
TRUST INDENTURE

BETWEEN

ENBRIDGE INCOME FUND

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

**Made as of
November 29, 2004**

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THIS TRUST INDENTURE is made as of November 29, 2004

B E T W E E N:

ENBRIDGE INCOME FUND, an unincorporated open-ended trust established pursuant to the laws of Alberta (hereinafter referred to as the “Fund”),

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company incorporated under the laws of Canada and duly authorized to carry on the trust business in each province of Canada (hereinafter referred to as the “Trustee”).

WHEREAS the Fund is desirous of creating and issuing its Debentures to be constituted in the manner hereinafter appearing;

AND WHEREAS the Fund is authorized to create and issue the Debentures to be issued as herein provided;

AND WHEREAS all things necessary have been done and performed to make the Debentures, when certified by the Trustee and issued as in this Indenture provided, legal, valid and binding obligations of the Fund with the benefits and subject to the terms of this Indenture;

NOW THEREFORE THIS INDENTURE WITNESSES that it is hereby agreed and declared as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Indenture, unless something in the subject matter or context is inconsistent therewith:

“**Additional Debentures**” means Debentures of any one or more series, other than the first series of Debentures, being Medium Term Notes, issued under this Indenture.

“**Administrator**” means Enbridge Management Services Inc., in its capacity as administrator of the Fund and its successors and assigns in such capacity.

“**Alliance Canada**” means Alliance Pipeline Limited Partnership, an Alberta limited partnership which owns the Alliance Canada Pipeline, and its successors and assigns.

“**Alliance Canada Pipeline**” means the Canadian portion of the Alliance System.

“**Alliance GP**” means Alliance Pipeline Ltd., a corporation continued under the laws of Canada, which is the general partner of Alliance Canada, and its successors and assigns.

“**Alliance System**” means the approximately 3,000 kilometre integrated, high-pressure, natural gas mainline pipeline extending from Gordondale, Alberta to delivery points near Chicago, Illinois, a series of lateral pipelines located in supply areas in north-western Alberta and north-eastern British Columbia, and related infrastructure.

“**Business Day**” means a day other than a Saturday or Sunday on which banks are open for business in Calgary.

“**Certified Resolution**” means a copy of a resolution certified by any two authorized officers of the Administrator to have been duly passed by the ECT Trustees and to be in full force and effect on the date of such certification.

“**Consolidated Net Tangible Assets**” means the consolidated assets of the Fund as shown on the most recent consolidated balance sheet of the Fund, less the aggregate of the following amounts reflected upon such balance sheet:

- (a) all goodwill, deferred assets, trademarks, copyrights and other similar intangible assets;
- (b) to the extent not already deducted in computing such assets and without duplication, depreciation, depletion, amortization, reserves and any other account which reflects a decrease in the value of an asset or a periodic allocation of the cost of an asset; provided that no deduction shall be made under this paragraph (b) to the extent that such account reflects a decrease in value or periodic allocation of the cost of any asset referred to in paragraph (a) above; and
- (c) minority interests.

“**Counsel**” means any barrister or solicitor or firm of barristers or solicitors retained by the Trustee or retained by the Fund and acceptable to the Trustee.

“**Debentures**” means the debentures, notes or other evidence of indebtedness of the Fund issued and certified hereunder, or deemed to be issued and certified hereunder, including, without limitation, the Medium Term Notes, and for the time being outstanding, whether in definitive or interim form, and without limiting the generality of the foregoing:

- (a) “coupon Debentures” means Debentures which are issued with interest coupons attached thereto;
- (b) “coupons” means the interest coupons attached or appertaining to coupon Debentures;
- (c) “fully registered Debentures” means Debentures without coupons registered as to both principal and interest;

- (d) “global Debenture” means a Debenture that is issued to and registered in the name of the Depository, or its nominee, pursuant to Section 2.7 for purposes of being held by or on behalf of the Depository as custodian for participants in the Depository’s book-entry only registration system;
- (e) “registered Debentures” where not qualified by other words means fully registered Debentures, coupon Debentures registered as to principal only and non-interest bearing Debentures registered as to principal; and
- (f) “unregistered Debentures” means Debentures which are not registered Debentures.

“Debenture holders” or “holders” means the persons for the time being entered on the registers hereinafter mentioned as holders of Debentures.

“Depository” means, with respect to the Debentures of any series issuable or issued in the form of one or more global Debentures, the person designated as Depository by the Fund pursuant to Section 2.2 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depository” shall mean each person who is then a Depository hereunder, and if at any time there is more than one such person, “Depository” as used with respect to the Debentures of any series shall mean each Depository with respect to the global Debenture of such series.

“ECT” means Enbridge Commercial Trust.

“ECT Trust Property” at any time, means all of the money, properties and other assets of any nature or kind whatsoever, as are at such time, held by ECT or by the ECT Trustees on behalf of ECT.

“ECT Trustee” means a trustee of ECT for the time being, and reference without more to action by the ECT Trustees means action by the ECT Trustees as a board of trustees or, whenever duly empowered, by the executive committee of the board of trustees.

“Event of Default” has the meaning ascribed thereto in Section 6.1.

“Extraordinary Resolution” has the meaning ascribed thereto in Section 13.12.

“Financial Instrument Obligations” means obligations arising under:

- (a) any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by the Fund or any Subsidiary where the subject matter of the same is interest rates or the price, value, or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt);

- (b) any currency swap agreement, cross-currency agreement, forward agreement, floor, cap or collar agreement, futures or options insurance or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by the Fund or any Subsidiary where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time; and
- (c) any agreement for the making or taking of Petroleum Substances, any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Fund or any Subsidiary where the subject matter of the same is Petroleum Substances or the price, value or amount payable thereunder is dependent or based upon the price of Petroleum Substances or fluctuations in the price of Petroleum Substances;

to the extent of the net amount due or accruing due by the Fund or Subsidiary thereunder (determined by marking-to-market the same in accordance with their terms).

“Fund” means Enbridge Income Fund.

“Fund’s Auditors” means the auditors of the Fund at the date hereof, or any other independent firm of chartered accountants duly appointed as auditors of the Fund.

“Fund Property”, at any time, means all of the money, properties and other assets of any nature or kind whatsoever as are, at such time, held by the Fund or by the Trustee on behalf of the Fund.

“Fund Trustee”, at any time, means a person who is, in accordance with the provisions of the Fund Trust Indenture, a trustee of the Fund at that time;

“Fund Trust Indenture” means the trust indenture of the Fund dated May 22, 2003 as amended and restated on June 30, 2003 and on August 18, 2003 as the same may be further amended.

“General Partner” means Enbridge Income Partners GP Inc., a corporation incorporated under the laws of Canada.

“Generally Accepted Accounting Principles” means generally accepted accounting principles which are in effect from time to time in Canada.

“Guarantees” means the Material Subsidiary Guarantees executed and delivered pursuant hereto.

“Indebtedness” means all items of indebtedness in respect of any amounts borrowed and all Purchase Money Obligations which, in accordance with Generally Accepted Accounting Principles, would be recorded in the financial statements as at the date as of which Indebtedness is to be determined, and in any event including, without duplication:

- (a) obligations secured by any Security Interest existing on property owned subject to such Security Interest, whether or not the obligations secured thereby shall have been assumed; and
- (b) guarantees, indemnities, endorsements (other than endorsements for collection in the ordinary course of business) or other contingent liabilities in respect of obligations of another person for indebtedness of that other person in respect of any amounts borrowed by them.

For greater certainty, any reference to the Indebtedness of the Fund and its Subsidiaries shall not include any Indebtedness owing by Alliance Canada or Alliance GP to any person.

“Indenture Documents” means, collectively, this Indenture, the Debentures and the Guarantees.

“Interest Payment Date” means a date specified in a Debenture as the date on which an instalment of interest on such Debenture shall become due and payable.

“Issuer Parties” means, collectively, the Fund and each of the Material Subsidiaries and **“Issuer Party”** means any of the Fund or the Material Subsidiaries.

“LP” means Enbridge Income Partners LP.

“Material Subsidiary” means:

- (a) ECT;
- (b) LP;
- (c) Enbridge Income Partners Holdings Inc.; and
- (d) any other Subsidiary that holds, directly or indirectly, any partnership interest in Alliance Canada.

