

FUND DELEGATION AGREEMENT

Among

ENBRIDGE COMMERCIAL TRUST

-and-

ENBRIDGE INCOME FUND

-and-

CIBC MELLON TRUST COMPANY

**Amended and Restated as of
December 17, 2010**

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FUND DELEGATION AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT is made as of December 17, 2010.

AMONG:

ENBRIDGE COMMERCIAL TRUST, an unincorporated trust established pursuant to the laws of Alberta (“**ECT**”)

- and -

ENBRIDGE INCOME FUND, an unincorporated trust established pursuant to the laws of Alberta (the “**Fund**”)

- and -

CIBC MELLON TRUST COMPANY, a trust company incorporated under the laws of Canada (the “**Trustee**”)

WHEREAS the Fund desires to retain ECT to provide the Services in connection with the management and operations of the Fund;

AND WHEREAS Section 6.02 hereof provides that this Agreement may be amended by the Parties by instrument in writing executed by the duly authorized representatives of the Parties;

AND WHEREAS the Parties now desire to amend and restate this Agreement as provided herein;

AND WHEREAS ECT is willing to render such Services on the terms and conditions hereinafter set forth;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Parties), the Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

As used herein, the following terms shall have the meanings set forth below:

- (a) “**Administration Agreement**” means the administrative services agreement made as of the 27th day of June, 2003, as amended as of May 1, 2006 and as amended and restated as of December 17, 2010, among the Administrator, CIBC Mellon

Trust Company, the Fund and ECT, as the same may be amended, restated or modified from time to time;

- (b) “**Administrator**” means the Person serving as administrator of the Fund from time to time, presently being Enbridge Management Services Inc., a corporation incorporated under the laws of Canada;
- (c) “**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended from time to time;
- (d) “**Agreement**” means this amended and restated fund delegation agreement made as of December 17, 2010, as amended, restated or modified from time to time;
- (e) “**Applicable Laws**” means all laws, rules, regulations, policies, codes, statutes, ordinances, by-laws, directives and orders, in effect from time to time, of all Governing Authorities having jurisdiction with respect to the Fund and its affiliates;
- (f) “**associate**” has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended from time to time;
- (g) “**Business Day**” means any day, other than a Saturday, Sunday or a day on which the principal chartered banks located at Calgary, Alberta are not open for business;
- (h) “**Claims**” has the meaning ascribed thereto in Section 4.01;
- (i) “**Conflict Matter**” has the meaning ascribed thereto in Section 2.01(d);
- (j) “**ECT**” means Enbridge Commercial Trust, a trust constituted by the ECT Trust Indenture;
- (k) “**ECT Annuitant**” has the meaning ascribed thereto in Section 1.04;
- (l) “**ECT Independent Trustee**” means an “Independent Trustee” as defined under the ECT Trust Indenture;
- (m) “**ECT Trustees**” means, at any time, those individuals who are, in accordance with the terms of the ECT Trust Indenture, the trustees of ECT at that time;
- (n) “**ECT Trust Indenture**” means the trust indenture dated December 20, 2002 entered into among J. Richard Bird, as initial trustee, 201202 Income Fund, as settlor and initial unitholder, and Enbridge Management Services Inc., as manager, as amended and restated as of June 30, 2003 and August 18, 2003, as amended as of May 4, 2004 and July 1, 2005 and as amended and restated as of May 1, 2006, as further amended on November 5, 2007 and as amended and restated on December 17, 2010 as the same maybe amended, restated or modified from time to time;

- (o) “**ECT Unitholder**” has the meaning ascribed thereto in Section 1.04;
- (p) “**Enbridge Parties**” means Enbridge Inc. and its affiliates and associates, other than Enbridge Management Services Inc.;
- (q) “**Expenses**” has the meaning ascribed thereto in Section 3.03 hereof;
- (r) “**Experts**” has the meaning ascribed thereto in Section 3.04 hereof;
- (s) “**Fund**” means Enbridge Income Fund, an unincorporated trust constituted by the Trust Indenture;
- (t) “**Fund Annuitant**” has the meaning ascribed thereto in Section 1.04;
- (u) “**Fund Claims**” has the meaning ascribed thereto in Section 4.02;
- (v) “**Fund Indemnitees**” has the meaning ascribed thereto in Section 4.02;
- (w) “**Fund Property**” has the meaning ascribed thereto in the Trust Indenture;
- (x) “**Governing Authority**” means any stock exchange or any court or governmental department, regulatory agency or body, commission, board, bureau, agency, or instrumentality of Canada, or of any state, province, territory, county, municipality, city, town or other political jurisdiction whether domestic or foreign and whether now or in the future constituted or existing;
- (y) “**GST**” means goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada), as amended from time to time;
- (z) “**Parties**” means ECT, the Trustee and the Fund, and “**Party**” means any one of them;
- (aa) “**Person**” means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, limited liability companies, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations (including governments, agencies and political subdivisions thereof), whether or not legal entities;
- (bb) “**Service Providers**” has the meaning ascribed thereto in Subsection 3.06(b) hereof;
- (cc) “**Services**” has the meaning ascribed thereto in Section 2.01 hereof;
- (dd) “**Transaction**” and “**Transactions**” have the meanings respectively ascribed thereto in Subsection 2.01(h) hereof;
- (ee) “**Trustee**” means CIBC Mellon Trust Company;

