

**PRIME  
TRUST**

**Information Memorandum**

**SENIOR  
SHORT TERM  
ASSET-BACKED  
NOTES**

**Rated by DBRS Limited: R-1 (high)**

**October 19, 2007**

*This Information Memorandum is not, and under no circumstances is to be construed as, an offering of these Senior Short Term Asset-Backed Notes for sale in the United States of America or in the territories or possessions thereof, or to any U.S. person. These Senior Short Term Asset-Backed Notes are not being offered under this Information Memorandum to persons resident in the Province of Nova Scotia and no person resident in the Province of Nova Scotia may rely on this Information Memorandum in purchasing these Senior Short Term Asset-Backed Notes. This Information Memorandum does not in any way obligate Prime Trust to accept an offer to purchase the Senior Short Term Asset-Backed Notes.*

## **An Introduction to Prime Trust**

Prime Trust (the "Trust") issues senior short term asset-backed notes ("Notes") having a term of 364 days or less. The Trust will invest the proceeds of the sale of the Notes, directly or indirectly, in conventional revolving and term assets (the "Assets"), that may include, but are not limited to, trade, utility, retail, wholesale, credit card receivables and secured and unsecured personal lines of credit, real property, residential mortgages, commercial and industrial mortgages, personal property leases, automobile and other instalment loans and promissory securities and mutual fund management and redemption fees. **The Trust will not invest any proceeds of the sale of Notes in any structured products that are backed by collateralized debt obligations or securities that are backed by such structured products or economic exposures to such assets through financial contracts such as credit-linked notes, credit default swaps or such other similar agreements ("CDO Transactions").** Assets may be originated within the Trust or acquired directly or through the acquisition of whole or undivided interests in pools of assets or interests in intermediaries such as trusts or partnerships or through the acquisition of asset-backed securities.

The Trust may also issue first subordinated short term asset-backed notes ("First Subordinated Notes") and second subordinated short term asset-backed notes ("Second Subordinated Notes") (the First Subordinated Notes and Second Subordinated Notes are referred to collectively as "Subordinated Notes"). This Information Memorandum relates to the Notes only. The Notes and the Subordinated Notes are sometimes referred to collectively in this Information Memorandum as the Short Term Notes.

The Trust may also issue senior and subordinated medium term asset-backed notes (collectively, "Medium Term Notes"). The senior Medium Term Notes will rank pari passu with the Notes.

## **About the Trust**

The Trust is a trust established under the laws of the Province of Ontario. The trustee for the Trust is The Canada Trust Company (the "Trustee"). The head office of the Trust and the Toronto office of the Trustee is c/o Computershare Trust Company of Canada at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, telephone: (416) 262-9200. Computershare Trust Company of Canada acts as agent for The Canada Trust Company in its capacity as Trustee. Pursuant to an asset purchase agreement dated February 26, 2007, all rights and obligations of The Canada Trust Company as Trustee will be assigned to Computershare Trust Company of Canada. The beneficiary of the Trust is a registered charity.

The equity of the Trust is nominal. Holders of the Notes will have recourse only to the assets of the Trust and neither the Trustee nor the beneficiary will have any liability for the repayment of the Notes. The assets of the Trust will consist primarily of the Assets, the credit enhancement described below and the proceeds thereof.

## **The Financial Services Agent**

TD Securities Inc. ("TD Securities"), an investment and securities dealer with its head office at Toronto Dominion Centre, Toronto, Canada will act as the Financial Services Agent and will provide certain financial services to the Trust including, without limitation, performing the Trust's funding, investing and purchasing activities.

## **The Administrative Agent**

TD Asset Finance Corp. will act as the Administrative Agent for the Trust and will provide certain administrative services to the Trust.

## **The Dealer**

The Toronto-Dominion Bank ("Dealer") has agreed to act on behalf of the Trust for the purpose of soliciting and receiving offers to purchase Notes issued from time to time, subject to compliance with the terms and conditions contained in the dealer agreement dated as of December 3, 1997 between the Trust and the Dealer. The Trust may also enter into agreements with other dealers from time to time with respect to the Notes.