“Material Subsidiary Guarantee” means a guarantee by a Material Subsidiary in favour of the Debenture holders and the Trustee on their behalf substantially in the form annexed hereto as Schedule A.

“Medium Term Notes” means the Debentures designated as “Medium Term Notes” and described in Section 2.4 and Section 2.5.

“Non-Recourse Debt” means any Indebtedness incurred to finance the creation, development, construction or acquisition of assets and any increases in or extensions, renewals or refundings of any such Indebtedness, provided that the recourse of the lender thereof or any agent, trustee, receiver or other person acting on behalf of the lender in respect of such Indebtedness or any judgment in respect thereof is limited in all circumstances (other than in respect of false or misleading representations or warranties and customary indemnities provided with respect to such financings) to the assets created, developed, constructed or acquired (and, for certainty, shall include the shares or other ownership interests of a single purpose entity which holds only

such assets and other rights and collateral arising from or connected therewith) in respect of which such Indebtedness has been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral connected with the assets created, developed, constructed or acquired and to which the lender has recourse.

“Officers’ Certificate” means a certificate of the Administrator signed in the name of the Fund by any two authorized officers of the Administrator in their capacities as officers of the Administrator and not in their personal capacities.

“Periodic Offering” means an offering of Debentures of a series from time to time, the specific terms of which Debentures, including, without limitation, the rate or rates of interest, if any, thereon, the stated maturity or maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Fund upon the issuance of such Debentures from time to time.

“Permitted Encumbrance” means any of the following:

- (a) any Security Interest existing as of the date of the first issuance by the Fund of Debentures issued pursuant to this Indenture, or arising thereafter pursuant to contractual commitments entered into prior to such issuance;
- (b) any Security Interest created, incurred or assumed to secure any Purchase Money Obligation;
- (c) any Security Interest created, incurred or assumed to secure any Non-Recourse Debt;
- (d) any Security Interest in favour of the Fund or any Subsidiary;
- (e) any Security Interest on property of a person which Security Interest exists at the time such person is merged into or consolidated with, the Fund or any Material Subsidiary or such property is otherwise acquired by or becomes the property of the Fund or any Material Subsidiary;
- (f) any Security Interest securing any Indebtedness to any bank or banks or other lending institution or institutions incurred in the ordinary course of business and for the purpose of carrying on the same, repayable on demand or maturing within 18 months of the date when such Indebtedness is incurred or the date of any renewal or extension thereof;
- (g) any Security Interest created pursuant to the Credit Agreement dated as of June 30, 2003 among LP as borrower, the General Partner, the financial institutions party thereto as lenders and the Bank of Montreal as agent for and on behalf of such lenders (as such credit agreement may be amended, restated, supplemented, replaced or modified from time to time including by a credit agreement pursuant to which the Fund shall be the borrower);

- (h) any Security Interest on or against cash or marketable debt securities pledged to secure Financial Instrument Obligations;
- (i) any Security Interest in respect of:
 - (i) liens for taxes and assessments not at the time overdue or any liens securing workmen's compensation assessments, unemployment insurance or other social security obligations; provided, however, that if any such liens, duties or assessments are then overdue the Fund or relevant Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such obligations,
 - (ii) any liens for specified taxes and assessments which are overdue but the validity of which is being contested at the time by the Fund or relevant Material Subsidiary in good faith,
 - (iii) any liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease,
 - (iv) any obligations or duties, affecting the property of the Fund or any Material Subsidiary to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, licence or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the Fund or any Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the Fund or relevant Material Subsidiary,
 - (v) any deposits or liens in connection with contracts, bids, tenders or expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar liens,
 - (vi) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any land, to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition to the continuance thereof,
 - (vii) any undetermined or inchoate liens and charges incidental to the current operations of the Fund or any Material Subsidiary that have not at the time been filed against the Fund or any Material Subsidiary; provided, however, that if any such lien or charge shall have been filed, the Fund or relevant Material Subsidiary shall be prosecuting an appeal or proceedings

for review with respect to which it shall have secured a stay in the enforcement of any such lien or charge,

- (viii) any Security Interest the validity of which is being contested at the time by the Fund or relevant Material Subsidiary in good faith or payment of which has been provided for by deposit with the Trustee of an amount in cash sufficient to pay the same in full,
- (ix) any easements, rights-of-way and servitudes (including, without in any way limiting the generality of the foregoing, easements, rights-of-way and servitudes for pipelines, railways, sewers, dykes, drains, gas and water mains or electric light and power or telephone and telegraph conduits, poles, wires and cables) that in the opinion of the Fund or relevant Material Subsidiary will not in the aggregate materially and adversely impair the use or value of the land concerned for the purpose for which it is held by the Fund or such Material Subsidiary,
- (x) any security to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operations of the Fund or any Material Subsidiary,
- (xi) any liens and privileges arising out of judgments or awards with respect to which the Fund or relevant Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review, and
- (xii) any other liens of a nature similar to the foregoing which do not in the opinion of the Fund or relevant Material Subsidiary materially impair the use of the property subject thereto or the operation of the business of the Fund or relevant Material Subsidiary or the value of such property for the purpose of such business;
- (j) any extension, renewal, alteration or replacement (or successive extensions, renewals, alterations or replacements) in whole or in part, of any Security Interest referred to in the foregoing clauses (a) through (i) inclusive, provided the extension, renewal, alteration or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed, altered or replaced (plus improvements on such property) and the principal amount is not increased to any amount greater than the sum of the principal amount of the obligations secured thereby plus any amount necessary to pay any fees and expenses, including premiums, related to such extension, renewal, alteration or replacement; and
- (k) any other Security Interest if the aggregate principal amount of obligations secured pursuant to this clause (k) does not exceed 10% of Consolidated Net Tangible Assets.

“person” means an individual, a corporation or other body corporate, a partnership, a trustee or an unincorporated organization.

“Petroleum Substances” means crude oil, crude bitumen, synthetic crude oil, petroleum, natural gas, natural gas liquids, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing, including hydrogen sulphide and sulphur.

“Purchase Money Obligation” means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property, whether or not secured, any extensions, renewals or refundings of any such obligation, provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased to any amount greater than the sum of the principal amount of the obligations secured thereby plus any amount necessary to pay any fees and expenses, including premiums, related to such extension, renewal, alteration or replacement and further provided that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon.

“Security Interest” means any security by way of an assignment, mortgage, charge, pledge, lien, encumbrance, title retention agreement or other security interest whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, perfected or not.

“Subsidiary” means, with respect to any person (“X”):

- (a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by X or one or more of its Subsidiaries, or X and one or more of its Subsidiaries;
- (b) any partnership of which, at the time, X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or
- (c) any other person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries,

provided that, unless otherwise expressly provided or the context otherwise requires, references herein to “Subsidiary” or “Subsidiaries” shall be and shall be deemed to be references to Subsidiaries of the Fund.

“**Trustee**” means Computershare Trust Company of Canada or any successor trustee under Article 11 hereof.

“**this Indenture**”, “**this Trust Indenture**”, “**hereto**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereunder**” and similar expressions refer to this indenture and not to any particular Article, Section or other portion hereof, and include any and every instrument supplemental or ancillary hereto and references to Articles and Sections are to Articles and Sections of this Indenture.

“**Written Order**” of or by the Fund means a written order signed in the name of the Fund by any two authorized officers of the Administrator.

Words importing the singular number only include the plural and vice versa, words importing any gender include any other gender and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and any reference to any statute or other legislation shall be deemed to be a reference to such legislation as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.2 References to Acts Performed by the Fund

For greater certainty, where any reference is made in this Indenture to an act to be performed by the Fund or to the rights of the Fund, such reference shall be construed and applied for all purposes to refer to (i) an act to be performed by the Fund Trustee on behalf of the Fund or some other person duly authorized to do so by the Fund Trustee or pursuant to the provisions hereof, or to (ii) rights of the Fund Trustee in its capacity as trustee of the Fund.