- (ff) “**Trust Indenture**” means the trust indenture of the Fund made as of May 22, 2003 and amended and restated as of June 30, 2003, August 18, 2003, May 1, 2006 and December 17, 2010, as the same may be amended, restated or modified from time to time;
- (gg) “**Units**” and “**Unit**” have the respective meanings ascribed to them in the Trust Indenture; and
- (hh) “**Unitholders**” means the holders, from time to time, of one or more Units.

Capitalized terms used in this Agreement, but not defined in this Section 1.01 or elsewhere in this Agreement, have the same meanings ascribed thereto in the Trust Indenture.

1.02 Headings for Reference Only

The division of this Agreement into Articles, Sections, subsections, paragraphs and subparagraphs, the provision of a Table of Contents, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 Interpretation

Words importing the singular number only shall include the plural and vice versa. Words importing gender shall include all genders. Where the word “including” or “includes” is used in this Agreement it means “including without limitation” or “includes without limitation”, respectively. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

A reference herein to any statute includes every regulation (and other similar ancillary instrument having the force of law) made pursuant thereto, all amendments to the statute or to any such regulation (or other similar ancillary instrument) in force from time to time, and any statute or regulation (or other similar ancillary instrument) which supplements or supersedes such statute or regulation (or other similar ancillary instrument); and a reference to any section or provision of a statute includes all amendments to such section or provision, as made from time to time, and all sections or provisions which supplement or supersede such section or provision referred to herein.

1.04 General Limitation of Liability and Indemnification

The Parties hereto acknowledge that the Trustee is entering into this Agreement solely in its capacity as trustee, on behalf of the Fund, and the obligations of the Fund hereunder shall not be personally binding upon the Trustee, any of the Unitholders, the Administrator, or any annuitant, subscriber or beneficiary under a plan of which a Unitholder is a trustee or carrier

(a “**Fund Annuitant**”) and that any recourse against the Fund, the Trustee, the Administrator, or any Unitholder or Fund Annuitant in any manner in respect of any indebtedness, obligation or liability of the Fund arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Fund Property.

The Parties hereto acknowledge that Enbridge Management Services Inc. is executing this Agreement solely in its capacity as agent on behalf of ECT, and the obligations of ECT hereunder shall not be personally binding upon the Administrator, the ECT Trustees, any of the unitholders of ECT (“**ECT Unitholder**”) or any annuitant, subscriber or beneficiary under a plan of which an ECT Unitholder is a trustee or carrier (an “**ECT Annuitant**”) and that any recourse against ECT, the ECT Trustees, the Administrator, or any ECT Unitholder or ECT Annuitant in any manner in respect of any indebtedness, obligation or liability of ECT arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property (as defined in the ECT Trust Indenture).

ARTICLE 2 - DELEGATION OF AUTHORITY

2.01 Delegation

Subject to and in accordance with the terms, conditions and limitations herein contained, the Trustee hereby delegates to ECT, and ECT hereby accepts delegation of, all of the Trustee’s rights, power, authority and duties to act on behalf of the Fund and be responsible for each of the following (hereinafter the “**Services**”):

