

**THIRD AMENDING AGREEMENT TO
LIMITED PARTNERSHIP AGREEMENT**

THIS THIRD AMENDING AGREEMENT TO LIMITED PARTNERSHIP AGREEMENT (this “**Agreement**”) is made as of the 27th day of July, 2018.

BY AND AMONG

- (1) **TD COVERED BOND (LEGISLATIVE) GP INC.**, a corporation incorporated under the laws of Canada;
- (2) **8638080 CANADA INC.**, a corporation incorporated under the laws of Canada;
- (3) **THE TORONTO-DOMINION BANK**, a bank named in Schedule I to the *Bank Act* (Canada); and
- (4) **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada.

WHEREAS the parties entered into a limited partnership agreement made as of June 25, 2014, as amended pursuant to amending agreements to the limited partnership agreement made as of July 14, 2016 and September 7, 2017 (collectively, the “**Limited Partnership Agreement**”);

AND WHEREAS the parties hereto have agreed to amend the Limited Partnership Agreement pursuant to the terms of this Agreement in accordance with Section 13.1 of the Limited Partnership Agreement, Section 3 of the Master Definitions and Construction Agreement, Section 7.02 of the Security Agreement and Clause 21.2 of the Trust Deed;

NOW THEREFORE IT IS HEREBY AGREED that in consideration of the mutual covenants and agreements herein set forth, the parties agree as follows:

ARTICLE 1 – AMENDMENTS

1.01 **Amendments**

(1) The Limited Partnership Agreement shall be amended by deleting the words, “LTV Adjusted True Balance” in Section 7.5(c)(ii) and replacing them with, “LTV Adjusted Loan Balance”.

(2) The schedule attached to the Limited Partnership Agreement as Schedule 2 – *Asset Coverage Test* is deleted in its entirety and replaced with the schedule attached hereto as Schedule A.

(3) The schedule attached to the Limited Partnership Agreement as Schedule 3 – *Amortization Test* is deleted in its entirety and replaced with the schedule attached hereto as Schedule B.

(4) The schedule attached to the Limited Partnership Agreement as Schedule 10 – *Valuation Calculation* is deleted in its entirety and replaced with the schedule attached hereto as Schedule C.

(5) The schedule attached to the Limited Partnership Agreement as Schedule 11 – *OC Valuation* is deleted in its entirety and replaced with the schedule attached hereto as Schedule D.

ARTICLE 2 – MISCELLANEOUS

2.01 Further Assurances

Each of the parties hereto will from time to time execute and deliver all such further documents and instruments and do all acts and things as any of the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

2.02 Other Amendments

Except as expressly amended, modified and supplemented hereby, the provisions of the Limited Partnership Agreement are and shall remain in full force and effect and shall be read with this Agreement, *mutatis mutandis*. Where the terms of this Agreement are inconsistent with the terms of the Limited Partnership Agreement (prior to its amendment hereby), the terms of this Agreement shall govern to the extent of such inconsistency.

2.03 Governing Law

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

2.04 Interpretation

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Limited Partnership Agreement (prior to its amendment hereby) and in the Amended and Restated Master Definitions and Construction Agreement dated July 14, 2016, as amended, supplemented or restated from time to time, by and among The Toronto-Dominion Bank, TD Covered Bond (Legislative) Guarantor Limited Partnership, Computershare Trust Company of Canada, 8638080 Canada Inc., TD Covered Bond (Legislative) GP Inc., Ernst & Young LLP, Citibank, N.A. London Branch, Citigroup Global Markets Europe AG and Citibank, N.A., as the context requires.

[SIGNATURE PAGE FOLLOWS]

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

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

Per: “Cameron Joynt”
Name: Cameron Joynt
Title: Authorized Signatory

8638080 CANADA INC.

Per: “Charles Eric Gauthier”
Name: Charles Eric Gauthier
Title: Authorized Signatory

THE TORONTO-DOMINION BANK

Per: “Cameron Joynt”
Name: Cameron Joynt
Title: Authorized Signatory

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

Per: “Mircho Mirchev”
Name: Mircho Mirchev
Title: Corporate Trust Officer

Per: “Stanley Kwan”
Name: Stanley Kwan
Title: Associate Trust Officer

**SCHEDULE A TO
THIRD AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT**
See attached

Schedule 2 to Limited Partnership Agreement

Asset Coverage Test

- (a) The “**Asset Coverage Test**” is met if the Adjusted Aggregate Loan Amount (as defined below) shall be in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. For greater certainty, references in this Schedule to “**immediately preceding Calculation Date**” and “**previous Calculation Date**” are to the Calculation Period ending on the Calculation Date.
- (b) For the purposes of the Asset Coverage Test, the “**Adjusted Aggregate Loan Amount**” means the amount calculated as at each Calculation Date as follows:

$$A+B+C+D+E-F-G$$

where,

A = the lower of (i) and (ii), where:

(i) = the sum of the “**LTV Adjusted Loan Balance**” of each Loan, which is not a Non-Performing Loan, in the Covered Bond Portfolio, which shall be the lower of (1) the Outstanding Principal Balance of the relevant Loan in the Covered Bond Portfolio on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Loan Balance of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Balance of the Loans

in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Partnership in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Partnership by the Seller to indemnify the Partnership for such financial loss);