## **The Issuing and Paying Agent**

The Toronto-Dominion Bank (“Issuing and Paying Agent”) has agreed to act on behalf of the Trust as the issuing and paying agent. The Issuing and Paying Agent will issue and make payment upon and in respect of all Notes.

## **Trust Indenture**

The Notes will be issued pursuant to the terms of an amended and restated trust indenture dated as of October 15, 2004, between the Trust and CIBC Mellon Trust Company, as such indenture may be amended, supplemented, modified, restated or replaced from time to time (“Trust Indenture”). The Trust Indenture provides for certain covenants on the part of the Trust and restrictions on its activities and the granting of security by the Trust.

The Trust Indenture secures the assets of the Trust in favour of the holders of the Short Term Notes and the Medium Term Notes and other specified creditors of the Trust and establishes an order of priority of payment of monies by the Trust.

The Trust Indenture also provides for meetings of the holders of Notes for purposes of modifying the rights of such holders. Resolutions passed at such meetings will be binding on all holders of Notes.

## **Form of Notes**

The Notes may be issued in fully registered, bearer or book entry form. Transfers of book entry notes will be settled through the Debt Clearing Service of CDS Clearing and Depository Services Inc.

## **Protection of Holders of Notes**

There are several layers of protection for holders of the Notes including:

- the quality of the Assets, which are subject to stringent eligibility criteria;
- rigorous approval process for qualified sellers or originators (“Sellers”) of Assets who will continue to service the Assets on an ongoing basis;
- credit enhancement established as appropriate from time to time in respect of each portfolio of Assets in which the Trust acquires an interest;
- as additional protection for holders of the Notes, upon the occurrence of an Event of Default (as defined in the Trust Indenture) and the acceleration of amounts due under the Short Term Notes, no payment will be made in respect of the Subordinated Notes, if issued, until the Notes and the senior Medium Term Notes are repaid in full; and
- committed “global-style” liquidity protection which is not limited to the occurrence of a general market disruption in the Canadian commercial paper market.

## **Approval Process**

DBRS Limited (“DBRS”), the rating agency which rates the Notes, will review each transaction under which the Trust will acquire Assets and will approve the terms of the applicable securitization or other agreements.

Potential Sellers will undergo a thorough credit, collection and systems analysis. The analysis will assess the adequacy of the Seller’s credit and collection policies and determine the Seller’s capability to act as the servicer of the applicable Assets. The Trust will reserve the right to appoint a substitute servicer for such Assets if the Seller fails to meet established criteria. The Trust will undertake a similar review and assessment of the Assets.

DBRS will review potential Sellers and/or Assets and will approve the terms of the applicable securitization or other agreements (collectively, "Securitization Agreements").

### **Asset Eligibility**

Each Securitization Agreement will prescribe eligibility standards for the Assets in which the Trust invests or acquires an interest. The Trust's assets must meet minimum eligibility criteria relating to freedom from adverse claims, obligor concentration limits and other matters relating to the quality of the Assets. **As stated above, the Trust will not invest any proceeds from the issuance of the Notes in any CDO Transactions.**

### **Credit Enhancement**

Credit enhancement provides protection for the holders of Notes. Credit enhancement will be established as appropriate for each acquisition of Assets made by the Trust and will be approved by DBRS. The level of credit enhancement is determined based on a number of factors including historical delinquency, dilutions and loss rates for the Assets. Credit enhancement can consist of additional eligible assets owned by the Trust, spread accounts, letters of credit or cash collateral accounts (collectively, "Credit Enhancement Facilities").

When letters of credit are used, Credit Enhancement Facilities will consist of non-cross-collateralized (i.e. transaction specific) facilities. Under these facilities, the credit enhancement will be limited to the Assets acquired in the transaction for which credit enhancement is provided. The aggregate level of credit enhancement provided will vary based upon the credit quality and diversification of the applicable Assets and will be at a level approved by DBRS.