- (a) determining the timing and terms of offerings of Units, if any;
- (b) undertaking all matters in connection with the issue, sale or pledge of debt obligations or guarantees of the Fund, whether secured or unsecured, including establishing credit facilities or other borrowing arrangements, as required;
- (c) undertaking and performing, by and through the audit committee of ECT, all acts and making all decisions and doing all other things, for and on behalf of the Fund, as is required by Applicable Law of an audit committee of the Fund;
- (d) undertaking, in the event that the interests of any of the Enbridge Parties come into material conflict with those of the Fund or its affiliates or associates with respect to any matter or transaction, responsibility to make all decisions and take, or cause to be taken, all such actions for and on behalf of the Fund relating to such matter or transaction in respect of which the material conflict of interest has arisen (a “**Conflict Matter**”);
- (e) undertaking responsibility to make all decisions and take, or cause to be taken, all such actions relating to all matters pertaining to the Fund in respect of which each of the directors of the Administrator has had to declare his or her interest and abstain from voting in respect thereof;

- (f) determining the timing and terms of any offer by the Fund for, and repurchase by the Fund of, previously issued Units;
- (g) determining whether to make any amendments to the Trust Indenture, as in the opinion of ECT Trustees may be necessary or appropriate, in order to provide Unitholders with the benefit of any legislation limiting their liability (including, if appropriate, amendments to effect a change in the *situs* of the Fund or the laws governing the Fund);
- (h) undertaking all matters in connection with any take-over bid, merger, amalgamation, arrangement, reorganization, recapitalization, purchase or repurchase of any securities or assets of any Person (excluding, for greater certainty, any redemptions made pursuant to Article 6 of the Trust Indenture), any business combination, or any other similar transaction involving the Fund (the foregoing individually referred to as a “**Transaction**” and collectively as the “**Transactions**”), including, without limiting the generality of the foregoing, the right, power and authority to:
 - (i) establish, implement and amend (when and as required, once established) any Unitholder rights plan as ECT may determine to be desirable for the Fund to establish;
 - (ii) issue news releases and ensure compliance by the Fund with its continuous disclosure obligations under all applicable securities legislation;
 - (iii) provide or arrange for the provision of investor relations services to the Fund;
 - (iv) approve, prepare or cause to be prepared, and send or cause to be sent to Unitholders, any circular or other disclosure documents (and all amendments thereto) required under applicable securities legislation in response to any offer for the Units;
 - (v) call and hold, as well as prepare or cause to be prepared all materials (including notices of meetings and information circulars) in respect of, all special meetings of Unitholders required in connection with any Transaction; and
 - (vi) make all determinations, enter all agreements, prepare all documents and take all other actions with respect to any Transaction which ECT may determine to be necessary, expedient, desirable or advisable for the best interests of the Fund and its Unitholders, and so as to comply with all Applicable Laws;
- (i) on the direction of the Administrator, consent to a beneficial owner of any Units being a “designated beneficiary” as defined in Part XII.2 of the *Income Tax Act* (Canada) pursuant to Section 3.6 of the Trust Indenture; and

- (j) approving transfers of Units pursuant to Section 3.14 of the Trust Indenture.

For further certainty, ECT is under no obligation to consult with, seek advice from or otherwise communicate with any Person whomsoever (including the Trustee) pertaining to the performance and discharge of the Services, or otherwise.

2.02 Power and Authority

In accordance with Section 13.1 of the Trust Indenture, ECT is hereby delegated by the Trustee and, to the extent applicable or required, granted by the Fund, full and absolute right, power and authority during the continuance of this Agreement to provide, for and on behalf of the Fund, all of the Services and to take and do, for and on behalf of the Fund, in connection with the provision of all such Services, all such actions and all such things which ECT deems appropriate, in its sole discretion, in connection with the provision of such Services, including the right, power and authority to execute and deliver all contracts, leases, licenses, and other documents, instruments and agreements, and to make all applications and filings with any Governing Authorities.

In the exercise of its powers and authority and in the performance of its obligations, covenants and responsibilities hereunder, ECT shall not have the authority to enter into or commit to any Transaction or other matter which (a) in accordance with the terms of the Trust Indenture requires the approval of the Unitholders, without first obtaining such approval, or (b) in accordance with the terms of the Trust Indenture or the ECT Trust Indenture requires approval of a majority of the ECT Independent Trustees, without first obtaining such approval.

ECT shall perform all Services in compliance with Applicable Laws.