AND

(ii) = the aggregate “**Asset Percentage Adjusted Loan Balance**” of the Loans, which are not Non-Performing Loans, in the Covered Bond Portfolio which in relation to each Loan shall be the lower of (1) the Outstanding Principal Balance of the relevant Loan on such Calculation Date, and (2) the Latest Valuation relating to that Loan;

minus

the aggregate sum of the following deemed reductions to the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the Asset Percentage Adjusted Loan Balance of the relevant Loan or Loans (as calculated on such Calculation Date) of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in the immediately preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Asset Percentage Adjusted Loan Balance of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Partnership in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Partnership by the Seller to indemnify the Partnership for such financial loss),

the result of the calculation in this paragraph (ii) being multiplied by the Asset Percentage (as defined below);

B = the aggregate amount of any Principal Receipts (excluding proceeds of the sale of Loans and their Related Security) on the Loans in the Covered Bond Portfolio up

to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with Article 6 (Priorities of Payments) and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor), (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Loans and their Related Security which, in each case, have not been applied as at such Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with Article 6 (Priorities of Payments) and/or the other Transaction Documents;

D = the aggregate outstanding principal balance of any Substitute Assets;

E = the balance, if any, of the Reserve Fund;

F = the sum of (i) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date and delivered with respect to the Interest Rate Swap Agreement, plus (ii) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date delivered with respect to the Covered Bond Swap Agreement, in each case, determined as at such Calculation Date; and

G = the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding multiplied by the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor where the "Negative Carry Factor" is, if the weighted average margin of the interest rate payable on the Principal Amount Outstanding of the Covered Bonds relative to the interest rate receivable on the Covered Bond Portfolio is (i) less than or equal to 0.1 per cent. per annum, 0.5 per cent. or (ii) greater than 0.1 per cent. per annum, 0.5 per cent. plus such margin minus 0.1 per cent.; provided that if the weighted average remaining maturity of the Covered Bonds then outstanding is less than one year, the weighted average maturity shall be deemed, for the purposes of this calculation, to be one year, unless and for so long as the Interest Rate Swap Agreement (x) has an effective date that has occurred prior to the related Calculation Date, and (y) provides for the hedging of interest received in respect of (i) the Loans and their Related Security in the Covered Bond Portfolio; (ii) any Substitute Assets; and (iii) cash balances held in the GDA Account; whereupon the Negative Carry Factor shall be zero.

(c) The "Asset Percentage" shall be determined as follows:

(1) Prior to the Guarantor Payment Date immediately following the Cash Flow Model Calculation Date (as defined below) falling in January, April, July and October of each year and on such other date as the Limited Partner may request following the date on which the Bank is required to assign the Interest Rate Swap Agreement to a third party (each such date, a "**Cash Flow Model**

Calculation Date”), the Managing GP (or the Cash Manager on its behalf) will determine the percentage figure selected by it as the Asset Percentage based on such methodologies as the Rating Agencies may prescribe from time to time (to ensure sufficient credit enhancement for the Covered Bond Guarantee will be maintained) for the Covered Bond Portfolio based on the value of the Loans as at the Calculation Date immediately preceding such Cash Flow Model Calculation Date as a whole or on the basis of a sample of Randomly Selected Loans in the Covered Bond Portfolio, such calculations to be made on the same basis throughout unless the Rating Agency Condition has been satisfied in respect thereof.

(2) The Asset Percentage (including as applied in respect of item A or item B of the Asset Coverage Test) will from time to time be adjusted in accordance with the various methodologies of the Rating Agencies to ensure that sufficient credit enhancement for the Covered Bond Guarantee will be maintained.

(3) The Managing GP (or the Cash Manager on its behalf) will, or will use all reasonable efforts to determine the Asset Percentage at least two days prior to the Guarantor Payment Date following a relevant Cash Flow Model Calculation Date and shall apply such Asset Percentage to any calculations in respect of the Calculation Period ending on such Cash Flow Model Calculation Date and in respect of each subsequent Calculation Period until the Asset Percentage is required to be redetermined in accordance with this Schedule 2.

(4) Notwithstanding anything to the contrary in this Schedule 2, the Asset Percentage shall at all times be less than or equal to 97%, as determined in accordance with this Schedule 2 and as provided by Clause 14 of the Trust Deed, provided that the Asset Percentage shall not be less than 80%, unless otherwise agreed by the Bank (and following an Issuer Event of Default, the Partnership for the purposes of making certain determinations in respect of the Intercompany Loan).

