

CASH MANAGEMENT AGREEMENT

by and among

THE TORONTO-DOMINION BANK

as Cash Manager, Issuer, Seller, Servicer and the Bank

and

TD COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

as Guarantor

and

COMPUTERSHARE TRUST COMPANY OF CANADA

as Bond Trustee

June 25, 2014

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CASH MANAGEMENT AGREEMENT

THIS CASH MANAGEMENT AGREEMENT (this “**Agreement**”) is made as of the 25th day of June, 2014.

BY AND AMONG:

- (1) **The Toronto-Dominion Bank** (the “**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, in its capacity as the Bank, as Cash Manager (hereinafter the “**Cash Manager**”), as Issuer, Seller and Servicer (hereinafter “**Issuer**”, “**Seller**”, “**Servicer**”);
- (2) **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, 21st Floor, TD Bank Tower, Toronto, Ontario, Canada M5K 1A2, by its general partner **TD Covered Bond (Legislative) GP Inc.** (hereinafter the “**Guarantor**”); and,
- (3) **Computershare Trust Company of Canada**, a trust company formed under the laws of Canada, whose registered office is at 100 University Avenue, 11th Floor, Toronto, Ontario Canada M5J 2Y1, in its capacity as the Bond Trustee (hereinafter the “**Bond Trustee**”).

WHEREAS:

- (A) Under the terms of the Programme, the Issuer will issue Covered Bonds on each Issue Date;
- (B) The net proceeds of the issue of each Tranche of Covered Bonds will be added to the general funds of the Issuer;
- (C) The Guarantor will borrow funds under the Intercompany Loan, subject to the terms of the Intercompany Loan Agreement;
- (D) The Guarantor will use proceeds from the Intercompany Loan to purchase the Initial Covered Bond Portfolio consisting of Loans and their Related Security from the Seller in accordance with the terms of the Mortgage Sale Agreement and use additional advances (i) to purchase additional Loans and their Related Security for inclusion in the Covered Bond Portfolio pursuant to the terms of the Mortgage Sale Agreement; and/or (ii) to invest in Substitute Assets in an amount not exceeding the prescribed limit; and/or (iii) subject to complying with the Asset Coverage Test to make Capital Distributions to the Limited Partner; and/or (iv) to make deposits of the proceeds in the Guarantor Accounts (including, without limitation, to fund the Reserve Fund to an amount not exceeding the prescribed limit);
- (E) The Guarantor has agreed to guarantee payments of interest and principal under the Covered Bonds pursuant to the terms of the Covered Bond Guarantee; and

- (F) The Cash Manager is willing to provide Cash Management Services (as hereinafter defined) to the Guarantor and the Bond Trustee on the terms and subject to the conditions contained herein.

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1** 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.

2. APPOINTMENT OF CASH MANAGER

2.1 Appointment

From the date hereof, until termination of this Agreement pursuant to Section 14 hereof, the Guarantor and the Bond Trustee (according to their respective estates and interests) each hereby appoints the Cash Manager as its lawful agent to provide the Cash Management Services set out in this Agreement (including without limitation, Section 3.4 (Compliance with the Asset Coverage Test, the Amortization Test, the Pre-Maturity Test and the Valuation Calculation)) and in Schedule 1 and Schedule 2 hereto and the Cash Manager hereby accepts such appointment on the terms and subject to the conditions of this Agreement. The Bond Trustee hereby consents to the appointment of the Cash Manager on the terms and conditions set out herein. From the date hereof until the earlier of the termination of this Agreement pursuant to Section 14 hereof and the occurrence of an Issuer Event of Default, the Issuer hereby appoints the Cash Manager as its lawful agent solely for the purpose of the preparation of Investor Reports pursuant to Section 9.4(a) and acknowledges the role of the Servicer in preparing such Investor Reports. The Cash Manager hereby accepts such appointment on the terms and subject to the conditions of this Agreement.

2.2 Duties prescribed by Transaction Documents

For greater certainty and in connection with the appointment made pursuant to Section 2.1 hereof save as expressly provided elsewhere in this Agreement, nothing herein shall be construed so as to give the Cash Manager any powers, rights, authorities, directions or

obligations other than as specified in this Agreement and the other Transaction Documents.

3. THE CASH MANAGEMENT SERVICES

3.1 General

The Cash Manager shall provide the services set out in this Agreement and the Schedules annexed hereto and forming part of this Agreement (collectively, the “**Cash Management Services**”).

3.2 Approvals and Authorizations

The Cash Manager shall maintain, or cause to be maintained, all approvals, authorizations, consents and licences required in connection with the business of the Guarantor and shall prepare and submit, or cause to be prepared and submitted, on behalf of the Guarantor, all necessary applications and requests for any further approvals, authorizations, consents or licences which may be required in connection with the business of the Guarantor and shall, so far as it is reasonably able to do so, perform the Cash Management Services in such a way as not to prejudice the continuation of any such approvals, authorizations, consents or licences.

3.3 Compliance with Transaction Documents, etc.

The Cash Management Services shall include the Cash Manager using all reasonable efforts to cause the Guarantor to comply with all applicable legal requirements and with the terms of the Transaction Documents to which the Guarantor is a party, provided always that the Cash Manager, solely in its capacity as cash manager, shall not be required to lend or provide any sum to the Guarantor and shall have no liability whatsoever to the Guarantor, the Bond Trustee or any other person, in its capacity as cash manager, other than to the extent arising under this Agreement or from any failure by the Guarantor to make any payment due under any of the Transaction Documents. For greater certainty, the foregoing shall not relieve the Bank from any failure to make or direct any payment due by the Bank under any of the Transaction Documents, in any capacity other than as Cash Manager, including without limitation in its capacity as Servicer, Seller, Interest Rate Swap Provider, Covered Bond Swap Provider or Limited Partner of the Guarantor.

3.4 Compliance with the Asset Coverage Test, the Amortization Test, the Pre-Maturity Test and the Valuation Calculation

- (a) Without limitation to the Cash Management Services described elsewhere in this Agreement, the Cash Manager hereby agrees:
 - (i) on each Toronto Business Day, to determine whether the Pre-Maturity Test (as set out in the Guarantor Agreement) for each Series of Hard Bullet Covered Bonds, if any, is satisfied;

- (ii) to do all calculations which are required to determine whether the Guarantor is in compliance with the Asset Coverage Test as of each Calculation Date and to determine in respect of, on each Cash Flow Model Calculation Date, the Asset Percentage in each case on or before the Toronto Business Day at least two Toronto Business Days prior to the immediately following Guarantor Payment Date;
- (iii) following the occurrence and during the continuance of an Issuer Event of Default, to do all calculations which are required to determine whether the Guarantor is in compliance with the Amortization Test as of each Calculation Date on or before the Toronto Business Day at least two Toronto Business Days prior to the immediately following Guarantor Payment Date;
- (iv) at any time the Cash Manager is required to do so by the terms of the Intercompany Loan Agreement or requested to do so by the Bank, to do all calculations which are required to determine (a) the balances outstanding on the Guarantee Loan and the Demand Loan, and (b) compliance with the Asset Coverage Test, in accordance with the terms of the Intercompany Loan Agreement as of the date reasonably requested or required in respect thereof; and
- (v) to do all calculations which are required to determine the Valuation Calculation as of each Calculation Date on or before the Toronto Business Day at least two Toronto Business Days prior to the immediately following Guarantor Payment Date,

and where required in connection therewith to give any and all notices to CMHC, the Guarantor, the Bank and/or the Bond Trustee in time and in the manner prescribed in the CMHC Guide, the Guarantor Agreement, the Intercompany Loan Agreement or the Security Agreement.

- (b) In order to determine the Asset Percentage as set out in Sections 3.4(a)(ii) and (iv) above, the Cash Manager shall coordinate the calculation of the spread assumption(s), if any, pursuant to the methodologies that the Rating Agencies prescribe as described in Schedule 2 of the Guarantor Agreement and use its reasonable efforts to ensure that each of the Rating Agencies use all reasonable efforts to provide the information relevant to calculation of the spread assumption(s) by a date that is no later than the relevant Spread Determination Date. Subject to the foregoing, if the Rating Agencies do not provide the Cash Manager with the information relevant to the calculation of the spread assumption(s) on or before the Spread Determination Date, then the parties hereto acknowledge and agree that the Cash Manager will not be liable for any resulting delay in the calculation of the Asset Percentage.
- (c) Not later than fifteen days following any Calculation Date in respect of which the Asset Monitor is obliged, in accordance with Section 2 of the Asset Monitor

Agreement, to conduct tests of the calculations performed by the Cash Manager, or in respect of a prior Calculation Date identified by the Asset Monitor, the Cash Manager shall provide the Asset Monitor with the information described in Sections 3.1, 3.2, 3.3 and 3.4, as applicable, of the Asset Monitor Agreement.

3.5 Liability of Cash Manager

- (a) The Cash Manager shall indemnify each of the Guarantor and the Bond Trustee on demand for any loss, liability, claim, expense or damage suffered or incurred by any of them as a result of any breach by the Cash Manager, in its capacity as cash manager, of any covenant or obligation contained in this Agreement or any other Transaction Document to which the Cash Manager, in its capacity as cash manager, is a party, provided such loss, liability, claim, expense or damage to the extent such breach arises is a result of negligence, fraud or wilful misconduct on the part of the Cash Manager.
- (b) For greater certainty, the Cash Manager shall not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by the Guarantor or the Bond Trustee and/or any other person as a result of the proper performance of the Cash Management Services by the Cash Manager or a breach of any covenant or obligation of the Cash Manager contained in this Agreement or any other Transaction Document to which the Cash Manager, in its capacity as cash manager, is a party that did not result from negligence, fraud or wilful misconduct on the part of the Cash Manager.

4. PAYMENTS, ACCOUNTS, LEDGERS

4.1 Bank Accounts

The Cash Manager hereby represents, warrants and covenants as follows:

- (a) that the GDA Account has been established on or before the date hereof pursuant to the Bank Account Agreement and the Guaranteed Deposit Account Contract and the Security Agreement in the agreed form will apply thereto as at the Programme Date;
- (b) that it will use its reasonable best efforts to cause the GDA Account to be operative as at the Programme Date;
- (c) that it will not knowingly create or permit to subsist any Security Interest in relation to any of the Guarantor Accounts, other than as created under or permitted pursuant to the terms of the Security Agreement or any other Transaction Document;
- (d) that it has entered into on or before the date hereof the Standby Guaranteed Deposit Account Contract and the Standby Bank Account Agreement;

- (e) that if the unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank from one or more Rating Agencies fall below the Account Bank Threshold Ratings, or the Bank Account Agreement is otherwise terminated, except pursuant to Section 8.3 of the Bank Account Agreement, or an Issuer Event of Default has occurred (provided that the Account Bank is the Issuer or an Affiliate thereof), it shall:
- (i) within two Business Days:
 - A. serve a Standby Account Bank Notice on the Standby Account Bank with a copy to the Standby GDA Provider (if different than the Standby Account Bank); and
 - B. establish the Standby Accounts in accordance with the terms of the Standby Bank Account Agreement and cause the amounts standing to the credit of the GDA Account held with the Account Bank to be transferred to the Standby GDA Account and the amounts standing to the credit of the Transaction Account, if any, to be transferred to the Standby Transaction Account in each case, promptly upon the establishment of such accounts and, in any event, within three additional Business Days (inclusive of any cure periods that may otherwise be available); and
 - (ii) to the extent required but not practicable within such five Business Day period, within 30 calendar days, re-direct to the Standby GDA Account or the Standby Transaction Account, as applicable, all payments of principal, interest and other amounts under Eligible Loans and Substitute Assets that would have otherwise been payable to the GDA Account or the Transaction Account, as applicable; provided that during such 30 calendar day period any such amounts received into the GDA Account or the Transaction Account, as applicable shall be transferred or otherwise deposited to the Standby GDA Account or the Standby Transaction Account, as applicable, within five Business Days of receipt.