### **Credit Enhancers**

Minimum credit standards have been established for credit enhancers ("Credit Enhancers"), where required, by the Trust and DBRS. The overall rating of the Trust reflects the high standard that all of the Credit Enhancers must meet.

### **Liquidity**

As a condition precedent to the issuance of any Note under the Trust Indenture, the Trust must have in place committed liquidity lines ("Liquidity Lines") that will allow it to meet both its obligations under maturing Short Term Notes (other than Second Subordinated Short Term Notes) as well as any accrued and unpaid interest on amounts that have been drawn under Liquidity Lines. The availability of these Liquidity Lines will not be limited to circumstances where there is a general market disruption in the Canadian commercial paper market.

The Trust will enter into one or more liquidity agreements with the Bank or such other financial institutions that have either a short term rating of at least "R-1(middle)" by DBRS or a long term rating of at least "AA(low)" by DBRS. The amount of credit available under the Liquidity Lines will typically equal 102% of the outstanding Short Term Notes (other than Second Subordinated Short Term Notes).

Liquidity Lines may be provided through liquidity agreements as well as transaction specific Credit Enhancement Facilities. Draws on the Credit Enhancement Facilities for credit enhancement may reduce the amount available for liquidity purposes. Liquidity lenders will generally not be obligated to make loans to the Trust if the Trust is insolvent, subject to insolvency proceedings or if the Trust has liabilities in excess of its assets.

*The liquidity lenders have security on the assets of the Trust and, following an Event of Default (as defined in the Trust Indenture), such security will rank pari passu with that of the holders of the Notes in respect of that portion of any Liquidity Lines drawn upon to repay Notes. Liquidity lenders who have advanced funds under the Liquidity Lines are entitled to attend and vote at meetings of the holders of the Notes for the purpose of modifying the rights of the holders of the Notes and the liquidity lenders.*

## **Interest Rate and Currency Protection**

The Trust may incur interest rate or currency risk as a result of funding its investment in fixed rate Assets with Notes or in funding its investments, with Notes denominated in currencies other than Canadian dollars. To mitigate these risks, the Trust will use a combination of interest rate and currency swaps, caps and other hedging instruments.

Minimum credit standards have been established for the hedging counterparties by the Trust and DBRS. The overall rating of the Trust reflects the high standard that all of the hedging counterparties must meet.

*The hedging counterparties may have security on the assets of the Trust, which security will rank pari passu with that of the holders of the Notes. The security provided to hedging counterparties will be acceptable to DBRS.*

## **Subordinated Assets**

The Trust may, from time to time, enter into trust indentures (“Subsequent Trust Indentures”) pursuant to which it may, from time to time, issue short term notes and medium term notes (“Other Notes”) secured by separate pools of assets. Recourse of a holder of Other Notes is limited to the specific pools of assets comprising security for the Other Notes (“Subordinated Assets”). The Subordinated Assets will form part of the collateral for the Notes on a subordinated basis to the security provided for under the Subsequent Trust Indentures.

## **ADMINISTRATION OF THE TRUST**

Sellers will generally service the Assets including the collection of amounts due thereunder. The Trust has the right to appoint a substitute servicer in certain circumstances.

Sellers are required to produce a periodic statement, usually monthly, which will typically include collections received, losses incurred, portfolio balances, ageing statistics, and the ratio analysis necessary to identify the occurrence of an event which triggers the termination of a revolving transaction or an accelerated amortization of an Asset pool. These reports are available to DBRS to enable monitoring of programme compliance.

TD Securities, as Financial Services Agent, will perform financial services on behalf of the Trust. TD Securities utilizes a customized receivables analysis and administration system. The system provides the ability to perform sophisticated analysis and serves as a management information system to monitor the performance of the Trust.

TD Asset Finance Corp., as Administrative Agent, will provide general administrative and management services required to permit the Trust to carry on its activities.

