions of the *Pension Benefits Act* (Nova Scotia) and the regulations thereunder would not, subject to compliance with the prudent investment standards contained therein, preclude the funds of a pension plan registered under such Act from being invested, provided that such plan has established and adopted a written statement of investment policies and procedures in respect of

the plan's portfolio of investments and loans in accordance with the provisions of such Act and the investments by such plan in the Notes is permissible under, and complies with, such statement;

- (cc) in which the provisions of the *Insurance Companies Act* (Newfoundland and Labrador) and the Regulations thereunder would not, subject to compliance with the prudent investment standards set out in the *Insurance Companies Act* (Canada), preclude investment in the Notes; and
- (dd) in which the provisions of the *Pension Benefits Act, 1997* (Newfoundland and Labrador) and the Regulations thereunder would not, subject to the quantitative restrictions set out in such Act, preclude the assets of a pension plan under such Act from investing in the Notes, provided however, that such plan has established and adopted a written statement of investment policies and procedures with respect to the plan's portfolio of investments and loans in accordance with the provision of such Act and the investment by such plan in the Notes is permissible under, and complies with, such statement.

Yours truly,

S J. 16 m m S J. 16 m m C C F

ANNAPOLIS FUNDING TRUST

**CLASS A SERIES A SENIOR SHORT TERM NOTE
BILLET À COURT TERME DE PREMIER RANG DE CATÉGORIE A, SÉRIE A**

Issue Date/Date d'émission

Maturity Date/Date d'échéance

[Empty box for Issue Date]

[Empty box for Maturity Date]

No.

Discount/Interest Bearing
À escompte/portant intérêt

for value received, hereby promises to pay to or to the order of:
pour valeur reçue, promet par les présentes de payer à ou à l'ordre de :

at the principal place of business of Canadian Imperial Bank of Commerce
au bureau principal de la Banque Canadienne Impériale de Commerce

the sum of _____ dollars (\$ _____)
la somme de _____ dollars (\$ _____)

in lawful money of _____ with, in the case of an Interest Bearing Note, interest thereon at the rate of _____ percent
en monnaie légale du _____ avec intérêt, dans le cas d'un billet portant intérêt, au taux de _____ pour cent (_____ %)

per annum, from the date hereof to the date of maturity, upon due presentation and surrender of this Class A Series A Senior Short Term Note. The aforesaid interest rate is calculated on the basis of a year of 365 days if the Class A Series A Senior Short Term Note is denominated in Canadian currency, and the yearly rate of interest on a U.S. currency Class A Series A Senior Short Term Note is the rate previously stated multiplied by the number of days in the year and divided by 360.

par année à partir de la date des présentes jusqu'à la date d'échéance, sur présentation et remise en bonne et due forme du présent billet à court terme de premier rang de catégorie A, série A. Le taux d'intérêt susmentionné est calculé en fonction d'une année de 365 jours lorsqu'il s'agit d'un billet à court terme de premier rang de catégorie A, série A, libellé en devises canadiennes et le taux d'intérêt annuel sur un billet à court terme de premier rang de catégorie A, série A, libellé en devises américaines est le taux indiqué précédemment multiplié par le nombre de jours dans l'année et divisé par 360.

This Class A Series A Senior Short Term Note shall become valid only when manually certified on behalf of ANNAPOLIS FUNDING TRUST by Canadian Imperial Bank of Commerce, or by one of its employees duly authorized for that purpose, as designated signatory.

Le présent billet à court terme de premier rang de catégorie A, série A, sera valide seulement lorsqu'il sera attesté à la main au nom d'ANNAPOLIS FUNDING TRUST par la Banque Canadienne Impériale de Commerce, ou par l'un de ses employés dûment autorisé à cette fin, à titre de signataire désigné.