4.2 Ledgers

- (a) The Cash Manager shall open and maintain in the books of the Guarantor certain ledgers to be known as:
- (i) the Revenue Ledger;
 - (ii) the Principal Ledger;
 - (iii) the Reserve Ledger;
 - (iv) the Capital Account Ledgers; and
 - (v) the Pre-Maturity Liquidity Ledger;

and all the foregoing ledgers shall together reflect the aggregate of all amounts (A) held by the Cash Manager for and on behalf of the Guarantor, (B) standing in any Guarantor Accounts, and (C) invested in Substitute Assets for or on behalf of the Guarantor.

- (b) The Cash Manager shall also open and maintain in the books of the Guarantor the Intercompany Loan Ledger, which shall record each Advance, each repayment, all payments of interest and repayments of principal on each Advance under the Intercompany Loan Agreement and the Payment Ledger to which it will record all amounts paid by or on behalf of the Guarantor and the Persons to whom such payments are made.
- (c) The Cash Manager shall make credits and debits to the Ledgers in accordance with Schedule 2 hereto.

4.3 Cashflows

- (a) Subject to Section 9.8 of the Guarantor Agreement and to Section 4.3(b) below, the Cash Manager is hereby authorized to collect, receive and hold the following amounts for and on behalf of the Guarantor:
 - (i) all Revenue Receipts;
 - (ii) all Principal Receipts;
 - (iii) all Cash Capital Contributions;
 - (iv) all amounts received by the Guarantor pursuant to the Interest Rate Swap Agreement; and
 - (v) any other amounts whatsoever received by or on behalf of the Guarantor after the date hereof (including, without limitation, the proceeds of any advances made to the Guarantor under the Intercompany Loan where such proceeds have not been applied to acquire the Initial Covered Bond Portfolio or additional Covered Bond Portfolios, fund Additional Loan Advances in respect of Loans sold by the Seller to the Guarantor, invest in Substitute Assets up to the prescribed limit or make a Capital Distribution pursuant to the terms of the Guarantor Agreement);
- (b) The Cash Manager shall cause all transfers, payments and/or withdrawals, as applicable, of amounts held by the Cash Manager for and on behalf of the Guarantor and amounts standing to the credit of the Transaction Account (or, as applicable, the Standby Transaction Account) and the GDA Account (or, as applicable, the Standby GDA Account) to be made in accordance with the provisions of this Agreement, the Guarantor Agreement, the Bank Account Agreement or, as applicable, the Standby Bank Account Agreement and/or, as applicable, the Security Agreement.

- (c) Prior to (i) a downgrade in the ratings of the unsecured, unsubordinated and unguaranteed debt obligations of the Cash Manager by a Rating Agency below the Cash Management Deposit Ratings, or (ii) a Covered Bond Guarantee Activation Event, funds held by the Cash Manager for or on behalf of the Guarantor shall be used to make payments on or before the next following Guarantor Payment Date in accordance with Article 6 (Priorities of Payment) of the Guarantor Agreement and following any such payments to be made on the Guarantor Payment Date any remaining amounts held by the Cash Manager for or on behalf of the Guarantor shall be deposited in the GDA Account (or, the Standby GDA Account, as applicable).
- (d) In the event of a downgrade in the ratings of the unsecured, unsubordinated and unguaranteed debt obligations of the Cash Manager by a Rating Agency below the Cash Management Deposit Ratings, or a Covered Bond Guarantee Activation Event, the Cash Manager will be required to immediately (i) direct the Servicer to deposit all Revenue Receipts and Principal Receipts received by the Servicer directly into the GDA Account (or, as applicable, the Standby GDA Account) within the applicable time period specified for such deposit by the Servicer in accordance with the terms of the Servicing Agreement, and (ii) transfer any amounts held by the Cash Manager for and on behalf of the Guarantor to the Transaction Account or the GDA Account, as applicable, within five Toronto Business Days (inclusive of any cure periods that may otherwise be available).
- (e) For greater certainty, as soon as reasonably practicable after becoming aware of the same, the Cash Manager may, and shall, withdraw monies from, as the case may be, the GDA Account or the Transaction Account (or, as applicable, the Standby GDA Account or the Standby Transaction Account) if and to the extent that such monies were credited thereto in error and shall use its reasonable endeavours to ensure that such monies are applied correctly thereafter.
- (f) The Cash Manager shall promptly notify each of the Guarantor and the Bond Trustee of any additional account which supplements or replaces any of the Guarantor Accounts.
- (g) Each of the Cash Manager and the Guarantor undertakes that, so far as it is able to cause the same, each of the Guarantor Accounts and all instructions and mandates in relation thereto will continue to be operative and will not, save as permitted pursuant to the Bank Account Agreement or, as applicable, the Standby Bank Account Agreement, be changed without the prior written consent of the Bond Trustee (such consent not to be unreasonably withheld or delayed provided that where any Guarantor Account is to be changed, such replacement account is subject to security in favour of the Bond Trustee on substantially the same terms as the security over the Guarantor Accounts granted to the Bond Trustee pursuant to the terms of the Security Agreement). For the avoidance of doubt, the Cash Manager may change the Authorized Signatories in respect of any instructions or mandates relating to the Guarantor, without the prior written consent of the Bond

Trustee, in accordance with Section 3.2 of the Bank Account Agreement and, as applicable, the corresponding section in the Standby Bank Account Agreement.

4.4 Withdrawals

The Cash Manager may make withdrawals:

- (a) on behalf of the Guarantor from the GDA Account (or, as applicable, the Standby GDA Account), but only:
 - (i) if the Account Bank (or, as applicable, the Standby Account Bank) has confirmed to the Cash Manager that there are sufficient amounts standing to the credit of the GDA Account (or, as applicable, the Standby GDA Account) to make such withdrawal on such date;
 - (ii) for payment of the monies to the Transaction Account (or, as applicable, the Standby Transaction Account); and
 - (iii) until the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor of which the Cash Manager has received notice; and
- (b) on behalf of the Guarantor from the Transaction Account (or, as applicable, the Standby Transaction Account) for application in accordance with the relevant Priorities of Payments and in accordance with paragraph 5 of Schedule 2 hereto or otherwise in accordance with the Transaction Documents, but only until the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor of which the Cash Manager has received notice;

but shall not in carrying out its functions as Cash Manager under this Agreement otherwise make withdrawals from the Guarantor Accounts.

4.5 Bank Account Statements

The Cash Manager shall take all reasonable steps to ensure that it receives a copy of the Payment Ledger in respect of the relevant month and to the extent there is activity in such accounts during such month a monthly bank statement in relation to each of the Guarantor Accounts and that it furnishes a copy of such statements to each of the Guarantor and the Bond Trustee.

4.6 Payments to Paying Agent

Each of the Bond Trustee and the Guarantor agree that all amounts payable by the Covered Bond Swap Provider to the Guarantor under the Covered Bond Swap Agreement and in accordance with the Priorities of Payments, shall be paid directly to the Paying Agent, and the Guarantor (or the Cash Manager on its behalf) shall direct the Covered Bond Swap Provider accordingly.

4.7 Deposits

Amounts (if any) held by the Cash Manager for and on behalf of the Guarantor or standing to the credit of the Transaction Account (or, as applicable, the Standby Transaction Account) which are not required to be applied in accordance with paragraphs (a) to (l) of the Pre-Acceleration Revenue Priority of Payments or paragraphs (a) to (g) of the Pre-Acceleration Principal Priority of Payments will, if applicable, be deposited by the Cash Manager and, in each case be credited to the appropriate ledger in the GDA Account on the Guarantor Payment Date.

5. THIRD PARTY AMOUNTS

The Cash Manager shall hold any Third Party Amounts received by the Guarantor for the Seller and transfer the same to the account and/or for the use of the entity entitled to such Third Party Amounts.

6. INTEREST RATE SWAP AGREEMENTS

6.1 Computations

The Cash Manager, in its capacity as Calculation Agent under the Interest Rate Swap Agreement, shall determine, in accordance with the terms of the Interest Rate Swap Agreement, the Receipt Ratio and the Average Loan Balance in respect of the relevant Calculation Period and shall notify the Guarantor and the Bond Trustee of such amounts and balances on the Toronto Business Day that is at least two days prior to the first Guarantor Payment Date following the relevant Calculation Period.

6.2 Termination of the Interest Rate Swap Agreement

If on or prior to the repayment in full of the final Tranche of the Covered Bonds then outstanding, the Interest Rate Swap Agreement is terminated (other than as a result of an Event of Default (as used in the relevant Interest Rate Swap Agreement) where the Guarantor is the Defaulting Party (as used in the relevant Interest Rate Swap Agreement)) or the delivery of a Guarantor Acceleration Notice to the Guarantor of which the Cash Manager has received notice, then the Cash Manager (on behalf of the Guarantor) shall enter into one or more new swaps with one or more third party swap provider(s) and the Bond Trustee, to hedge the risks being hedged under the terms of the Interest Rate Swap Agreement; provided that at any time that the Guarantor is Independently Controlled and Governed, the Guarantor shall have the discretion to refrain from hedging such risks. The Cash Manager shall apply any termination payment received in respect of the foregoing termination from the Interest Rate Swap Provider for such purpose in accordance with Article 6 (Priorities of Payment) of the Guarantor Agreement.

7. COVERED BOND SWAP AGREEMENT

7.1 Computations

Following the Covered Bond Swap Effective Date, the Cash Manager, in its capacity as Calculation Agent under the Covered Bond Swap Agreement, shall determine, in accordance with the terms of the Covered Bond Swap Agreement, in respect of the relevant Calculation Period, the amount of principal payments to be made with respect to the Covered Bonds and shall notify the Guarantor and the Bond Trustee of such amounts, balances and rates on the Toronto Business Day that is at least two days prior to the first Guarantor Payment Date following the relevant Calculation Period.

7.2 Termination of a Covered Bond Swap Agreement

If the Covered Bond Swap Agreement is terminated in respect of any Tranche of Covered Bonds on or prior to the repayment in full of such Tranche of Covered Bonds (other than as a result of an Event of Default (as defined in the Covered Bond Swap Agreement) where the Guarantor is the Defaulting Party (as defined in the Covered Bond Swap Agreement)) or the delivery of a Guarantor Acceleration Notice to the Guarantor of which the Cash Manager has received notice, then the Cash Manager (on behalf of the Guarantor) shall enter into a new swap to hedge the risks being hedged under the terms of the Covered Bond Swap Agreement; provided that at any time that the Guarantor is Independently Controlled and Governed, the Guarantor shall have the discretion to refrain from hedging such risks. The Cash Manager shall apply any termination payment received in respect of the foregoing termination from the Covered Bond Swap Provider pursuant to the relevant Covered Bond Swap Agreement for such purpose in accordance with Article 6 (Priorities of Payment) of the Guarantor Agreement.