On a periodic basis, certain Sellers may be required to provide more detailed data on the assets they service in order to confirm the eligible and ineligible asset balances, portfolio statistics, ageing and other information. The data may also be evaluated for changes such as shifts in the portfolio concentration risk. In most cases the Trust may require a portfolio audit at any time.

**THE OBLIGATIONS REPRESENTED BY THE NOTES ARE OBLIGATIONS SOLELY OF THE TRUST. THE TORONTO-DOMINION BANK, IN ITS CAPACITY AS A DEALER, CREDIT ENHANCER, ISSUING AND PAYING AGENT OR LIQUIDITY LENDER, TD SECURITIES INC., IN ITS CAPACITY AS FINANCIAL SERVICES AGENT FOR THE TRUST, TD ASSET FINANCE CORP., IN ITS CAPACITY AS ADMINISTRATIVE AGENT FOR THE TRUST, AND CIBC MELLON TRUST COMPANY, IN ITS CAPACITY AS INDENTURE TRUSTEE, DO NOT GUARANTEE OR INSURE PAYMENT OF THE NOTES BY THE TRUST AND DO NOT UNDERTAKE TO COMPENSATE THE TRUST OR HOLDERS OF THE NOTES FOR ANY LOSS SUFFERED ON THEIR INVESTMENT. EXCEPT IN CASES OF GROSS NEGLIGENCE OR WILFULL MISCONDUCT, THE LIABILITY OF THE TRUSTEE WILL BE LIMITED TO THE ASSETS OF THE TRUST. NO OTHER PROPERTY OF THE TRUSTEE, WHETHER OWNED BY IT IN**

ITS PERSONAL CAPACITY OR OTHERWISE, WILL BE SUBJECT TO EXECUTION OR OTHER ENFORCEMENT PROCEDURE WITH REGARD TO ANY OBLIGATION OF THE TRUST.

	<b>Prime Trust</b>
	<b>Description of the Senior Short Term Asset-Backed Notes</b>
<b>Purpose</b>	The net proceeds from the sale of the Notes will be used for the acquisition or origination of or investment in, directly or indirectly, conventional revolving and term assets. The Trust will not invest any proceeds from the sale of the Notes in CDO Transactions.
<b>Denominations</b>	Multiples of \$1,000 in Canadian or other currencies.
<b>Maturities</b>	The Notes will mature on a banking day up to 364 days from the date of issuance.
<b>Rates</b>	Available on request.
<b>Rating</b>	The Senior Short Term Asset-Backed Notes have been rated "R-1 (high)" by DBRS Limited.
<b>Issuer Trustee</b>	The Canada Trust Company
<b>Administrative Agent</b>	TD Asset Finance Corp.
<b>Financial Services Agent</b>	TD Securities Inc.
<b>Issuing and Paying Agent</b>	The Toronto-Dominion Bank has been appointed as issuing and paying agent for the Notes. The Issuing and Paying Agent will issue and make payment upon and in respect of all Notes.
<b>Form of Notes</b>	The Notes may be issued in fully registered, bearer or book-entry form. Transfers of book-entry Notes will be settled through the Debt Clearing Service of CDS Clearing and Depository Services Inc.
<b>Indenture Trustee</b>	CIBC Mellon Trust Company.
<b>New Issue Test</b>	The Trust will only issue Notes if, after giving effect to such issue, the Trust will (i) not have liabilities in excess of its assets (calculated in accordance with Canadian generally accepted accounting principles consistently applied) and the Trust is not in default under the Trust Indenture and (ii) have in place committed Liquidity Lines that will allow it to meet both its obligations under maturing Short Term Notes (other than Second Subordinated Short Term Notes) as well as any accrued and unpaid interest on amounts that have been drawn under Liquidity Lines.
<b>Security</b>	The holders of Notes have security on all of the assets of the Trust, subject to the claims of liquidity lenders and hedging counterparties which, following an Event of Default (as defined in the Trust Indenture), will rank <i>pari passu</i> with the holders of the Notes, subject to the claims of certain other specified creditors of the Trust and subject to a prior encumbrance on the Subordinated Assets, all as set out in the Trust Indenture.
<b>Liquidity Facilities</b>	The Trust's primary source of funding is the issue of the Short Term Notes and Medium Term Notes. In addition, subject to certain conditions, the Trust may borrow under its Liquidity Lines to meet its maturing obligations with respect to the Short Term Notes (other than the Second Subordinated Notes). The amount of credit available under the Liquidity Lines is typically 102% of the outstanding Short Term Notes but must also be sufficient to cover