This Class A Series A Senior Short Term Note is one of the Series A Notes of Annapolis Funding Trust (the "Trust") issued under and with the benefit of a trust indenture made as of June 28, 2006 and the supplemental indenture made as of June 28, 2006 relating to the Notes among the Trust, by Montreal Trust Company of Canada, as Issuer Trustee, Computershare Trust Company of Canada, as Indenture Trustee, and Canadian Imperial Bank of Commerce, as Issuing and Paying Agent (the said trust indenture as further supplemented and amended by other deeds and instruments supplemental thereto, is hereinafter referred to as the "Trust Indenture"). The Class A Series A Senior Short Term Notes rank equally and rateably and without preference among themselves. Reference is hereby made to the Trust Indenture for the rights of the holders of Series A Notes issued and to be issued thereunder. The Issuer Trustee has entered into the Trust Indenture and issued this Class A Series A Senior Short Term Note in its capacity as trustee of the Trust and not in its personal capacity. The liability of the Issuer Trustee hereunder and under the Trust Indenture is limited to the assets of the Trust. No other property or assets of the Issuer Trustee, whether owned by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any obligation hereunder or under the Trust Indenture. This Class A Series A Senior Short Term Note shall be governed and construed in accordance with the laws of the Province of Ontario. This is a depository note subject to the *Depository Bills and Notes Act*.

Le présent billet à court terme de premier rang de catégorie A, série A, fait partie des billets de série A d'Annapolis Funding Trust (la «fiducie») émis en vertu de l'acte de fiducie intervenu en date du 28 juin 2006 et de l'acte complémentaire intervenu en date du 28 juin 2006 relativement aux billets entre la fiducie, par Compagnie Montréal Trust du Canada, en sa qualité de fiduciaire émetteur, Société de fiducie Computershare du Canada, en sa qualité de fiduciaire désigné par l'acte de fiducie, et la Banque Canadienne Impériale de Commerce, en sa qualité d'agent chargé de l'émission et du paiement (l'acte de fiducie, en sa version complétée et modifiée par d'autres actes et documents complémentaires, est appelé ci-après l'acte de fiducie). Les billets à court terme de premier rang de catégorie A, série A, sont de rang égal et proportionnel et n'ont aucune priorité entre eux. Il y a lieu de se reporter à l'acte de fiducie pour l'énoncé des droits des porteurs de billets de série A émis et à émettre aux termes de l'acte de fiducie. Le fiduciaire émetteur a conclu l'acte de fiducie et a émis le présent billet à court terme de premier rang de catégorie A, série A, en sa qualité de fiduciaire de la fiducie et non en sa qualité personnelle. La responsabilité du fiduciaire émetteur aux termes des présentes et aux termes de l'acte de fiducie se limite à l'actif de la fiducie. Aucun autre bien ou élément d'actif du fiduciaire émetteur, qu'il en soit propriétaire en sa qualité personnelle ou autrement, ne pourra faire l'objet de saisies ou d'autres procédures d'exécution relativement à toute obligation aux termes des présentes ou aux termes de l'acte de fiducie. Le présent billet à court terme de premier rang de catégorie A, série A, est régi par les lois de la province de l'Ontario et est interprété conformément à celles-ci. Billet de dépôt assujéti à la Loi sur les lettres et billets de dépôt.

Authenticated for and on behalf of ANNAPOLIS FUNDING TRUST by its Issuing and Paying Agent, Canadian Imperial Bank of Commerce
Authentifié pour et au nom d'ANNAPOLIS FUNDING TRUST par son agent chargé de l'émission et du paiement, la Banque Canadienne Impériale de Commerce

By/par : _____
Authorized Signatory/Signataire autorisé

**ANNAPOLIS FUNDING TRUST,
MONTREAL TRUST COMPANY OF CANADA
COMPAGNIE MONTRÉAL TRUST DU CANADA**

by its trustee
par son fiduciaire

By/par : _____
Authorized Signatory/Signataire autorisé

By/par : _____
Authorized Signatory/Signataire autorisé