8. NO LIABILITY

Save as otherwise provided in this Agreement, the Cash Manager shall have no liability for the obligations of either the Guarantor or the Bond Trustee under any of the Transaction Documents or otherwise and nothing herein shall constitute a guarantee, or similar obligation, by the Cash Manager, in its capacity as cash manager, of the obligations of either the Guarantor or the Bond Trustee under the Transaction Documents.

9. INFORMATION

9.1 Use of Information Technology Systems

- (a) The Cash Manager represents and warrants that at the date hereof in respect of the software which is to be used by the Cash Manager in providing the Cash Management Services it has in place all necessary licences and/or consents from the respective licensor or licensors (if any) of such software.

- (b) The Cash Manager undertakes that it shall for the duration of this Agreement, use reasonable efforts to:
 - (i) ensure that the licences and/or consents referred to in paragraph (a) are maintained in full force and effect; and
 - (ii) except in so far as it would breach any other of its legal obligations, grant to any person to whom it may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement and/or to such person as the Guarantor elects as a substitute Cash Manager (the “**Substitute Cash Manager**”) in accordance with the terms of this Agreement a licence to use any proprietary software together with any updates which may be made thereto from time to time.
- (c) The Cash Manager shall use reasonable efforts to maintain in working order the information technology systems used by the Cash Manager in providing the Cash Management Services.
- (d) The Cash Manager shall pass to any person to whom it may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement and/or to such person as the Guarantor and the Bond Trustee elect as a Substitute Cash Manager in accordance with the terms of this Agreement the benefit of any warranties in relation to the software insofar as the same are capable of assignment.

9.2 Access to Books and Records

Subject to all applicable laws, the Cash Manager shall permit any person nominated by the Bond Trustee, the Custodian, the Asset Monitor or the Guarantor (in each case, to whom the Cash Manager has no reasonable objection) at any time during normal office hours upon reasonable notice to have access, or procure that such person or persons are granted access, to all books of record and accounts relating to the Cash Management Services provided by the Cash Manager hereunder.

9.3 Statutory Obligations

The Cash Manager will use its reasonable efforts, on behalf of the Guarantor, to prepare or cause to be prepared and filed all reports, annual returns, financial statements, statutory forms and other returns which the Guarantor is required by law to prepare and file. If directed by the Guarantor, or requested by the Bond Trustee and consented to by the Guarantor (in its sole discretion) the Cash Manager shall cause any applicable accounts to be audited by the Auditor appointed by the Guarantor in accordance with the terms of the Guarantor Agreement, and shall procure so far as it is able so to do that the Auditor shall make a report thereon and copies of all such documents shall be delivered to the Guarantor and the Bond Trustee as soon as practicable after the end of each accounting reference period of the Guarantor.

9.4 Information Covenants

- (a) With the assistance of the Servicer, the Cash Manager shall prior to the occurrence of an Issuer Event of Default, on behalf of the Issuer, and following the occurrence of an Issuer Event of Default, on behalf of the Guarantor, prepare and provide the Bank, the Guarantor, the Bond Trustee and the Rating Agencies with the Investor Report, substantially in the form attached as Schedule 3 with such changes as may be reasonably requested by the Guarantor (provided that the Investor Report must continue to comply with all applicable requirements under the CMHC Guide), at least two Toronto Business Days prior to each Guarantor Payment Date.
- (b) The Cash Manager shall provide, or cause to be provided, to the Guarantor and the Bond Trustee copies of any annual returns or financial statements referred to in Section 9.3 hereof as soon as reasonably practicable after the preparation thereof.
- (c) The Cash Manager shall (i) notify the Rating Agencies in writing of the details of any material amendment to any of the Transaction Documents, of which the Cash Manager has notice, and (ii) provide the Rating Agencies and/or the Bond Trustee, as applicable, any other information relating to the Cash Manager, solely in its capacity as Cash Manager and in connection with its obligations under this Agreement, as the Rating Agencies and/or the Bond Trustee may reasonably request provided that the Bond Trustee shall not make such a request more than once every three months unless, in the reasonable belief of the Bond Trustee, an Issuer Event of Default or a Guarantor Event of Default or a Cash Manager Termination Event (as defined in Section 14.1 hereof) has occurred and is continuing provided further that such request does not adversely interfere with the Cash Manager's day-to-day provision of the Cash Management Services under the other terms of this Agreement.

9.5 Notice of Events of Default

The Cash Manager shall deliver to the Guarantor, the Bond Trustee, CMHC and the Rating Agencies as soon as reasonably practicable thereafter, but in any event within three Toronto Business Days of becoming aware thereof, a notice of any:

- (a) Cash Manager Termination Event or any event which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Cash Manager Termination Event;
- (b) Issuer Event of Default or Potential Issuer Event of Default; or
- (c) Guarantor Event of Default or any Potential Guarantor Event of Default.

9.6 Notifications under Mortgage Sale Agreement

- (a) The Cash Manager shall notify the Guarantor and the Bond Trustee if the Cash Manager is aware that the purchase of any additional Loans and their Related Security on a Transfer Date would adversely affect the then current ratings of the Covered Bonds by any of the Rating Agencies.
- (b) The Cash Manager shall identify any Non-Performing Loans in the Covered Bond Portfolio and upon identification serve a Non-Performing Loans Notice on the Seller, the Bank and the Servicer.
- (c) The Cash Manager shall deliver a Loan Repurchase Notice to the Seller with a copy to the Guarantor in the circumstances set out in Section 2.3(a) of the Mortgage Sale Agreement.

10. REMUNERATION

10.1 Fee Payable

- (a) Subject to paragraph (b) below, the Guarantor shall pay to the Cash Manager for its Cash Management Services hereunder a cash management fee which shall be agreed in writing between the Guarantor, the Bond Trustee and the Cash Manager from time to time. For greater certainty, so long as the Bank is the Cash Manager, the cash management fee payable to the Bank by the Guarantor for the Cash Management Services hereunder shall be nil.
- (b) Unless and until otherwise agreed by the Guarantor and the Bond Trustee in writing (and notice delivered to the Cash Manager), the Guarantor shall be solely responsible for paying the cash management fee, referred to in paragraph (a) above, to the Cash Manager.

10.2 Payment of Fee

The cash management fee referred to in Section 10.1 above, plus GST, shall be paid to the Cash Manager in arrears on each Guarantor Payment Date in the manner contemplated by and in accordance with the provisions of the applicable Priorities of Payments.

11. COSTS AND EXPENSES

- 11.1** Subject to and in accordance with the applicable Priorities of Payments, the Guarantor will on each Guarantor Payment Date reimburse the Cash Manager for all out-of-pocket costs, expenses and charges (together with any amounts in respect of GST due thereon) properly incurred by the Cash Manager in the performance of the Cash Management Services including any such costs, expenses or charges not reimbursed to the Cash Manager on any previous Guarantor Payment Date and the Cash Manager shall supply

the Guarantor with an appropriate GST invoice issued by the Cash Manager or, if the Cash Manager has treated the relevant cost, expense or charge as a disbursement for GST purposes, by the person making the supply.

- 11.2** Unless and until otherwise agreed by the Guarantor and the Bond Trustee in writing (and notice delivered to the Cash Manager), the Guarantor shall be solely responsible for reimbursing the Cash Manager for the out-of-pocket costs, expenses and charges (together with any amounts in respect of GST due thereon) referred to in Section 11.1 above.

12. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CASH MANAGER

12.1 Representations, Warranties and Covenants:

The Cash Manager hereby represents, warrants and undertakes to, and covenants with, each of the Guarantor and the Bond Trustee that without prejudice to any of its specific obligations hereunder:

- (a) it possesses the necessary experience, qualifications, facilities and other resources to perform its responsibilities under this Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions hereunder;
- (b) it will comply with the provisions of, and perform its obligations under, this Agreement, the other Transaction Documents to which it is a party and the CMHC Guide, in each case in any capacity;
- (c) the unsecured, unsubordinated and unguaranteed debt obligations of the Cash Manager are rated by each of the Rating Agencies at ratings that are at or above the Cash Manager Required Ratings;
- (d) it is and will continue to be in good standing with OSFI;
- (e) it is and will continue to be in material compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to this Agreement and the other Transaction Documents to which it is a party;
- (f) it is and will continue to be in material compliance with all laws, regulations and rules applicable to it in relation to the services provided by it pursuant to this Agreement and the other Transaction Documents to which it is a party;
- (g) it will comply with any proper directions, orders and instructions which the Guarantor or the Bond Trustee may from time to time give to it in accordance with the provisions of this Agreement and, in the event of any conflict, those of the Bond Trustee shall prevail;

- (h) save as otherwise agreed with the Guarantor and the Bond Trustee, it will provide free of charge to the Guarantor (except with respect to payment of the cash management fee pursuant to Section 10.1 above) during normal office hours, office space, facilities, equipment and staff sufficient to fulfil the obligations of the Guarantor under this Agreement;
- (i) it will not knowingly fail to comply with any legal requirements in the performance of the Cash Management Services;
- (j) it will make all payments required to be made by it, as Cash Manager, solely in its capacity as cash manager, pursuant to this Agreement, on the due date for payment thereof for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim; and
- (k) it will not, in its capacity as Cash Manager, without the prior written consent of the Bond Trustee amend or terminate any of the Transaction Documents, to which it is a party, in its capacity as Cash Manager, save in accordance with their terms.

12.2 Duration of Covenants

The covenants of the Cash Manager hereunder shall remain in force until this Agreement is terminated but without prejudice to any right or remedy of the Guarantor and/or the Bond Trustee arising from breach of any such covenant prior to the date of termination of this Agreement.

13. SERVICES NON-EXCLUSIVE

Nothing in this Agreement shall prevent the Cash Manager from rendering or performing services similar to those provided for in this Agreement to or for itself or other persons, firms or companies or from carrying on business similar to or in competition with the business of the Guarantor, the Bond Trustee or any other person party to any Transaction Document to which the Cash Manager is a party.