	amounts payable by the Trust in respect of accrued and unpaid interest on amounts drawn under the Liquidity Lines (other than the Second Subordinated Notes), part of which may be provided through the Credit Enhancement Facilities.
<b>Credit Enhancements</b>	If required, financial institutions or other parties approved by DBRS may provide credit enhancement specific to specified asset pools.
<b>Hedging</b>	To mitigate interest rate, currency and similar risks, the Trust will use a combination of swaps and other hedging instruments.

October 19, 2007

Prime Trust  
c/o Computershare Trust Company of Canada  
100 University Avenue  
9<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1

Attention: Assistant Vice President, Corporate Trust Services

Dear Sirs and Mesdames:

**Re: Issue of Senior Short Term Asset-Backed Notes**

We have acted as counsel to Prime Trust (the "Trust"), a trust established by The Canada Trust Company (the "Trustee") by declaration of trust (the "Declaration of Trust") dated December 3, 1997 in connection with the issuance and sale from time to time by the Trust in all provinces of Canada (the "Offering Jurisdictions") of negotiable senior short term asset-backed notes (the "Notes"). The Notes are issued pursuant to the provisions of an amended and restated trust indenture dated as of October 15, 2004, between the Trust and CIBC Mellon Trust Company (the "Indenture Trustee"), as such indenture may be amended, supplemented, modified, restated or replaced from time to time (the "Trust Indenture"). The Notes have the terms more particularly described in the information memorandum of the Trust dated October 19, 2007 (the "Information Memorandum"). Each Note will mature not more than 364 days from the date of issuance. The Notes are not convertible or exchangeable into or accompanied by a right to purchase another security and we are advised that they are not being sold to any purchaser in the Province of Québec pursuant to a written agreement. We understand that the Trust (i) will file the Information Memorandum with the Autorité des marchés financiers and (ii) will not deliver the Information Memorandum to persons resident in the Province of Nova Scotia. Terms used but not defined herein have the respective meanings attributed to such terms in the Trust Indenture.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such public and other records, certificates and other documents including, without limitation, the Declaration of Trust, the Trust Indenture, the Administration Agreement, the Financial Services Agreement, the Dealer Agreement, the Issuing and Paying Agent Agreement, the Information Memorandum and a specimen of the form of Notes, and have considered such questions of law as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed.

In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with originals of all documents submitted to us as certified, conformed, telecopied or photostatic copies and the authenticity of the originals of all such documents. In connection with the opinions expressed in paragraphs 1, 2, 3 and 4 below, we have also assumed: (a) the due incorporation, subsistence, requisite corporate power, authority and capacity of the Trustee, (b) the due authorization, execution and delivery of the Declaration of Trust, the Notes and the Trust Indenture by the Trustee, the Indenture Trustee and the Issuing and Paying Agent, as applicable, and (c) the enforceability of the Trust Indenture against the Indenture Trustee.

We understand that if the Information Memorandum is furnished to persons in the Province of Québec, it will be accompanied by the French language version thereof.

The opinions hereinafter expressed are based upon legislation and other laws as in effect on the date hereof. Insofar as the opinions hereinafter expressed relate to future issuances of Notes, such opinions must be read subject to the assumptions that at the time of any such issuance:

- (i) the Trust has the necessary authority at such time to issue the Notes; and
- (ii) any other authorization or approval with respect to the issuance of Notes required at such time shall have been obtained.

