

**AMENDING AGREEMENT TO
MASTER DEFINITIONS AND CONSTRUCTION AGREEMENT**

THIS AMENDING AGREEMENT TO MASTER DEFINITIONS AND CONSTRUCTION AGREEMENT (this “**Agreement**”) is made as of the 14 day of July, 2014.

BETWEEN:

- (1) **BANK OF MONTREAL** (in its capacity as **Issuer, Seller, Servicer, Cash Manager, Intercompany Loan Provider, Account Bank, Interest Rate Swap Provider, Covered Bond Swap Provider** and **GDA Provider**);
- (2) **BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP**, by its managing general partner, **BMO COVERED BOND GP, INC.** (in its capacity as the **Guarantor**);
- (3) **THE BANK OF NEW YORK MELLON** (in its capacity as an **Issuing and Paying Agent**, the **Exchange Agent, U.S. Registrar** and a **Transfer Agent**);
- (4) **THE BANK OF NEW YORK MELLON, LONDON BRANCH** (in its capacity as an **Issuing and Paying Agent** and a **Transfer Agent**);
- (5) **THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A** (in its capacity as **European Registrar** and a **Transfer Agent**);
- (6) **COMPUTERSHARE TRUST COMPANY OF CANADA** (in its capacity as **Bond Trustee** and as **Custodian**);
- (7) **8429065 CANADA INC.**, in its capacity as **Liquidation GP**;
- (8) **BMO COVERED BOND GP, INC.** in its capacity as **Managing GP**;
- (9) **ROYAL BANK OF CANADA** (in its capacity as **Stand-By Account Bank** and **Stand-By GDA Provider**); and
- (10) **KPMG LLP** (in its capacity as **Cover Pool Monitor**).

WHEREAS the parties hereto entered into an amended and restated master definitions and construction agreement made as of April 11, 2014 (the “**Master Definitions and Construction Agreement**”);

AND WHEREAS the parties hereto have agreed to amend the Master Definitions and Construction Agreement pursuant to the terms of this Agreement;

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 definition of “GDA Rate” in Section 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced with the following:

“**GDA Rate** means the rate of interest accruing on the balance standing to the credit of the GDA Account equal to the annual rate of CDOR less 0.10% in respect of a Guarantor Payment Period;”

(2) The definition of “Indexation Methodology” in Section 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced with the following:

“**Indexation Methodology** means the indexation methodology determined by the Guarantor that meets the requirements provided for in the CMHC Guide to determine indexed valuations for Properties relating to the Loans in the Portfolio, which, as of the date of this Master Definitions and Construction Agreement is a combination of (i) the Teranet Inc.-based house price index for the eleven metropolitan areas for which it is available, and (ii) for all other areas a property value that is adjusted using a composite index which is calculated as a weighted average of the eleven metropolitan areas referred to in clause (i), in each case as more particularly described in the Prospectus, whether directly or by reference, and which methodology may be changed from time to time and will, at any time, be disclosed in the then-current Investor Report and all future Investor Reports for periods from and after July 1, 2014. Any update or other change to the Indexation Methodology must comply with the requirements of the CMHC Guide and will (i) require notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such update or other change constitutes a material amendment thereto, require satisfaction of the Rating Agency Condition, and (iii) if such update or other change is materially prejudicial to the Covered Bondholders, require the consent of the Bond Trustee;”

(3) The definition of “Latest Valuation” in Section 1 of the Master Definitions and Construction Agreement is deleted in its entirety and replaced by the following:

“**Latest Valuation** means, in relation to any Property, the value given to that Property by the most recent Valuation Report addressed to the Seller or, as applicable, an Originator, or, if the LTV Ratio of such Loan was less than 60%, the purchase price of the property or current tax assessment, as applicable; provided that, commencing July 1, 2014, such value shall be adjusted at least quarterly to account for subsequent price adjustments using the Indexation Methodology;”

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 Master Definitions and Construction 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 Master Definitions and Construction 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.

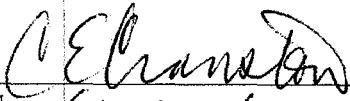
2.04 Interpretation

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Master Definitions and Construction Agreement (prior to its amendment hereby).

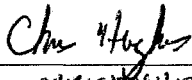
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and year first before written.