14. TERMINATION

14.1 Cash Manager Termination Events

- (a) If any of the following events (“**Cash Manager Termination Events**”) shall occur:
 - (i) default is made by the Cash Manager in the payment on the due date of any payment due and payable by it under this Agreement or in the performance of its obligations under Sections 4.3 and 4.4 hereof and such default continues unremedied for a period of five (5) Toronto Business Days after the earlier of the Cash Manager becoming aware of such

default and receipt by the Cash Manager of written notice from the Bond Trustee requiring the same to be remedied;

- (ii) default is made by the Cash Manager in the performance or observance of any of its covenants and obligations, or a breach by the Cash Manager is made of any of its representations and warranties, respectively, under Sections 4.1(e), 12.1(a), (b), (d), (e) or (f);
- (iii) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under this Agreement and such default continues unremedied for a period of thirty (30) days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Bond Trustee requiring the same to be remedied;
- (iv) the unsecured, unsubordinated and unguaranteed debt obligations of the Cash Manager from one or more Rating Agencies fall below the Cash Manager Required Ratings (unless the Cash Manager obtains an unconditional and unlimited guarantee of its obligations under this Agreement, from a credit support provider which (x) has satisfied the Rating Agency Condition, and (y) is rated at or above the Cash Manager Required Ratings by each Rating Agency, within 30 Toronto Business Days of the first downgrade below such Cash Manager Required Ratings by a Rating Agency);
- (v) an Insolvency Event occurs in respect of the Cash Manager; or
- (vi) provided that the Cash Manager is the Issuer or an Affiliate of the Issuer, an Issuer Event of Default (A) occurs and is continuing, or (B) has previously occurred and is continuing, at any time that the Guarantor is Independently Controlled and Governed,

then the Guarantor and/or the Bond Trustee (x) may at once or at any time thereafter while such default continues by notice in writing to the Cash Manager or, (y) in the case of the occurrence of a Cash Manager Termination Event described in paragraph (iv) above at any time that the Guarantor is not Independently Controlled and Governed, shall, terminate the appointment of the Cash Manager under this Agreement with effect from a date (not earlier than the date of the notice) specified in the notice; provided that any termination resulting from the occurrence of a Cash Manager Termination Event described in paragraph (iii) shall be subject to the consent of the Bond Trustee, which consent shall not be withheld unless the Bond Trustee determines that such termination would be materially prejudicial to the interests of the Covered Bondholders.

- (b) Upon the occurrence of a Cash Manager Termination Event described in paragraph 14.1(a)(iv) that is cured as provided for therein, the Guarantor shall forthwith notify CMHC of the identity of the guarantor of the Cash Manager's

obligations and the ratings by each of the Rating Agencies of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of such guarantor.

- (c) Upon termination of the appointment of the Cash Manager pursuant to this Section 14.1, the Guarantor shall use its reasonable endeavours to appoint a Substitute Cash Manager (but shall have no liability to any person in the event that, having used reasonable endeavours, it is unable to appoint a Substitute Cash Manager).

Any Substitute Cash Manager:

- (i) must agree to enter into an agreement substantially on the same terms as the relevant provisions of this Agreement or on such terms as are satisfactory to the Guarantor and the Bond Trustee, all in compliance with the CMHC Guide and which agreement shall include a covenant of such Substitute Cash Manager to comply with the provisions of, and perform its obligations under, the CMHC Guide;
- (ii) will be subject to the prior written approval of the Bond Trustee (such consent not to be unreasonably withheld) and satisfaction of the Rating Agency Condition;
- (iii) must have ratings on its unsecured, unsubordinated and unguaranteed debt obligations that meet or exceed the Cash Manager Required Ratings from each Rating Agency; and
- (iv) shall accede to the terms of any Transaction Document pursuant to which the Cash Manager is obligated to perform services, including the Intercompany Loan Agreement.

14.2 Resignation of Cash Manager

The appointment of the Cash Manager under this Agreement may be terminated upon the expiry of not less than 12 months' notice of termination given by the Cash Manager to the Guarantor and the Bond Trustee (or such shorter time as may be agreed between the Cash Manager, the Guarantor and the Bond Trustee) provided that:

- (a) a Substitute Cash Manager shall be appointed, such appointment to be effective not later than the date of such termination;
- (b) such Substitute Cash Manager has cash management experience and is approved by each of the Guarantor and the Bond Trustee;
- (c) the ratings of the unsecured, unsubordinated and unguaranteed debt obligations of such Substitute Cash Manager meet or exceed the Cash Manager Required Ratings from each Rating Agency;

- (d) the Substitute Cash Manager enters into an agreement substantially on the same terms as the relevant provisions of this Agreement or on such terms as are satisfactory to the Guarantor and the Bond Trustee, all in compliance with the CMHC Guide and which agreement shall include a covenant of such Substitute Cash Manager to comply with the provisions of, and perform its obligations under, the CMHC Guide; and
- (e) the Substitute Cash Manager shall accede to the terms of any Transaction Document pursuant to which the Cash Manager is obligated to perform services, including the Intercompany Loan Agreement.

14.3 Effect of Termination

- (a) On and after termination of the appointment of the Cash Manager under this Agreement pursuant to this Section 14, all authority and power of the Cash Manager under this Agreement shall be terminated and be of no further effect and the Cash Manager shall not thereafter hold itself out in any way as the agent of the Guarantor or the Bond Trustee pursuant to this Agreement.
- (b) Upon termination of the appointment of the Cash Manager under this Agreement pursuant to this Section 14, the Cash Manager shall:
 - (i) forthwith deliver (and in the meantime hold on trust for, and to the order of, the Guarantor or the Bond Trustee, as the case may be) to the Guarantor or the Bond Trustee, as the case may be or as it shall direct, all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belongings of the Guarantor or the Bond Trustee, as the case may be (if practicable, on the date of receipt), any monies then held by the Cash Manager on behalf of the Guarantor or, the Bond Trustee and any other assets of the Guarantor and the Bond Trustee; and
 - (ii) take such further action as the Guarantor or the Bond Trustee, as the case may be, may reasonably direct at the expense of the Guarantor (including in relation to the appointment of a Substitute Cash Manager), provided that the Guarantor or the Bond Trustee, as the case may be, shall not be required to take or direct to be taken such further action unless it has been indemnified to its satisfaction (and in the event of a conflict between the directions of the Guarantor and the directions of the Bond Trustee, the directions of the Bond Trustee shall prevail).

14.4 General Provisions Relating to Termination

- (a) Termination of this Agreement or the appointment of a new Cash Manager under this Agreement shall be without prejudice to the liabilities of the Guarantor and the Bond Trustee to the Cash Manager or vice versa incurred before the date of such termination. The Cash Manager hereby agrees that it shall have no right of

set-off or any lien in respect of such amounts against amounts held by it on behalf of the Guarantor or the Bond Trustee.

- (b) This Agreement shall, except as otherwise agreed between the Guarantor and the Cash Manager, terminate automatically at such time as the Guarantor's obligations under the Covered Bond Guarantee have been discharged and the security constituted by the Security Agreement has been released.
- (c) On termination of the appointment of the Cash Manager under the provisions of this Section 14, the Cash Manager shall be entitled to receive all fees and other monies accrued up to (but excluding) the date of termination but shall not be entitled to any other or further compensation. Such monies so receivable by the Cash Manager, solely in its capacity as cash manager, shall be paid by the Guarantor, on the dates on which they would otherwise have fallen due hereunder and under the terms of the Guarantor Agreement and the Security Agreement. For the avoidance of doubt, such termination shall not affect the Bank's rights, to receive payment of all amounts (if any) due to it from the Guarantor other than in its capacity as cash manager under this Agreement.
- (d) Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding any termination of this Agreement.
- (e) The Guarantor shall provide notice to CMHC of the termination or resignation of the Cash Manager and of the Cash Manager's replacement contemporaneously with the earlier of (i) notice of such termination or resignation and replacement to a Rating Agency, (ii) notice of such termination or resignation and replacement being provided to or otherwise made available to Covered Bondholders and (iii) five Business Days following such termination or resignation and replacement (unless the replacement has yet to be identified at that time, in which case notice of the replacement may be provided no later than 10 Business Days thereafter). Any such notice shall include (if known) the reasons for the termination or resignation of the Cash Manager, all information relating to the replacement required by the CMHC Guide and a revised and amended copy of this Agreement with such replacement.

15. FURTHER ASSURANCE, NO SET-OFF

15.1 Co-operation, etc.

The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Agreement.

15.2 Powers of Attorney

Without prejudice to the generality of Section 15.1 above, the Guarantor and the Bond Trustee shall upon request by the Cash Manager forthwith give to the Cash Manager such further powers of attorney or other written authorizations, mandates or instruments as are necessary to enable the Cash Manager to perform the Cash Management Services.

15.3 No Set-off

The Bank, as Cash Manager, and as Seller, agrees that it will not:

- (a) set off or purport to set off any amount which the Guarantor is or will become obliged to pay to it under this Agreement against any amount from time to time standing to the credit of or to be credited to any of the Guarantor Accounts or any replacement or additional bank account of the Guarantor; or
- (b) make or exercise any claims or demands, any rights of counterclaim or any other equities against or withhold payment of any sum of money which may at any time and from time to time be standing to the credit of any of the Guarantor Accounts or any replacement of additional bank account of the Guarantor.

15.4 Acknowledgement of Servicer and Seller

Each of the Servicer and the Seller acknowledge the Cash Management Services to be provided by the Cash Manager and agree to provide all information and assistance reasonably required by the Cash Manager in a timely fashion in order for the Cash Manager to comply with its obligations under this Agreement.

15.5 New Sellers and New Servicers

Each of the parties hereto agrees to make all changes that are reasonably necessary or desirable to this Agreement following the accession of any other Seller or Servicer, as the case may be, to any one or more of the Transaction Documents.

16. BOND TRUSTEE

16.1 Change of Bond Trustee

In the event that there is any change in the identity of the Bond Trustee, the Cash Manager, solely in its capacity as cash manager, shall execute such documents with any other parties to this Agreement and take such actions as such new Bond Trustee may reasonably require for the purposes of vesting in such new Bond Trustee the rights of the Bond Trustee under this Agreement and under the Security Agreement and while any of the Covered Bonds remain outstanding shall give notice thereof to the Rating Agencies.

16.2 Bond Trustee Liability

- (a) For greater certainty, the Bond Trustee shall, without prejudice to the obligations of the Guarantor, as the case may be, or any receiver appointed pursuant to the Security Agreement in respect of such amounts, not be liable to pay any amounts due under Sections 10 and 11 hereof.
- (b) 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 Cash Manager or the Guarantor 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, including the right of the Bond Trustee to agree to amendments to this Agreement pursuant to Section 19 hereof. For greater certainty, the parties to this Agreement acknowledge that the rights and obligations of the Bond Trustee are governed by the terms of the Trust Deed and the Security Agreement. Any liberty or right which may be exercised or determination which may be made under this Agreement by the Bond Trustee may be exercised or made in the Bond Trustee's absolute discretion without any obligation to give reasons therefore and the Bond Trustee shall not be responsible for any liability occasioned by so acting if acting in accordance with the terms of the Trust Deed and the Security Agreement, but without prejudice to the obligation of the Bond Trustee to act reasonably.

17. CONFIDENTIALITY

During the continuance of this Agreement or after its termination, each of the Guarantor, the Bank, both in its capacity as Cash Manager and in its other capacities under the Transaction Documents and the Bond Trustee shall use its best efforts not to disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may exclusively by virtue of being party to the Transaction Documents have become possessed and shall use all reasonable endeavours to prevent any such disclosure as aforesaid, provided that provisions of this Section 17 shall not apply:

- (a) to any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents;
- (b) to any information subsequently received by the recipient which it would otherwise be free to disclose;
- (c) to any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient;
- (d) to any extent that the recipient is required to disclose the same pursuant to and in accordance with (i) any law or order of any court of competent jurisdiction, (ii) any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other authority (including, without

limitation, any official bank or securities regulators) or (iii) the CMHC Guide and Covered Bond Legislative Framework;

- (e) to the extent that the recipient needs to disclose the same for determining the existence of, or declaring, an Issuer Event of Default, a Guarantor Event of Default or a Cash Manager Termination Event, the protection or enforcement of any of its rights under any of the Transaction Documents or in connection herewith or therewith or for the purpose of discharging, in such manner as it thinks fit, its duties under or in connection with such agreements in each case to such persons as require to be informed of such information for such purposes; or
- (f) in relation to any information disclosed to the professional advisers of the recipient or (in connection with a prospective rating of any debt to be issued by the Issuer) to any Rating Agency or any prospective new Cash Manager or prospective new bond trustee.