The opinions expressed herein are subject to qualification by applicable bankruptcy, insolvency, winding-up, arrangement, moratorium, reorganization and other laws affecting creditors' rights generally (and specifically that certain rights and remedies under the Trust Indenture may be limited by applicable provisions of the *Personal Property Security Act* (Ontario)), by general principles of equity and the obligation to act in a reasonable manner, by the fact that equitable remedies, such as specific performance, are available only in the discretion of the court, by the fact that the effectiveness of terms exculpating a party from any liability or duty otherwise owed by it to another may be limited by law, by the fact that the awarding of costs is in the discretion of a court of competent jurisdiction, by the fact that any provision in any document which purports to sever from such document any provision therein which is prohibited or unenforceable under applicable law without affecting the validity of the remainder of such document would be enforced only to the extent that the court determined that such prohibited or unenforceable provision could be severed without impairing the interpretation and application of the remainder of such document and by the fact that pursuant to the *Currency Act* (Canada), a judgment by a court in any province in Canada may be awarded in Canadian currency only. No opinion is expressed herein regarding the creation, validity, enforceability or perfection of any security interest expressed to be created by or under any of the documents, the enforceability of any provision of the Trust Indenture which requires payment of interest by the Indenture Trustee but does not specify a rate, whether or not any default interest payable under the Notes constitutes an unenforceable penalty, or the enforceability of the provision of the Trust Indenture which precludes specified creditors (including holders of the Notes) from participating in or initiating certain types of insolvency proceedings. In addition, the enforceability of the Trust Indenture is subject to the *Limitations Act, 2002* (Ontario) and we express no opinion whether a court might find any provision in the Notes, the Declaration of Trust or the Trust Indenture to be unenforceable as an attempt to vary or exclude a limitation period under that Act.

In giving the opinions set forth below with respect to provinces other than Ontario, Quebec, Alberta and British Columbia, we have relied upon opinions of counsel in such other provinces. To the extent that any opinion of counsel upon which we have relied is stated to be based on any assumption, to be given in reliance on any certificate or other document or to be subject to any limitation, qualification or exception, the opinions expressed herein in reliance on such opinion of counsel are based upon the same assumption, are given in reliance on the same certificate or document, and are subject to the same limitation, qualification or exception. Unless otherwise expressly indicated, the opinions hereinafter expressed are limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein.

We have assumed that any "market intermediary" (as such term is defined in the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador), as applicable), which participates in a trade of the Notes in Ontario or Newfoundland and Labrador is registered under the applicable securities legislation of Ontario or Newfoundland and Labrador, as the case may be, in a category permitting it to trade in Notes in Ontario and Newfoundland and Labrador and that any such market intermediary has complied with all such applicable securities laws applicable to its registration in connection with the trades of the Notes in Ontario and Newfoundland and Labrador. We have also assumed that any agent acting in connection with the offer and sale of the Notes that is a registered dealer or broker under any applicable securities laws has complied with the relevant provisions of such applicable securities laws and the terms of such registration in connection with such offer and sale and that at the time of any trade in the Notes hereafter referred to no order, ruling, decision or condition of any agent's registration is in effect that restricts any trades in the Notes or that affects any person or company that engages in any such trades, including, without limitation, cease trade orders and conditions of registration directing that any dealer registration exemption does not apply to any person or company.

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

1. The Trust has been constituted as a trust under the laws of the Province of Ontario and has not been terminated.
2. Pursuant to the Declaration of Trust, the Trustee has the power and capacity to borrow money on behalf of the Trust by the issuance and sale of the Notes and all necessary action has been taken by the Trustee to authorize the issuance and sale of the Notes and the borrowing of money thereby by the Trust.
3. The Notes, when issued in the form of the specimen copy of the Note set out in the Information Memorandum and duly executed by manual or facsimile signature of the Trustee on behalf of the Trust, will be valid and legally binding obligations of the Trust, enforceable against the Trust in accordance with their terms.
4. The Trust Indenture constitutes a legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms.
5. The Trust may, either directly or through agents, offer and sell the Notes in the Offering Jurisdictions, if:
  - (a) the Notes have a rating at or above one of the following rating categories (each an “Approved Credit Rating”) or a category that replaces one of the following rating categories:

