

**MORTGAGE SALE AGREEMENT**

by and among

**THE TORONTO-DOMINION BANK**

as Seller

and

**TD COVERED BOND (LEGISLATIVE) GUARANTOR  
LIMITED PARTNERSHIP**

as Purchaser

and

**COMPUTERSHARE TRUST COMPANY OF CANADA**

as Bond Trustee

June 25, 2014

## TABLE OF CONTENTS

	<b>Page</b>
Article 1 INTERPRETATION .....	2
1.1    Definitions and Interpretations .....	2
Article 2 AMOUNTS AND TERMS OF THE PURCHASES.....	2
2.1    Purchase Facility.....	2
2.2    Making Purchases .....	2
2.3    Repurchase upon Breach or Adverse Claim .....	5
2.4    Optional Repurchase Provisions.....	6
2.5    Additional Loan Advances .....	7
2.6    Payments and Computations, Etc. ....	7
2.7    Authorized Underpayments .....	8
Article 3 CONDITIONS OF PURCHASE.....	8
3.1    Conditions Precedent to Initial Purchase .....	8
3.2    Conditions Precedent to All Purchases .....	9
Article 4 REPRESENTATIONS AND WARRANTIES .....	13
4.1    Seller Representations and Warranties .....	13
4.2    Purchaser Representations and Warranties .....	17
Article 5 COVENANTS .....	18
5.1    Seller Covenants .....	18
5.2    Purchaser Covenant .....	21
Article 6 INDEMNIFICATION .....	21
6.1    Indemnities by the Seller .....	21
Article 7 PERFECTION OF THE SALE .....	22
7.1    Perfection .....	22
7.2    Registration .....	23
7.3    Acts Prior to Perfection.....	24
7.4    Further Assurances.....	24
7.5    Powers of Attorney .....	24
7.6    Limitation on Power of Attorney .....	25
7.7    Registrable Powers of Attorney .....	25
7.8    Costs.....	26

Article 8 PRE-EMPTIVE RIGHT .....26

    8.1 Pre-Emptive Right .....26

    8.2 Acceptance .....26

    8.3 Offers to Others.....27

    8.4 Repurchase .....27

    8.5 Loans and Related Security Files.....27

Article 9 MISCELLANEOUS .....28

    9.1 The Bond Trustee.....28

    9.2 Amendments, Etc.....28

    9.3 Non-Petition.....29

    9.4 Notices, Etc. ....29

    9.5 Assignability .....30

    9.6 Costs and Expenses.....30

    9.7 Confidentiality .....30

    9.8 Governing Law and Jurisdiction.....31

    9.9 Execution in Counterparts.....31

    9.10 Entire Agreement .....31

    9.11 Headings .....31

SCHEDULE 1 ELIGIBILITY CRITERIA.....1

SCHEDULE 2.2(b) FORM OF LOAN PURCHASE NOTICE .....1

SCHEDULE 2.2(g)(1) FORM OF SELLER ASSIGNMENT .....1

ANNEX A PURCHASED LOANS .....1

SCHEDULE 2.2(g)(2) FORM OF QUÉBEC SELLER ASSIGNMENT .....1

SCHEDULE 2.4 FORM OF OPTIONAL LOAN REPURCHASE NOTICE .....1

SCHEDULE 4.1(l) LOCATION OF SELLER.....1

SCHEDULE 8.1 FORM OF LOAN OFFER NOTICE .....1

SCHEDULE 8.2 FORM OF LOAN OFFER REPURCHASE NOTICE .....1

## MORTGAGE SALE AGREEMENT

**THIS MORTGAGE SALE AGREEMENT** made as of the 25<sup>th</sup> day of June, 2014.

BY AND AMONG :

**THE TORONTO-DOMINION BANK**, a bank named in Schedule I to the *Bank Act* (Canada), whose executive office is at 66 Wellington Street West, P.O. Box 1, TD Bank Tower, Toronto, Ontario, Canada M5K 1A2 (hereinafter referred to as “**Seller**”)

- and -

**TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario, whose registered office is at 66 Wellington Street West, 21<sup>st</sup> Floor, TD Bank Tower, Toronto, Ontario, Canada M5K 1A2 by its managing general partner **TD COVERED BOND (LEGISLATIVE) GP INC.** (hereinafter referred to as the “**Purchaser**”)

- and -

**COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada whose registered office is at 100 University Avenue, 11<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1 in its capacity as the Bond Trustee (hereinafter the “**Bond Trustee**”).

### RECITALS:

- A. The Seller desires from time to time to sell, transfer and assign Loans on a fully serviced basis, and the Purchaser desires to acquire such Loans on and subject to the terms and conditions of this Agreement.
- B. Contemporaneous with their execution and delivery of this Mortgage Sale Agreement each of the parties hereto has executed and delivered a Servicing Agreement dated as of the date hereof.

**THEREFORE THIS AGREEMENT WITNESSES THAT**, in consideration of the respective covenants, representations, agreements and warranties of the parties contained herein and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties covenant and agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions and Interpretations

The Master Definitions and Construction Agreement dated as of June 25, 2014 made between, *inter alios*, the parties to this Agreement, as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto, is expressly and specifically incorporated into this Agreement and, accordingly, all capitalized terms used herein without definition shall have the meanings ascribed thereto in the Master Definitions and Construction Agreement, and this Agreement shall be construed in accordance with the interpretation provisions set out in Section 2 of the Master Definitions and Construction Agreement.

## ARTICLE 2 AMOUNTS AND TERMS OF THE PURCHASES

### 2.1 Purchase Facility

On and subject to the terms and conditions hereinafter set forth, the Purchaser hereby agrees to make purchases of Loans and their Related Security pursuant to Section 2.2(a) from time to time.

### 2.2 Making Purchases

- (a) The Purchaser may from time to time enquire of the Seller, or the Seller may from time to time notify the Purchaser, as to the availability of Loans and their Related Security to be acquired by the Purchaser from the Seller pursuant to this Agreement.
- (b) Upon receiving notice or confirmation, as the case may be, that the Seller has Loans and their Related Security available for sale, the Seller may from time to time deliver an irrevocable written notice in the form of Schedule 2.2(b) (each, a “**Loan Purchase Notice**”) to the Purchaser in accordance with Section 9.4 (other than the Loan Purchase Notice in respect of the initial Purchase Date, each such Loan Purchase Notice must be received by the Purchaser prior to 11:00 a.m. (Toronto time) at least three (3) Toronto Business Days prior to the related Purchase Date (unless otherwise agreed to by the Purchaser) or, in the case of the initial Purchase Date, prior to 11:00 a.m. (Toronto time) on such date). The Loan Purchase Notice for the initial Purchase Date shall be delivered on the Purchase Date.
- (c) Each Loan Purchase Notice for a purchase of Loans shall:
  - (i) specify the date (each, a “**Purchase Date**”) on which the purchase and sale of the Loans and their Related Security identified in such Loan Purchase Notice is to take place and the Cut-Off Date for such purchase;

- (ii) specify the Aggregate Purchase Price to be paid by the Purchaser to the Seller on the Purchase Date for the Loans identified in such Loan Purchase Notice;
- (iii) contain a listing of the Loans to be purchased on the Purchase Date including:
  - (A) for each Loan subject to such Loan Purchase Notice:
    - (1) the Seller's identification number for such Loan;
    - (2) the name of the Borrower in respect of such Loan;
    - (3) an identification of such Loan as a Line of Credit or such other type of Loan as is applicable;
    - (4) the municipal street address, city, province and postal code of the related mortgaged property;
    - (5) in respect of any Loan that is a Line of Credit, the credit limit of such Loan;
    - (6) the aggregate amount advanced in respect of the Loan;
    - (7) the rate of interest chargeable on each such Loan as of the related Cut-Off Date and whether such rate is fixed or variable;
    - (8) if applicable, the date(s) on which adjustments in interest are to take place or may be effected by the lender pursuant to the Mortgage Terms in respect of the Loan;
    - (9) the maturity date of such Loan;
    - (10) if applicable, the remaining amortization period in respect of such Loan;
    - (11) the Current Balance (excluding Capitalized Interest and Capitalized Arrears) of such Loan as of the related Cut-Off Date; and
    - (12) if other than the Seller, the lender on title to the Mortgage in respect of the Loan.
  - (B) for all Loans subject to such Loan Purchase Notice, on an aggregate basis:
    - (1) the highest and lowest interest rates chargeable on all of the Loans included in such Loan Purchase Notice;

- (2) the weighted average amortization period for such applicable Loans (in months), if applicable;
  - (3) the current index, prime or other reference rate(s) applicable to such Loans as at the Cut-Off Date;
  - (4) the number of Loans identified in the Loan Purchase Notice;
  - (5) the aggregate Current Balance as of the related Cut-Off Date of such Loans; and
  - (6) the aggregate credit limit as of the related Cut-Off Date of such Loans.
- (d) If the Purchaser agrees to the terms and conditions set out in the Loan Purchase Notice it shall signify its acceptance thereof by executing and returning such Loan Purchase Notice to the Seller on the same day as the day of receipt thereof.
- (e) If the Purchaser fails to accept such Loan Purchase Notice within such period it shall be deemed to have declined to complete the proposed purchase on the terms and conditions set out in such Loan Purchase Notice and this Agreement.
- (f) Upon its acceptance of a Loan Purchase Notice, there shall exist a binding agreement between the Seller and the Purchaser for the sale by the Seller and the purchase by the Purchaser from the Seller of all of the Seller's present and future right, title and interest in, to and under the Loans listed in the relevant Loan Purchase Notice (including for greater certainty, all present and future Additional Loan Advances and the Related Security) upon the terms and conditions of this Agreement including, without limitation, satisfaction of the conditions precedent in Section 3.1, in the case of the initial purchase, and Section 3.2, in the case of the initial purchase of Loans and Related Security and all subsequent purchases of Loans and Related Security (it being understood that Section 3.1 and Section 3.2 are not separately applicable to the purchase of Additional Loan Advances and Related Security).
- (g) On each Purchase Date specified in a Loan Purchase Notice, with respect to the Loans and their Related Security specified in such Loan Purchase Notice, together with all Collections (collectively the "**Purchased Assets**") from the Cut-Off Date to the relevant Purchase Date, the Purchaser shall, upon satisfaction of the applicable conditions set forth in Article 3, pay to the Seller in same day funds an amount equal to the Aggregate Purchase Price by depositing such amount into the Seller's Account or, if the Seller so elects in writing to the Purchaser on or before the applicable Purchase Date, the Purchaser shall credit the Seller's Capital Account Ledger with an amount equal to all (or the portion of the Aggregate Purchase Price not paid in cash) of the Aggregate Purchase Price. Upon such payment and deposit or credit, as the case may be, all of the Seller's beneficial ownership of such Purchased Assets subject to the related Loan Purchase Notice

shall be sold, assigned and transferred to the Purchaser on a fully serviced basis effective as of the related Cut-Off Date and the Seller will execute and deliver the Seller Assignment.

- (h) On each Purchase Date, the Seller shall provide to the Purchaser (prior to a downgrade by one or more Rating Agencies of the ratings of the Cash Manager below the Cash Management Deposit Ratings by delivery to the Cash Manager and following a downgrade of the ratings by one or more Rating Agencies of the Cash Manager below the Cash Management Deposit Ratings by deposit in the GDA Account) in respect of the Purchased Loans and their Related Security acquired by the Purchaser on such date an amount equal to the aggregate Collections received by the Seller from the applicable Cut-Off Date to and including the date prior to such Purchase Date in respect of such Purchased Loans and their Related Security.

### 2.3 Repurchase upon Breach or Adverse Claim

- (a) If the Purchaser (or the Cash Manager on its behalf) gives notice (each, a “**Loan Repurchase Notice**”) to the Seller (with a copy to the Purchaser) upon the discovery of any (i) breach, as at the relevant Transfer Date or relevant Calculation Date (in the case of a Product Switch or an Additional Loan Advance) of the Seller’s representations, warranties or covenants made pursuant to or in connection with this Agreement which materially and adversely affects the interest of the Purchaser in any Purchased Loan or the value of the affected Purchased Loan; (ii) Adverse Claim (other than a Permitted Security Interest or a Security Interest arising through the Purchaser), which materially and adversely affects the interest of the Purchaser in any such Purchased Loan or its Related Security or the value of the affected Purchased Loan; or (iii) fact or matter that renders invalid any power of attorney granted by the Seller in respect of any Purchased Loan, then unless any such breach, Adverse Claim or invalid power of attorney shall have been cured by the end of the 20th Toronto Business Day commencing on the date on which such non-compliance is discovered, the Seller shall repurchase such Purchased Loan and its Related Security, and any other Loan secured or intended to be secured by that Related Security, which would include one or more Guarantor Purchased Loans made to the same Borrower which are owned by the Purchaser and secured by the same Related Security, or any part of it on the first Calculation Date occurring after such 20 Toronto Business Day period. The parties acknowledge that, for purposes of this Section 2.3(a), if any Purchased Loan was not on the related Transfer Date an Eligible Loan, the interest of the Purchaser in such Purchased Loan shall be deemed to have been materially and adversely affected.
- (b) As consideration for the repurchase of any Purchased Loan and its Related Security under this Section 2.3, the Seller shall remit the Repurchase Amount of such Purchased Loan and its Related Security and any other Loan secured or intended to be secured by the Related Security of such Purchased Loan on the applicable Calculation Date (with the Repurchase Amount being determined as of

such Calculation Date), and thereupon all of the Purchaser's right, title and interest in and to such Purchased Loan and its Related Security and all Collections thereon and proceeds thereof from and after such Calculation Date shall be sold, assigned and transferred to the Seller effective as of such Calculation Date, without recourse, representation or warranty (whether express, implied, statutory or otherwise) to, against, by or on behalf of the Purchaser save and except that (x) such Purchased Loan and its Related Security and proceeds thereof are free and clear of any Adverse Claim created by the Purchaser and (y) the Purchaser has the power and authority to sell, transfer and assign all of its right, title and interest in such Purchased Loan and its Related Security and the proceeds thereof to the Seller as herein provided. The Purchaser will, at the expense of the Seller, execute and deliver such assignments or other instruments of conveyance with respect to any Purchased Loan and its Related Security repurchased by the Seller pursuant to this Section 2.3 as may be reasonably requested. The Purchaser shall apply an amount equal to the Repurchase Amount (less Accrued Interest and Arrears of Interest) in accordance with the Pre-Acceleration Principal Priority of Payments.