18. NOTICES

- (a) 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:

- (i) in the case of the Cash Manager, the Bank, the Issuer, the Seller or the Servicer to:

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

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

- (ii) in the case of the Guarantor to:

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

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

(iii) 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
 Facsimile number: (416) 981-9777

- (b) 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 (ii) if transmitted by facsimile transmission on the Toronto Business Day following the date of transmission provided the transmitter receives a confirmation of successful transmission.
- (c) 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.

19. AMENDMENTS AND WAIVER

Any amendments to this Agreement will be made only with the prior written consent of each party to this Agreement, as evidenced by each such party's agreement in writing. No waiver of this Agreement shall be effective unless it is in writing and signed by (or by some person duly authorized by) each of the parties. Subject to Section 3.2 of the Master Definitions and Construction Agreement and to the following sentence, each proposed amendment or waiver of this Agreement that is considered by the Guarantor to be a material amendment or waiver shall be subject to satisfaction of the Rating Agency Condition and the Guarantor (or the Cash Manager on its behalf) shall deliver notice to the Rating Agencies 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 Guarantor under this Agreement. For certainty, any amendment to (a) a Ratings Trigger provided for in this Agreement that lowers the ratings specified therein, or (b) the consequences of breaching a Ratings Trigger provided for in this Agreement that makes such consequences less onerous, shall,

with respect to each affected Rating Agency only, be deemed to be a material amendment and shall be subject to confirmation of the satisfaction of the Rating Agency Condition from each affected Rating Agency. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

20. NON-PETITION

The Cash Manager, Seller, Servicer and Bank agree that they shall not institute or join any other Person or entity in instituting against, or with respect to, the Guarantor, or any of the general partners of the Guarantor, any bankruptcy or insolvency event so long as any Covered Bonds issued by the Corporation 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.

21. NO PARTNERSHIP, PROTECTION OF CERTAIN PARTIES

It is hereby acknowledged and agreed by the parties that nothing in this Agreement shall be construed as giving rise to any partnership between any of the parties.

22. ASSIGNMENT

22.1 Assignment by the Guarantor

The Guarantor may not assign or transfer any of its respective rights and obligations under this Agreement without the prior written consent of each of the Bond Trustee and the Cash Manager and having satisfied the Rating Agency Condition in respect thereof, except that the Guarantor may, without such consent, assign its rights and interest hereunder pursuant to the terms of the Security Agreement.

22.2 No Assignment by Cash Manager

The Cash Manager, in its capacity as Cash Manager, may not assign or transfer any of its rights and obligations under this Agreement without the prior written consent of the Guarantor and the Bond Trustee and the Guarantor shall not give its consent unless it has satisfied the Rating Agency Condition in respect thereof.

23. LIABILITY OF LIMITED PARTNERS

The Guarantor is a limited partnership formed under the *Limited Partnerships Act* (Ontario), a limited partner of which is, except as expressly required by law, only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has contributed or agreed to contribute to its capital.

24. COUNTERPARTS

This Agreement may be executed in any number of counterparts (manually or by facsimile) each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument provided, however, that this Agreement shall have no force or effect until it is executed by the last party to execute the same and shall be deemed to have been executed and delivered in the place where such last party executed this Agreement.


25. GOVERNING LAW

This Agreement is governed by, and shall be construed in accordance with, the laws of Ontario and the federal laws of Canada applicable therein.


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IN WITNESS WHEREOF the parties have caused this Agreement to be executed the day and year first before written above.

THE TORONTO-DOMINION BANK

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

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

Per: 
Name: Christina Wang
Title: Vice President

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the day and year first before written above.

THE TORONTO-DOMINION BANK

Per: _____
Name:
Title:

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

Per: _____
Name:
Title:

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

Per:  _____
Name: Soheil Kafal
Title: Corporate Trust Officer

Per:  _____
Name: Stanley Kwan
Title: Associate Trust Officer

SCHEDULE 1
THE CASH MANAGEMENT SERVICES

The Cash Manager shall:

- (a) use amounts held for and on behalf of the Guarantor, and operate the Guarantor Accounts, and ensure that payments are made into and from such accounts held for and on behalf of the Guarantor in accordance with this Agreement, the Guarantor Agreement, the Security Agreement, the Bank Account Agreement, the Standby Bank Account Agreement, the Guaranteed Deposit Account Contract, the Standby Guaranteed Deposit Account Contract and any other applicable Transaction Document provided however that nothing herein shall require the Cash Manager to make funds available to the Guarantor to enable such payments to be made other than as expressly required by the provisions of this Agreement;
- (b) keep any records necessary for Taxation purposes;
- (c) assist the auditor, if applicable, of the Guarantor and provide such information to the auditor as the auditor may reasonably request for the purpose of carrying out its duties as auditor;
- (d) make all filings, give all notices and make all registrations and other notifications required in the day-to-day operation of the respective businesses of the Guarantor or required to be given by the Guarantor pursuant to the Transaction Documents;
- (e) arrange for all payments due to be made by the Guarantor under any of the Transaction Documents (including under each relevant Priorities of Payments), provided that such monies are at the relevant time available to the Guarantor and provided further that nothing herein shall constitute a guarantee by the Cash Manager of all or any of the obligations of the Guarantor under any of the Transaction Documents;
- (f) provide accounting services, including reviewing receipts and payments, supervising and assisting in the preparation of interim statements and final accounts and supervising and assisting in the preparation of Tax returns;
- (g) provide or procure the provision of company secretarial and administration services to the Guarantor including the keeping of all registers and the making of all returns and filings required by applicable law or regulatory authorities, co-operate in the convening of board and general meetings and provide registered office facilities;
- (h) on behalf of the Guarantor, provided that such monies are at the relevant time available to the Guarantor, pay all the out-of-pocket expenses of the Guarantor incurred by the Cash Manager on behalf of the Guarantor in the performance of the Cash Manager's duties hereunder including without limitation:
 - (i) all taxes which may be due or payable by the Guarantor;

- (ii) all registration, transfer, filing and other fees and other charges payable in respect of the sale by the Seller of the Initial Covered Bond Portfolio and any additional Covered Bond Portfolios to the Guarantor;
 - (iii) all necessary filing and other fees in compliance with regulatory requirements;
 - (iv) all legal and audit fees and other professional advisory fees;
 - (v) all communication expenses including postage, courier and telephone charges;
 - (vi) all premiums payable by the Guarantor in respect of any insurance policies obtained or held by the Guarantor in accordance with the terms of the Guarantor Agreement; and
 - (vii) following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the Guarantor, all fees payable to the London Stock Exchange plc and any other stock exchange on which the Covered Bonds are listed but only if the Issuer has not otherwise paid those fees;
- (i) at the request of the Guarantor, invest monies standing from time to time to the credit of the GDA Account (or, as applicable, the Standby GDA Account) in Substitute Assets up to the limit prescribed in the Guarantor Agreement, subject to the following provisions:
- (i) any such Substitute Assets shall be purchased in the joint names of the Guarantor and the Bond Trustee;
 - (ii) if required by the Bond Trustee on or prior to purchasing any such Substitute Assets, the Guarantor shall have entered into appropriate hedging arrangements with a hedge provider that has the requisite ratings to hedge against the interest rate risk (if any) associated with such Substitute Assets, in each case on terms that are satisfactory to the Bond Trustee;
 - (iii) any costs properly and reasonably incurred in making and changing all such Substitute Assets will be reimbursed to the Cash Manager and the Bond Trustee by the Guarantor; and
 - (iv) all income or other distributions arising on, or proceeds following the disposal or maturity of, any such Substitute Assets shall be credited to the GDA Account (or, as applicable, the Standby GDA Account).

SCHEDULE 2
CASH MANAGEMENT AND MAINTENANCE OF LEDGERS

1. Determination

- (a) The Guarantor or the Cash Manager on its behalf shall on or before the Toronto Business Day at least two days prior to each Guarantor Payment Date calculate the following amounts as of the immediately preceding Calculation Date:
 - (i) the amount of Available Revenue Receipts available for distribution on such Guarantor Payment Date;
 - (ii) the Reserve Fund Required Amount; and
 - (iii) the amount of Available Principal Receipts available for distribution on such Guarantor Payment Date.
- (b) Without prejudice to the obligations of the Calculation Agent, the Cash Manager shall, if necessary, perform all currency conversions free of charge, cost or expense at the relevant exchange rate (for the purposes of any calculations referred to above, (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (e.g. 9.876541% being rounded down to 9.87654%) and (ii) any currency amounts used in or resulting from such calculations will be rounded in accordance with the relevant market practice.
- (c) Each determination made in accordance with this paragraph 1 shall (in the absence of demonstrable error) be final and binding on all persons.

2. Notification of Determinations

- (a) The Cash Manager may make all the determinations referred to in paragraph 1(a) on the basis that the amount of any losses will not increase and on the basis of any other reasonable and proper assumptions as the Cash Manager considers appropriate (including without limitation as to the amount of any payments to be made or amounts received under the relevant Priorities of Payments during the period from and including the relevant Calculation Date to but excluding the following Guarantor Payment Date).

The Cash Manager shall notify the Guarantor and the Bond Trustee on request of any such other assumptions and shall take account of any representations made by the Issuer and the Bond Trustee (as the case may be) in relation thereto.

- (b) Each determination made in accordance with this paragraph 2 shall (in the absence of demonstrable error) be final and binding on all persons.

- (c) The Cash Manager shall cause that the determinations and notifications required to be made by the Guarantor pursuant to Articles 5 and 6 of the Guarantor Agreement to be made.

3. Pre-Acceleration Revenue and Principal Priority of Payments

On each Guarantor Payment Date, the Guarantor or the Cash Manager on its behalf will transfer funds from the GDA Account (or, as applicable, the Standby GDA Account) to the Transaction Account (or, as applicable, the Standby Transaction Account) in accordance with Article 6 (Priorities of Payments) of the Guarantor Agreement.

Subject to Section 4.4 of the Cash Management Agreement, prior to a Covered Bond Guarantee Activation Event, the Cash Manager will cause the Available Principal Receipts and Available Revenue Receipts held by it for and on behalf of the Guarantor and standing to the credit of the Transaction Account to be applied on each Guarantor Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments or Pre-Acceleration Principal Priority of Payments, as applicable.