1.3 Meaning of “Outstanding”

Every Debenture certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it is cancelled or delivered to the Trustee for cancellation or money for the payment thereof has been set aside pursuant to Article 8, provided that:

- (a) if a new Debenture has been issued in substitution for a Debenture that has been mutilated, lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding;
- (b) Debentures that have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof; and
- (c) for the purpose of any provision of this Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any action under this Indenture or to constitute a quorum at any meeting of Debenture holders, Debentures owned directly or indirectly by any Issuer Party or Subsidiary shall be disregarded except that:
 - (i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action

or on the holders of Debentures present or represented at any meeting of Debenture holders, only the Debentures which the Trustee knows are so owned shall be so disregarded; and

- (ii) Debentures so owned that have been pledged in good faith other than to any Issuer Party or Subsidiary shall not be disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote, sign consents, requisitions or other instruments or take such other actions free from the control of any Issuer Party or Subsidiary.

1.4 Non-Business Days

Whenever any payment to be made hereunder shall be stated to be due, any period of time would begin or end, any calculation is to be made or any other action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculations shall be made and such other action shall be taken on the next succeeding Business Day and an extension of time shall be included for the purposes of computation of interest thereon. Any payment made after 3:00 p.m. (Calgary time) on a Business Day shall be deemed to be made on the next following Business Day.

1.5 Currency

All references to currency herein are to lawful money of Canada unless otherwise indicated.

1.6 Headings

The headings of all the Articles and Sections hereof and the table of contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

1.7 Applicable Law

This Indenture and the Debentures shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as Alberta contracts.

1.8 Language Clause

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Indenture and all documents and notices related thereto and/or resulting therefrom be drawn up in English.

In the event of any contradiction, discrepancy or difference between the English language version and the French language version of the text of the form of the Debentures, the English language version of the text shall govern.

- (e) the place or places where the principal of and any interest on Debentures of the series shall be payable or where any Debentures of the series may be surrendered for registration of transfer or exchange;
- (f) the right, if any, of the Fund to redeem Debentures of the series, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, Debentures of the series may be so redeemed, pursuant to any sinking fund or otherwise;
- (g) the obligation, if any, of the Fund to redeem, purchase or repay Debentures of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, Debentures of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;
- (h) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which Debentures of the series shall be issuable;
- (i) subject to the provisions of this Indenture, any trustees, Depositories, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Debentures of the series;
- (j) any other events of default or covenants with respect to the Debentures of the series;
- (k) whether and under what circumstances the Debentures of the series will be convertible into or exchangeable for securities of any person;
- (l) the form and terms of the Debentures of the series;
- (m) if applicable, that the Debentures of the series shall be issuable in whole or in part as one or more global Debentures and, in such case, the Depository or Depositories for such global Debentures in whose name the global Debentures will be registered, and any circumstances other than or in addition to those set forth in Section 2.10 or 3.2 or those applicable with respect to any specific series of Debentures, as the case may be, in which any such global Debenture may be exchanged for coupon Debentures or fully registered Debentures, or transferred to and registered in the name of a person other than the Depository for such global Debentures or a nominee thereof;
- (n) if other than Canadian currency, the currency in which the Debentures of the series are issuable; and
- (o) any other terms of the Debentures of the series (which terms shall not be inconsistent with the provisions of this Indenture).

All Debentures of any one series shall be substantially identical, except as may otherwise be established herein or by or pursuant to a resolution of the ECT Trustees (including in an Officers' Certificate) or in an indenture supplemental hereto. All Debentures of any one series need not be issued at the same time and may be issued from time to time, consistent with the terms of this Indenture, if so provided herein, by or pursuant to such resolution of the ECT Trustees (including in an Officers' Certificate) or in an indenture supplemental hereto.

2.3 Form of Debentures

The Debentures of each series shall be substantially in such form or forms (not inconsistent with this Indenture) as shall be established herein or by or pursuant to one or more resolutions of the ECT Trustees (as set forth in a resolution of the ECT Trustees or, to the extent established pursuant to rather than set forth in a resolution of the ECT Trustees, in an Officers' Certificate detailing such establishment) or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform to general usage, all as may be determined by the officers executing such Debentures, as conclusively evidenced by their execution of such Debentures.

2.4 Form and Terms of Medium Term Notes

The first series of Debentures authorized for issue immediately and from time to time hereunder is unlimited as to aggregate principal amount and shall be designated as "Medium Term Notes" and shall have the following terms, conditions and attributes:

- (a) **Date and Interest.** Each Medium Term Note shall be dated as of the date and shall bear interest (if any) at the rate (either fixed or floating) determined by the Fund at the time of issue. Interest, if any, shall be payable on the dates determined by the Fund at the time of issue, at the rate per annum so determined and both before and after maturity and after default with interest on overdue interest at the same rate, computed in the same manner as interest on the original principal, from its due date until actual payment.
- (b) **Maturity.** Each Medium Term Note shall mature on the date determined by the Fund at the time of issue, provided such date shall be not earlier than one year from the date of issue.
- (c) **Denominations.** Medium Term Notes shall be issued in such denominations as may be determined by the Fund at the time of issue.
- (d) **Currency.** The Medium Term Notes shall be issued and payable in such currency or currency unit as is determined by the Fund at the time of issue.
- (e) **Form.** Each Medium Term Note shall be issued as a fully registered Debenture in substantially the form set out in Article 15 hereof, with such appropriate

additions and variations as shall be required and shall bear such distinguishing letters and numbers as the Trustee shall approve or in such other form or forms as may, from time to time, be approved by or pursuant to a resolution of the ECT Trustees or an Officers' Certificate.

2.5 Certification and Delivery of Medium Term Notes

(1) The Fund may from time to time request the Trustee to certify and deliver Medium Term Notes by delivering to the Trustee the documents referred to below in this Section 2.5(1) whereupon the Trustee shall certify such Medium Term Notes and cause the same to be delivered in accordance with the Written Order of the Fund or other procedures referred to below or pursuant to such additional other procedures acceptable to the Trustee as may be specified from time to time by a Written Order of the Fund. In certifying such Medium Term Notes the Trustee shall be entitled to receive and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:

- (a) a Written Order of the Fund requesting the certification and delivery of Medium Term Notes, specifying the date of issue, principal amount, currency or currency unit (if in other than Canadian dollars), maturity date, interest rate (if any), denominations, manner of calculation of interest (if any), Interest Payment Dates (if any), place of delivery for each such Medium Term Note and any other terms of the Medium Term Notes; provided that the requirements of this paragraph may also be fulfilled by delivering to the Trustee for certification the forms of Medium Term Notes duly completed with such particulars and by specifying in such Written Order of the Fund the serial numbers and denominations of such Medium Term Notes; and further provided that the requirements of this Section 2.5(1) may also be fulfilled pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Written Order of the Fund;
- (b) an opinion of Counsel that all requirements imposed by this Indenture or by law in connection with the proposed issue of Medium Term Notes have been complied with, subject to the delivery of certain documents or instruments specified in such opinion; and
- (c) an Officers' Certificate certifying that the Fund is not in default under this Indenture and that the terms and conditions for the certification and delivery of Medium Term Notes (including those set forth in Section 10.4) have been complied with, subject to the delivery of any documents or instruments specified in such Officers' Certificate.

(2) Notwithstanding the provisions of this Section 2.5, delivery to the Trustee of the opinion referred to in paragraph (b) of Section 2.5(1) shall only be required to be made prior to the certification and delivery of the first Medium Term Note issued pursuant to this Indenture and shall not be required to be delivered to the Trustee prior to the certification and delivery of any subsequent Medium Term Notes issued pursuant to this Indenture.