2.03 Execution of Documents

In carrying out the Services to be provided by ECT hereunder, ECT may execute, for and on behalf of the Fund, any instrument or document which ECT considers appropriate, in its sole discretion. Any such instrument or document shall be executed in accordance with, or substantially in accordance with, the following:

ENBRIDGE INCOME FUND
By its agent, ENBRIDGE COMMERCIAL TRUST

Per: _____
Authorized Trustee

All commercially reasonable efforts shall be made to ensure that every contract entered into on behalf of the Fund by ECT shall (except as ECT may otherwise expressly agree in writing with respect to the liability of ECT) include a provision substantially to the following effect:

The parties hereto acknowledge that [ECT] is entering into this agreement solely in its capacity as agent on behalf of [the Fund] and the obligations of [the Fund] hereunder shall not be personally binding upon the [Trustee], [ECT], the [ECT Trustees], [the Administrator], or any of the unitholders of [the Fund] (“Unitholder”) or any annuitant, subscriber or beneficiary under a plan of which a Unitholder is a trustee or carrier (an “annuitant”) and that any recourse against [the Fund], the [Trustee], [ECT], the [ECT Trustees], [the Administrator], any Unitholder or annuitant in any manner in respect of any indebtedness, obligation or liability of [the Fund] arising hereunder or arising in connection herewith or from the matters to which this agreement relates, if any, including without limitation claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Fund Property as defined in the Trust Indenture of [the Fund] amended and restated as of December 17, 2010, as the same may be amended, restated or modified.

The rights conferred by any such provision shall be enforced by ECT for its benefit and the benefit of the Fund and shall be held in trust and enforced by ECT for the benefit of the Trustee, the ECT Trustees, the Administrator, the Unitholders and Fund Annuitants. The omission of such a provision from any such written agreement shall not operate to impose personal liability on the Trustee, ECT, the ECT Trustees, the Administrator, any Unitholder or any Fund Annuitant.

ARTICLE 3 - MATTERS PERTAINING TO PERFORMANCE OF SERVICES

3.01 Standard of Care

ECT shall exercise the powers and discharge the duties conferred upon it hereunder honestly, in good faith and in the best interests of the Fund and in connection therewith shall exercise that degree of care, diligence and skill that a reasonably prudent Person, in Canada and having responsibilities of a similar nature to those hereunder, would exercise in comparable circumstances.

3.02 No Additional Duty

ECT shall only be responsible for the Services and the other duties and obligations expressly provided for in this Agreement and no other obligation or duty (fiduciary or otherwise) in respect to ECT shall be implied. No other standard of care, other than as set

forth in Section 3.01 above, shall apply or be implied in relation to the performance of the Services or the other duties and obligations hereunder.

3.03 Expense Reimbursement

All costs, charges and expenses reasonably incurred by ECT and the ECT Trustees in carrying out ECT's obligations and duties hereunder in connection with the provision and performance of the Services (the "**Expenses**") shall be payable by the Fund out of the Fund Property. From time to time ECT shall invoice the Fund setting out the Expenses payable and the related GST (if any). Each invoice shall provide reasonably sufficient detail pertaining to the composition of the aggregate Expenses set forth therein. ECT shall provide such additional detail pertaining to the Expenses as is requested by the Fund, acting reasonably, and within the possession of ECT. Any invoice rendered shall be paid by the Fund within 15 days of invoicing.

Any amount payable to ECT hereunder and which is not remitted to ECT when so due shall remain due (whether on demand or otherwise) and interest will accrue on such overdue amounts (both before and after judgement), at a rate per annum equal to the prime rate or reference rate on commercial loans in Canada, as posted and charged by ECT's principal banker plus 1% per annum from the date payment is due until the date payment is made.

3.04 Reliance

In carrying out the duties delegated hereunder, ECT shall be entitled to rely on:

- (a) statements of fact of Persons who are considered by ECT to be knowledgeable of such facts, provided that ECT has satisfied its standard of care set out in Section 3.01 in making the assessment as to whether such Persons are knowledgeable of such facts; and
- (b) statements from, the opinion or advice of, or information from any solicitor, auditor, valuator, engineer, surveyor, appraiser or other expert (whose profession gives authority to a statement made by them on the subject matter in question), as selected by ECT (herein "**Experts**"), provided ECT has satisfied its standard of care set out in Section 3.01 in selecting such Experts to provide such statements, opinion, advice or information. ECT may, from time to time, employ such Experts as may be necessary for the proper discharge of the duties delegated to ECT hereunder.

ECT and the ECT Trustees may rely, and shall be protected in acting, upon any instrument or other documents believed by it, acting reasonably, to be genuine and in force.