4. Other Payments

Subject to Section 4.4 of the Cash Management Agreement, the Cash Manager agrees, and the Guarantor concurs, that (save as otherwise specified below) amounts may be transferred from the GDA Account (or, as applicable, the Standby GDA Account) to the Transaction Account (or, as applicable, the Standby Transaction Account), and the following payments may be made from the Transaction Account (or, as applicable, the Standby Transaction Account) (to the extent that withdrawal of those amounts would not cause the balance of the Transaction Account to become overdrawn) or from amounts held by the Cash Manager for and on behalf of the Guarantor and used on any date:

- (i) if any amount has been received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to either that Borrower or the relevant Seller (in relation to Loans sold by that Seller) or the Guarantor, to pay such amount when due to such third party or, in the case of the payment of an insurance premium, where such third party and the Cash Manager have agreed that payment of commission should be made by deduction from such insurance premium, to pay such amount less such commissions when due to such third party and to pay such commission to the Cash Manager and to pay any premiums in respect of any insurance policies obtained or held by the Guarantor in accordance with the terms of the Guarantor Agreement or relating to any Loan comprised in the Covered Bond Portfolio;
- (ii) subject to Section 5.1 of the Servicing Agreement, to pay to any person (including the Servicer) any amounts due arising from any overpayment by any person or arising from any reimbursement by any person of any

such overpayment (including, for the avoidance of doubt, where arising from the failure of a direct debit);

- (iii) subject to Section 2.5 of the Mortgage Sale Agreement, to pay when due (but subject to any right to refuse or withhold payment or of set-off that has arisen by reason of the Borrower's breach of the terms of the relevant Mortgage or Loan) any amount payable to a Borrower under the terms of the Mortgage or the Loan to which that Borrower is a party;
- (iv) to pay when due and payable any amounts due and payable by the Guarantor to third parties and incurred without breach by the Guarantor of the Guarantor Agreement where payment is not provided for elsewhere in the Pre-Acceleration Revenue Priority of Payments or the Pre-Acceleration Principal Priority of Payments;
- (v) to refund any amounts due arising from the rejection of any payments in respect of a Loan and any other amounts which have not been received by the Guarantor as cleared funds; and
- (vi) to pay to the relevant Seller any amounts owed to the Seller pursuant to Section 8.4 of the Mortgage Sale Agreement.

5. Use of Ledgers

- (a) The Cash Manager shall forthwith record monies received or payments made by it on behalf of the Guarantor in the Ledgers in the manner set out in this Agreement and the Guarantor Agreement.
- (b) A debit item shall only be made in respect of any of the Ledgers and the corresponding payment or transfer (if any) may only be made from amounts held for and on behalf of the Guarantor in the GDA Account (or, as applicable, the Standby GDA Account) or the Transaction Account (or, as applicable, the Standby Transaction Account), as the case may be, to the extent that such entry does not cause the relevant Ledger to have a debit balance.
- (c) Following the service of a Notice to Pay on the Guarantor:
 - (i) the Cash Manager shall not be obliged to maintain the Ledgers other than the Capital Account Ledger and the Intercompany Loan Ledger; and
 - (ii) the Cash Manager shall establish any new Ledgers required by the Guarantor or the Bond Trustee to record payments in respect of obligations of the Guarantor under the Covered Bond Guarantee or otherwise.

6. Revenue Ledger

The Cash Manager shall ensure that:

- (a) the following amounts shall be credited to the Revenue Ledger:
 - (i) all Revenue Receipts;
 - (ii) all interest received by the Guarantor on the Guarantor Accounts;
 - (iii) all amounts received by the Guarantor representing income on any such Substitute Assets;
 - (iv) all amounts received by the Guarantor under any Interest Rate Swap Agreement on a Guarantor Payment Date (but excluding any early termination payments under the Swap Agreements and Swap Collateral Excluded Amounts); and
 - (v) any other revenue income of the Guarantor which is not referred to in paragraphs (i) to (iv) above and which is not referred to in the receipts to be credited to the Principal Ledger in paragraph 7 below; and
- (b) any payment or provision made under the Pre-Acceleration Revenue Priority of Payments or made under paragraph 5 above (but only to the extent that such payment made under paragraph 5 has been recorded as a receipt on the Revenue Ledger), shall be debited to the Revenue Ledger.

7. Principal Ledger

The Cash Manager shall ensure that:

- (a) all Principal Receipts shall be credited to the Principal Ledger; and
- (b) any payment or provision made under the Pre-Acceleration Principal Priority of Payments or made under paragraph 3 above (but only to the extent that such payment made under paragraph 3 has been recorded as a receipt on the Principal Ledger), shall be debited to the Principal Ledger.

8. Capital Account Ledgers

- (a) The Cash Manager shall ensure that each Capital Contribution made by a Partner shall be credited to that Partner's Capital Account Ledger or, as applicable, debited from that Partner's Capital Account Ledger where a Capital Distribution has been made pursuant to Section 3.6 of the Guarantor Agreement. The Cash Manager shall record on each Partner's Capital Account Ledger whether the relevant Capital Contribution was a Cash Capital Contribution or a Capital Contribution in Kind.
- (b) The Cash Manager shall ensure that each Capital Distribution to a Partner shall be debited to that Partner's Capital Account Ledger.

9. Reserve Ledger

The Cash Manager shall ensure that:

- (a) any amounts (or part thereof) borrowed by the Guarantor under the Intercompany Loan Agreement that are specifically required to be credited to the Reserve Fund, shall be credited to the Reserve Ledger;
- (b) amounts shall be credited to the Reserve Ledger in accordance with the Pre-Acceleration Revenue Priority of Payments; and
- (c) amounts shall be debited to the Reserve Ledger on each Guarantor Payment Date in order to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments or, as applicable, the Guarantee Priority of Payments.

10. Intercompany Loan Ledger

The Cash Manager shall ensure that each Advance, each repayment, all payments of interest and repayments of principal on each Advance under the Intercompany Loan Agreement are recorded in the Intercompany Loan Ledger at the appropriate time.

11. Payment Ledger

The Cash Manager shall ensure that all payments, and the Person to whom such payments are made and the source of such payments are recorded in the Payment Ledger at the appropriate time.

12. Pre-Maturity Liquidity Ledger

The Cash Manager will ensure that all credits and debits of funds in respect of any Series of Hard Bullet Covered Bonds are recorded in the Pre-Maturity Liquidity Ledger at the appropriate time.

**SCHEDULE 3
FORM OF INVESTOR REPORT**

[See attached]



TD Covered Bond (Legislative) Programme Monthly Investor Report

Calculation Date: 27-Jun-14
Date of Report: 3-Jul-14

This report contains information regarding TD Covered Bond (Legislative) Programme's Cover Pool as of the indicated Calculation Date. The composition of the Cover Pool will change as Loans (and their Related Security) are added and removed from the Cover Pool from time to time and, accordingly, the characteristics and performance of the Loans (and their Related Security) in the Cover Pool will vary over time.

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The information set forth below has been obtained and based upon sources believed by The Toronto-Dominion Bank ("TD") to be accurate, however, TD makes no representation or warranty, express or implied, in relation to the accuracy, completeness or reliability of the information contained herein. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. We assume no liability for any errors or any reliance you place on the information provided herein.

THESE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE DOCUMENT. THESE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

Programme Information

<u>Series</u>	<u>Initial Principal</u>	<u>Coupon Rate</u>	<u>Rate Type</u>	<u>Exchange Rate</u>	<u>CAD Equivalent</u>	<u>Expected Maturity</u>	<u>Final Maturity</u>	<u>Moody's Rating</u>	<u>DBRS Rating</u>
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Covered Bonds currently outstanding (CAD Equivalent):

Issued under the Global Legislative Covered Bond Programme (Registered)	\$	-
Issued under the Global Public Sector Covered Bond Programme (Non-Registered) ⁽¹⁾	\$	9,992,900,000
Total:	<u>\$</u>	<u>9,992,900,000</u>

OSFI Covered Bond Limit

Weighted average maturity of Outstanding Covered Bonds	34,050,720,000
Weighted average remaining maturity of Loans in the cover pool	-

Key Parties

Issuer, Seller, Servicer, Cash Manager	The Toronto-Dominion Bank
Account Bank, GDA Provider	The Toronto-Dominion Bank
Interest Rate Swap Provider, Covered Bond Swap Provider	The Toronto-Dominion Bank
Standby Account Bank, Standby GDA Provider	Bank of Montreal
Bond Trustee, Custodian, Corporate Services Provider	Computershare Trust Company of Canada
Guarantor	TD Covered Bond (Legislative) Guarantor Limited Partnership
Asset Monitor	Ernst & Young LLP
Paying Agents	Citibank, N.A. and Citibank, N.A. London Branch

Intercompany Loan Balance

Guarantee Loan	\$	-
Demand Loan	\$	-
Total:	<u>\$</u>	<u>-</u>

Events of Default

Issuer Event of Default	No
Guarantor Event of Default	No

⁽¹⁾ Covered Bonds issued under the Global Public Sector Covered Bonds Programme do not form part of the Global Legislative Covered Bond Programme, nor do they benefit from the Covered Bond Legislative Framework.

Ratings Triggers and Requirements

	<u>Moody's</u>	<u>DBRS</u>
The Toronto-Dominion Bank's Ratings:		
Senior Debt	Aa1	AA
Ratings Outlook	Negative	Stable
Short-Term	P-1	R-1 (high)
Bank of Montreal's Ratings:		
(Standby Account Bank, Standby GDA Provider)		
Senior Debt	Aa3	AA
Ratings Outlook	Stable	Stable
Short-Term	P-1	R-1 (high)

<u>Ratings Trigger</u>	<u>Counterparty</u>	<u>Ratings Triggers⁽¹⁾</u>		<u>Specified Rating Related Action when Ratings Triggers are below the Threshold</u>	<u>Ratings Threshold</u>
		<u>Moody's</u>	<u>DBRS</u>		
Cash Management Deposit Ratings	TD	Short-Term	P-1	-	(a) Direct Servicer to deposit cashflows directly into the GDA Account; and (b) all amounts held by Cash Manager belonging to the Guarantor to be deposited to the GDA Account or Transaction Account, as applicable, within 5 business days
		Long-Term	-	AA (low)	
Cash Manager Required Ratings	TD	Short-Term	P-2	-	Obtain a guarantee from a credit support provider or replace
		Long-Term	-	BBB (low)	
Servicer Deposit Threshold Ratings	TD	Short-Term	P-1	-	Deposit cashflows to the Cash Manager within 2 business days or the GDA Account, as applicable
		Long-Term	-	AA (low)	
Servicer Replacement Threshold Ratings	TD	Short-Term	Baa3	-	Replace within 60 days
		Long-Term	-	BBB (low)	
Account Bank and GDA Provider Threshold Ratings	TD	Short-Term	P-1	R-1 (middle)	Replace with Standby Account Bank
		Long-Term	-	AA (low)	
Standby Account Bank & Standby GDA Provider Threshold Ratings	BMO	Short-Term	P-1	R-1 (middle)	Replace
		Long-Term	-	AA (low)	
Registration of Title Threshold Ratings	TD	Long-Term	Baa1	BBB (low)	Transfer the registered title to the Guarantor
Reserve Fund Threshold Ratings	TD	Short-Term	P-1	R-1 (middle)	Establish the Reserve Fund and fund up to the Reserve Fund Required Amount
		Long-Term	-	A (low)	
Pre-Maturity Minimum Ratings (in respect of Hard Bullet Covered Bonds)	TD	Short-Term (within 12 months)	P-1	-	Credit to the Pre-Maturity Ledger up to the Pre-Maturity Liquidity Required Amount
		Long-Term (within 12 months)	-	A (low)	
		Long-Term (within 6 months)	-	A (high)	