BANK OF MONTREAL, as Issuer, Seller, Servicer, Cash Manager, Intercompany Loan Provider, Account Bank, Interest Rate Swap Provider, Covered Bond Swap Provider and GDA Provider

By: 
Name: CATHRYN CRANSTON
Title: SENIOR VICE PRESIDENT
and TREASURER

BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP, by its managing general partner, **BMO COVERED BOND GP, INC.**, as Guarantor

By: 
Name: CHRIS HUGHES
Title: VICE-PRESIDENT, CORPORATE TRUSTS & SV

COMPUTERSHARE TRUST COMPANY OF CANADA, as Bond Trustee and Custodian

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and year first before written.

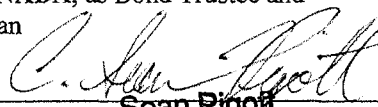
BANK OF MONTREAL, as Issuer, Seller,
Servicer, Cash Manager, Intercompany
Loan Provider, Account Bank, Interest Rate
Swap Provider, Covered Bond Swap
Provider and GDA Provider

**BMO COVERED BOND GUARANTOR
LIMITED PARTNERSHIP**, by its
managing general partner, **BMO
COVERED BOND GP, INC.**, as Guarantor

By: _____
Name:
Title:

By: _____
Name:
Title:

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

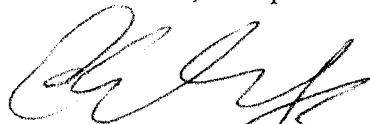
By: 
Name: **Sean Pigoit**
Title: **Corporate Trust Officer**

By: 
Name: **Mircho Mirchev**
Title: **Corporate Trust Officer**

8429065 CANADA INC., as Liquidation
GP

KPMG LLP, as Cover Pool Monitor

By:



By:

Name: CHARLES JERIC GAUTHIER

Name:

Title: VICE PRESIDENT

Title:

BMO COVERED BOND GP, INC., as
Managing GP

ROYAL BANK OF CANADA, as Stand-By
Account Bank and Stand-By GDA Provider

By:

By:

Name:

Name:

Title:

Title:

**8429065 CANADA INC., as Liquidation
GP**

By: _____
Name:
Title:

KPMG LLP, as Cover Pool Monitor

By: _____
Name: *NAVEEN KALIA*
Title: *PARTNER*

**BMO COVERED BOND GP, INC., as
Managing GP**

By: _____
Name:
Title:

**ROYAL BANK OF CANADA, as Stand-By
Account Bank and Stand-By GDA Provider**

By: _____
Name:
Title:

8429065 CANADA INC., as Liquidation
GP

By: _____
Name:
Title:

KPMG LLP, as Cover Pool Monitor

By: _____
Name:
Title:

BMO COVERED BOND GP, INC., as
Managing GP

By: Chris Hughes
Name: CHRIS HUGHES
Title: VICE-PRESIDENT, CORPORATE
TREASURY

ROYAL BANK OF CANADA, as Stand-By
Account Bank and Stand-By GDA Provider

By: _____
Name:
Title:

8429065 CANADA INC., as Liquidation
GP

By: _____
Name:
Title:


KPMG LLP, as Cover Pool Monitor

By: _____
Name:
Title:

BMO COVERED BOND GP, INC., as
Managing GP

By: _____
Name:
Title:

ROYAL BANK OF CANADA, as Stand-By
Account Bank and Stand-By GDA Provider

By: _____

Name: James Salem
Title: Executive Vice President and
Treasurer

THE BANK OF NEW YORK MELLON,
as an Issuing and Paying Agent, the Exchange
Agent, the U.S Registrar and a Transfer Agent

By: Jaime Nielsen
Name: Jaime Nielsen
Title: **JAIME NIELSEN**
VICE PRESIDENT

THE BANK OF NEW YORK MELLON,
LONDON BRANCH as an Issuing and
Paying Agent and a Transfer Agent

By: Jaime Nielsen
Name: Jaime Nielsen
Title: **JAIME NIELSEN**
VICE PRESIDENT

THE BANK OF NEW YORK MELLON
(LUXEMBOURG) S.A. as the European
Registrar and a Transfer Agent

By: Jaime Nielsen
Name: Jaime Nielsen
Title: **Authorized Signatory**