2.6 Certification and Delivery of Additional Debentures

The Fund may from time to time request the Trustee to certify and deliver Additional Debentures of any series by delivering to the Trustee the documents referred to below in this Section 2.6 whereupon the Trustee shall certify such Debentures and cause the same to be delivered in accordance with the Written Order of the Fund referred to below or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Written Order of the Fund. The maturity date, issue date, interest rate (if any) and any other terms of the Debentures of such series shall be set forth in or determined by or pursuant to such Written Order of the Fund and procedures. If provided for in such procedures, such Written Order of the Fund may authorize certification and delivery pursuant to oral instructions from the Fund, which instructions shall be promptly confirmed in writing. In certifying such Debentures the Trustee shall be entitled to receive and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:

- (a) a Certified Resolution, Officers' Certificate and/or executed supplemental indenture by or pursuant to which the form and terms of such Additional Debentures were established;
- (b) a Written Order of the Fund requesting certification and delivery of such Additional Debentures and setting forth delivery instructions, provided that, with respect to Debentures of a series subject to a Periodic Offering:
 - (i) such Written Order of the Fund may be delivered by the Fund to the Trustee prior to the delivery to the Trustee of such Debentures of such series for certification and delivery,
 - (ii) the Trustee shall certify and deliver Debentures of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount, if any, established for such series, pursuant to a Written Order of the Fund or pursuant to procedures acceptable to the Trustee as may be specified from time to time by a Written Order of the Fund,
 - (iii) the maturity date or dates, issue date or dates, interest rate or rates (if any) and any other terms of Debentures of such series shall be determined by a Written Order of the Fund or pursuant to such procedures, and
 - (iv) if provided for in such procedures, such Written Order of the Fund may authorize certification and delivery pursuant to oral or electronic instructions from the Fund which oral or electronic instructions shall be promptly confirmed in writing;
- (c) an opinion of Counsel that all requirements imposed by this Indenture or by law in connection with the proposed issue of Additional Debentures have been complied with, subject to the delivery of certain documents or instruments specified in such opinion; and

- (d) an Officers' Certificate certifying that the Fund is not in default under this Indenture, that the terms and conditions for the certification and delivery of Additional Debentures (including those set forth in Section 10.4) have been complied with subject to the delivery of any documents or instruments specified in such Officers' Certificate and that no Event of Default will exist upon such certification and delivery.

2.7 Issue of Global Debenture

(1) The Fund may specify that the Debentures of a series are to be issued in whole or in part as one or more global Debentures registered in the name of a Depository, or its nominee, designated by the Fund in the Written Order of the Fund delivered to the Trustee at the time of issue of such Debentures, and in such event the Fund shall cause to be executed and the Trustee shall certify and deliver one or more global Debentures that shall:

- (a) represent an aggregate amount equal to the principal amount of the outstanding Debentures of such series to be represented by one or more global Debentures;
- (b) be delivered by the Trustee to such Depository or pursuant to such Depository's instructions; and
- (c) bear a legend substantially to the following effect:

“This Debenture is a global Debenture within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee thereof. This Debenture may not be transferred to or exchanged for Debentures registered in the name of any person other than the Depository or a nominee thereof and no such transfer may be registered except in the limited circumstances described in the Indenture. Every Debenture authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, this Debenture shall be a global Debenture subject to the foregoing, except in such limited circumstances described in the Indenture.”

(2) Each Depository designated for a global Debenture must, at the time of its designation and at all times while it serves as such Depository, be a clearing agency registered or designated under the securities legislation of the jurisdiction applicable to the issue of such Debentures, and under any other applicable legislation.

2.8 Execution of Debentures

All Debentures shall be signed (either manually or by facsimile signature) by any two authorized officers of the Administrator, on behalf of the Fund, holding office at the time of signing and any coupons shall be signed by any one of the said officers. A facsimile signature upon a Debenture or a coupon shall for all purposes of this Indenture be deemed to be the signature of the person whose signature it purports to be. Notwithstanding that any person whose signature, either manual or in facsimile, appears on a Debenture or a coupon as one of such officers may no longer hold such office at the date of the Debenture or coupon or at the date

of the certification and delivery thereof, such Debenture or coupon shall be valid and binding upon the Fund and entitled to the benefits of this Indenture.

2.9 Certification

(1) No Debenture shall be issued or, if issued, shall be obligatory or entitle the holder to the benefit hereof until it has been certified by or on behalf of the Trustee in the form set out in the Debenture or in some other form approved by the Trustee. Such certificate on any Debenture shall be conclusive evidence that such Debenture has been duly issued and is a valid obligation of the Fund and that the holder is entitled to the benefits of this Indenture.

(2) The certificate of the Trustee on Debentures shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Debentures (except the due certification thereof and any other warranties implied by law) and the Trustee shall in no respect be liable or answerable for the use made of any Debenture or proceeds thereof.

2.10 Interim Debentures or Certificates

Pending the delivery of definitive Debentures of any series to the Trustee, the Fund may issue and the Trustee certify in lieu thereof interim Debentures, with or without coupons, in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; or the Fund may cause to be executed and the Trustee certify a temporary Debenture for the whole principal amount of Debentures of the series then authorized to be issued hereunder and deliver the same to the Trustee and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Debenture so delivered to it, as the Fund and the Trustee may approve entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; and, when so issued and certified, such interim or temporary Debentures or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Debentures duly issued hereunder and, pending the exchange thereof for definitive Debentures, the holders of the interim or temporary Debentures or interim certificates shall be deemed without duplication to be Debenture holders and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Fund shall have delivered the definitive Debentures to the Trustee, the Trustee shall cancel such temporary Debenture, if any, and shall call in for exchange all interim Debentures or certificates that shall have been issued and forthwith after such exchange shall cancel the same together with all unmatured coupons, if any, appertaining thereto. No charge shall be made by the Fund or the Trustee to the holders of such interim Debentures or certificates for the exchange thereof. All interest paid upon interim or temporary Debentures or interim certificates without coupons shall be noted thereon as a condition precedent to such payment unless paid by cheque to the registered holders thereof.

2.11 Issue of Substitutional Debentures

In case any of the Debentures issued and certified hereunder or coupons appertaining thereto shall become mutilated or be lost, destroyed or stolen, the Fund in its discretion may issue, and thereupon the Trustee shall certify and deliver, a new Debenture or coupon of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Debenture or coupon or in lieu of and in substitution for such lost, destroyed or stolen Debenture or coupon and the substituted Debenture or coupon shall be in a form approved by the Trustee and shall be entitled to the benefit hereof and rank equally in accordance with its terms with all other Debentures or coupons issued or to be issued hereunder. The applicant for a new Debenture or coupon shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Fund and to the Trustee such evidence of ownership and of the loss, destruction or theft of the Debenture or coupon so lost, destroyed or stolen as shall be satisfactory to the Fund and to the Trustee in their discretion and such applicant may also be required to furnish indemnity in amount and form satisfactory to them in their discretion, and shall pay the reasonable charges of the Fund and the Trustee in connection therewith.

2.12 Pledge and Re-Issue of Debentures

Provided the Fund is not at the time in default hereunder, all or any of the Debentures may be pledged, hypothecated or charged from time to time by the Fund as security for advances or loans to or for Indebtedness or other obligations of the Fund, provided that the principal amount of the advances, loans, Indebtedness or other obligations so secured is initially not less than one hundred per cent (100%) of the principal amount of Debentures so pledged, hypothecated or charged in respect thereof, and, when redelivered to the Fund or its nominees on or without payment, satisfaction, release or discharge in whole or in part of any such advances, loans, Indebtedness or obligations, together with all or any of the Debentures which pursuant to any provision of the Debentures may be purchased in the market or by tender or by private contract, may be held by the Fund for such period or periods as it deems expedient and shall (except when acquired pursuant to any provision of the Debentures or of this Indenture or pursuant to a resolution of the ECT Trustees which provision or resolution requires cancellation and retirement of such Debentures so acquired) while the Fund remains in possession thereof be treated as unissued Debentures and accordingly may be issued or re-issued, pledged or charged, sold or otherwise disposed of as and when the Fund may think fit, and all such Debentures so issued, re-issued or pledged or charged, sold or otherwise disposed of before but not after the respective dates of maturity thereof shall, subject to the provisions of Section 1.3, continue to be entitled, as upon their original issue, to the benefit of all the terms, conditions, rights, priorities and privileges hereby attached to or conferred on Debentures issued hereunder.