<i>Approved Credit Rating Organization</i>	<i>Rating</i>
DBRS Limited	R-1 (low)
Fitch Ratings	F1
Moody’s Investors Service	P-1
Standard & Poor’s	A-1 (low)

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

- (b) there has been no announcement by an Approved Credit Rating Organization of which the Trust, the Trustee, Financial Services Agent or any other person trading the Notes or any purchaser of the Notes is or reasonably should be aware that the rating of the Notes to which the Approved Credit Rating was given may be down-graded to a rating category that would not be an Approved Credit Rating and no Approved Credit Rating Organization has rated the Notes in a rating category that is not an Approved Credit Rating;

without making any filing under, or registering with, any governmental or public body or authority pursuant to the securities legislation in such Offering Jurisdictions, except for the filing without delay with the Autorité des marchés financiers of this Information Memorandum and any other disclosure document delivered to purchasers of the Notes in Québec.

6. Subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statutes referred to below (and, where applicable, the regulations thereunder) and, in certain cases, subject to satisfaction of additional requirements relating to investment or lending policies, procedures or goals and, in certain cases, the filing of such policies, procedures or goals, the Notes are not, on the date hereof, precluded as investments under or by the following statutes:
  - (a) *Insurance Companies Act (Canada)*

- (b) *Trust and Loan Companies Act (Canada)*
- (c) *Pension Benefits Standards Act, 1985 (Canada)*
- (d) *Bank Act (Canada)*
- (e) *Cooperative Credit Associations Act (Canada)*
- (f) *Pension Benefits Act (Ontario)*
- (g) *Loan and Trust Corporations Act (Alberta)*
- (h) *Employment Pension Plans Act (Alberta)*
- (i) *Alberta Heritage Savings Trust Fund Act (Alberta)*
- (j) *Pension Benefits Standards Act (British Columbia)*
- (k) *Financial Institutions Act (British Columbia)*
- (l) *Supplemental Pension Plans Act (Québec);*
- (m) *An Act respecting insurance (Québec) (for insurers other than guarantee funds);*
- (n) *An Act respecting trust companies and savings companies (Québec) (for trust companies investing their own funds and deposits they receive and for savings companies investing their funds);*
- (o) *The Trustee Act (Manitoba);*
- (p) *The Insurance Act (Manitoba);*
- (q) *The Pension Benefits Act (Manitoba);*
- (r) *The Trust and Loan Corporations Act, 1997 (Saskatchewan); and*
- (s) *The Pension Benefits Act, 1992 (Saskatchewan).*

Yours very truly,

**McCarthy Tétrault LLP**

ELECTRONIC SIGNATURE

Prime Trust	Note/Billet #:
<input type="radio"/> Discount/À escompte	
<input type="radio"/> Interest Bearing/Portant intérêt	

FOR VALUE RECEIVED, hereby promises to pay to or to the order of:  
VALEUR REÇUE, par les présentes promet de payer à ou à l'ordre de:

\_\_\_\_\_

on  
le \_\_\_\_\_

at the main branch of The Toronto-Dominion Bank in  
à la succursale principale de La Banque Toronto-Dominion à \_\_\_\_\_

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

with interest thereon at the rate of percent per annum  
avec intérêt au taux de pour cent par année

in lawful money of upon due presentation and surrender of this Note.  
en monnaie légale d sur présentation et remise du présent billet.

Unless this Note is deposited with the Clearing Agency, this Note shall become valid only when manually certified on behalf of Prime Trust by The Toronto-Dominion Bank or by one of its employees duly authorized for that purpose, as designated signatory.