3.05 Delegation and Sub-Delegation

Subject to and in accordance with the terms and conditions herein contained (including Section 3.01), ECT may delegate (by subcontract or otherwise) the performance of the Services to any Person without the prior written consent of the Trustee, provided that such delegation shall not relieve ECT of the responsibility for performance of the Services.

In particular, it is agreed that ECT may, in its discretion, delegate responsibility to the Administrator for carrying out some or all of the requisite actions or matters necessary to execute the decisions made by ECT in connection with those matters for which ECT has been given responsibility hereunder, as set forth in Section 2.01. Where ECT expressly or impliedly delegates such responsibility to the Administrator, then such activities and matters for which the Administrator is delegated responsibility shall be considered and deemed to be part of the duties and services being provided by the Administrator to the Fund pursuant to the Administration Agreement, the performance of which shall be subject to the terms, conditions and limitations set forth therein.

3.06 Liability of ECT and Others

- (a) The Parties hereto acknowledge that any recourse against ECT or the ECT Trustees in any manner arising in connection herewith or from the matters to which this Agreement relates including, without limitation, claims for indemnification and claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property (as defined in the ECT Trust Indenture).
- (b) Notwithstanding anything contained herein, neither ECT, nor the ECT Trustees (or any one of them) (collectively, the “**Service Providers**”) shall, either directly or indirectly, be liable to the Fund, the Trustee, any Unitholder or a Fund Annuitant, for:
 - (i) any loss or damage resulting from, incidental to or relating to the performance or non-performance of the Services by any of the Service Providers, including any exercise or refusal to exercise a discretion, any mistake or error of judgement or any act or omission believed by a Service Provider to be within the scope of authority conferred thereon by this Agreement, unless such loss or damage resulted from the fraud, wilful default or gross negligence of a Service Provider in performing the Services in which case the benefit of this subsection 3.06(b)(i) shall not apply to that Service Provider;
 - (ii) any loss or damage resulting from, incidental to or relating to the performance or non-performance of the Services by any of the Service Providers where such loss or damage is attributable to acting in accordance with the instructions of the Trustee, provided that the Service Providers will bear, on a several basis, their proportionate share of liability in the event of joint or contributory liability with the Trustee;
 - (iii) any loss or damage resulting from, incidental to, or relating to the acts or omissions of any Person to whom ECT has delegated performance of any of the Services, provided that in making such delegation ECT has acted in accordance with Section 3.01;

- (iv) any loss or damage resulting from, incidental to, or relating to any act or omission by any of the Service Providers provided that such act or omission is based upon the Service Provider's reliance on (i) statements of fact of Persons who are considered by ECT to be knowledgeable of such facts, provided that ECT has satisfied its standard of care set out in Section 3.01 in making the assessment as to whether such Persons are knowledgeable of such facts; or (ii) the opinion or advice of or information obtained from any Expert, provided ECT has satisfied its standard of care set out in Section 3.01 in selecting such Expert;
 - (v) any damage, injury or loss of an indirect or consequential nature, including loss of profits, suffered by the Fund, the Trustee (or their respective employees, agents, servants, or those for whom each is in law responsible), or any Unitholder or Fund Annuitant, or any of their respective affiliates, which is in any way connected with the performance or non-performance of the Services or any other aspect of this Agreement, howsoever and whensoever caused, and whether arising in contract, tort or otherwise; and
 - (vi) any loss or damage of any nature resulting from, incidental to or relating to the disclosure to anyone whomsoever, by the Trustee, of information of a confidential nature (which includes all information, regardless of format, in connection with any Transaction), whether or not such information was obtained from ECT, the ECT Trustees or any of their respective financial advisors or legal advisors, or otherwise.
- (c) Each of the Parties hereby acknowledges and agrees that the limits of liability provided for in this Section shall not only be enforceable by ECT but shall also be enforceable directly by each of the ECT Trustees and, in this respect, it is agreed that ECT is acting as agent and trustee for the ECT Trustees as regards the limitations of liability conferred by this Section 3.06 (and shall hold and enforce same, to the extent necessary, for the benefit of the ECT Trustees).

ARTICLE 4 - INDEMNIFICATION

4.01 Indemnification of ECT

ECT and each of the ECT Trustees and any respective heirs, legal representatives and successors of any of the foregoing (the "**ECT Indemnitees**"), shall be indemnified and saved harmless by the Fund (to the extent of the assets of the Fund) from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgements, fines, penalties, amounts paid in settlement, and legal fees on a solicitor-client basis, including reasonable disbursements) of whatsoever kind or nature (collectively "**Claims**") incurred by, borne by or asserted against any of the ECT Indemnitees in any way arising from or related in any manner to a Transaction or the performance or non-performance of the Services, unless such Claims arise from the fraud, wilful default or gross negligence of any of the ECT Indemnitees.