2.13 Payment of Interest

The following provisions shall apply to Debentures, except as otherwise specified in a Certified Resolution, Officer's Certificate or supplemental indenture relating to a particular series of Additional Debentures or in the Written Order providing for the certification and delivery of an issue of Medium Term Notes:

- (a) As interest becomes due on each Debenture (except at maturity or on redemption, when interest may at the option of the Fund be paid upon surrender of such Debenture), the Fund, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest (less any tax required to be withheld therefrom) to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee at the close of business on the tenth Business Day prior to the applicable Interest Payment Date and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs in writing to the Trustee and the Fund. If payment is made by cheque, such cheque shall be forwarded at least three days prior to each date on which interest becomes due and if payment is made by other means (such as electronic transfer of funds), such payment shall be made in a manner whereby the holder receives credit for such payment on the date such interest on such Debenture becomes due. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any tax withheld as aforesaid, satisfy and discharge all liability for such interest on such Debenture, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the person to whom it is so sent as aforesaid, the Fund will issue to such person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Fund is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Fund may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee (acting reasonably) with the same effect as though payment had been made in the manner provided above.
- (b) Notwithstanding Section 2.13(a), if a series of Debentures is represented by a global Debenture, then all payments of interest on the global Debenture shall be made by electronic funds transfer to the Depository or its nominee for subsequent payment to holders of interests in that global Debenture, unless the Fund and the Depository otherwise agree. None of the Administrator, the Fund, the Trustee or any agent of the Trustee for any Debenture issued as a global Debenture will be liable or responsible to any person for any aspect of the records related to or payments made on account of beneficial interests in any global Debenture or for maintaining, reviewing, or supervising any records relating to such beneficial interests.

2.14 Payments of Amounts Due on Maturity

Except as may otherwise be provided herein or in any supplemental indenture in respect of any series of Debentures, payments of amounts due upon maturity of the Debentures will be made in the following manner. The Fund will establish and maintain with the Trustee an

account for each series of Debentures. Each such account shall be maintained by and be subject to the control of the Trustee for the purposes of this Indenture. On or before 11:00 a.m., Calgary time, on the Business Day immediately prior to each maturity date for Debentures outstanding from time to time under this Indenture, the Fund will deposit in the applicable account an amount sufficient to pay the amount payable in respect of such Debentures, including the principal amount together with any accrued and unpaid interest thereon (less any tax required by law to be deducted), provided the Fund may elect to satisfy this requirement by providing the Trustee with such amounts required under this Section 2.14 by electronic transfer of funds. The Trustee, on behalf of the Fund, will pay to each holder entitled to receive payment the principal amount of and premium (if any) on the Debenture, upon surrender of the Debenture at any branch of the Trustee designated for such purpose from time to time by the Fund and the Trustee. The deposit or making available of such amounts to the applicable account will satisfy and discharge the liability of the Trustee for the Debentures to which the deposit or making available of funds relates to the extent of the amount deposited or made available (plus the amount of any tax deducted as aforesaid) and such Debenture will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the money so deposited or made available the amount to which it is entitled.

2.15 Commencement of Interest

(1) Coupon Debentures shall bear interest from their date of issuance. The coupons, if any, matured at the date of delivery by the Trustee of any coupon Debentures shall be detached therefrom and cancelled before delivery, unless such Debenture is being issued in exchange or in substitution for another Debenture (whether in interim or definitive form) and such matured coupons represent unpaid interest to which the holder of such exchanged or substituted Debenture is entitled.

(2) All fully registered Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures, shall bear interest from their date of issuance or from the last Interest Payment Date to which interest shall have been paid or made available for payment on the outstanding Debentures of the same series and date of maturity, whichever shall be the later, or, in respect of Medium Term Notes or other Debentures subject to a Periodic Offering, from their date or from the last Interest Payment Date to which interest shall have been paid or made available for payment on such Debentures, whichever shall be the later; provided that, in respect of the first interest payment after the original issuance thereof, each Debenture or Medium Term Note or other Debenture subject to a Periodic Offering, as the case may be, shall bear interest from the later of the date of such Debenture and the last Interest Payment Date preceding the issuance of such Debenture.

(3) Unless otherwise specifically provided in the terms of the Debentures of any series, interest for any period of less than six months shall be computed on the basis of a year of 365 days. With respect to any series of Debentures, whenever interest is computed on a basis of a year (the “deemed year”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

2.16 Debentures to Rank *Pari Passu*

All Debentures shall rank pari passu without discrimination, preference or priority, whatever may be the actual date or terms of the issue of the same respectively, save only as to sinking fund, purchase fund, amortization fund or analogous provisions (if any) applicable to different series and to the provisions of Section 5.3.

**ARTICLE 3
REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP**

3.1 Fully Registered Debentures

(1) With respect to each series of Debentures issuable in whole or in part as fully registered Debentures, the Fund shall cause to be kept by and at the principal office of the Trustee in Calgary and by the Trustee or such other registrar as the Fund, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in the Debentures of such series or as the Fund may designate with the approval of the Trustee, a register in which shall be entered the names and addresses of the holders of fully registered Debentures and particulars of the Debentures held by them respectively and of all transfers of fully registered Debentures. Such registration shall be noted on the Debentures by the Trustee or other registrar unless a new Debenture shall be issued upon such transfer.

(2) No transfer of a fully registered Debenture shall be valid unless made on such register by the registered holder or the holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee or other registrar upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe, nor unless the name of the transferee shall have been noted on the Debenture by the Trustee or other registrar.

3.2 Global Debentures

(1) With respect to each series of Debentures issuable in whole or in part as one or more global Debentures, the Fund shall cause to be kept by and at the principal office of the Trustee in Calgary and by the Trustee or such other registrar as the Fund, with the approval of the Trustee, may appoint at such other place or places, if any, as the Fund may designate with the approval of the Trustee, a register in which shall be entered the name and address of the holder of each such global Debenture (being the Depository, or its nominee, for such global Debenture) as holder thereof and particulars of the global Debenture held by it, and of all transfers thereof. If any Debentures of such series are at any time not global Debentures, the provisions of Section 3.1 or 3.3, whichever are applicable, shall govern with respect to registrations and transfers of such Debentures.

(2) Notwithstanding any other provision of this Article 3, a global Debenture may not be transferred by the registered holder thereof except in the following circumstances or as otherwise specified in the supplemental indenture relating to a particular series of Debentures:

- (a) a global Debenture may be transferred by a Depository to a nominee of such Depository or by a nominee of a Depository to such Depository or to another

nominee of such Depository or by a Depository or its nominee to a successor Depository or its nominee;

- (b) a global Debenture may be transferred at any time after the Depository for such global Debenture (i) has notified the Fund that it is unwilling or unable to continue as Depository for such global Debenture or (ii) ceases to be eligible to be a Depository under Section 2.7(2), provided that at the time of such transfer the Fund has not appointed a successor Depository for such global Debenture;
- (c) a global Debenture may be transferred at any time after the Fund has determined, in its sole discretion, to terminate the book-entry only registration system in respect of such global Debenture;
- (d) a global Debenture may be transferred to the beneficial owners thereof or their nominees at any time after the Trustee has determined that an Event of Default has occurred and is continuing with respect to the Debentures of the series issued as a global Debenture, provided that at the time of such transfer the Trustee has not waived the Event of Default pursuant to Section 6.3;
- (e) a global debenture shall be transferred to the beneficial owners thereof or their nominees if required by applicable law; and
- (f) a global debenture shall be transferred to the beneficial owners thereof or their nominees if the applicable book-entry only system ceases to exist.

3.3 Coupon Debentures

(1) Coupon Debentures issued hereunder shall be negotiable and shall pass by delivery unless registered for the time being as hereinafter provided. Notwithstanding registration of coupon Debentures as to principal, the coupons when detached shall continue to be payable to bearer and title thereto shall pass by delivery.

(2) With respect to each series of Debentures issuable in whole or in part as coupon Debentures registrable as to principal only, the Fund shall cause to be kept by and at the principal office of the Trustee in Calgary and by the Trustee or such other registrar as the Fund, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in the Debentures of such series or as the Fund may designate with the approval of the Trustee, a register in which holders of coupon Debentures of such series may register the same as to principal only and in which shall be entered the names and addresses of the holders of the Debentures so registered. Such registration shall be noted on the Debentures by the Trustee or other registrar.

(3) After such registration of a coupon Debenture no transfer thereof shall be valid unless made on such register by the registered holder or the holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee or other registrar upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe, nor unless the name of the transferee shall have been noted on the Debenture by the Trustee or other registrar; but any such

Debenture may be discharged from registry by being transferred to bearer after which it shall again be transferable by delivery but may again from time to time be registered and discharged from registration.