**SCHEDULE B TO
THIRD AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT**
See attached

Schedule 3 to Limited Partnership Agreement

Amortization Test

- (i) The “**Amortization Test**” is met if the Amortization Test Aggregate Loan Amount (as defined below) is in an amount at least equal to the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. For greater certainty, references herein to “**immediately preceding Calculation Date**” and “**previous Calculation Date**” are to the Calculation Period ending on the Calculation Date.
- (ii) For the purposes of the Amortization Test, the “**Amortization Test Aggregate Loan Amount**” will mean the amount calculated as at each Calculation Date as follows:

$$A + B + C - D - E$$

where,

- A = the aggregate “**Amortization Test True Balance**” of each Loan that is not a Non-Performing Loan, which shall be the lower of (1) the Outstanding Principal Balance of the relevant Loan as calculated on such Calculation Date and (2) 80% multiplied by the Latest Valuation;
- B = the sum of the amount of any cash standing to the credit of the Guarantor Accounts (excluding any Revenue Receipts received in the immediately preceding Calculation Period);
- C = the aggregate outstanding principal balance of any Substitute Assets;
- D = the sum of (i) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date and delivered with respect to the Interest Rate Swap Agreement, plus (ii) the Contingent Collateral Amount relating to any Contingent Collateral Notice in effect as at such Calculation Date delivered with respect to the Covered Bond Swap Agreement, in each case determined as at such Calculation Date; and
- E = zero so long as the Interest Rate Swap Agreement (x) has an effective date that has occurred prior to the related Calculation Date, and (y) provides for the hedging of interest received in respect of (i) the Loans and their Related Security in the Covered Bond Portfolio, (ii) any Substitute Assets; and (iii) cash balances held in the GDA Account; otherwise the weighted average remaining maturity expressed in years of all Covered Bonds then outstanding *multiplied by* the Canadian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds *multiplied by* the Negative Carry Factor (provided that if the weighted average remaining maturity is less than one, the weighted average shall be deemed, for the purposes of this calculation, to be one).

**SCHEDULE C TO
THIRD AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT**
See attached

Schedule 10

Valuation Calculation

- (a) The “**Valuation Calculation**” is equal to the Asset Value (as defined below) minus the Trading Value of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. For greater certainty, references in this Schedule to “**immediately preceding Calculation Date**” and “**previous Calculation Date**” are to the Calculation Period ending on the Calculation Date.
- (b) For the purposes of the Valuation Calculation, the “**Asset Value**” means the amount calculated as at each Calculation Date as follows:

$$A+B+C+D+E+F$$

where,

A = the aggregate “**LTV Adjusted Loan Present Value**” of each Loan that is not a Non-Performing Loan, which shall be the lower of (1) the Present Value of the relevant Loan on such Calculation Date, and (2) 80% multiplied by the Latest Valuation relating to that Loan;

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio if any of the following occurred during the previous Calculation Period:

- (1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Loan Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the LTV Adjusted Loan Present Value of the relevant Loan or Loans on such Calculation Date of the relevant Borrower; and/or
- (2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Loan Present Value of the Loans in the Covered Bond Portfolio on such Calculation Date will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Partnership in the immediately preceding Calculation Period (such financial loss

to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Partnership by the Seller to indemnify the Partnership for such financial loss);

B = the aggregate amount of any Principal Receipts (excluding proceeds of the sale of Loans and their Related Security) on the Loans up to such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at such Calculation Date to acquire further Loans and Related Security or otherwise applied in accordance with Article 6 (Priorities of Payments) and/or the other Transaction Documents;

C = the aggregate amount of (i) any Cash Capital Contributions made by the Partners (as recorded in the Capital Account Ledger for each Partner of the Guarantor), (ii) proceeds advanced under the Intercompany Loan Agreement or (iii) proceeds from any sale of Loans and their Related Security which, in each case, have not been applied as at such Calculation Date to acquire further Loans and Related Security or otherwise applied in accordance with Article 6 (Priorities of Payments) of the Guarantor Agreement and/or the other Transaction Documents;

D = the Trading Value of any Substitute Assets;

E = the balance, if any, of the Reserve Fund; and

F = the Trading Value of the Swap Collateral.

**SCHEDULE D TO
THIRD AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT**
See attached

Schedule 11 to Limited Partnership Agreement

OC Valuation

- (a) The “**OC Valuation**” consists of calculating the Level of Overcollateralization (defined below) on the relevant Calculation Date and comparing it with the Guide OC Minimum.
- (b) For purposes of the OC Valuation, the “**Level of Overcollateralization**” means the amount, expressed as a percentage, calculated as at each Calculation Date as follows:

$$A \div B$$

Where:

- (A) the lesser of: (i) the total amount of the Cover Pool Collateral; and (ii) the amount of Cover Pool Collateral required to collateralize the Covered Bonds outstanding and ensure that the Asset Coverage Test is met, and
- (B) the Canadian Dollar Equivalent of the Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

The term “**Cover Pool Collateral**” shall, for the purposes of the foregoing calculation, include, as calculated on the relevant Calculation Date,

- (a) the Performing Eligible Loans (as defined in Annex D to the CMHC Guide) owned by the Guarantor and such Loans will be valued using their Outstanding Principal Balance;
- (b) Substitute Assets owned by the Guarantor and such assets shall be valued using their outstanding principal amount;

provided that, the “Cover Pool Collateral” shall not include Contingent Collateral Amounts, Swap Collateral Excluded Amounts or Voluntary Overcollateralization (as defined in Section 6.3.4 of the CMHC Guide).