The foregoing right of indemnification shall not be exclusive of any other rights to which ECT or the ECT Trustees may be entitled as a matter of law or equity.

4.02 Indemnification of the Fund and the Trustee

Subject to limitations on liability of ECT contained in this Agreement, the Fund, the Trustee and any Person who is serving or shall have served as a director, officer or employee of the Trustee, and any respective heirs, legal representatives and successors of any of the foregoing (the “**Fund Indemnitees**”), shall be indemnified and saved harmless by ECT from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgements, fines, penalties, amounts paid in settlement, and legal fees on a solicitor-client basis, including reasonable disbursements) of whatsoever kind or nature (collectively “**Fund Claims**”) incurred by, borne by or asserted against any of the Fund Indemnitees which arise from the fraud, wilful default or gross negligence of ECT in the performance of the Services, unless such Fund Claims arise from the fraud, wilful default or gross negligence on the part of any Fund Indemnitees, or are attributable to actions undertaken on the instructions of the Fund or the Trustee.

The foregoing right of indemnification shall not be exclusive of any other rights to which the Fund Indemnitees may be entitled as a matter of law or equity or which may be lawfully granted to such Person.

4.03 Method of Asserting Claims

- (a) If a Party entitled to indemnification pursuant to the terms hereof (the “**Indemnified Party**”) intends to seek indemnification under this Article 4 from the other Party (the “**Indemnifying Party**”), the Indemnified Party shall give the Indemnifying Party notice of such claim for indemnification promptly following the receipt or determination by the Indemnified Party of actual knowledge or information as to the factual and legal basis of any claim which is subject to indemnification and, where such claim results from the commencement of any claim or action by a third party, promptly following receipt of written notice of such third party claim or action. The failure of or delay by an Indemnified Party to so notify the Indemnifying Party (as set forth above) shall not relieve the Indemnifying Party of its indemnification obligations hereunder to the Indemnified Party, however the liability which the Indemnifying Party has to the Indemnified Party pursuant to the terms of this Article 4 (and for which the Indemnifying Party will be obligated to indemnify the Indemnified Party in respect of) shall be reduced to the extent that any such delay in or failure to give notice as herein required prejudices the defence of any such action, suit, proceeding, investigation or claim, or otherwise results in any increase in the liability which the Indemnifying Party has under its indemnity provided for herein.
- (b) The Indemnifying Party, at its sole cost and expense, shall have the right to assume the defence of any claim, action, suit, proceeding or investigation brought against the Indemnified Party with counsel designated by the Indemnifying Party

and reasonably satisfactory to the Indemnified Party; provided that the Indemnifying Party will not, without the Indemnified Party's prior written consent (such consent not to be unreasonably withheld), settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, suit, proceeding, investigation or claim in respect of which indemnification may be sought hereunder (whether or not the Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes a release of the Indemnified Party from all liabilities arising out of such action, suit, proceeding, investigation or claim. The Indemnified Party will give to the Indemnifying Party and its counsel reasonable access to all business records and other documents relevant to such defence or settlement, and shall permit them to consult with the employees and counsel (if any) of the Indemnified Party.

- (c) Notwithstanding the foregoing:
- (i) if the defendants in any such action, suit, proceeding or investigation include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party is advised by counsel that there are legal defences available to the Indemnified Party that are additional to those available to the Indemnifying Party and that in such circumstances representation by the same counsel would be inappropriate; or
 - (ii) if the Indemnified Party shall have reasonably concluded that the Indemnifying Party is not taking or has not taken, all necessary steps to diligently defend such claim, action, suit, proceeding or investigation, the Indemnified Party has provided written notice of same to the Indemnifying Party, and the Indemnifying Party has not rectified the situation within a reasonable time;

then the Indemnified Party shall have the right to retain separate counsel, the reasonable costs of which shall be at the Indemnifying Party's expense, to represent the Indemnified Party and to otherwise participate in the defence of such claim, action, suit, proceeding or investigation on behalf of such Indemnified Party. For further certainty, only one legal firm may be engaged at the expense of the Indemnifying Party.