## 2.4 Optional Repurchase Provisions

- (a) Prior to the occurrence of an Issuer Event of Default, the Seller may from time to time offer to purchase one or more of the Purchased Loans and their Related Security at a purchase price (the "**Optional Loan Repurchase Price**") equal to the aggregate Fair Market Value with respect to such Purchased Loans and their Related Security as of the date of such offer. The Purchaser may accept such an offer at its sole discretion by delivering to the Seller a notice in writing in the form set out in Schedule 2.4 (an "**Optional Loan Repurchase Notice**") if the Asset Coverage Test is satisfied on a *pro forma* basis after giving effect to such sale. Following the delivery of an Optional Loan Repurchase Notice by the Purchaser to the Seller (i) the Seller shall provide to the Purchaser (prior to a downgrade by one or more Rating Agencies of the ratings of the Cash Manager below the Cash Management Deposit Ratings by delivery to the Cash Manager and following a downgrade by one or more Rating Agencies of the ratings of the Cash Manager below the Cash Management Deposit Ratings by deposit in the GDA Account) an amount equal to the Optional Loan Repurchase Price on the date of closing of such repurchase; (ii) upon the making of such payment all of the Purchaser's right, title and interest in and to such Purchased Loans and their Related Security and any Collections from the date of such offer to such closing date shall be sold, assigned and transferred by the Purchaser to the Seller effective as of the date of such offer, without recourse, representation or warranty (whether express, implied, statutory or otherwise) to, against, by or on behalf of the Purchaser save and except that (x) such Purchased Loans and their Related Security and proceeds thereof are free and clear of any Adverse Claim created by the Purchaser and (y) the Purchaser has the power and authority to sell, transfer and assign all of its right, title and interest in such Purchased Loans and their Related Security and proceeds thereof as herein provided. The Purchaser will, at the expense of the Seller execute and deliver such assignments or other

instruments of conveyance with respect to the Purchased Loans and their Related Security purchased pursuant to this Section 2.4 as may be reasonably requested.

- (b) The Seller, by providing an Optional Loan Repurchase Notice to the Purchaser, shall be deemed to have represented and warranted to the Purchaser and the Bond Trustee that as of the date of such Optional Loan Repurchase Notice: (a) the Seller reasonably believes that the removal of the Purchased Loans and their Related Security as specified in such Optional Loan Repurchase Notice: (i) will not cause an effect which is material and adverse to the Purchaser to occur and is not reasonably expected (with or without the passage of time or the giving of notice or both) to result in an effect which is material and adverse to the Purchaser at any time in the future; and (ii) will not result in a breach of the Asset Coverage Test as of the next Calculation Date; and (b) the Purchased Loans and their Related Security to be removed were selected, in all material respects, (x) on a random basis, (y) as a result of the action or inaction of a third party, which, for greater certainty, may include the applicable Borrower, and not the unilateral action of the Seller, or (z) in accordance with procedures determined by the Guarantor and reasonably believed by the Seller not to adversely affect the Guarantor or the Covered Bondholders.

## **2.5 Additional Loan Advances**

The sale by the Seller of any Loans and their Related Security to the Purchaser shall not include any obligation to pay any Additional Loan Advances (if any), or any other such obligation relating to payment of funds to a Borrower in respect of such Loans which obligation shall at all times, and notwithstanding the sale of such Loans and their Related Security to the Purchaser, remain an obligation of the relevant Seller and the Seller shall have the right to fund such Additional Loan Advances. All Additional Loan Advances in respect of the Loans and their Related Security in the Covered Bond Portfolio will be funded in accordance with the terms of the Intercompany Loan Agreement and the Guarantor Agreement, and each Additional Loan Advance shall be deemed to form part of the applicable Loan and Related Security and have the benefit thereof.

## **2.6 Payments and Computations, Etc.**

- (a) All amounts to be paid to the Cash Manager or deposited in the Guarantor Account, shall be paid or deposited, as the case may be, no later than 11:00 a.m. (Toronto time) on the day when due in same day funds. All amounts received after 11:00 a.m. (Toronto time) will be deemed to have been received on the immediately succeeding Toronto Business Day.
- (b) The Seller shall pay interest on any amount not paid or deposited by the Seller when due hereunder, at an interest rate equal to the rate of interest payable by the Purchaser on Advances under the Intercompany Loan Agreement, payable on demand.

- (c) All computations of interest under subsection (b) above and all computations of fees and other amounts hereunder shall be made on the basis of a year of 365 days, as the case may be, for the actual number of days elapsed. Whenever any payment or deposit to be made hereunder shall be due on a day other than a Toronto Business Day, such payment or deposit shall be made on the next succeeding Business Day.
- (d) The Seller shall make all payments required to be made by it hereunder or under any other Purchase Document, in its personal capacity or in its capacity as Seller, without deduction, allowance or set-off regardless of any defence or counterclaim (whether based on any law, rule or policy now or hereafter issued or enacted by any Government Authority) unless required by applicable law.
- (e) Each interest rate which is calculated under this Agreement on any basis other than the actual number of days in a calendar year (the “**Deemed Interest Period**”) is, for the purposes of the *Interest Act* (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the number of days in the Deemed Interest Period, then multiplying such result by 365 (or 366, as applicable).

## 2.7 Authorized Underpayments

In the event that the Servicer permits a Borrower to make an Authorized Underpayment, the Seller of such Loan will be required to and hereby covenants to pay to the Purchaser on or prior to the next Monthly Payment Date on which a Monthly Payment is due on such Loan an amount equal to the unpaid interest associated with that Authorized Underpayment. The amount of any such payment representing capitalized interest in respect of that Authorized Underpayment shall constitute a Cash Capital Contribution by the Seller to the Purchaser.

## ARTICLE 3 CONDITIONS OF PURCHASE

### 3.1 Conditions Precedent to Initial Purchase

The initial purchase by the Purchaser of Loans and their Related Security is subject to the conditions precedent that, as the case may be, the following shall have occurred or that the Purchaser shall have received on or before the date of such purchase the following, each in form and substance (including the date thereof) satisfactory to it, acting reasonably:

- (a) Executed copies of this Agreement and the other Purchase Documents.
- (b) A certificate of confirmation with respect to the Seller issued by the Office of the Superintendent of Financial Institutions.
- (c) Certified copies of all documents evidencing necessary corporate approvals.
- (d) A certificate of the Secretary or an Assistant Secretary of the Seller certifying the names and true signatures of the officers of the Seller authorized to sign this

Agreement and the other Purchase Documents to which it is a party. Until the Purchaser receives a subsequent incumbency certificate from the Seller, the Purchaser shall be entitled to rely on the last such certificates delivered to it by the Seller.

- (e) A favourable opinion of counsel for the Seller, in form satisfactory to the Purchaser, acting reasonably.
- (f) Acknowledgements or duplicate registration copies of proper assignments, Financing Statements and other similar documents or instruments, with registration particulars stamped thereon, naming the Seller as seller or assignor and the Purchaser as purchaser or assignee, and duly filed on or before the date of such purchase under the PPSA in Ontario and pursuant to Article 1642 of the *Civil Code* in Québec within seven Toronto Business Days following such purchase in order to perfect the interests of the Purchaser in the applicable Loans contemplated by this Agreement.
- (g) Executed copies of all financing statements, financing change statements, discharges and releases, if any, necessary to discharge or release all security interests and other rights or interests of any Person in the Purchased Assets previously granted by the Seller, together with copies of the relevant financing change statements or other discharge statements or releases with the registration particulars stamped thereon or other assurance satisfactory to the Purchaser.
- (h) Completed PPSA search results, dated within five Toronto Business Days of the date of the initial Purchase Date, listing the financing statements referred to in Section 3.1(f) above (other than those filed in Québec, search results in respect of which will be made available within five Toronto Business Days of such filing) and all other effective financing statements filed in the jurisdictions referred to in Section 3.1(f) above that name the Seller as debtor and show no other Adverse Claims on any of the Purchased Loans or Related Security.
- (i) Such other approvals, opinions or documents as the Purchaser may reasonably request.

### **3.2 Conditions Precedent to All Purchases**

Each purchase by the Purchaser under this Agreement of Loans and their Related Security (including the initial purchase of Loans and their Related Security hereunder) shall be subject to the further conditions precedent that, as the case may be, the following shall have occurred or that the Purchaser shall have received on or before the date of such purchase the following, each in form and substance (including the date thereof) satisfactory to it, acting reasonably:

- (a) A completed Loan Purchase Notice in accordance with Section 2.2(b) of this Agreement.

- (b) On the applicable Purchase Date, the following statements shall be true (and acceptance of the Aggregate Purchase Price payable by the Purchaser to the Seller on the date of such purchase shall be deemed a representation and warranty by the Seller that such statements are then true):
- (i) the representations and warranties contained in Sections 4.1 and 4.2 are true and correct on and as of the date of such purchase as though made on and as of such date;
  - (ii) no event has occurred and is continuing, or would result from such purchase, that constitutes a Servicer Event of Default or that would constitute a Servicer Event of Default but for the requirement that notice be given or time elapse or both;
  - (iii) no event has occurred and is continuing, or would result from such purchase, that constitutes an Issuer Event of Default or that would constitute an Issuer Event of Default but for the requirement that notice be given or time elapse or both; and
  - (iv) no event has occurred and is continuing, or would result from such purchase, that constitutes a Guarantor Event of Default or that would constitute a Guarantor Event of Default but for the requirement that notice be given or time elapse or both.
- (c) An executed Seller Assignment in respect of the Purchased Loans to be sold to the Purchaser on the applicable Purchase Date, together with (i) if applicable, a Release of Security for any Shared Security in respect of those Purchased Loans which will constitute Guarantor Purchased Loans upon such sale in accordance with the Security Sharing Agreement, and (ii) such number of executed separate registrable powers of attorney as may be required by the Purchaser substantially in the form contemplated by Section 7.5.
- (d) Such other approvals, opinions or documents as the Purchaser may reasonably request.
- (e) If a New Portfolio Asset Type is proposed to be sold on the relevant Purchase Date to the Purchaser, the Rating Agency Condition has been satisfied in respect of the purchase of such New Portfolio Asset Type by the Purchaser and such New Portfolio Asset Type complies with the CMHC Guide and the Covered Bond Legislative Framework.
- (f) Any New Loans and their Related Security sold by a New Seller to the Purchaser comply with the Eligibility Criteria set out herein.
- (g) Each New Seller accedes to the Dealership Agreement(s) and enters into such other documents as may be required by the Bond Trustee and/or the Purchaser (acting reasonably) to give effect to the addition of a New Seller to the transactions contemplated under the Programme.

- (h) If it has not already done so, the relevant New Seller accedes to the terms of this Agreement, the Custodial Agreement, the Master Definitions and Construction Agreement and, if applicable, the Security Sharing Agreement (in each case with such subsequent amendments as may be agreed by the parties thereto) so that it has in relation to those New Loans and their Related Security to be sold to the Purchaser substantially the same rights and obligations as the Original Seller had in relation to those Loans and their Related Security comprised in the Initial Covered Bond Portfolio hereunder and thereunder, as the case may be, and procures that on the relevant Purchase Date its legal advisers shall provide the Purchaser and the Bond Trustee with legal opinions opining on, amongst other things, the accession of the relevant New Seller to each such Agreement in such form as may be reasonably required by the Bond Trustee.
- (i) If it has not already done so, the relevant New Seller accedes to the terms of the Guarantor Agreement as a limited partner (with such subsequent amendments as may be agreed between the parties thereto) so that the relevant New Seller has in relation to those New Loans and their Related Security to be sold to the Purchaser substantially the same rights and obligations as the Original Seller had in relation to those Loans and their Related Security comprised in the Initial Covered Bond Portfolio thereunder.
- (j) If the relevant New Seller has not already done so, that New Seller accedes to the terms of the Servicing Agreement (with such subsequent amendments as may be agreed by the parties thereto); or the New Seller enters into a servicing agreement with the Purchaser and the Bond Trustee which sets out the servicing obligations of the New Seller in relation to the New Loans and their Related Security and which is on terms substantially similar to the terms set out in the Servicing Agreement or otherwise subject to satisfaction of the Rating Agency Condition and in compliance with the CMHC Guide (in the event the New Loans and their Related Security are not purchased on a fully serviced basis, the servicing agreement shall set out fees payable to the Servicer or the New Seller acting as servicer of such New Loans and their Related Security which may be determined on the date of the accession of the New Seller to the Programme).
- (k) If it has not already done so, the relevant New Seller accedes to the terms of the Trust Deed and the Security Agreement in such form as may be required by the Purchaser and the Bond Trustee (each acting reasonably) (with such subsequent amendments as may be agreed between the parties thereto respectively) and enters into such other documents in such form as may be required by the Bond Trustee and the Purchaser (each acting reasonably) to give effect to the addition of the relevant New Seller to the transactions contemplated by the Programme.
- (l) The Bond Trustee is satisfied that the accession of the relevant New Seller to the Programme would not be materially prejudicial to the Covered Bondholders and the Rating Agency Condition has been satisfied.