3.4 Transferee Entitled to Registration

The transferee of a registered Debenture shall be entitled, after the appropriate form of transfer is lodged with the Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Fund and the transferor or any previous holder of such Debenture, save in respect of equities of which the Fund is required to take notice by statute or by order of a court of competent jurisdiction.

3.5 No Notice of Trusts

Neither the Fund nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the person registered as the holder thereof, whether named as trustee or otherwise, as though that person were the beneficial owner thereof.

3.6 Registers Open for Inspection

The registers referred to in Sections 3.1, 3.2 and 3.3 shall at all reasonable times be open for inspection by the Fund, the Administrator, the Trustee or any Debenture holder. Every registrar, including the Trustee for a reasonable fee, shall from time to time when requested so to do by the Fund or by the Trustee furnish the Fund or the Trustee, as the case may be, with a list of names and addresses of holders of registered Debentures entered on the register kept by them and showing the principal amount and serial numbers of the Debentures held by each such holder.

3.7 Exchanges of Debentures

(1) Subject to Section 3.8, Debentures in any authorized form or denomination, other than global Debentures, may be exchanged for Debentures in any other authorized form or denomination, of the same series and date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged.

(2) Debentures of any series may be exchanged only at the principal office of the Trustee in the City of Calgary or at such other place or places, if any, as may be specified in the Debentures of such series and at such other place or places as may from time to time be designated by the Fund with the approval of the Trustee. Any Debentures tendered for exchange shall be surrendered to the Trustee together with all unmatured coupons, if any, and all matured coupons, if any, in default pertaining thereto. The Fund shall execute and the Trustee shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures and coupons surrendered for exchange shall be cancelled.

(3) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

(4) The transferee of a fully registered Debenture, other than a global Debenture, shall be entitled, if such series provides for the issue of coupon Debentures, on request, to receive a coupon Debenture or Debentures, upon such transfer without the prior issue to such holder of a fully registered Debenture.

3.8 Closing of Registers

- (1) Neither the Fund nor the Trustee nor any registrar shall be required:
 - (a) to make transfers or exchanges of fully registered Debentures on any Interest Payment Date for the Debentures or during the 10 preceding Business Days;
 - (b) to make transfers or exchanges of any Debentures on the day of any selection by the Trustee of Debentures to be redeemed or during the 10 preceding Business Days; or
 - (c) to make exchanges of any Debentures which will have been selected or called for redemption, unless upon due presentation thereof for redemption such Debentures shall not be redeemed.

(2) Subject to any restriction herein provided, the Fund with the approval of the Trustee may at any time close any register for any series of Debentures, other than that kept at the principal office of the Trustee in Calgary, and transfer the registration of any Debentures registered thereon to another register and thereafter such Debentures shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Debentures.

3.9 Charges for Registration, Transfer and Exchange

For each Debenture exchanged, registered, transferred or discharged from registration the Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Debenture issued, and payment of such charges and reimbursement of the Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Debenture holder hereunder:

- (a) for any exchange, registration, transfer or discharge from registration of any Debenture applied for within a period of two months from the date of the first delivery of Debentures of that series or, with respect to Medium Term Notes or other Debentures subject to a Periodic Offering, within a period of two months from the date of delivery of any such Medium Term Note or Debenture; or

- (b) for any exchange of any interim or temporary Debenture or interim certificate that has been issued under Section 10; or
- (c) for any exchange of a global Debenture as contemplated in Section 3.2; or
- (d) for any exchange of any Debenture resulting from a partial redemption under Section 4.2.

3.10 Ownership of Debentures and Coupons

(1) Unless otherwise required by law, the person in whose name any registered Debenture is registered shall for all the purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of and premium, if any, on such Debenture and, in the case of a fully registered Debenture, interest thereon shall be made to or upon the order in writing of such registered holder. The Fund and the Trustee may deem and treat the bearer of any unregistered Debenture and the bearer of any coupon, whether or not the Debenture from which it has been detached shall be registered as to principal, as the absolute owner of such Debenture or coupon, as the case may be, for all purposes and the Fund and the Trustee shall not be affected by any notice to the contrary.

(2) The registered holder for the time being of any registered Debenture and the bearer of any unregistered Debenture and the bearer of any coupon (except any coupon which shall be void by reason of the acceleration pursuant to Section 6.2 of the coupon Debenture to which it was annexed) shall be entitled to the principal, premium, if any, and/or interest evidenced by such instruments respectively free from all equities or rights of set-off or counterclaim between the Fund and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such registered holder or bearer, as the case may be, for any such principal, premium or interest shall be a good discharge to the Fund and/or the Trustee for the same and neither the Fund nor the Trustee shall be bound to inquire into the title of any such registered holder or bearer.

(3) Where registered Debentures are registered in more than one name the principal moneys, premium, if any, and interest (in the case of fully registered Debentures) from time to time payable in respect thereof may be paid to the order of all such holders, failing written instructions from them to the contrary, and the receipt of any one of such holders therefor shall be a valid discharge to the Trustee and any Debenture registrar and to the Fund.

(4) In the case of the death of one or more joint holders of any Debenture the principal moneys, premium, if any, and interest (in the case of fully registered Debentures) from time to time payable thereon may be paid to the order of the survivor or survivors of such registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Trustee and any Debenture registrar and to the Fund.

3.11 Evidence of Ownership

Upon receipt of a certificate of any bank, trust company or other depository satisfactory to the Trustee stating that the unregistered Debentures and coupons specified therein have been deposited by a named person with such bank, trust company or other depository and

will remain so deposited until the expiry of the period specified therein, the Fund and the Trustee may treat the person so named as the owner, and such certificate as sufficient evidence of the ownership by such person during such period, of such Debentures and coupons, for the purpose of any requisition, direction, consent, instrument, proxy or other document to be made, signed or given by the holder of the Debentures so deposited.

ARTICLE 4 REDEMPTION AND PURCHASE OF DEBENTURES

4.1 Applicability of Article

The Fund shall have the right at its option to redeem either in whole at any time or in part from time to time before maturity any Debentures issued hereunder of any series which by their terms are made so redeemable (subject, however, to any applicable restriction on the redemption of Debentures of such series) at such rate or rates of premium, if any, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and as shall have been expressed in this Indenture, in the Debentures, in a resolution of the ECT Trustees, in an Officers' Certificate, or in a supplemental indenture authorizing or providing for the issue thereof.

4.2 Partial Redemption

If less than all the Debentures of any series for the time being outstanding are at any time to be redeemed, the Debentures so to be redeemed shall be selected by the Trustee (i) in the case of fully registered Debentures, on a pro rata basis to the nearest multiple of \$1,000 in accordance with the principal amount of the Debentures registered in the name of each holder, or (ii) by lot in such manner as the Trustee may deem equitable. Unless otherwise specifically provided in the terms of any series of Debentures, no Debenture shall be redeemed in part unless the principal amount redeemed is \$1,000 or a multiple thereof. For this purpose, the Trustee may make, and from time to time vary, regulations with respect to the manner in which such Debentures may be drawn for redemption and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding the fact that as a result thereof one or more of such Debentures may become subject to redemption in part only. In the event that one or more of such Debentures becomes subject to redemption in part only, upon surrender of any such Debentures for payment of the redemption price, the Fund shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder's order one or more new Debentures for the unredeemed part of the principal amount of the Debenture or Debentures so surrendered or, with respect to a global Debenture, the Depository shall make notations on the global Debenture of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Debenture" or "Debentures" as used in this Article 4 shall be deemed to mean or include any part of the principal amount of any Debenture which in accordance with the foregoing provisions has become subject to redemption.