TD Covered Bond (Legislative) Programme Monthly Investor Report

Calculation Date: 27-Jun-14
Date of Report: 3-Jul-14

Ratings Triggers and Requirements (continued)

		Ratings Triggers ⁽¹⁾				
		Moody's		DBRS		
Contingent Collateral Threshold Ratings	TD	Long-Term	Baa1	BBB (high)	Unless the Guarantor is holding sufficient Contingent Collateral, the Covered Bond Swap will become effective	Above
Interest Rate Swap Provider Initial Rating Event	TD	Short-Term Long-Term	P-1 A2 ⁽²⁾	R-1 (middle) A (high)	Credit support, obtain guarantee or replace	Above
Subsequent Downgrade Trigger Event		Short-Term Long-Term	P-2 A3	R-2 (high) BBB (high)	Credit support, obtain guarantee or replace	
Covered Bond Swap Provider Initial Rating Event	TD	Short-Term Long-Term	P-1 A2 ⁽²⁾	R-1 (middle) A (high)	Credit support, obtain guarantee or replace	Above
Subsequent Downgrade Trigger Event		Short-Term Long-Term	P-2 A3	R-2 (high) BBB (high)	Credit support, obtain guarantee or replace	

Pre-Maturity Test

(Applicable to Hard Bullet Covered bonds)
Pre Maturity Minimum Ratings

Moody's	DBRS	Pre-Maturity Test
P-1	A(low) ⁽³⁾	N/A

Following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, and unless the Pre-Maturity Ledger is otherwise funded from other sources, the Partnership shall offer to sell Randomly Selected Loans if the Final Maturity Date is within twelve months from the Pre-Maturity Test Date.

Demand Loan Repayment Event

- | | |
|--|----|
| (i) The Bank has been required to assign the Interest Rate Swap Agreement to a third party | No |
| (ii) A Notice to Pay has been served on the Guarantor | No |
| (iii) The Intercompany Loan has been terminated or the revolving commitment is not renewed | No |

⁽¹⁾ Where both a short-term and long-term rating are noted for a particular rating agency, both such triggers must be breached before the consequences apply.

⁽²⁾ If no short-term rating, long-term rating is A1.

⁽³⁾ For DBRS, if the Final Maturity Date is within six months of the Pre-Maturity Test, then A(high).

Asset Coverage Test (C\$)

Outstanding Covered Bonds

\$ -

A = lesser of

- (i) LTV Adjusted True Balance and
- (ii) Asset Percentage Adjusted True Balance

B = Principal Receipts

C = the sum of

- (i) Cash Capital Contributions
- (ii) unapplied proceeds advanced under the Intercompany Loan Agreement
- (iii) unapplied proceeds from sale of Loans

D = Substitute Assets

E = Reserve Fund

Y = Contingent Collateral Amount

Z = Negative Carry Factor calculation

Total = A + B + C + D + E - Y - Z

\$ -

Asset Coverage Test Result

Pass

Valuation Calculation (C\$)

Trading Value of Outstanding Covered Bonds

\$0

A = LTV Adjusted Loan Present Value

B = Principal Receipts

C = the sum of

- (i) Cash Capital Contributions
- (ii) unapplied proceeds advanced under the Intercompany Loan Agreement
- (iii) unapplied proceeds from sale of Loans

D = Trading Value of Substitute Assets

E = Reserve Fund

F = Trading Value of Swap Collateral

Total = A + B + C + D + E + F

\$ -

Valuation Calculation Test Result

Pass

Weighted average rate used for discounting:

%

Amortization Test

Do any of the Covered Bonds remain outstanding?

Yes

Event of Default on the part of the Registered Issuer?

No

Amortization Test Required?

No

Amortization Test

N/A

Cover Pool - Summary Statistics

Previous Month Ending Balance	\$ -
Current Month Ending Balance ⁽¹⁾	\$ 8,052,412,478
Number of Eligible Loans in cover pool	30,412
Average Loan Size	\$ 264,777
Number of Properties	30,412
Number of Primary Borrowers	30,030
Weighted Average LTV - Authorized	71.64%
Weighted Average LTV - Original ⁽²⁾	71.64%
Weighted Average Seasoning (months)	19.09
Weighted Average Rate	3.03%
Weighted Average Term of Loans (months)	51.40
Weighted Average Remaining Term of Loans (months)	34.45

⁽¹⁾ Balance as at June 27, 2014

⁽²⁾ Weighted average Original LTV is based on original or renewal appraised value.



TD Covered Bond (Legislative) Programme Monthly Investor Report

Calculation Date: 27-Jun-14
Date of Report: 3-Jul-14

Cover Pool Type of Assets ⁽¹⁾

	<u>Principal Balance</u>	<u>Percentage</u>
Conventional Mortgages	8,052,412,478	100%

⁽¹⁾ All mortgage loans are amortizing.

Cover Pool Rate Type Distribution

<u>Rate Type</u>	<u>Principal Balance</u>	<u>Percentage</u>	<u>Number of Loans</u>	<u>Percentage</u>
Fixed	6,732,514,785	83.61%	25,525	83.93%
Variable	1,319,897,692	16.39%	4,887	16.07%
Total	8,052,412,478	100.00%	30,412	100.00%

Cover Pool Rate Distribution

<u>Loan Rate (%)</u>	<u>Principal Balance</u>	<u>Percentage</u>	<u>Number of Loans</u>	<u>Percentage</u>
1.4999 and Below	1,626,910	0.02%	9	0.03%
1.5000 - 1.9999	1,352,475	0.02%	5	0.02%
2.0000 - 2.4999	527,357,222	6.55%	1,791	5.89%
2.5000 - 2.9999	4,609,336,881	57.24%	16,598	54.58%
3.0000 - 3.4999	1,987,209,043	24.68%	7,713	25.36%
3.5000 - 3.9999	636,488,896	7.90%	2,807	9.23%
4.0000 and Above	289,041,049	3.59%	1,489	4.90%
Total	8,052,412,478	100.00%	30,412	100.00%

Cover Pool Occupancy Type Distribution

<u>Occupancy Code</u>	<u>Principal Balance</u>	<u>Percentage</u>	<u>Number of Loans</u>	<u>Percentage</u>
Not Owner Occupied	755,596,359	9.38%	3,273	10.76%
Owner Occupied	7,296,816,119	90.62%	27,139	89.24%
Total	8,052,412,478	100.00%	30,412	100.00%

Cover Pool Remaining Term Distribution

<u>Remaining Term (Months)</u>	<u>Principal Balance</u>	<u>Percentage</u>	<u>Number of Loans</u>	<u>Percentage</u>
5.99 and Below	52,110,556	0.65%	204	0.67%
6.00 - 11.99	446,116,819	5.54%	1,735	5.70%
12.00 - 23.99	1,801,084,138	22.37%	6,939	22.82%
24.00 - 35.99	1,257,703,822	15.62%	4,996	16.43%
36.00 - 41.99	1,083,267,346	13.45%	4,082	13.42%
42.00 - 47.99	1,427,345,997	17.73%	5,099	16.77%
48.00 - 53.99	1,970,873,478	24.48%	7,284	23.95%
54.00 - 59.99	7,755,555	0.10%	45	0.15%
60.00 - 65.99	5,882,139	0.07%	27	0.09%
66.00 - 71.99	0	0.00%	0	0.00%
72.00 +	272,629	0.00%	1	0.00%
Total	8,052,412,478	100.00%	30,412	100.00%

Cover Pool Remaining Principal Balance Distribution

<u>Remaining Principal Balance</u>	<u>Principal Balance</u>	<u>Percentage</u>	<u>Number of Loans</u>	<u>Percentage</u>
99,999 and below	209,951,525	2.61%	3,009	9.89%
100,000 - 149,999	452,759,993	5.62%	3,585	11.79%
150,000 - 199,999	832,786,207	10.34%	4,747	15.61%
200,000 - 249,999	1,017,257,557	12.63%	4,514	14.84%
250,000 - 299,999	1,174,099,454	14.58%	4,276	14.06%
300,000 - 349,999	1,194,940,013	14.84%	3,687	12.12%
350,000 - 399,999	878,381,000	10.91%	2,352	7.73%
400,000 - 449,999	639,910,513	7.95%	1,512	4.97%
450,000 - 499,999	438,091,327	5.44%	925	3.04%
500,000 - 549,999	286,365,312	3.56%	547	1.80%
550,000 - 599,999	217,570,662	2.70%	380	1.25%
600,000 - 649,999	130,681,791	1.62%	210	0.69%
650,000 - 699,999	105,768,845	1.31%	157	0.52%
700,000 - 749,999	79,258,991	0.98%	110	0.36%
750,000 - 799,999	61,407,796	0.76%	79	0.26%
800,000 - 849,999	53,493,494	0.66%	65	0.21%
850,000 - 899,999	49,716,226	0.62%	57	0.19%
900,000 - 949,999	39,790,804	0.49%	43	0.14%
950,000 - 999,999	36,844,689	0.46%	38	0.12%
1,000,000 and above	153,336,278	1.90%	119	0.39%
Total	8,052,412,478	100.00%	30,412	100.00%

Cover Pool Property Type Distribution

<u>Property Type</u>	<u>Principal Balance</u>	<u>Percentage</u>	<u>Number of Loans</u>	<u>Percentage</u>
Detached (Single Family)	5,819,357,552	72.27%	20,952	68.89%
Semi-Detached	452,356,711	5.62%	1,728	5.68%
Multi-Family	348,403,035	4.33%	1,293	4.25%
Townhouse	295,008,397	3.66%	1,174	3.86%
Condos	1,112,568,661	13.82%	5,131	16.87%
Other	24,718,121	0.31%	134	0.44%
Total	8,052,412,478	100.00%	30,412	100.00%

Cover Pool Multi-Dimensional Distribution by LTV⁽¹⁾ and Credit Scores

<u>Current LTV (\$)</u>	<u>Credit Score</u>						<u>Total</u>
	<u><599</u>	<u>600-650</u>	<u>651-700</u>	<u>701-750</u>	<u>751-800</u>	<u>>800</u>	
< 20.0	237,763	1,883,894	4,686,801	7,791,117	26,722,176	33,565,117	74,886,867
20.01 - 30.00	495,786	1,404,983	8,169,540	13,273,565	38,773,095	59,337,739	121,454,707
30.01 - 40.00	2,730,263	3,994,407	16,719,989	26,091,342	66,184,625	98,086,641	213,807,268
40.01 - 50.00	6,502,167	14,246,022	37,677,014	59,902,574	126,480,250	152,007,233	396,815,261
50.01 - 55.00	6,147,975	11,381,792	33,604,657	44,067,504	99,506,008	108,189,521	302,897,457
55.01 - 60.00	8,529,293	21,262,396	48,965,219	76,188,330	124,026,311	132,316,303	411,287,851
60.01 - 65.00	15,129,810	38,954,351	83,775,825	124,977,395	206,126,476	190,926,154	659,890,012
65.01 - 70.00	19,089,336	44,417,251	119,468,408	154,946,491	242,489,374	190,024,936	770,435,796
70.01 - 75.00	54,038,709	105,243,372	281,988,700	332,716,526	509,045,456	342,931,189	1,625,963,952
75.01 - 80.00	67,572,633	153,693,538	487,121,445	811,913,587	1,211,196,416	743,475,688	3,474,973,307
> 80.00	-	-	-	-	-	-	-
Total	180,473,735	396,482,006	1,122,177,598	1,651,868,431	2,650,550,186	2,050,860,522	8,052,412,478