- (m) The Bond Trustee is satisfied that the accession of any New Seller to the Programme would be without prejudice to the Asset Coverage Test.
- (n) On the relevant Purchase Date, if the Seller is a New Seller, the relevant New Seller shall deliver to the Bond Trustee or its representative the following documents:
  - (i) A certificate of confirmation with respect to the Seller issued by the Office of the Superintendent of Financial Institutions.
  - (ii) Certified copies of all documents evidencing necessary corporate approvals.
  - (iii) A certificate of the Secretary or an Assistant Secretary of the Seller certifying the names and true signatures of the officers of the Seller authorized to sign this Agreement and the other Purchase Documents to which it is a party. Until the Purchaser receives a subsequent incumbency certificate from the Seller, the Purchaser shall be entitled to rely on the last such certificates delivered to it by the Seller.
  - (iv) A favourable opinion of legal counsel for the Seller, in form satisfactory to the Purchaser, acting reasonably.
  - (v) Acknowledgements or duplicate registration copies of proper assignments, Financing Statements and other similar documents or instruments, with registration particulars stamped thereon, naming the Seller as seller or assignor and the Purchaser as purchaser or assignee, and duly filed on or before the date of such purchase under the PPSA in Ontario in order to perfect the interests of the Purchaser in the applicable Loans contemplated by this Agreement.
  - (vi) Executed copies of all financing statements, financing change statements, discharges and releases, if any, necessary to discharge or release all security interests and other rights or interests of any Person in the Purchased Assets previously granted by the Seller, together with copies of the relevant financing change statements or other discharge statements or releases with the registration particulars stamped thereon or other assurance satisfactory to the Purchaser.
  - (vii) Completed PPSA search results, dated within five Toronto Business Days of the date of the initial Purchase Date, listing the financing statements referred to in Section 3.1(f) above and all other effective financing statements filed in the jurisdictions referred to in Section 3.1(f) above that name the Seller as debtor and show no other Adverse Claims on any of the Purchased Loans.
  - (viii) Such other approvals, opinions or documents as the Purchaser may reasonably request.

- (o) To the extent not previously delivered, acknowledgments or duplicate registration copies of proper assignments, Financing Statements and other similar documents or instruments, with registration particulars stamped thereon, naming the Seller as seller or assignor and the Purchaser as purchaser or assignee, and duly filed under the PPSA in Ontario on or before the date of such purchase and in Québec within seven Toronto Business Days following such purchase in order to perfect the interests of the Purchaser in the applicable Loans contemplated by this Agreement.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

### **4.1 Seller Representations and Warranties**

The Seller represents and warrants to the Purchaser as follows as of the date hereof and as of each Purchase Date that:

- (a) The Seller is a Schedule I Bank existing under the laws of Canada and duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, except where the failure to qualify would not constitute a Material Adverse Event.
- (b) The Seller is not a Non-Resident.
- (c) The execution, delivery and performance by the Seller of the Purchase Documents to which it is a party (i) are within the Seller's corporate powers, (ii) have been duly authorized by all necessary corporate action, and (iii) do not contravene or result in a material default under or material conflict with (1) the charter or by-laws of the Seller, (2) any law, rule or regulation applicable to the Seller, or (3) any order, writ, judgment, award, injunction, decree or contractual obligation binding on or affecting the Seller or its property.
- (d) No authorization, approval, licenses, consent or other action by, and no notice to or filing with, any Governmental Authority or other Person is required for the due execution, delivery and performance by the Seller of each Purchase Document to which it is a party or to make such Purchase Document legal, valid, binding and admissible into evidence in a court of competent jurisdiction, other than authorizations, approvals, licenses, consents, actions, notices, filings or polling that have been obtained, made or taken.
- (e) Each of the Purchase Documents to which the Seller is a party has been duly executed and delivered and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Seller, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

- (f) There are no actions, suits or proceedings pending or, to the knowledge of the Seller, threatened, against or affecting the Seller at law, in equity or before any arbitrator or Governmental Authority having jurisdiction which, if adversely determined, would result in a Material Adverse Event.
- (g) The Seller is the legal and beneficial owner of the Loans and their Related Security to be sold to the Purchaser on each Purchase Date, free and clear of any Adverse Claim other than Permitted Security Interests; upon each purchase, the Purchaser shall acquire a valid and enforceable first priority perfected beneficial ownership interest in the applicable Loans (which, for greater certainty, shall be Purchased Loans) and their Related Security and Collections and other proceeds with respect thereto, free and clear of any Adverse Claim other than Permitted Security Interests.
- (h) Other than (i) registrations in the appropriate land titles office, land registry office or similar office of public registration in respect of the sale, transfer and assignment of the relevant Purchased Loans from the Seller to the Purchaser effected by this Agreement and the Seller Assignments (and any applicable registration in respect of registered title to the relevant Loans), (ii) the provision to Borrowers under the related Purchased Loans or the obligors under the Related Security of actual notice of the sale, transfer and assignment thereof to the Purchaser and (iii) certain registrations provided in the Civil Code of Quebec for Properties located in the Province of Quebec and the registration provided in Article 1642 of the Civil Code of Quebec, all material filings, recordings, notifications, registrations or other actions under all applicable laws have been made or taken in each jurisdiction where necessary or appropriate (and where permitted by applicable law) to give legal effect to the transactions contemplated hereby and by the other Purchase Documents, and to validate, preserve, perfect and protect the Purchaser's ownership interest in and rights to collect any and all of the related Purchased Loans being purchased on the relevant Purchase Date, including the right to arrange for the servicing and enforcement of such Purchased Loans and the Related Security related thereto, in each case, in accordance with the terms of *the Transaction Documents*.
- (i) Each Loan Purchase Notice, information, exhibit, financial statement, document, book, record or report furnished or to be furnished at any time by or on behalf of the Seller, as Seller or otherwise, to the Purchaser in connection with this Agreement is or will be complete and accurate as of the date so furnished.
- (j) Each Purchased Loan will meet the Eligibility Criteria as of the Transfer Date.
- (k) The Seller's complete name is set forth in the preamble to this Agreement.
- (l) The chief or principal place of business and chief executive office (as such terms are used in the PPSA) of the Seller are located at the address referred to in Schedule 4.1(l).

- (m) Each Loan File is complete in all material respects and reflects all material transactions between the Seller and the Borrower under the related Purchased Loans and any other Person in respect thereof.
- (n) No selection procedures have been used in identifying the Loans for sale to the Purchaser which are adverse to the interests of the Purchaser.
- (o) The particulars of the Loans set out in the relevant Loan Purchase Notice in respect of any relevant Cut-Off Date are true, complete and accurate in all material respects.
- (p) Each of the Loans was originated by the Seller in compliance with all material laws applicable thereto, in the ordinary course of business and kept on its books for a minimum of one month prior to the Cut-Off Date.
- (q) Each Loan that has an amortization period has a remaining amortization period of less than 50 years as at the relevant Cut-Off Date and each Loan that is a Line of Credit is a demand loan.
- (r) All of the Borrowers are individuals or have guarantees from individuals for the Loans (which guarantees and any security related to such guarantees are assignable and will be sold, transferred and assigned to the Purchaser as Related Security).
- (s) Prior to the making of each advance under each of the relevant Loans, the Lending Criteria and all preconditions to the making of any Loan were satisfied in all material respects subject only to such exceptions as made on a case by case basis as would be acceptable to a Reasonable and Prudent Mortgage Lender.
- (t) Each Loan was made and its Related Security taken or received substantially on the terms of the Standard Documentation, and is subject to renewal in accordance therewith using Standard Documentation therefor, without any material variation thereto and nothing has been done subsequently to add to, lessen, modify or otherwise vary the express provisions of any of the same in any material respect.
- (u) No Loan is guaranteed by a third party save where the guarantee and any security related to such guarantee constitutes legal, valid and binding obligations of the guarantor enforceable in accordance with their terms and are assignable to the Purchaser and its assigns, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.
- (v) The Current Balance on each Loan and its Related Security (excluding for greater certainty, any agreement to provide further advances pursuant to the Mortgage Terms in respect of any relevant Loan including, without limitation, Additional Loan Advances and Line of Credit Drawings, which have not yet been advanced and become debts due) constitute a legal, valid, binding and enforceable debt due to the relevant Seller from the relevant Borrower and the terms of each Loan and

its Related Security constitute valid and binding obligations of the Borrower enforceable in accordance with their terms (other than any agreement for Line of Credit Drawings (if any) and any other Additional Loan Advances).

- (w) Interest on each Loan is charged in accordance with the Standard Documentation.
- (x) The whole of the Current Balance on each Loan is secured by a Mortgage over residential property in Canada consisting of not more than four units.
- (y) Each Mortgage constitutes a valid first mortgage lien over the related residential Property, or is insured as a first priority lien, in each case subject to Permitted Security Interests.
- (z) Each Mortgage has first priority, subject to Permitted Security Interests, for the whole of the Current Balance on the Loan and all future interest, fees, costs and expenses payable under or in respect of such Mortgage.
- (aa) The True Balance on each Loan (other than any agreement for Additional Loan Advances (if any)) constitutes a legal, valid, binding and enforceable debt due to the Seller from the relevant Borrower and the terms of each Loan and its related Mortgage constitute valid and binding obligations of the Borrower enforceable in accordance with their terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.
- (bb) There is no requirement in order for a sale, transfer and assignment of the Loans and their Related Security to be effective to obtain the consent of the Borrower to such sale, transfer or assignment and such sale, transfer and assignment shall not give rise to any claim by the Borrower against the Purchaser, the Bond Trustee or any of their successors in title or assigns.
- (cc) All of the Properties are in Canada.
- (dd) Not more than 12 months (or a longer period as may be acceptable to a Reasonable and Prudent Mortgage Lender) prior to the granting of each Loan, the Seller obtained information on the relevant Property from a third party computer generated risk assessment model, acceptable to Reasonable and Prudent Mortgage Lenders, or received a valuation report on the relevant Property, which would be, and the contents or confirmation, as applicable, of which, were such as would be, acceptable to Reasonable and Prudent Mortgage Lenders or obtained such other form of valuation of the relevant Property which has satisfied the Rating Agency Condition.
- (ee) Prior to the taking of Related Security (other than a re-mortgage) in respect of each Loan, the Seller instructed lawyers to conduct a search of title to the relevant Property and to undertake such other searches, investigations, enquiries and actions on behalf of the Seller as would be acceptable to a Reasonable and Prudent Mortgage Lender or the Seller engaged a service provider to provide

lender's title insurance in respect of the Loan from an insurer acceptable to Reasonable and Prudent Mortgage Lenders.

- (ff) Each Loan contains a requirement that the relevant Property forming part of the Related Security be covered by adequate building insurance maintained by the Borrower or in the case of a leasehold property under a policy arranged by a relevant landlord or property management company.
- (gg) The Seller has, since the making of each Loan, serviced the Loan in compliance with all material laws applicable thereto, kept or procured the keeping of full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to such Loans and their Related Security.
- (hh) The Seller has put in place procedures so that the mortgage documentation relating to the Loans includes the consent of the Mortgagor to disclosure by the Seller of information relating to the Mortgagor and the related Loans to other Persons, which would include the Purchaser.

If New Portfolio Asset Types are to be sold to the Purchaser, then the Representations and Warranties will be modified as required to accommodate these New Portfolio Asset Types (subject to satisfaction of the Rating Agency Condition and compliance with the CMHC Guide and the Covered Bond Legislative Framework).

The representations and warranties of the Seller shall survive the Purchase Date on which such representations and warranties are given or deemed to be given pursuant to this Agreement.

#### **4.2 Purchaser Representations and Warranties**

The Purchaser represents and warrants to the Seller as of the date hereof and as of each Purchase Date that:

- (a) The Purchaser is a limited partnership formed under the laws of the Province of Ontario, and is duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified, except where the failure to so qualify would not have a material adverse effect on its business, condition or operations.
- (b) The execution, delivery and performance by the Purchaser of the Purchase Documents to which it is a party (i) are within the Purchaser's corporate or other powers, (ii) have been duly authorized by all necessary corporate or other action, and (iii) do not contravene or result in a default under or conflict with (1) the charter, by-laws, or other constating document of the Purchaser, (2) any law, rule or regulation applicable to the Purchaser, or (3) any order, writ, judgment award, injunction, decree or contractual obligation binding on or affecting the Purchaser or its property.
- (c) There are no actions, suits or proceedings pending or, to the knowledge of the Purchaser, threatened, against or affecting the Purchaser or any of its undertakings

and assets, at law, in equity or before any arbitrator or Governmental Authority having jurisdiction which, if adversely determined, would reasonably be expected to materially adversely affect the financial condition or operations of the Purchaser or its property or the ability of the Purchaser to perform its obligations under this Agreement, or which purports to affect the legality, validity or enforceability of this Agreement.

- (d) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person is required for the due execution, delivery and performance by the Purchaser of the Purchase Documents to which it is a party, other than those that have been obtained, made or taken.
- (e) Each of the Purchase Documents to which the Purchaser is a party has been duly executed and delivered by the Purchaser and constitutes the legal, valid and binding obligation of, and is enforceable in accordance with its terms against, the Purchaser except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

The representations and warranties of the Purchaser shall survive the Purchase Date on which such representations and warranties are given or deemed to be given pursuant to this Agreement for a period of three years following such Purchase Date. Payment of damages in respect of any claim by the Seller in connection with a breach of the representations and warranties of the Purchaser shall be subordinated to payments of principal and interest to Covered Bondholders.