4.3 Notice of Redemption

Notice of redemption of any series of Debentures shall be given to the holders of the Debentures so to be redeemed not more than 60 days nor less than 30 days prior to the date

fixed for redemption, in the manner provided in Article 12. Every such notice shall specify the aggregate principal amount of Debentures called for redemption, the redemption date, the redemption price and the places of payment and shall state that interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the redemption date. In addition, unless all the outstanding Debentures are to be redeemed, the notice of redemption shall specify:

- (a) in the case of a notice mailed to a registered Debenture holder, the distinguishing letters and numbers of the registered Debentures which are to be redeemed (or of such thereof as are registered in the name of such Debenture holder);
- (b) in the case of a published notice (which shall not be required), the distinguishing letters and numbers of the Debentures which are to be redeemed or if such Debentures are selected by terminal digit or other similar system such particulars as may be sufficient to identify the Debentures so selected;
- (c) in the case of a global Debenture, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Fund; and
- (d) in all cases, the principal amounts of such Debentures or, if any such Debenture is to be redeemed in part only, the principal amount of such part.

In the event that all Debentures to be redeemed are registered Debentures, publication shall not be required.

4.4 Debentures Due on Redemption Dates

Notice having been given as aforesaid, all the Debentures so called for redemption shall thereupon be and become due and payable at the redemption price, on the redemption date specified in such notice, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding, and from and after such redemption date, if the moneys necessary to redeem such Debentures shall have been deposited as provided in Section 4.5 and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest upon the Debentures shall cease and coupons for interest to accrue after the date upon the Debentures shall become and be void. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

4.5 Deposit of Redemption Moneys

Redemption of Debentures shall be provided for by the Fund depositing with the Trustee or any paying agent to the order of the Trustee, at least one Business Day prior to the redemption date specified in such notice, such sums as may be sufficient to pay the redemption price of the Debentures so called for redemption, including accrued interest thereon to the date of redemption. The Fund shall also deposit with the Trustee a sum sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited the Trustee shall pay or cause to be

paid to the holders of such Debentures so called for redemption, upon surrender of such Debentures with the unmatured coupons, if any, appertaining thereto, the principal, premium, if any, and interest, if any, to which they are respectively entitled on redemption. In the case of coupon Debentures the accrued interest as represented by coupons matured prior to, or on, the redemption date shall continue to be payable (but without interest thereon, unless the Fund shall make default in the payment thereof upon demand) to the respective bearers of the coupons therefor upon presentation and surrender thereof.

4.6 Failure to Surrender Debentures Called for Redemption

In case the holder of any Debenture so called for redemption shall fail on or before the date specified for redemption so to surrender such holder's Debenture and the unmatured coupons, if any, appertaining thereto, or shall not within such time accept payment of the redemption moneys payable in respect thereof or give such receipt therefor, if any, as the Trustee may require, such redemption moneys may be set aside in trust at such rate of interest as the depository may allow, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debenture holder of the sum so set aside and, to that extent, the Debenture and such coupons, if any, shall thereafter not be considered as outstanding hereunder and the Debenture holder shall have no other right except to receive payment out of the moneys so paid and deposited upon surrender and delivery up of such holder's Debenture and such coupons, if any, of the redemption price of such Debenture plus such interest thereon, if any, as the depository may allow. In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of six years, then such moneys, together with any accumulated interest thereon, shall at the end of such period be paid over by the Trustee or such depository or paying agent to the Fund on its demand.

4.7 Cancellation of Debentures Redeemed

Subject to the provisions of Section 4.2 as to Debentures redeemed in part, all Debentures redeemed and paid under this Article 4 together with all unmatured coupons, if any, appertaining thereto shall forthwith be delivered to the Trustee and cancelled and no Debentures shall be issued in substitution therefor.

4.8 Purchase of Debentures by the Fund

Unless otherwise specifically provided with respect to a particular series of Debentures, the Fund may if it is not at the time in default hereunder, at any time and from time to time, purchase Debentures in the market (which shall include purchase from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract. All Debentures so purchased, together with any unmatured coupons appertaining thereto, may, at the option of the Fund, be delivered to the Trustee and shall be cancelled and no Debentures shall be issued in substitution therefor.

**ARTICLE 5
COVENANTS OF THE FUND**

5.1 General Covenants

The Fund hereby covenants with the Trustee that, so long as any Debentures remain outstanding:

- (a) **Payment of Principal and Interest.** The Fund will duly and punctually pay or cause to be paid to every holder of every Debenture issued hereunder the principal thereof, premium, if any, and interest accrued thereon, if any (including, in the case of default, interest at the rate specified therein on the amount in default), on the dates and at the places, in the currencies and in the manner mentioned herein and in such Debentures and in the coupons, if any, appertaining thereto.
- (b) **Conduct of Businesses, etc.** The Fund will (subject to the provisions of Article 9) carry on and conduct its business and cause its Subsidiaries to carry on and conduct their businesses, in a proper, efficient and business-like manner and in accordance with good business practice; and subject to Article 9 and the other express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.
- (c) **Keeping of Books.** The Fund will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Fund and its Subsidiaries in accordance with accounting principles generally accepted in the jurisdiction of the formation of the relevant entity consistently applied.
- (d) **Reporting Requirements.** The Fund will deliver to the Trustee copies of all continuous disclosure documents filed by the Fund after the date hereof on the System for Electronic Document Analysis and Retrieval pursuant to National Instrument 13-101 of the Canadian Securities Administrators (or any successor rule, regulation, policy or instrument thereto).
- (e) **Payment of Taxes.** The Fund and its Subsidiaries will from time to time pay or cause to be paid all taxes, rates, levies, assessments, ordinary or extraordinary, government fees or dues lawfully levied, assessed or imposed upon or in respect of their respective property or any part thereof or upon the income and profits of the Fund and its Subsidiaries as and when the same become due and payable, and it will exhibit or cause to be exhibited to the Trustee, when required, the receipts and vouchers establishing such payment and the Fund and its Subsidiaries will duly observe and conform to, in all material respects, all valid requirements of any governmental authority relative to any of the property or rights of the Fund and its Subsidiaries and all covenants, terms and conditions upon or under which any such property or rights are held; provided, however, that the Fund and its Subsidiaries shall have the right to contest by legal proceedings any such taxes,

rates, levies, assessments, government fees or dues, and upon such contest, may delay or defer payment or discharge thereof.

- (f) **Insurance.** The Fund and its Subsidiaries will have in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing covering the properties and operations of the Fund and its Subsidiaries (on a consolidated basis and taken as a whole) as are customarily held by similar entities engaged in the same or similar business in the localities where their respective properties and operations are located.
- (g) **Negative Pledge.** The Fund will not and will not permit its Material Subsidiaries to create, incur, assume or permit to subsist any Security Interest upon any part of their respective property or assets, whether now owned or hereafter acquired, to secure any obligations, unless at the same time, or as soon as reasonably practicable thereafter, the Fund causes all the Debentures then outstanding to be secured equally and rateably therewith (either by the same instrument or by other instruments), provided that this covenant shall not apply to or restrict:
 - (i) the giving of security on inventory or accounts receivable to any bank or other lending institution or others to secure indebtedness incurred in the ordinary course of business for working capital purposes;
 - (ii) Permitted Encumbrances or the creation, incurrence, assumption or subsistence of Permitted Encumbrances;
 - (iii) additional non-material Security Interests disclosed to and accepted by the Trustee on or before the execution of this Indenture; or
 - (iv) the Fund or a Material Subsidiary extending, renewing, altering or replacing any security permitted under paragraphs (i), (ii) or (iii) above, provided that the principal amount of the obligations secured thereby is not increased to any amount greater than the sum of the principal amount thereof on the date of such extension, renewal, alternation or replacement, plus any amount necessary to pay any fees and expenses, including premiums related to such extension, renewal, alteration or replacement, the security does not extend to any additional Property, and immediately after such extension, renewal, alteration or replacement, no Event of Default (or event which would, with notification or with the lapse of time or otherwise, constitute an Event of Default) would exist.
- (h) **Guarantees.** The Fund shall cause:
 - (i) each Material Subsidiary existing on the date hereof to execute and deliver a Material Subsidiary Guarantee to the Trustee; and
 - (ii) each Subsidiary which is or becomes a Material Subsidiary after the date hereof to execute and deliver a Material Subsidiary Guarantee to the

Trustee within fifteen (15) Business Days after the date such Subsidiary is or becomes a Material Subsidiary.