À moins que le présent billet ne soit déposé auprès de la chambre de compensation, le présent billet sera valide seulement lorsqu'il sera attesté au nom de Fiducie Prime par La Banque Toronto-Dominion ou par un de ses employés dûment autorisé à cette fin, à titre de signataire désigné.

This Note is one of the Senior Short Term Notes of Prime Trust (the "Trust") issued under and with the benefit of an amended and restated trust indenture made as of October 15, 2004 between the Trust and CIBC Mellon Trust Company as Indenture Trustee (the said trust indenture as amended, supplemented, modified, restated or replaced is hereinafter referred to as the "Trust Indenture"). The Senior Short Term Notes rank equally and rateably and without preference among themselves and rank equally and rateably with the Senior Medium Term Notes issued by the Trust under the Trust Indenture. Reference is hereby made to the Trust Indenture for the rights of the holders of Notes issued and to be issued thereunder. The Canada Trust Company ("Canada Trust"), in its capacity as trustee of the Trust and not in its personal capacity, has entered into the Trust Indenture and issued this Note. The liability of Canada Trust hereunder and under the Trust Indenture is limited to the assets of the Trust. No other property or assets of Canada Trust, whether owned by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any obligation hereunder or under the Trust Indenture. This Note shall be governed and construed in accordance with the laws of the Province of Ontario. In the event of any conflict between the provisions of this Note and the provisions of the Trust Indenture, the latter shall prevail. Unless otherwise defined herein, all capitalized terms used in this Note will have the meanings attributed to them in the Trust Indenture.

Le présent billet fait partie des billets à court terme subordonnés de Fiducie Prime (le "Fonds") émis en vertu d'une convention de fiducie intervenue en date du 15 Octobre 2004 entre le Fonds et Compagnie Trust CIBC Mellon, en sa qualité de fiduciaire (cette convention de fiducie qui peut être modifiée, complétée, refondue ou remplacée est appelée ci-après la "convention de fiducie"). Les billets à court terme subordonnés ont un rang égal et proportionnel entre eux et aucun n'a priorité sur les autres. Ils ont un rang égal et proportionnel à celui des billets à moyen terme subordonnés émis par le Fonds en vertu de la convention de fiducie. Les billets à court terme subordonnés sont subordonnés quant au paiement aux billets de premier rang. Il y a lieu de se reporter à la convention de fiducie pour l'énoncé des droits des porteurs de billets émis et devant être émis aux termes de la convention de fiducie. La Société Canada Trust ("Fiducie Canada"), en sa qualité de fiduciaire du Fonds et non en sa qualité personnelle, a conclu la convention de fiducie et émis le présent billet. La responsabilité de Fiducie Canada en vertu des

présentes et de la convention de fiducie se limite à l'actif du Fonds. Aucun autre bien ou élément d'actif de Fiducie Canada, qu'il soit détenu en sa qualité personnelle ou autrement, ne pourra faire l'objet d'une saisie ou autre procédure d'exécution relativement à toute obligation des présentes ou de la convention de fiducie. Le présent billet est régi et interprété conformément aux lois de la province d'Ontario. En cas de conflit entre les dispositions du présent billet et celles de la convention de fiducie, cette dernière aura préséance. À moins d'indication contraire aux présentes, les termes clés définis dans le présent billet ont le sens qui leur est attribué dans la convention de fiducie.

Certified for and on behalf of Prime Trust by The  
Toronto-Dominion Bank as Issuing and Paying Agent.

Attesté pour Fiducie Prime et en son nom par  
La Banque Toronto-Dominion à titre d'agent émetteur et  
payeur.

By/Par \_\_\_\_\_  
Designated Signatory/Signataire designé

DATED the        day of        ,

DATÉ du        jour d        ,        .

Prime Trust/  
Fiducie Prime  
by its trustee/par son fiduciaire

The Canada Trust Company/La Société Canada Trust

By/Par \_\_\_\_\_

By/Par \_\_\_\_\_  
Authorized Signatories/Signataires autorisés