## ARTICLE 5 COVENANTS

### 5.1 Seller Covenants

The Seller covenants and agrees with the Purchaser that until the later of (i) the date on which the Outstanding Principal Balance of each Purchased Loan is reduced to zero or is determined to be uncollectible by the Servicer in accordance with the standards of a Reasonable and Prudent Mortgage Lender, and (ii) one year plus one day since the last day on which any Covered Bonds issued by the Issuer under the Programme shall have been outstanding:

- (a) Compliance with Laws, Etc. The Seller shall comply in all respects with all applicable laws, rules, regulations and orders, and preserve and maintain its corporate existence, rights, franchises, qualifications, and privileges, except to the extent that the failure so to comply with such laws, rules and regulations or the failure so to preserve and, maintain such existence, rights, franchises, qualifications, and privileges would not result in a Material Adverse Event.
- (b) Ownership Interest, Etc. The Seller shall (subject, with respect to Guarantor Purchased Loans secured by Shared Security, to the provisions of the Security Sharing Agreement) take all action necessary or desirable to establish and

maintain a valid and enforceable first priority perfected ownership interest in the Purchased Assets, free and clear of any Adverse Claim, except for Permitted Security Interests and the security interests created by the Purchaser, in favour of the Purchaser, including, without limitation, executing, delivering and registering all Financing Statements and taking such other action to perfect, protect or more fully evidence the interest of the Purchaser under this Agreement as the Purchaser may request; provided, however, that the Seller shall not be required to register any transfers or assignments of the Purchased Loans on the title to the related Mortgaged Properties until the time or times otherwise specified therefor by the Purchaser pursuant to and in accordance with this Agreement.

- (c) Sales, Liens, Etc. The Seller shall not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim, other than Adverse Claims in favour of the Purchaser or which are Permitted Security Interests, upon or with respect to, any or all of the Purchased Assets (including without limitation upon or with respect to any account to which any Collections of any Purchased Loans are deposited) except as herein provided or as provided in the Security Sharing Agreement.
- (d) Marking of Records. At its expense, the Seller shall mark its records relating to the Purchased Loans to clearly evidence that the Purchased Loans have been sold in accordance with this Agreement and the other Purchase Documents and showing the Purchaser as beneficial owner of the Purchased Loans.
- (e) Ineligible Loan. The Seller shall promptly, and in any event not later than the next Guarantor Payment Date, notify the Purchaser, the Servicer and Cash Manager (in each case if other than the Seller) and the Bond Trustee after determining that any Purchased Loan did not meet the Eligibility Criteria on the applicable Purchase Date for such Purchased Loan.
- (f) Loan and Related Security Files. Except where lodged with the relevant registry in relation to any registration or recording which may be pending, and subject, with respect to Guarantor Purchased Loans secured by Shared Security, to the provisions of the Security Sharing Agreement, the Loans, the Related Security and the Loan Files relating to the Loans in the Covered Bond Portfolio will be held by, or to the order of, the Seller or the Servicer, as the case may be, or by solicitors, service providers or licensed conveyancers acting for the Seller in connection with the Loans and their Related Security. The Seller or the Servicer, as the case may be, undertakes that from the relevant Purchase Date until the perfection of the sale in accordance with the terms hereof, such Seller (or Servicer, as the case may be) shall hold the Loan Files relating to each New Loan and its Related Security sold by it on the relevant Purchase Date that are in its possession or under its control or held to its order to the order of the Bond Trustee or as the Bond Trustee may direct. The right, interest and title of the Purchaser to the Loans and their Related Security will be secured by irrevocable powers of attorney granted by the Seller as of the Transfer Date such Loans are transferred,

in favour of the Purchaser (or the Managing GP) and the Bond Trustee in respect of registered title to the Loans and their Related Security.

- (g) Notification Event. Upon the earlier to occur of a Notification Event and an event described in Section 7.1(a) of this Agreement, the Seller, or the Servicer or the Cash Manager on behalf of the Seller, shall deliver to the Custodian (i) for safekeeping, updated (A) Eligible Loan Details, and (B) Substitute Asset Details in respect of all Loans and their Related Security and Substitute Assets held by the Purchaser, respectively, and (ii) to the extent not previously delivered to the Custodian, each of the powers of attorney required by Section 7.5, together with documentary evidence of chain of title to the Loans and their Related Security and Substitute Assets held by the Purchaser and duly executed copies of any other registrable forms of assignment that may be required by the Purchaser in order to perfect the sale, assignment and transfer of the Portfolio Assets from the Seller to the Purchaser, including for greater certainty, any additional documents that may be required for such purposes pursuant to the CMHC Guide or otherwise.
- (h) Further Assurances. The Seller undertakes to the Purchaser and the Bond Trustee that, pending perfection under Article 7 (but subject, with respect to Guarantor Purchased Loans secured by Shared Security, to the provisions of the Security Sharing Agreement), the Seller:
- (i) shall not do or omit to do any act or thing which might, in the reasonable opinion of the Bond Trustee, prejudice the interests of the Purchaser and/or the Bond Trustee in the Covered Bond Portfolio;
  - (ii) shall promptly notify the Purchaser and the Bond Trustee in writing if it receives written notice of any litigation or claim calling into question in any material way the Seller's or the Purchaser's title to any Loan comprised in the Covered Bond Portfolio or its Related Security or if it becomes aware of any material breach of any of the Representations and Warranties or other obligations under this Agreement; and
  - (iii) shall, if reasonably required so to do by the Purchaser or the Bond Trustee, participate or join in any legal proceedings to the extent necessary to protect, preserve and enforce the Seller's, the Purchaser's or the Bond Trustee's title to or interest in any Purchased Loan or its Related Security; and
  - (iv) shall make and enforce claims under any applicable insurance policies relating to the Loans and their Related Security to which the Seller is entitled to any benefit and hold the proceeds of such claims on trust for the Purchaser or as the Purchaser may direct.
- (i) Custodial Agreement and CMHC Guide. The Seller undertakes to the Purchaser and the Bond Trustee to comply with its obligations under (i) the Custodial Agreement, in all material respects, (ii) the other Transaction Documents to which

it is a party, in all material respects, and (iii) the CMHC Guide, in each case in any capacity.

- (j) Lines of Credit and Multiproduct Loans. The Seller shall not sell any Line of Credit or Multiproduct Loan to the Guarantor under this Agreement until such time as (i) CMHC has advised the Seller, the Guarantor, the Bond Trustee and the Custodian in writing that CMHC has verified that the sale by the Seller to the Guarantor of Lines of Credit or Multiproduct Loans, as applicable, under this Agreement is in compliance with the CMHC Guide, and (ii) all amendments to this Agreement and any other Transaction Documents required in order to comply with the provisions of the CMHC Guide in connection with such sale have been effected and approved in writing by CMHC.

## 5.2 Purchaser Covenant

The Purchaser covenants and agrees with the Seller and the Bond Trustee that it will comply with its obligations under each of the Transaction Documents to which it is a party, in all material respects, and the CMHC Guide.

## ARTICLE 6 INDEMNIFICATION

### 6.1 Indemnities by the Seller

Without limiting any other rights that the Purchaser or any of its Affiliates, employees, agents, successors, transferees or assigns (each, an “**Indemnified Party**”) may have hereunder or under applicable law, the Seller hereby agrees, subject to the exclusions set forth below, to indemnify each Indemnified Party from and against any and all claims, damages, expenses, losses and liabilities (including legal costs) arising out of, relating to or resulting from any of the following (all of the foregoing being collectively referred to as “**Indemnified Amounts**”):

- (a) subject to Section 2.3 hereof, the failure of any Purchased Loan to meet the Eligibility Criteria as of its Purchase Date;
- (b) subject to Section 2.3 hereof, the failure of any representation or warranty or statement made or deemed made by the Seller (or any of its officers), under or in connection with this Agreement or any other Purchase Document to have been true and correct when made;
- (c) the failure by the Seller to comply with any applicable law, rule or regulation with respect to the servicing, administration, enforcement or other dealing with any Purchased Loans; or the failure of any Purchased Loans to conform to any such applicable law, rule or regulation;
- (d) the failure to sell, assign, transfer and convey to the Purchaser beneficial ownership in, and to vest in and maintain vested in, the Purchaser a valid and enforceable first priority perfected ownership interest in the Purchased Assets

(including upon registration by the Purchaser of any Registrable Transfers) free and clear of any Adverse Claim (other than a Permitted Security Interest or Adverse Claim in favour of the Purchaser) including, without limitation, any claim by any Governmental Authority that any part of the Purchased Assets consisting of amounts payable by the related Borrowers constitute the property of or are otherwise subject to the ownership, control or an Adverse Claim of or in favour of such Governmental Authority other than a Permitted Security Interest;

- (e) the failure to have filed, or any delay in filing, Financing Statements, Registrable Transfers or other similar instruments or documents under any applicable laws of any applicable jurisdiction with respect to the Purchased Assets or any part thereof, whether at the time of any purchase or at any subsequent time;
- (f) any failure of the Seller to perform its covenants, duties or obligations in accordance with the provisions of this Agreement or any other Purchase Document or to perform its covenants, duties or obligations under the Purchased Assets;
- (g) any failure by the Seller or its assignee to repurchase any Purchased Loans and their Related Security pursuant to Section 2.3,

and the Seller shall pay on demand (without duplication) to each Indemnified Party any and all amounts necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts arising out of, relating to or resulting from, any of the foregoing provided, however, that the foregoing obligation of indemnification shall not include Indemnified Amounts to the extent resulting from gross negligence or wilful misconduct on the part of such Indemnified Party.

## **ARTICLE 7 PERFECTION OF THE SALE**

### **7.1 Perfection**

- (a) Subject to Section 7.1(b), the Purchaser (or the Bond Trustee) will cause or, pursuant to this Article 7, will require the Seller to cause, the sales, transfers and assignments contemplated by this Agreement to be Perfected as soon as practicable and in any event on or before the 60th day after the earliest to occur of:
  - (i) a Servicer Event of Default that has not been remedied within 30 days or such shorter period permitted by the Servicing Agreement;
  - (ii) an Issuer Event of Default (other than an Insolvency Event with respect to the Issuer) that has not been remedied within 30 days or such shorter period permitted by Condition 7.01;

- (iii) an Insolvency Event (without regard to the parenthetical language in clause (a) of such definition) with respect to the Seller;
  - (iv) the acceptance by an applicable purchaser of any offer by the Purchaser to sell Loans and their Related Security (only in respect of the Loans being sold and their Related Security) to any such purchaser other than the Seller, unless otherwise agreed by such purchaser and the Purchaser, with the consent of the Bond Trustee, which consent will not be unreasonably withheld;
  - (v) the Seller and/or the Purchaser being required to Perfect legal title to the Mortgages by:
    - (A) law;
    - (B) by an order of a court of competent jurisdiction; or
    - (C) by any regulatory authority which has jurisdiction over the Seller or the Purchaser to effect such perfection; and
  - (vi) the date on which the Seller ceases to be assigned a long term, unsecured, unsubordinated, unguaranteed debt obligation rating by Moody's of at least Baa1 or by DBRS of at least BBB (low).
- (b) Notwithstanding the occurrence of any event or circumstance described in Sections 7.1(a), none of the sales, transfers and assignments contemplated by this Agreement are required to be Perfected if (x) satisfactory assurances are provided by OSFI or such other supervisory authority having jurisdiction over the Seller permitting registered title to the Mortgages and any Related Security for the Purchased Loans to remain with the Seller and (y) the Rating Agency Condition has been satisfied, until such time as:
- (i) the Loans and their Related Security are to be sold or otherwise disposed of by the Purchaser or the Bond Trustee in the performance of their respective obligations under the Transaction Documents; or
  - (ii) the Purchaser or the Bond Trustee is required to take actions to enforce or otherwise deal with the Loans and their Related Security.

## 7.2 Registration

Subject to the terms of this Article 7, Perfection of the transfer of the Purchased Loans and their Related Security in the Covered Bond Portfolio over Properties shall be effected by means of a transfer in the form requested by the relevant land titles office, land registry office or similar office of public registration for the location where the real property subject thereto is situate and Perfection of the transfer of other Related Security comprised in the Covered Bond Portfolio, shall be in such form as the Purchaser and the Bond Trustee (each acting reasonably) may require.

### **7.3 Acts Prior to Perfection**

Until the happening of an event described in Section 7.1(a) of this Agreement, the Seller will (i) hold the registered title to the Mortgages and any Related Security for the Purchased Loans as agent, bare nominee and bailee for and on behalf of the Purchaser (or the Managing GP or the Liquidation GP on behalf of the Purchaser, as applicable, or, with respect to Guarantor Purchased Loans secured by Shared Security, the Seller or any third party purchaser of Seller Retained Loans, subject to the provisions of the Security Sharing Agreement), and (ii) deliver such agreements, and take all actions with respect to the Loans and Related Security as the Purchaser (or the Managing GP or the Liquidation GP on behalf of the Purchaser, as applicable) may direct and the Seller shall comply with the foregoing. Subject to the Security Sharing Agreement, neither the Purchaser nor the Bond Trustee, will consent or instruct any person to, register or deposit or cause to be registered or deposited in any land registry or land titles office or similar place of public record this Agreement or any document giving any indication of the interest of the Purchaser in any of the Purchased Loans or their Related Security nor, will the Purchaser communicate in any way or manner whatsoever to the Borrower or any relevant guarantor of any Borrower under any of the Purchased Loans or their Related Security or to any Person having any interest in the property mortgaged by any of the Mortgages or in the equity of redemption in any such property based on the fact that the Purchaser owns the Purchased Loans and their Related Security.