- (d) Notwithstanding anything herein contained, an Indemnified Party shall have the right, at its sole cost and expense, to retain counsel to separately represent it in connection with the negotiation, settlement or defence of any claim, action, suit, proceeding or investigation brought by a third party provided, for further certainty, that such counsel shall not, unless agreed by the Indemnifying Party, assume control of the negotiation, settlement or defence.
- (e) Except to the extent expressly provided herein, no Indemnified Party shall settle any claim or action with respect to which it has sought or intends to seek indemnification pursuant to this Article 4 without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

- (f) If the Indemnifying Party does not assume the defence of any claim, action, suit, proceeding or investigation brought against the Indemnified Party, then the Indemnified Party shall have the right to do so on its own behalf and all such expense in so doing shall be added to the amount of the claim for indemnification hereunder by such Indemnified Party as against the Indemnifying Party.

4.04 Net Amount

In the event that an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 4, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's out-of-pocket losses (whether paid or payable), net of any such out-of-pocket losses recovered by the Indemnified Party from any other Person; provided that the foregoing shall not be construed so as to obligate an Indemnified Party to pursue or seek recovery of any of its out-of-pocket losses from any other Person whomsoever, including insurers.

4.05 Third Party Beneficiaries

Each of the Parties hereby acknowledges and agrees that the rights of indemnification provided for in this Article 4 shall not only be enforceable by the Parties hereto but shall be enforceable directly by each of the ECT Trustees and each of the Fund Indemnitees, and in this respect:

- (a) the Fund appoints ECT to act as agent and trustee for the ECT Trustees as regards the covenants of indemnification by the Fund given in favour of the ECT Trustees pursuant to Section 4.01, and ECT accepts such appointment; and
- (b) ECT appoints the Fund to act as agent and trustee for the Fund Indemnitees as regards the covenants by ECT given in favour of the Fund Indemnitees pursuant to Section 4.02, and the Fund accepts such appointment.

4.06 Subrogation Rights

If an Indemnified Party has a right against a Person (other than as against one of the other parties to be indemnified by the Indemnifying Party) with respect to any damages or other amounts paid by the Indemnifying Party, then the Indemnifying Party shall, to the extent of such payment and to the extent permitted by Applicable Law, be subrogated to the rights of such Indemnified Party as against such Person. Notwithstanding the foregoing, no Indemnifying Party shall be subrogated to any insurance rights of any Indemnified Party.

ARTICLE 5 - TERM AND TERMINATION

5.01 Term

This Agreement shall be effective as of the date hereof and shall continue in full force and effect until such time as the first of the following occurs:

- (a) the Fund or ECT decides, in its discretion, to terminate this Agreement in which case the Fund or ECT (as the case may be) shall provide the other Parties with a notice specifying that such Party has elected to terminate this Agreement, and such termination shall thereafter become effective 30 days after receipt of such notice by the last of the Parties to receive same;
- (b) the Parties mutually agree, as evidenced in writing, to terminate this Agreement, in which case the effective date of termination shall be such date as is specified by the Parties, failing which, it shall be the date of the aforesaid mutual agreement; or
- (c) termination of the Fund in accordance with the terms of the Trust Indenture, in which case this Agreement shall be deemed to be terminated effective the same date as the termination of the Fund.

5.02 Survival

Notwithstanding any expiration or termination of this Agreement, any obligation or liability of the Parties which arises pursuant to the terms hereof and which occurred or is attributable to the period prior to the expiration or termination of this Agreement shall survive such expiration or termination, including, for further certainty, (a) any payment obligations under Section 3.03, and (b) all indemnification obligations under Article 4 pertaining to any Claims or Fund Claims (as the case may be) provided that the subject matter of such claims relate to or arise out of events, conditions or circumstances which occurred or are attributable to the period prior to the expiration or termination (as the case may be) of this Agreement.

ARTICLE 6 - GENERAL MATTERS

6.01 No Partnership, Joint Venture or Trust

The Parties are not and shall not be deemed to be partners or joint venturers with one another and nothing herein shall be construed so as to impose any liability as such on any of them. The Parties agree that ECT shall perform its obligations under this Agreement as an independent contractor (with its duties and obligations as expressly provided herein) for and on behalf of the Fund, and it is acknowledged and agreed that only where ECT undertakes execution of contracts or other instruments for and on behalf of the Fund may ECT then be acting as an agent of the Fund. In no circumstances shall ECT be, or be deemed to be, a fiduciary or trustee for any Person, whether or not a Party, in connection with the discharge by ECT of such duties and obligations.