TD Covered Bond (Legislative) Programme Monthly Investor Report

Calculation Date: 27-Jun-14
Date of Report: 3-Jul-14

Cover Pool Multi-Dimensional Distribution by LTV⁽¹⁾ and Credit Scores (continued)

Current LTV (%)	Credit Score							Score Unavailable	Total
	<599	600-650	651-700	701-750	751-800	>800			
< 20.0	0%	0%	0%	0%	0%	0%	0%	0%	1%
20.01 - 30.00	0%	0%	0%	0%	0%	0%	0%	0%	2%
30.01 - 40.00	0%	0%	0%	0%	1%	1%	0%	0%	3%
40.01 - 50.00	0%	0%	0%	0%	1%	2%	0%	0%	5%
50.01 - 55.00	0%	0%	0%	1%	1%	1%	0%	0%	4%
55.01 - 60.00	0%	0%	1%	1%	2%	2%	0%	0%	5%
60.01 - 65.00	0%	0%	1%	2%	3%	2%	0%	0%	8%
65.01 - 70.00	0%	1%	1%	2%	3%	2%	0%	0%	10%
70.01 - 75.00	1%	1%	4%	4%	6%	4%	0%	0%	20%
75.01 - 80.00	1%	2%	6%	10%	15%	9%	0%	0%	43%
> 80.00	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	2%	5%	14%	21%	33%	25%	0%	100%	

(1) [LTV is based on original or renewal appraised value / after implementation of indexation: LTV is based on the quarterly indexation of the original or renewal appraised value]

Cover Pool Multi-Dimensional Distribution by Region, LTV⁽¹⁾ and Arrears

Province	Current LTV	Current and less than 30 days past due		30 to 59 days past due		60 to 89 days past due		90 or more days past due		Total
		Percentage		Percentage		Percentage		Percentage		
British Columbia										
< 20.0	15,753,406	1%	-	0%	-	0%	-	0%	-	15,753,406
20.01 - 30.00	27,316,588	2%	-	0%	-	0%	-	0%	-	27,316,588
30.01 - 40.00	44,175,369	3%	-	0%	-	0%	-	0%	-	44,175,369
40.01 - 50.00	71,956,397	6%	-	0%	-	0%	-	0%	-	71,956,397
50.01 - 55.00	50,465,947	4%	-	0%	-	0%	-	0%	-	50,465,947
55.01 - 60.00	63,589,748	5%	-	0%	-	0%	-	0%	-	63,589,748
60.01 - 65.00	104,875,185	8%	-	0%	-	0%	-	0%	-	104,875,185
65.01 - 70.00	127,862,319	10%	-	0%	-	0%	-	0%	-	127,862,319
70.01 - 75.00	250,211,839	20%	-	0%	-	0%	-	0%	-	250,211,839
75.01 - 80.00	508,637,384	40%	-	0%	-	0%	-	0%	-	508,637,384
> 80.00	-	0%	-	0%	-	0%	-	0%	-	-
Total British Columbia	1,264,844,183	100%	-	0%	-	0%	-	0%	-	1,264,844,183
Ontario										
< 20.0	40,793,031	1%	-	0%	-	0%	-	0%	-	40,793,031
20.01 - 30.00	66,913,824	2%	-	0%	-	0%	-	0%	-	66,913,824
30.01 - 40.00	119,858,116	3%	-	0%	-	0%	-	0%	-	119,858,116
40.01 - 50.00	226,939,639	5%	-	0%	-	0%	-	0%	-	226,939,639
50.01 - 55.00	176,280,677	4%	-	0%	-	0%	-	0%	-	176,280,677
55.01 - 60.00	245,228,116	6%	-	0%	-	0%	-	0%	-	245,228,116
60.01 - 65.00	367,083,068	9%	-	0%	-	0%	-	0%	-	367,083,068
65.01 - 70.00	410,497,117	10%	-	0%	-	0%	-	0%	-	410,497,117
70.01 - 75.00	845,165,990	20%	-	0%	-	0%	-	0%	-	845,165,990
75.01 - 80.00	1,764,052,148	41%	-	0%	-	0%	-	0%	-	1,764,052,148
> 80.00	-	0%	-	0%	-	0%	-	0%	-	-
Total Ontario	4,262,811,727	100%	-	0%	-	0%	-	0%	-	4,262,811,727
Prairies										
< 20.0	12,292,846	1%	-	0%	-	0%	-	0%	-	12,292,846
20.01 - 30.00	17,290,753	1%	-	0%	-	0%	-	0%	-	17,290,753
30.01 - 40.00	32,071,301	2%	-	0%	-	0%	-	0%	-	32,071,301
40.01 - 50.00	56,470,842	4%	-	0%	-	0%	-	0%	-	56,470,842
50.01 - 55.00	46,052,123	3%	-	0%	-	0%	-	0%	-	46,052,123
55.01 - 60.00	55,777,485	4%	-	0%	-	0%	-	0%	-	55,777,485
60.01 - 65.00	101,226,557	7%	-	0%	-	0%	-	0%	-	101,226,557
65.01 - 70.00	140,530,835	10%	-	0%	-	0%	-	0%	-	140,530,835
70.01 - 75.00	307,697,272	21%	-	0%	-	0%	-	0%	-	307,697,272
75.01 - 80.00	698,946,515	48%	-	0%	-	0%	-	0%	-	698,946,515
> 80.00	-	0%	-	0%	-	0%	-	0%	-	-
Total Prairies	1,468,356,530	100%	-	0%	-	0%	-	0%	-	1,468,356,530
Quebec										
< 20.0	5,218,474	1%	-	0%	-	0%	-	0%	-	5,218,474
20.01 - 30.00	8,662,580	1%	-	0%	-	0%	-	0%	-	8,662,580
30.01 - 40.00	15,669,425	2%	-	0%	-	0%	-	0%	-	15,669,425
40.01 - 50.00	35,428,143	4%	-	0%	-	0%	-	0%	-	35,428,143
50.01 - 55.00	23,823,997	3%	-	0%	-	0%	-	0%	-	23,823,997
55.01 - 60.00	36,191,157	4%	-	0%	-	0%	-	0%	-	36,191,157
60.01 - 65.00	70,654,375	9%	-	0%	-	0%	-	0%	-	70,654,375
65.01 - 70.00	72,687,677	9%	-	0%	-	0%	-	0%	-	72,687,677
70.01 - 75.00	168,601,077	21%	-	0%	-	0%	-	0%	-	168,601,077
75.01 - 80.00	382,670,473	47%	-	0%	-	0%	-	0%	-	382,670,473
> 80.00	-	0%	-	0%	-	0%	-	0%	-	-
Total Quebec	819,607,378	100%	-	0%	-	0%	-	0%	-	819,607,378
Atlantic										
< 20.0	829,110	0%	-	0%	-	0%	-	0%	-	829,110
20.01 - 30.00	1,270,962	1%	-	0%	-	0%	-	0%	-	1,270,962
30.01 - 40.00	2,033,056	1%	-	0%	-	0%	-	0%	-	2,033,056
40.01 - 50.00	6,020,241	3%	-	0%	-	0%	-	0%	-	6,020,241
50.01 - 55.00	6,274,712	3%	-	0%	-	0%	-	0%	-	6,274,712
55.01 - 60.00	10,501,344	4%	-	0%	-	0%	-	0%	-	10,501,344
60.01 - 65.00	16,050,826	7%	-	0%	-	0%	-	0%	-	16,050,826
65.01 - 70.00	18,857,848	8%	-	0%	-	0%	-	0%	-	18,857,848
70.01 - 75.00	54,287,774	23%	-	0%	-	0%	-	0%	-	54,287,774
75.01 - 80.00	120,666,787	51%	-	0%	-	0%	-	0%	-	120,666,787
> 80.00	-	0%	-	0%	-	0%	-	0%	-	-
Total Atlantic	236,792,661	100%	-	0%	-	0%	-	0%	-	236,792,661
Other										
< 20.0	-	0%	-	0%	-	0%	-	0%	-	-
20.01 - 30.00	-	0%	-	0%	-	0%	-	0%	-	-
30.01 - 40.00	-	0%	-	0%	-	0%	-	0%	-	-
40.01 - 50.00	-	0%	-	0%	-	0%	-	0%	-	-
50.01 - 55.00	-	0%	-	0%	-	0%	-	0%	-	-
55.01 - 60.00	-	0%	-	0%	-	0%	-	0%	-	-
60.01 - 65.00	-	0%	-	0%	-	0%	-	0%	-	-
65.01 - 70.00	-	0%	-	0%	-	0%	-	0%	-	-
70.01 - 75.00	-	0%	-	0%	-	0%	-	0%	-	-
75.01 - 80.00	-	0%	-	0%	-	0%	-	0%	-	-
> 80.00	-	0%	-	0%	-	0%	-	0%	-	-
Total Other	-	0%	-	0%	-	0%	-	0%	-	-
Grand Total	8,052,412,478									

(1) [LTV is based on original or renewal appraised value / after implementation of indexation: LTV is based on the quarterly indexation of the original or renewal appraised value]



TD Covered Bond (Legislative) Programme Monthly Investor Report

Calculation Date: 27-Jun-14
Date of Report: 3-Jul-14

Indexation Methodology

As of the date of this Portfolio Report, the Guarantor expects to employ the following methodology to determine indexed valuations for Properties in the Covered Bond Portfolio for reporting as of a date on or after 1 July 2014 (which methodology is, as of the date hereof, the "**Indexation Methodology**") for purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and for other purposes required by the CMHC Guide. Changes to the Indexation Methodology may only be made (i) upon notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such change constitutes a material change, subject to satisfaction of the Rating Agency Condition, and (iii) if such change is materially prejudicial to the Covered Bondholders, subject to the consent of the Bond Trustee. The Indexation Methodology must at all times comply with the requirements of the CMHC Guide.

The Covered Bond Portfolio will be sub-divided into 30 groups using the first three characters of the postal codes for each Property, also known as the Forward Sortation Area, or FSA, as published by Canada Post. On a quarterly basis, the value of the Properties will be adjusted based on the change in the HPI (as defined below) for each group. Properties outside of the area defined by the FSA groups will be adjusted based on the applicable provincial HPI. Additional details regarding the Indexation Methodology will be included in each Investor Report.

Material risks associated with using the Indexation Methodology include, but are not limited to, the accuracy and completeness of the resale home prices generated by The Canadian Real Estate Association and, in the case of Properties outside of the area defined by the FSA groups, the risk that provincial HPIs may not accurately capture unique factors affecting local housing markets.

The "HPI" is calculated using a time series of seasonally-adjusted resale home prices generated by The Canadian Real Estate Association. For each Property in the Covered Bond Portfolio, the current indexed valuation is determined by multiplying the most recent valuation for such Property (being either the valuation determined at the time of origination of the related Loan or, if applicable, the most recent revaluation for such Property) by the change in the applicable HPI.