### **7.4 Further Assurances**

Within twenty-five Toronto Business Days following Perfection of the sale, transfer and assignments contemplated by this Agreement pursuant to this Article 7, each Seller will do all of the acts, matters or things (including, for the avoidance of doubt, those acts, matters and things referred to in this Article 7), as the Bond Trustee or the Purchaser requires each Seller to do.

### **7.5 Powers of Attorney**

The Seller hereby grants to the Purchaser (and the Managing GP and the Liquidation GP, as applicable) and the Bond Trustee an irrevocable power of attorney and hereby irrevocably constitutes and appoints each of them as its attorney-in-fact, with full power of substitution in favour of the Purchaser (and the Managing GP and the Liquidation GP, as applicable) and the Bond Trustee, to take in the place and stead of and in the name of it or in the Purchaser's (and the Managing GP's and the Liquidation GP's, as applicable) or the Bond Trustee's own name from time to time at the Purchaser's or, if applicable, the Bond Trustee's, discretion, the following:

- (a) to make all amendments, deletions, substitutions or additions to any assignment or transfer of any Purchased Loan or its Related Security sold by it to the Purchaser in the Covered Bond Portfolio executed by it in favour of the Purchaser (or as it may direct) which are necessary or desirable to register such assignment or transfer in the appropriate land registry or land titles office or other office of public record;

- (b) to prepare, execute, deliver and/or register such further assignments or transfers of any Purchased Loan or its Related Security sold by it to the Purchaser in the Covered Bond Portfolio, whether in substitution for or replacement of any existing assignment or transfer of any Purchased Loan or its Related Security sold by it to the Purchaser in the Covered Bond Portfolio, or otherwise, which may be necessary or desirable to register legal title to such Loan or its Related Security in the name of the Purchaser (or as it may direct) in the appropriate land registry or land titles office or other office of public record;
- (c) to prepare, execute, deliver and/or register such further documents or instruments which may be necessary or desirable to register legal title to any Loan or its Related Security sold by it to the Purchaser in the Covered Bond Portfolio in the name of the Purchaser (or as it may direct) or to register any other document or instrument giving rise to or evidencing the interest of the Purchaser in any such Loan or its Related Security, in the appropriate land registry or land titles office or other office of public record;
- (d) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for monies due and to become due in connection with the Purchased Assets or otherwise owed to the Purchaser;
- (e) to receive, endorse and collect any cheques, drafts or other instruments in connection with the Purchased Assets or otherwise owed to the Purchaser;
- (f) to file any claims or take any action or institute any proceedings that the Purchaser may deem to be necessary or desirable for the collection of any of the Purchased Assets; and
- (g) to execute and deliver such instruments and documents (including assignments) necessary or desirable in furtherance of the foregoing.

The power of attorney granted hereby shall be coupled with an interest. The power of attorney and other rights and privileges granted hereby shall survive any amalgamation, reorganization, dissolution, liquidation or winding-up of the Seller.

## **7.6 Limitation on Power of Attorney**

Each of the Purchaser and the Bond Trustee may exercise its respective rights under the power of attorney provided in Section 7.5 only with respect to the Purchased Assets assigned and sold to the Purchaser pursuant to this Agreement and after the occurrence of an event described in Section 7.1(a) of this Agreement.

## **7.7 Registrable Powers of Attorney**

On or prior to the First Transfer Date, the Seller shall provide to the Managing GP and the Liquidation GP, each in their capacities as general partners of the Purchaser, and the Bond Trustee registrable powers of attorney of the Seller and the Originators as required by and in accordance with the CMHC Guide. Such grantees of the registrable powers of attorney may

exercise their rights under the registrable powers of attorney only with respect to the Purchased Assets assigned and sold to the Purchaser pursuant to this Agreement and after the occurrence of an event described in Section 7.1(a) of this Agreement; provided that (i) the Managing GP shall not exercise such power if a Managing GP Default Event has occurred and is continuing, unless at such time the Managing GP is not the Issuer or an Affiliate of the Issuer; and (ii) the Liquidation GP shall not exercise such power unless at such time a Managing GP Default Event has occurred and is continuing.

## 7.8 Costs

Each Seller shall indemnify each of the Purchaser and the Bond Trustee from and against any and all costs, fees and expenses (including, without limitation, legal fees and expenses and any applicable GST thereon) which may be properly incurred by the Purchaser and/or the Bond Trustee by reason of the doing of any act, matter or thing referred to in this Article 7.

## ARTICLE 8 PRE-EMPTIVE RIGHT

### 8.1 Pre-Emptive Right

Prior to the Purchaser making any offer to sell any Loans and their Related Security to any person other than to the Seller, the Purchaser shall first offer to sell such Loans and their Related Security to the Seller by serving on the Seller a notice in writing in the form set out in Schedule 8.1 (the “**Loan Offer Notice**”), subject to and in accordance with the terms of Article 7 of the Guarantor Agreement.

### 8.2 Acceptance

- (a) Subject to Section 8.2(b), if the Seller accepts the Purchaser’s offer to sell the relevant Loans and their Related Security by signing the Loan Offer Notice in a manner indicating acceptance and delivering it to the Purchaser with a copy to the Bond Trustee within ten Toronto Business Days from and including the date of the Loan Offer Notice, the Purchaser shall within three Toronto Business Days of receipt of such acceptance serve a notice in writing (the “**Loan Offer Repurchase Notice**”) substantially in the form set out in Schedule 8.2 on the Seller.
- (b) If an Issuer Event of Default has occurred prior to receipt by the Seller of a Loan Offer Notice, but no liquidator or administrator has been appointed to the Seller, in addition to the conditions set out in Section 8.2(a), the Seller’s acceptance shall be conditional upon the Seller delivering with its Loan Offer Repurchase Notice, a certificate of an officer of the Seller in form acceptable to the Purchaser and the Bond Trustee, acting reasonably, certifying that, as of the date of the Loan Offer Repurchase Notice, the Seller is, and after giving effect to such purchase of the Loans the Seller will be, able to pay its debts as they fall due.

### **8.3 Offers to Others**

Those Loans and their Related Security in respect of which the Seller rejects or fails within the requisite time limit to accept and pay for the Purchaser's offer to sell shall be offered for sale by the Purchaser to third party purchasers and the Seller in the manner and on the terms set out in Section 7.1, Section 7.2 or Section 7.3 of the Guarantor Agreement, as applicable.

### **8.4 Repurchase**

- (a) Upon receipt of the Loan Offer Repurchase Notice duly signed on behalf of the Purchaser, the Seller shall promptly sign and return a duplicate copy of the Loan Offer Repurchase Notice and shall repurchase from the Purchaser, and the Purchaser shall subject to Section 7.1 of the Guarantor Agreement re-assign or re-transfer to the Seller free from the Security created by the Security Agreement, those Loans and their Related Security (and any other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Loan Offer Repurchase Notice.
- (b) Completion of the purchase and sale contemplated in this Section 8.4 will take place, upon satisfaction of any applicable conditions to the purchase and sale, on such date as the Purchaser may direct in the Loan Repurchase Notice, provided such date is not later than the earlier to occur of the date which is (i) ten Toronto Business Days following receipt by the Purchaser of such Loan Offer Repurchase Notice, and (ii) the Final Maturity Date of the Earliest Maturing Covered Bonds.
- (c) The Seller shall pay the offer price specified in the relevant Loan Offer Repurchase Notice to the Purchaser prior to a downgrade by one or more Rating Agencies of the ratings of the Cash Manager below the Cash Management Deposit Ratings by payment in cash to the Cash Manager and following a downgrade by one or more Rating Agencies of the ratings of the Cash Manager below the Cash Management Deposit Ratings by deposit of the cash amount in the GDA Account.

### **8.5 Loans and Related Security Files**

Upon such completion of the repurchase of such Loans and their Related Security in accordance with Section 8.4 above, the sale of Loans and their Related Security to a purchaser or purchasers, or if there is a breach of the Pre-Maturity Test under the Guarantor Agreement, the Seller shall cease to be under any further obligation to hold the relevant Loan Files or other documents relating to such Loans and their Related Security to the order of the Purchaser and if the Purchaser or Servicer holds such documents the Purchaser will or will cause the Servicer, as applicable, to send such documents to the Seller. Any repurchase by the Seller of or in respect of such Loans and their Related Security or any sale of Loans and their Related Security by the Purchaser to a purchaser or purchasers pursuant to Article 7 of the Guarantor Agreement shall constitute a discharge and release of the Seller from any claims which the Purchaser or the Bond Trustee may have against the Seller arising from the relevant Representations or Warranties in relation to such Loans and their Related Security previously sold by that Seller to the Purchaser

only but shall not affect any rights arising from a breach of any other express provision of this Agreement or any Representation or Warranty in relation to any other Loan and other Related Security.

## **ARTICLE 9 MISCELLANEOUS**

### **9.1 The Bond Trustee**

If there is any change in the identity of the Bond Trustee, the parties to this Agreement shall execute such documents and take such action as the successor Bond Trustee and the outgoing Bond Trustee may reasonably require for the purpose of vesting in the successor Bond Trustee the rights and obligations of the outgoing Bond Trustee under this Agreement. The Purchaser shall indemnify the Seller for all reasonable costs incurred by the Seller in relation to such change. Any payment by the Purchaser to the Seller in connection with this indemnity shall be subordinated to payments of principal and interest to Covered Bondholders.

It is hereby acknowledged and agreed that by its execution of this Agreement the Bond Trustee shall not assume or have any of the obligations or liabilities of the Seller or the Purchaser under this Agreement and that the Bond Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement pursuant to Section 9.2. For the avoidance of doubt, the parties to this Agreement acknowledge that the right and obligations of the Bond Trustee are governed by the Trust Deed and the Security Agreement. Any liberty or right may be exercised or made in the Bond Trustee's absolute discretion without any obligation to give reasons therefor and the Bond Trustee shall not be responsible for any liability occasioned by so acting in accordance with the terms of the Trust Deed and the Security Agreement, but without prejudice to the obligations of the Bond Trustee to act reasonably.

### **9.2 Amendments, Etc.**

No amendment or waiver of any provision of this Agreement shall be effective unless in writing, signed by the Purchaser, the Seller and, with respect to material amendments or waivers, consented to by the Bond Trustee and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Purchaser to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. Each proposed amendment or waiver of this Agreement that is considered by the Purchaser to be a material amendment or waiver shall be subject to satisfaction of the Rating Agency Condition and the Purchaser (or the Cash Manager on its behalf) shall deliver to the Rating Agencies at least ten (10) Toronto Business Days prior notice of any amendment or waiver which does not require satisfaction of the Rating Agency Condition provided that failure to deliver such notice shall not constitute a breach of the obligations of the Purchaser under this Agreement.

### 9.3 Non-Petition

The Seller agrees that it shall not institute or join any other Person or entity in instituting against, or with respect to, the Purchaser, or any of the general partners of the Purchaser, any bankruptcy or insolvency proceeding or event so long as any Covered Bonds issued by the Issuer under the Programme shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Covered Bonds shall have been outstanding. The foregoing provision shall survive the termination of this Agreement by any of the parties hereto.

### 9.4 Notices, Etc.

Any notice, direction or other communication given under this Agreement shall be in writing and given by delivering it or sending it by prepaid first class mail to the registered office of such person set forth above unless an alternative address is provided below, in which case delivery shall be to the address provided below, or by facsimile transmission to facsimile number set forth below, as applicable:

- (a) in the case of the Bank:

The Toronto-Dominion Bank  
66 Wellington Street West  
21<sup>st</sup> Floor, TD Bank Tower  
Toronto, Ontario  
Canada M5K 1A2

Attention: Associate Vice President, Treasury and Balance  
Sheet Management  
Fax: (416) 868-0792

- (b) in the case of the Purchaser to:

TD Covered Bond (Legislative) Guarantor Limited Partnership  
66 Wellington Street West  
21<sup>st</sup> Floor, TD Bank Tower  
Toronto, Ontario  
Canada M5K 1A2

Attention: Associate Vice President, Treasury and Balance  
Sheet Management  
Fax: (416) 868-0792

- (c) in the case of the Bond Trustee to:

Computershare Trust Company of Canada

100 University Avenue  
 8th Floor, North Tower  
 Toronto, Ontario  
 Canada M5J 2Y1

Attention: Manager, Corporate Trust  
 Fax: (416) 981-9777

Any such communication will be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Toronto Business Day and such delivery was made prior to 4:00 p.m. (Toronto time) and otherwise on the next Toronto Business Day, (ii) in the case of first class post, when it would be received in the ordinary course of the post, or (iii) if transmitted by facsimile transmission on the Toronto Business Day following the date of transmission provided the transmitter receives a confirmation of successful transmission. Any party may change its address for notice, or facsimile contact information for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such party at its changed address, or facsimile contact information, as applicable.

## **9.5 Assignability**

- (a) This Agreement and the Purchaser's rights and obligations herein shall not be assignable, in whole or in part, by the Purchaser and its successors and assigns without the Purchaser having satisfied the Rating Agency Condition in respect thereof and the prior written consent of the Seller, which consent shall not be unreasonably withheld; provided, however, that at any time when The Toronto-Dominion Bank is not the Seller, the consent of the Seller to any such assignment shall not be required.
- (b) Notwithstanding Section 9.5(a), the Purchaser may assign the Purchased Loans as security for any of its obligations to the Bond Trustee including, without limitation, its obligations under the Covered Bond Guarantee.
- (c) Without limiting Section 9.5(a), the Seller may not assign its rights hereunder or any interest herein without the prior written consent of the Purchaser and the Bond Trustee and the Rating Agency Condition having been satisfied by the Purchaser in respect thereof.