6.02 Amendments

This Agreement shall not be amended or varied in its terms by oral agreement or by representations or otherwise except by instrument in writing executed by the duly authorized representatives of the Parties hereto or their respective successors or assigns.

6.03 Assignment

No assignment or other transfer, in whole or in part, of the right, title and interest of any of the Parties hereto to any other Person shall be permissible or effective without the prior written consent of the other Parties hereto.

6.04 Severability

The provisions of this Agreement are severable. In the event of the unenforceability or invalidity of any one or more of the terms, covenants, conditions or provisions of this Agreement under Applicable Laws, such unenforceability or invalidity shall not render any of the other terms, covenants, conditions or provisions hereof unenforceable or invalid; and the Parties agree that this Agreement shall be construed as if such unenforceable or invalid term, covenant or condition was never contained herein.

6.05 Notices

All notices or other communication required or permitted pursuant to the terms of this Agreement shall be in writing and shall be given by personal delivery or facsimile transmittal during normal business hours on any Business Day to the address for ECT, the Fund, or the Trustee, as applicable, as set forth below. Any such notice or other communication given hereunder shall, if personally delivered or sent by facsimile transmittal (with confirmation received), be conclusively deemed to have been given or made and received on the day of delivery or facsimile transmittal (as the case may be) if such delivery or facsimile transmittal occurs during normal business hours of the recipient on a Business Day and if not so delivered or transmitted during normal business hours on a Business Day, then on the next Business Day following the day of delivery or transmittal. The Parties hereto may give from time to time written notice of change of address in the manner aforesaid.

Notices shall be provided:

- (a) To ECT:

Enbridge Commercial Trust
c/o Enbridge Management Services Inc.
3000, 425 – 1st Street, S.W.
Calgary, Alberta
T2P 3L8

Attention: Corporate Secretary
Fax No.: (403) 231-5929

(b) To the Fund:

Enbridge Income Fund
 c/o CIBC Mellon Trust Company
 600, 333 - 7th Avenue S.W.
 Calgary, Alberta
 T2P 2Z1

Attention: Manager
 Facsimile: (403) 264-2100

(c) To the Trustee:

CIBC Mellon Trust Company
 600, 333 - 7th Avenue S.W.
 Calgary, Alberta
 T2P 2Z1

Attention: Manager
 Facsimile: (403) 264-2100

6.06 Governing Law and Attornment

The provisions of this Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Any legal actions or proceedings with respect to this Agreement shall be brought in the courts of the Province of Alberta. Each Party hereby attorns to and accepts the jurisdiction of such courts.

6.07 Waivers

No waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, such waiver shall be limited to the specific breach waived.

6.08 Further Assurances

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

6.09 Time of Essence

Time shall be of the essence in respect of this Agreement.

6.10 Entire Agreement

This Agreement constitutes the entire Agreement among the Parties with respect to the subject matter hereof and cancels and supersedes any prior understanding and agreements among the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, with respect to the subject matter hereof among the Parties other than as expressly set forth in this Agreement.

6.11 Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

6.12 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.13 Facsimile Execution

Execution and delivery of this Agreement may be effected by any Party by facsimile transmission of the execution page hereof to the other Parties. A Party delivering this Agreement by facsimile transmission shall thereafter forthwith deliver to each of the other Parties an original execution page hereof with its original execution located thereon; provided, however, that any failure by a Party to so deliver such original signature page shall not affect the validity or enforceability hereof by or against that Party.

[Rest of Page Left Intentionally Blank]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement by their proper officers duly authorized in that behalf as of the day and year first above written.

ENBRIDGE COMMERCIAL TRUST, by its manager, **Enbridge Management Services Inc.**

Per: (signed) "John K. Whelen"
Name: John K. Whelen
Title: President

Per: (signed) "James E.R. Lord"
Name: James E.R. Lord
Title: Corporate Secretary

ENBRIDGE INCOME FUND, by its trustee, **CIBC Mellon Trust Company**

Per: (signed) "Sandra Evans"
Name: Sandra Evans
Title: Associate Director
Relationship Management

Per: (signed) "Amanda Jones"
Name: Amanda Jones
Title: Associate Director
Relationship Management

CIBC MELLON TRUST COMPANY

Per: (signed) "Sandra Evans"
Name: Sandra Evans
Title: Associate Director
Relationship Management

Per: (signed) "Amanda Jones"
Name: Amanda Jones
Title: Associate Director
Relationship Management