## **9.6 Costs and Expenses**

Except as herein provided, each party shall pay its own costs and expenses in connection with the preparation, execution, delivery and administration of this Agreement and the other documents and agreements to be delivered hereunder.

## **9.7 Confidentiality**

In all cases and without limiting the foregoing, each party to this Agreement shall comply at all times with Applicable Privacy Laws in the performance of its obligations under this

Agreement. For greater certainty, each of the Purchaser and the Bond Trustee hereby agrees not to collect, use or disclose any Personal Information, or to cause the collection or use of any such information, of any Borrower provided by the Seller to the Purchaser or the Bond Trustee for any purpose whatsoever other than the purchase, sale or servicing (including collection and enforcement) of the related Purchased Loan in accordance with this Agreement, the Servicing Agreement, the CMHC Guide and the other Purchase Documents or any other purpose permitted hereunder or thereunder unless compelled by law and to maintain privacy policies and procedures consistent with the terms of this Agreement and compliant with all Applicable Privacy Laws. For greater certainty, Personal Information may be disclosed to permitted purchasers of Purchased Loans from the Purchaser.

## **9.8 Governing Law and Jurisdiction**

- (a) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein (without giving effect to the conflict of laws principles thereof).
- (b) Any legal action or proceeding with respect to this agreement may be brought in the courts of the Province of Ontario and by execution and delivery of this Agreement, each of the Purchaser, the Seller and the Bond Trustee consents, to the non-exclusive jurisdiction of those courts. Each of the Purchaser, the Seller and the Bond Trustee irrevocably waives, to the maximum extent permitted by law, any objection, including any objection to the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or any document related hereto. The Purchaser, the Seller and the Bond Trustee each waive personal service of any claim, notice of motion or application, summons, complaint or other process, which may be made by any other means permitted by Ontario law.

## **9.9 Execution in Counterparts**

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

## **9.10 Entire Agreement**

This Agreement and the other Purchase Documents constitute the entire agreement and understanding between the Purchaser, the Seller and the Bond Trustee with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

## **9.11 Headings**

The captions and headings of this Agreement (including in any Schedule hereto) are for convenience of reference only and shall not affect the interpretation hereof or thereof.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**THE TORONTO-DOMINION BANK, as Seller**

Per:   
Name: Christina Wang  
Title: Associate Vice President, TBSM

**TD COVERED BOND (LEGISLATIVE)  
GUARANTOR LIMITED PARTNERSHIP, acting by  
its managing general partner TD COVERED BOND  
(LEGISLATIVE) GP INC., as Purchaser**

Per:   
Name: Christina Wang  
Title: Vice President

**COMPUTERSHARE TRUST COMPANY OF  
CANADA, as Bond Trustee**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**THE TORONTO-DOMINION BANK, as Seller**

Per: \_\_\_\_\_  
Name:  
Title:

**TD COVERED BOND (LEGISLATIVE)  
GUARANTOR LIMITED PARTNERSHIP, acting by  
its managing general partner TD COVERED BOND  
(LEGISLATIVE) GP INC., as Purchaser**

Per: \_\_\_\_\_  
Name:  
Title:

**COMPUTERSHARE TRUST COMPANY OF  
CANADA, as Bond Trustee**

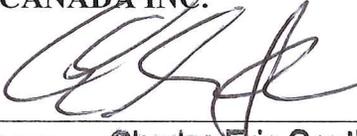
Per: \_\_\_\_\_  
Name: Sohail Kafai  
Title: Corporate Trust Officer

Per: \_\_\_\_\_  
Name: Stanley Kwan  
Title: Associate Trust Officer

**FOR GOOD AND VALUABLE CONSIDERATION** (the receipt and sufficiency of which are hereby acknowledged), the **UNDERSIGNED** hereby acknowledge and agree to the limitations set out in Section 7.7 of this Agreement as of the date first above written.

**8638080 CANADA INC.**

Per: \_\_\_\_\_

  
Name: **Charles Eric Gauthier**  
Title: **Vice-President**

**TD COVERED BOND (LEGISLATIVE) GP  
INC.**

Per: \_\_\_\_\_

Name:  
Title:

**FOR GOOD AND VALUABLE CONSIDERATION** (the receipt and sufficiency of which are hereby acknowledged), the **UNDERSIGNED** hereby acknowledge and agree to the limitations set out in Section 7.7 of this Agreement as of the date first above written.

**8638080 CANADA INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**TD COVERED BOND (LEGISLATIVE) GP  
INC.**

Per:  \_\_\_\_\_  
Name: Christina Wang  
Title: Vice President

**SCHEDULE 1**  
**ELIGIBILITY CRITERIA**

The following are the eligibility criteria applicable to each Loan on and as of the applicable Transfer Date for such Loan:

- (a) no Loan has the benefit of, or is secured by a Mortgage that also secures one or more other loans that has the benefit of, insurance from any Prohibited Insurer;
- (b) no Loan has a Current Balance of more than C\$3,000,000 on the Cut-Off Date;
- (c) no Loan relates to a Property which is not a residential Property or which is a residential Property that consists of more than four residential units;
- (d) each Loan is payable in Canada only and is denominated in Canadian Dollars;
- (e) each Loan has been duly authorized, executed and delivered by the parties thereto, is in full force and effect, unamended, except for any amendments reflected in the relevant Loan File, and constitutes a legal, valid and binding obligation of the parties thereto enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law);
- (f) each Loan permits realization by the mortgagee or hypothecary creditor against the Related Security in accordance with its terms, subject to applicable law, including, without limitation, the notice requirements and other limitations contained in the Bankruptcy and *Insolvency Act* (Canada), statutory limitations on the rights of mortgagees or hypothecary creditors to exercise their remedies and certain qualifications as set out in this Agreement; each Loan constitutes the Borrower's obligation to pay to the mortgagee or hypothecary creditor, in accordance with the scheduled payments set forth therein, the amounts owing thereunder and permits full recourse against the Borrower;
- (g) no payment of principal or interest under any Loan is in arrears;
- (h) the first payment due pursuant to the relevant Mortgage Terms for each Loan has been paid;
- (i) each Loan was originated or otherwise complies with the Seller's Policy as in effect or otherwise applicable at the time the Loan was originated;
- (j) each Loan and the Related Security is capable of being registered or recorded and has been duly registered or recorded in the appropriate land titles office, land registry office or similar office of public registration in which the Property subject thereto is located reflecting the Seller as the sole mortgagee or hypothecary creditor thereunder;

- (k) the Related Security for each Loan constitutes a valid and enforceable first charge or mortgage in favour of the lender against the related property, subject only to Permitted Security Interests and/or Adverse Claims which, in the aggregate do not materially impair the user value or marketability of the Property mortgaged or hypothecated thereby or the value of the Loan;
- (l) as at the Transfer Date, the Purchaser will acquire each Loan and the Related Security from the Seller free and clear of any security interests, subject only to (i) Permitted Security Interests and/or Adverse Claims which, in the aggregate do not materially impair the user value or marketability of the Property mortgaged or hypothecated thereby or the value of the Loan and (ii) interests or encumbrances that are reflected in the Security Sharing Agreement and the subject of a release in favour of the Purchaser, substantially in the form attached to the Security Sharing Agreement;
- (m) as at the Transfer Date, immediately prior to the transfer by the Seller to the Purchaser of any Loan and the Related Security, each such Loan and the Related Security and each other loan secured by the same Mortgage, if any, are owned by the Seller;
- (n) the Mortgage Conditions for each Loan and those of any other loan secured by the same Mortgage (each a “related loan”), including another Loan, include cross-default provisions such that a default under either the Loan or any other such related loan shall constitute a default under all such Loans and other related loans, or if no such cross-default provisions exist but the Loan or related loan is repayable on demand, the owner of such Loan or related loan has covenanted in writing to demand repayment (in a manner and in circumstances customary for Reasonable and Prudent Mortgage Lenders) of such Loan or related loan upon a default under such Loan or related loan, as the case may be;
- (o) no Loan has been satisfied or rescinded, nor has any property been discharged, reconveyed or released from the charge created by the Mortgage in whole or in part, other than the release required by the Security Sharing Agreement;
- (p) for each Loan (i) there is an opinion on title of legal counsel qualified to practice law in the province or territory in which the property subject thereto is located to the effect that, at the time of origination of such Loan, the Borrower had good title to, and such Mortgage constituted a valid and enforceable first charge or mortgage against, such property, subject only to Adverse Claims which do not in the aggregate materially impair the use, value or marketability of the property or the value of the security constituted by the Mortgage; (ii) there is a policy of title insurance to the same effect; or (iii) pursuant to the Seller’s instructions to, and related undertaking of, legal counsel qualified to practice law in the province or territory in which the property subject thereto is located, such legal counsel agreed not to advance funds unless at the time of origination of such Loan, such legal counsel had ensured that the Borrower had good title to, and such Mortgage constituted a valid and enforceable first charge or mortgage against, such

property, subject only to Adverse Claims which do not in the aggregate materially impair the use, value or marketability of the property or the value of the security constituted by the Mortgage, and a title search was completed following the funding of such Loan which confirmed that such Mortgage constituted a first charge or mortgage against such property, all in accordance with the Seller's Policy (which procedures under the Seller's Policy were developed and approved by internal counsel to the Seller);

- (q) the Seller shall not have given any consents, approvals or waivers or have postponed any of its rights under or in respect of any such Loan except in the ordinary course of business and any such permitted extension, modification, consent, approval, waiver or postponement is reflected in the Loan and Related Security Files;
- (r) as at the Transfer Date, no Loan is subject to any dispute proceeding, set-off, counterclaim or defence;
- (s) neither the Mortgage Conditions for any Loan nor the provisions of any other documentation applicable to any such Loan and enforceable by the Borrower expressly afford the Borrower a right of set-off;
- (t) to the extent any Loan or Additional Loan Advance under a Loan is extended, advanced or renewed on or after July 1, 2014, the Mortgage Conditions for the Loan or the provisions of any other documentation applicable to the Loan and enforceable against the Borrower, together with those of any other loan secured by the same Mortgage, contain an express waiver of set-off rights on the part of the Borrower;
- (u) each Loan satisfies the requirements of Section 21.6 of the Covered Bond Legislative Framework, as in effect on such Transfer Date; and
- (v) each Loan satisfies the eligibility criteria as may be prescribed by the CMHC Guide, as in effect on such Transfer Date.

**SCHEDULE 2.2(b)**  
**FORM OF LOAN PURCHASE NOTICE**

**To: TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**

This Loan Purchase Notice is delivered to you pursuant to Section 2.2(b) of the mortgage sale agreement, made as of the 25<sup>th</sup> day of June, 2014 (the “**Mortgage Sale Agreement**”) between The Toronto-Dominion Bank, as seller (in such capacity, together with its successors and permitted assigns in such capacity, the “**Seller**”) and as servicer, and TD Covered Bond (Legislative) Guarantor Limited Partnership (the “**Purchaser**”), as purchaser and Computershare Trust Company of Canada, as Bond Trustee.

Capitalized terms not defined herein shall have those meanings ascribed to them in the Mortgage Sale Agreement.

The Seller hereby irrevocably offers to sell to the Purchaser on the date indicated below the Eligible Loans, particulars of which are indicated on the attached Schedule “A” (and the Related Security with respect to such Eligible Loans) attached hereto, in accordance with and subject to the terms and conditions of the Mortgage Sale Agreement:

Purchase Date:	[N.B. Insert Purchase Date]
Cut-Off Date:	[N.B. Insert first day of month prior to Purchase Date]
Eligible Loans:	See Schedule “A”
Aggregate Purchase Price:	\$●
Outstanding Balance of the Eligible Loans:	\$●

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_  
Name:  
Title:

This Loan Purchase Notice is accepted by the Purchaser this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**TD COVERED BOND (LEGISLATIVE)**  
**GUARANTOR LIMITED PARTNERSHIP,**  
acting by its managing general partner **TD**  
**COVERED BOND (LEGISLATIVE) GP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE OF LOANS

Name of Seller	Interest Rate of Mortgages Highest ____%    Lowest ____% Weighted Average Amortization Period/as applicable _____ Months	Index Rate or Prime Rate at Cut-Off Date _____% Weighted Average Interest Rate _____%	Total Number of Eligible Loans	Aggregate Current Balance as of Cut-Off Date	Aggregate credit limit as of Cut-Off Date
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Loan Identification Number	Name of Borrower(s)	Type of Loan	Address of Mortgage Property	Aggregate amount advanced in respect of Loan	Interest Rate	Interest Adjustment Date	Date Last Payment Due (if applicable)	Credit Limit	Current Balance of Loan as of Cut-Off Date (excluding Capitalized Interest & Capitalized Arrears)	Remaining Amortization Period Months (if applicable)	Mortgage Lender on title (if other than Seller)

**SCHEDULE 2.2(g)(1)**  
**FORM OF SELLER ASSIGNMENT**

**THIS ASSIGNMENT** made this • day of •, 20•.

BETWEEN:

**THE TORONTO-DOMINION BANK**,  
a bank under the laws of Canada (the “**Seller**”)

- and -

**TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario, by its managing general partner **TD COVERED BOND (LEGISLATIVE) GP INC.** (the “**Purchaser**”)

**WHEREAS** the Seller, the Purchaser and Computershare Trust Company of Canada, as Bond Trustee, have entered into a mortgage sale agreement made as of June 25, 2014 (the “**Mortgage Sale Agreement**”).

**NOW THIS AGREEMENT WITNESSES** that in consideration of the premises and for valuable consideration the parties hereto covenant and agree as follows:

**1. DEFINED TERMS**

Unless otherwise defined herein or unless the context requires otherwise, capitalized terms shall have the same meanings herein as in the Mortgage Sale Agreement.

**2. SALE AND PURCHASE OF ELIGIBLE LOANS**

The Seller hereby sells, transfers and assigns unto the Purchaser and the Purchaser hereby purchases from the Seller, all of the Seller’s beneficial ownership of and present and future right, title and interest to the Loans and their Related Security (excluding registered title or recorded title but including all present and future Additional Loan Advances related to such Loans and their Related Security), on a fully serviced basis, described in Annex A hereto (the “**Purchased Loans**”), all on the terms and subject to the conditions set out in the Mortgage Sale Agreement.

**3. CONFIRMATION**

The Seller hereby confirms to the Purchaser that:

- (a) the representations and warranties of the Seller contained in the Mortgage Sale Agreement are true and correct as of the date hereof;
- (b) it has made a notation in its records that beneficial ownership of the Purchased Loans has been assigned to the Purchaser; and

- (c) until the happening of an event described in Section 7.1(a) of the Mortgage Sale Agreement, the Seller holds the registered title to the Mortgages and any Related Security for the Purchased Loans and the related Mortgage Deed and other documents evidencing and securing the Purchased Loans as agent, bare nominee and bailee for and on behalf of the Purchaser (or the Managing GP or the Liquidation GP on behalf of the Purchaser, as applicable).

#### **4. GOVERNING LAW**

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).

#### **5. NUMBER AND GENDER**

Words importing the singular include the plural and vice versa, and words importing gender include all genders.

#### **6. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this agreement by facsimile shall be as effective as delivery of a manually executed counterpart of such signature page.

*[The rest of this page is intentionally left blank]*

**IN WITNESS WHEREOF** the Seller has executed this Assignment.

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_  
Name:  
Title:

This Assignment is accepted by the Purchaser this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_.

**TD COVERED BOND (LEGISLATIVE)  
GUARANTOR LIMITED PARTNERSHIP,  
acting by its managing general partner TD  
COVERED BOND (LEGISLATIVE) GP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**ANNEX A**  
**PURCHASED LOANS**

**SCHEDULE 2.2(g)(2)**  
**FORM OF QUÉBEC SELLER ASSIGNMENT**

THIS QUÉBEC SELLER ASSIGNMENT made this • day of •, 20\_\_.

BETWEEN:

**THE TORONTO-DOMINION BANK**, a bank named in  
Schedule I to the Bank Act (the “**Seller**”)

- and -

**TD COVERED BOND (LEGISLATIVE) GUARANTOR  
LIMITED PARTNERSHIP**, a limited partnership formed under  
the laws of the Province of Ontario, by its managing partner **TD  
COVERED BOND (LEGISLATIVE) GP INC.**  
(the “**Purchaser**” or the “**Guarantor**”)

**WHEREAS** the Seller, the Purchaser, and Computershare Trust Company of  
Canada, as bond trustee, have entered into a mortgage sale agreement dated June 25, 2014 (the  
“**Mortgage Sale Agreement**”).

**NOW THIS AGREEMENT WITNESSES** that in consideration of the premises and for  
valuable consideration the parties hereto covenant and agree as follows:

**1. Interpretation**

The master definitions and construction agreement made between, inter alios, the parties  
to this Agreement as of June 25, 2014 (as the same may be amended, varied or supplemented  
from time to time with the consent of the parties thereto) (the “**Master Definitions and  
Construction Agreement**”) is expressly and specifically incorporated into this Agreement and,  
accordingly, the expressions defined in the Master Definitions and Construction Agreement  
shall, except where the context otherwise requires and save where otherwise defined herein, have  
the same meanings in this Agreement, including the recitals hereto and this Agreement shall be  
construed in accordance with the interpretation provisions set out in Section 2 of the Master  
Definitions and Construction Agreement, provided that the terms “**Covered Bond Portfolio**”,  
“**Loan**” and “**Purchased Loan**” used by reference in any such expressions and defined terms  
shall, for purposes of this Québec Seller Assignment only, be deemed to refer to the Québec  
Purchased Assets (as defined herein).

**2. Definitions**

In this Québec Seller Assignment, the following terms shall have the following meanings:

“**Collections**” means: with respect to any Loan, (a) all funds received after the relevant date in payment of any amounts due under or in respect of such Loan (including, without limitation, all scheduled payments, prepayments, Liquidation Proceeds, finance charges, interest, principal prepayment bonuses, indemnities or penalties and all other charges and all arrears of such amounts), or applied to amounts due under or in respect of such Loan, (b) all cash collections of the Outstanding Principal Balance of such Loan received after the relevant time and all other proceeds of such Loan, (c) all proceeds of insurance policies, if applicable, with respect to the relevant Property to the extent not required by the terms of the relevant policy or the Mortgage Terms to be applied to repair damages for which they compensate, and (d) all such other amounts received in connection with or relation to the relevant Loan;

“**Cut-Off Date**” means ●, 20●;

“**Eligibility Criteria**” means the following:

- (a) no Loan is secured by a Mortgage that also secures one or more other loans that has the benefit of insurance from any Prohibited Insurer;
- (b) no Loan has a Current Balance of more than C\$3,000,000 on the Cut-Off Date;
- (c) no Loan relates to a Property which is not a residential Property or which is a residential Property that consists of more than four residential units;
- (d) each Loan is payable in Canada only and is denominated in Canadian dollars;
- (e) each Loan has been duly authorized, executed and delivered by the parties thereto, is in full force and effect, unamended, except for any amendments reflected in the relevant Loan File, and constitutes a legal, valid and binding obligation of the parties thereto enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law);
- (f) each Loan permits realization by the mortgagee or hypothecary creditor against the Related Security in accordance with its terms, subject to applicable law, including, without limitation, the notice requirements and other limitations contained in the *Bankruptcy and Insolvency Act* (Canada), statutory limitations on the rights of mortgagees or hypothecary creditors to exercise their remedies and certain qualifications as set out in the Mortgage Sale Agreement; each Loan constitutes the Borrower’s obligation to pay to the mortgagee or hypothecary creditor, in accordance with the scheduled payments set forth therein, the amounts owing thereunder and permits full recourse against the Borrower;
- (g) no payment of principal or interest under any Loan is in arrears;
- (h) the first payment due pursuant to the relevant Mortgage Terms for each Loan has been paid;

- (i) each Loan and the Related Security is capable of being registered or recorded and has been duly registered or recorded in the appropriate land titles office, land registry office or similar office of public registration in which the Property subject thereto is located reflecting the Seller as the sole mortgagee or hypothecary creditor thereunder;
- (j) the Related Security for each Loan constitutes a valid and enforceable first charge, hypothec or mortgage in favour of the lender against the related property, subject only to Permitted Security Interests and/or Adverse Claims which, in the aggregate, do not materially impair the user value or marketability of the Property mortgaged or hypothecated thereby or the value of such Loan;
- (k) for each Loan (i) there is an opinion on title of legal counsel qualified to practice law in the province or territory in which the property subject thereto is located to the effect that, at the time of origination of such Loan, the Borrower had good title to, and such Mortgage constituted a valid and enforceable first charge or mortgage against, such property, subject only to Adverse Claims which do not in the aggregate materially impair the use, value or marketability of the property or the value of the security constituted by the Mortgage; (ii) there is a policy of title insurance to the same effect; or (iii) pursuant to the Seller's instructions to, and related undertaking of, legal counsel qualified to practice law in the province or territory in which the property subject thereto is located, such legal counsel agreed not to advance funds unless at the time of origination of such Loan, such legal counsel had ensured that the Borrower had good title to, and such Mortgage constituted a valid and enforceable first charge or mortgage against, such property, subject only to Adverse Claims which do not in the aggregate materially impair the use, value or marketability of the property or the value of the security constituted by the Mortgage, and a title search was completed following the funding of such Loan which confirmed that such Mortgage constituted a first charge or mortgage against such property;
- (l) the Seller shall not have given any consents, approvals or waivers or have postponed any of its rights under or in respect of any such Loan except in the ordinary course of business and any such permitted extension, modification, consent, approval, waiver or postponement is reflected in the Loan and Related Security Files;
- (m) as at the Transfer Date, the Purchaser will acquire each Loan and the Related Security from the Seller free and clear of any security interests, subject only to (i) Permitted Security Interests and/or Adverse Claims which, in the aggregate do not materially impair the user value or marketability of the Property mortgaged or hypothecated thereby or the value of such Loan and (ii) interests or encumbrances that are reflected in the Security Sharing Agreement and the subject of a release in favour of the Purchaser, substantially in the form attached to the Security Sharing Agreement;

- (n) as at the Transfer Date, immediately prior to the transfer by the Seller to the Purchaser of any Loan and the Related Security, each such Loan and Related Security and each other loan secured by the same Mortgage, if any, are owned by the Seller;
- (o) the Mortgage Conditions for each Loan and those of any other loan secured by the same Mortgage (each a “related loan”), including another Loan, include cross-default provisions such that a default under either the Loan or any other such related loan shall constitute a default under all such Loans and other related loans, or if no such cross-default provisions exist but the Loan or related loan is repayable on demand, the owner of such Loan or related loan has covenanted in writing to demand repayment (in a manner and in circumstances customary for Reasonable and Prudent Mortgage Lenders) of such Loan or related loan upon a default under such Loan or related loan, as the case may be;
- (p) no Loan has been satisfied or rescinded, nor has any property been discharged, reconveyed or released from the charge created by the Mortgage in whole or in part, other than the release required by the Security Sharing Agreement;
- (q) as at the Transfer Date, no Loan is subject to any dispute proceeding, set-off, counterclaim or defence;
- (r) neither the Mortgage Conditions for any Loan nor the provisions of any other documentation applicable to any such Loan and enforceable by the Borrower expressly afford the Borrower a right of set-off; and
- (s) to the extent any Loan or Additional Loan Advance under a Loan is extended, advanced or renewed on or after July 1, 2014, the Mortgage Conditions for the Loan or the provisions of any other documentation applicable to the Loan and enforceable against the Borrower, together with those of any other loan secured by the same Mortgage, contain an express waiver of set-off rights on the part of the Borrower;

“**Eligible Loan**” means a Loan which at the Purchase Date satisfies each of the Eligibility Criteria;

“**Loan**” means any residential mortgage loan (or, subject to receipt by the Seller, the Guarantor, the Bond Trustee and the Custodian of CMHC’s written confirmation of verification of compliance with the CMHC Guide, and satisfaction of the other conditions provided for in Section 5.1(j) of the Mortgage Sale Agreement, residential real estate secured line of credit or Multiproduct Loan), referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other moneys (including all Additional Loan Advances) due or owing with respect to that loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage from time to time outstanding, or, as the context may require, the Borrower’s obligations in respect of the same;

“**Mortgage**” means, in respect of any Loan each first fixed charge by way of legal mortgage or first-ranking hypothec which secures the repayment of the relevant Loan including the Mortgage Conditions applicable to it and “**Mortgages**” means more than one Mortgage;

“**Purchase Date**” or “**Transfer Date**” means ●, 201●;

“**Québec Eligible Loans**” means Eligible Loans which (i) are repayable by a Borrower resident in the Province of Québec, (ii) are subject to loan documentation which requires that payments of interest or principal in respect thereof be made at a location or an account situated or maintained in the Province of Québec, or (iii) are secured by a Mortgage against immovable property situated in the Province of Québec;

“**Québec Purchased Assets**” has the meaning given to such term in Section 3 hereof;

“**Related Security**” means, in relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage, insurance (other than blanket insurance coverage maintained by a Seller) and any guarantees and any security relating to such guarantees and all other matters applicable thereto and all proceeds of the foregoing; provided that, in relation to any such Mortgage, insurance, guarantees and security securing one or more Multiproduct Loans, the Guarantor’s ownership interest in such Mortgage, insurance, guarantees, security and the related Property shall be to the extent of the amount of indebtedness owing under all Loans secured by such Mortgage and owned by the Guarantor, and will not extend to the Seller’s and/or applicable Multiproduct Purchaser’s ownership interest in such Mortgage, insurance, guarantees, security and the related Property to the extent of any amounts of indebtedness owing under any Loans which are owned by such Seller or Multiproduct Purchaser and outstanding under the related Multiproduct Account from time to time, and the respective interests of the Guarantor, the Seller and any Multiproduct Purchaser in such Mortgage, insurance, guarantees, security and the related Property shall be subject, in all respects, to the terms of the Security Sharing Agreement; and

“**Servicer**” means The Toronto-Dominion Bank, in its capacity as servicer under the Servicing Agreement together with any successor servicer appointed from time to time.

### **3. Sale and Purchase of Québec Purchased Assets**

For the purposes of the laws of the Province of Québec and in furtherance of the Mortgage Sale Agreement, and on the terms and subject to the conditions set out in the Mortgage Sale Agreement, the Seller hereby sells, transfers and assigns unto the Purchaser and the Purchaser hereby purchases from the Seller the universality of all present and future claims and right of action arising from all Québec Eligible Loans of the Seller described in Annex A and all present and future Additional Loan Advances) (collectively, the “**Québec Purchased Assets**”).

### **4. Purchase Price**

The purchase price for the sale by the Seller to the Purchaser of the Québec Purchased Assets hereunder will be calculated and paid in accordance with the terms of the Mortgage Sale Agreement.

## **5. Seller Representations and Warranties**

The Seller represents and warrants to the Purchaser as follows as of the Purchase Date that:

- (a) the representations and warranties of the Seller contained in the Mortgage Sale Agreement are true and correct as of the date hereof;
- (b) no Issuer Event of Default under the Transaction Documents has occurred and is continuing as at the Purchase Date;
- (c) the Loan was originated or otherwise complies with the Seller's Policy or the applicable Originator's Policy, as in effect or otherwise applicable at the time the Loan was originated;
- (d) the procedures described in clause (iii) of paragraph (k) of the definition of "Eligibility Criteria" were developed and approved by internal counsel to the Seller and such procedures were, to the extent applicable to a Loan, undertaken in accordance with the Seller's Policy;
- (e) the Loan satisfies the eligibility criteria prescribed by the CMHC Guide as in effect on the Purchase Date; and
- (f) the Loan satisfies the requirements of Section 21.6 of the Covered Bond Legislative Framework as in effect on the Purchase Date.

## **6. Purchaser Representations and Warranties**

The Purchaser represents and warrants to the Seller as follows as at the Purchase Date that:

- (a) no Guarantor Event of Default under the Transaction Documents has occurred and is continuing as at the Purchase Date; and
- (b) the Purchaser, on the advice of the Cash Manager, is not aware, and could not reasonably be expected to be aware, that the purchase of the Québec Purchased Assets would adversely affect the then current ratings by the Rating Agencies of the Covered Bonds.

## **7. Additional Actions Upon a Title Trigger Event**

Without limiting the provisions of the Mortgage Sale Agreement, in connection with the Perfection of the sale, transfer and assignment of the Purchased Loans pursuant to Article 7 of the Mortgage Sale Agreement, the Purchaser will (or will instruct the Seller to) give all notices, make all registrations and generally complete all formalities required under the laws of the applicable jurisdictions, including, without limitation all formalities required under the laws of the Province of Québec to comply with Articles 1641, 1645 and 3003 of the *Civil Code of Québec* and any additional formalities which may then be required under applicable law to render the sale, transfer and assignment of the Québec Purchased Assets opposable against the Borrowers or other obligors and all third parties. The Seller will act upon the Purchaser's instructions under this Article 7, if any.

Without limiting any of the powers of the Purchaser hereunder or under the Mortgage Sale Agreement, the Purchaser will be entitled to discharge the Mortgages and give acquittance and receipts for amounts due, including with respect to amounts due to the Seller before the date of this Agreement, whereof quit.

## **8. Mortgage Sale Agreement**

This Québec Assignment will be construed as having been executed in furtherance of the Mortgage Sale Agreement and will form an integral part thereof.

## **9. Governing Law**

This Agreement will be governed by, and construed in accordance with, the laws of the Province of Québec (without giving effect to the conflict of laws principles thereof).

## **10. Number and Gender**

Words importing the singular include the plural and vice versa, and words importing gender include all genders.

## **11. Counterparts**

This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and all of which when taken together will constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile will be as effective as delivery of a manually executed counterpart of such signature page.

## **12. Language**

The parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and will be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.*

*[The remainder of this page left intentionally blank]*

**IN WITNESS WHEREOF** the parties hereto have executed this Québec Seller Assignment.

**THE TORONTO-DOMINION BANK**

By: \_\_\_\_\_  
Name:  
Title:

**TD COVERED BOND (LEGISLATIVE)  
GUARANTOR LIMITED PARTNERSHIP**, by its  
managing general partner **TD COVERED BOND  
(LEGISLATIVE) GP INC.**

By: \_\_\_\_\_  
Name:  
Title:

The foregoing is hereby acknowledged by the undersigned.

**COMPUTERSHARE TRUST COMPANY OF  
CANADA**, as Bond Trustee

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**ANNEX A**  
**LIST OF QUÉBEC ELIGIBLE LOANS COMPRISED**  
**IN THE QUÉBEC PURCHASED ASSETS**

\* \* \*

### CERTIFICATION

I, \_\_\_\_\_, advocate, certify that:

1. This certificate concerns an application for the Québec Seller Assignment and the Annex A thereto (the “**Assignment**”) entered into between The Toronto-Dominion Bank, as Seller, TD Covered Bond (Legislative) Guarantor Limited Partnership, by its managing general partner TD Covered Bond (Legislative) GP Inc. (the “**Guarantor**”), executed under private signature at ●, Province of ●, on ●, 201●;
2. I have verified the identity, quality and capacity of The Toronto-Dominion Bank and the Guarantor to the said Assignment;
3. Such Assignment represents the will expressed by The Toronto-Dominion Bank and the Guarantor; and
4. Such Assignment is valid as to form.

CERTIFIED at ●, Province ● on the \_\_\_\_\_ day of the month of ●, 201●.

Name: ●

Quality: Advocate

Address: ●

●, advocate

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**ANNEX A**

**[List of Eligible Loans Comprised in the Québec Purchased Assets]**

**SCHEDULE 2.4**  
**FORM OF OPTIONAL LOAN REPURCHASE NOTICE**

To: The Toronto-Dominion Bank (the “**Seller**”)

From: TD Covered Bond (Legislative) Guarantor Limited Partnership (the “**Guarantor**”)

It is hereby agreed for the purpose of this Loan Offer Repurchase Notice that the “**Principal Agreement**” shall mean the mortgage sale agreement dated June 25, 2014 made by and among The Toronto-Dominion Bank, as seller, the Guarantor, as purchaser, and Computershare Trust Company of Canada, as bond trustee (the “**Bond Trustee**”), as the same may be or have been amended, varied or supplemented from time to time pursuant to the terms of that agreement.

Unless otherwise defined herein, capitalized words and expressions in this Loan Offer Repurchase Notice shall have the same meanings given thereto in the Principal Agreement.

In accordance with Section 2.4 of the Principal Agreement, upon receipt of this Loan Offer Repurchase Notice by the Seller there shall exist between the Seller and the Guarantor an agreement (the “**Agreement for Sale**”) for the sale by the Guarantor to the Seller of the Loans and their Related Security more particularly described in Schedule “A” hereto. Completion of such sale shall take place on [INSERT DATE] and the price payable by the Seller for the Loans and their Related Security more particularly described in Schedule “A” hereto shall be the Optional Loan Repurchase Price.

The Agreement for Sale shall incorporate, mutatis mutandis, the relevant provisions of the Principal Agreement.

Dated as of the [●]

**TD COVERED BOND (LEGISLATIVE)**  
**GUARANTOR LIMITED PARTNERSHIP,**  
acting by its managing general partner **TD**  
**COVERED BOND (LEGISLATIVE) GP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

We hereby acknowledge receipt of and confirm the contents of the Loan Repurchase Notice dated [●].

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule "A"**

**SCHEDULE OF LOANS**

Name of Seller	Interest Rate of Mortgages Highest _____%    Lowest _____% Weighted Average Amortization Period/as applicable _____ Months	Index Rate or Prime Rate at Cut-Off Date _____% Weighted Average Interest Rate _____%	Total Number of Eligible Loans	Aggregate Current Balance as of Cut-Off Date	Aggregate credit limit as of Cut-Off Date
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Loan Identification Number	Name of Borrower(s)	Type of Loan	Address of Mortgage Property	Aggregate amount advanced in respect of Loan	Interest Rate	Interest Adjustment Date	Date Last Payment Due (if applicable)	Credit Limit	Current Balance of Loan as of Cut-Off Date (excluding Capitalized Interest & Capitalized Arrears)	Remaining Amortization Period Months (if applicable)	Mortgage Lender on title (if other than Seller)

**SCHEDULE 4.1(1)**  
**LOCATION OF SELLER**

66 Wellington Street West  
21<sup>st</sup> Floor, TD Bank Tower  
Toronto, Ontario  
Canada M5K 1A2

**SCHEDULE 8.1**  
**FORM OF LOAN OFFER NOTICE**

To: The Toronto-Dominion Bank (the “**Seller**”)

From: TD Covered Bond (Legislative) Guarantor Limited Partnership (the “**Guarantor**”)

It is hereby agreed for the purpose of this Loan Offer Notice that the “**Principal Agreement**” shall mean the mortgage sale agreement dated June 25, 2014 made by and among The Toronto-Dominion Bank, as seller, the Guarantor, as purchaser, and Computershare Trust Company of Canada, as bond trustee (the “**Bond Trustee**”), as the same may be or have been amended, varied or supplemented from time to time pursuant to the terms of that agreement.

Unless otherwise defined herein, capitalized words and expressions in this Loan Offer Notice shall have the same meanings given thereto in the Principal Agreement.

In accordance with and subject to Article 8 of the Principal Agreement we make an offer to you on the following terms:

1. This Loan Offer Notice constitutes an offer to sell certain Loans and their Related Security more particularly described in Schedule “A” hereto to you at the offer price in aggregate equal to the greater of the Fair Market Value of such Loans and the amount required as determined in accordance with Schedule 9 of the Guarantor Agreement.
2. This offer is capable of acceptance by you within ten (10) Toronto Business Days from and including the date of this Loan Offer Notice. If you do not accept this offer, we intend to sell the Loans and their Related Security described in Schedule “A” hereto to a third party or third parties.
3. This Loan Offer Notice shall incorporate, mutatis mutandis, the relevant provisions of the Principal Agreement.

You may accept this offer to you by signing the duplicate of this Loan Offer Notice in a manner indicating acceptance and delivering it to the Guarantor with a copy to the Bond Trustee.

We refer you to the Principal Agreement as to your rights, and the consequences of failure to accept this offer in time or at all or of doing so in a manner other than that specified in the Principal Agreement.

*[Remainder of this page is intentionally left blank]*

Dated as of the [●]

**TD COVERED BOND (LEGISLATIVE)  
GUARANTOR LIMITED PARTNERSHIP,  
acting by its managing general partner TD  
COVERED BOND (LEGISLATIVE) GP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

We accept the offer contained in this Loan Offer Notice.

Dated as of the [●]

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule "A"**

**SCHEDULE OF LOANS**

Name of Seller	Interest Rate of Mortgages Highest _____%    Lowest _____% Weighted Average Amortization Period/as applicable _____ Months	Index Rate or Prime Rate at Cut-Off Date _____% Weighted Average Interest Rate _____%	Total Number of Eligible Loans	Aggregate Current Balance as of Cut-Off Date	Aggregate credit limit as of Cut-Off Date
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Loan Identification Number	Name of Borrower(s)	Type of Loan	Address of Mortgage Property	Aggregate amount advanced in respect of Loan	Interest Rate	Interest Adjustment Date	Date Last Payment Due (if applicable)	Credit Limit	Current Balance of Loan as of Cut-Off Date (excluding Capitalized Interest & Capitalized Arrears)	Remaining Amortization Period Months (if applicable)	Mortgage Lender on title (if other than Seller)

**SCHEDULE 8.2**  
**FORM OF LOAN OFFER REPURCHASE NOTICE**

To: The Toronto-Dominion Bank (the “**Seller**”)

From: TD Covered Bond (Legislative) Guarantor Limited Partnership (the “**Guarantor**”)

It is hereby agreed for the purpose of this Loan Offer Repurchase Notice that the “**Principal Agreement**” shall mean the mortgage sale agreement dated June 25, 2014 made by and among The Toronto-Dominion Bank, as seller, the Guarantor, as purchaser, and Computershare Trust Company of Canada, as bond trustee (the “**Bond Trustee**”), as the same may be or have been amended, varied or supplemented from time to time pursuant to the terms of that agreement.

Unless otherwise defined herein, capitalized words and expressions in this Loan Offer Repurchase Notice shall have the same meanings given thereto in the Principal Agreement.

In accordance with Article 8 of the Principal Agreement, upon receipt of this Loan Offer Repurchase Notice by the Seller there shall exist between the Seller and the Guarantor an agreement (the “**Agreement for Sale**”) for the sale by the Guarantor to the Seller of the Loans and their Related Security more particularly described in Schedule “A” hereto. Completion of such sale shall take place on [INSERT DATE] and the price payable by the Seller for the Loans and their Related Security more particularly described in Schedule “A” hereto shall be in aggregate equal to the greater of the Fair Market Value of such Loans and the amount required as determined in accordance with Schedule 9 of the Guarantor Agreement.

The Agreement for Sale shall incorporate, mutatis mutandis, the relevant provisions of the Principal Agreement.

Dated as of the [●]

**TD COVERED BOND (LEGISLATIVE)**  
**GUARANTOR LIMITED PARTNERSHIP,**  
acting by its managing general partner **TD**  
**COVERED BOND (LEGISLATIVE) GP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

We hereby acknowledge receipt of and confirm the contents of the Loan Repurchase Notice dated [●].

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule "A"**

**SCHEDULE OF LOANS**

Name of Seller	Interest Rate of Mortgages Highest _____%    Lowest _____% Weighted Average Amortization Period/as applicable _____ Months	Index Rate or Prime Rate at Cut-Off Date _____% Weighted Average Interest Rate _____%	Total Number of Eligible Loans	Aggregate Current Balance as of Cut-Off Date	Aggregate credit limit as of Cut-Off Date
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Loan Identification Number	Name of Borrower(s)	Type of Loan	Address of Mortgage Property	Aggregate amount advanced in respect of Loan	Interest Rate	Interest Adjustment Date	Date Last Payment Due (if applicable)	Credit Limit	Current Balance of Loan as of Cut-Off Date (excluding Capitalized Interest & Capitalized Arrears)	Remaining Amortization Period Months (if applicable)	Mortgage Lender on title (if other than Seller)