5.2 Trustee's Remuneration and Expenses

The Fund covenants that it will pay to the Trustee from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under the trusts hereof shall be finally and fully performed, except any such expense, disbursement or advance as may arise from its negligence or bad faith. After default all amounts so payable and interest thereon shall be payable out of any funds coming into the possession of the Trustee.

5.3 Not to Accumulate Interest

In order to prevent any accumulation after maturity of unpaid coupons, of unpaid interest or of unpaid Debentures, the Fund covenants with the Trustee that it will not, directly or indirectly, extend or assent to the extension of time for payment of any interest on any Debenture or be a party to or approve any such arrangement by purchasing or funding any of said coupons or interest or in any other manner. In case the time for payment of any such coupons or interest shall be so extended, whether for a definite period or otherwise, such coupons or interest shall not be entitled in case of default hereunder to the benefit of these presents except subject to the prior payment in full of the principal of all Debentures issued hereunder and then outstanding and of all matured coupons and interest of such Debentures, the payment of which has not been so extended, and of all other moneys payable hereunder.

5.4 Performance of Covenants by Trustee

If the Fund shall fail to perform any of its covenants contained in this Indenture the Trustee may notify the Debenture holders of such failure on the part of the Fund or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debenture holders. All sums so expended or advanced by the Trustee shall be repayable as provided in Section 5.2. No such performance, expenditure or advance by the Trustee shall be deemed to relieve the Fund of any default hereunder.

ARTICLE 6 DEFAULT AND ENFORCEMENT

6.1 Event of Default

Each of the following events constitutes, and is herein sometimes referred to as, an "Event of Default":

- (a) if the Fund makes default in payment of the principal of or premium, if any, on any Debenture when the same becomes due under any provision hereof or of such Debenture and such default continues for a period of five Business Days;

- (b) if the Fund makes default in payment of any interest due on any Debenture or on any sinking fund payment due hereunder and any such default continues for a period of 30 days;
- (c) if an Issuer Party makes default in observing or performing any other covenant or condition contained in an Indenture Document and on its part to be observed or performed and, after notice in writing has been given by the Trustee to the relevant Issuer Party specifying such default and requiring the relevant Issuer Party to put an end to the same, the relevant Issuer Party fails to make good such default within a period of 90 days, unless the Trustee (having regard to the subject matter of the default) shall have agreed to a longer period, and in such event, within the period agreed to by the Trustee;
- (d) if an Issuer Party:
 - (i) makes default in payment at maturity, including any applicable grace period, or
 - (ii) makes default in the performance or observance of any other covenant, term, agreement or condition,

with respect to any single item of Indebtedness in an amount in excess of 5% of Consolidated Net Tangible Assets or with respect to more than two items of Indebtedness in an aggregate amount in excess of 10% of Consolidated Net Tangible Assets and, if such Indebtedness has not already matured in accordance with its terms, such Indebtedness shall have been accelerated so that the same shall be or become due and payable prior to the date on which the same would otherwise have become due and payable, provided that if such default is waived by the persons entitled to do so, then the Event of Default hereunder shall be deemed to be waived without further action on the part of the Trustee or the Debenture holders;

- (e) if an order is made or an effective resolution passed for the termination, winding up, liquidation or dissolution of an Issuer Party, except in the course of carrying out, or pursuant to, a transaction in respect of which the provisions of Article 9 hereof are applicable and the conditions thereof are duly observed and performed, and any such order or resolution continues unstayed and in effect for a period of ten Business Days;
- (f) if an Issuer Party makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency or is declared bankrupt or makes an authorized assignment or a proposal to its creditors under any bankruptcy or insolvency or analogous law or if a custodian or a receiver or receiver and manager or any other officer with similar powers is appointed in respect of an Issuer Party or of the property of such Issuer Party or any part thereof which is a substantial part of the property of the Fund on a consolidated basis; or

- (g) if an encumbrancer takes possession of the property of an Issuer Party or any part thereof which is a substantial part of the property of the Fund on a consolidated basis, or if any process of execution is levied or enforced upon or against the property of an Issuer Party or any part thereof which is a substantial part of the property of the Fund on a consolidated basis and remains unsatisfied for such period as would permit any such property to be sold thereunder, unless such process is in good faith disputed by the relevant Issuer Party, but in that event the relevant Issuer Party or the Fund on its behalf shall, if the Trustee so requires, give security which, in the discretion of the Trustee, is sufficient to pay in full the amount thereby claimed in case the claim is held to be valid.

In addition to the events set forth above, the Fund may by indenture supplemental hereto, executed and delivered pursuant to the provisions of Article 14, create further Events of Default.

6.2 Acceleration on Default

If an Event of Default has occurred, the Trustee may in its discretion and shall upon the requisition in writing of the holders of at least 25% of the principal amount of the Debentures then outstanding, subject to the provisions of Section 6.3, by notice in writing to the Fund declare the principal, and interest, if any, of all Debentures then outstanding and other moneys payable hereunder to be due and payable and the same shall become immediately due and payable to the Trustee on demand, anything therein or herein to the contrary notwithstanding, and the Fund shall on such demand forthwith pay to the Trustee for the benefit of the Debenture holders the principal of and accrued and unpaid interest and interest on amounts in default on such Debentures (and, where such a declaration is based upon a voluntary winding-up or liquidation of the Fund, the premium, if any, on the Debentures then outstanding which would have been payable upon the redemption thereof by the Fund on the date of such declaration) and all other moneys secured hereby, together with subsequent interest thereon at the rates borne by the Debentures from the date of the declaration until payment is received by the Trustee, such subsequent interest to be payable at the times and places and in the moneys mentioned in and according to the tenor of the Debentures and coupons. Such payment when made shall be deemed to have been made in discharge of the Fund's obligations hereunder and any moneys so received by the Trustee shall be applied as provided in Section 6.5.

6.3 Waiver of Default

(1) The holders of not less than 66⅔% of the principal amount of Debentures then outstanding shall have power (in addition to and subject to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing to instruct the Trustee to waive any default and/or to cancel any declaration made by the Trustee pursuant to Section 6.2 and the Trustee shall thereupon waive the default and/or cancel such declaration upon such terms and conditions as such Debenture holders shall prescribe; provided that notwithstanding the foregoing if the Event of Default has occurred by reason of the nonobservance or nonperformance by an Issuer Party of any covenant applicable only to one or more particular series of Debentures then the holders of not less than 66⅔% of the principal amount of the outstanding Debentures of that series or those series, as the case may be, shall be entitled to

exercise the foregoing power and the Trustee shall so act and it shall not be necessary to obtain a waiver from the holders of any other series of Debentures.

(2) The Trustee, so long as it has not become bound to institute any proceedings hereunder, shall have power to waive the default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Trustee in the exercise of its discretion, upon such terms and conditions as to the Trustee may seem advisable.

(3) No act or omission either of the Trustee or of the Debenture holders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

6.4 Right of Trustee to Enforce Payment

Subject to the provisions of Section 6.3, if the Fund shall fail to pay to the Trustee, on demand, and when due, the principal of and premium (if any) and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Trustee may in its discretion and shall upon the request in writing of the holders of not less than 25% in principal amount of the Debentures then outstanding, and upon being indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as Trustee hereunder to obtain or enforce payment of the said principal of and premium (if any) and interest on all the Debentures then outstanding (without possession of any of the Debentures or coupons or the production thereof of any trial or proceeding) together with any other amounts due hereunder, by any remedy provided by law either by legal proceedings or otherwise.

6.5 Application of Moneys by Trustee

(1) Except as herein otherwise expressly provided, any moneys received by the Trustee from the Fund pursuant to the foregoing Sections of this Article 6, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Fund, shall be applied, together with any other moneys in the hands of the Trustee available for such purposes, as follows:

FIRST: to the payment or reimbursement to the Trustee of its compensation, costs, charges, expenses, borrowings, advances, or other moneys furnished or provided by or at the instance of the Trustee in or about the execution of its trust or otherwise in relating to this Indenture, with interest thereon as herein provided;

SECOND: subject to the provisions of Section 5.3 and as hereinafter in this Section 6.5 provided, in payment of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Debentures and coupons which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution passed as hereinafter provided and in that case in such order of priority as between principal, premium, if any, and interest, if any, as may be directed by such resolution; and

THIRD: the surplus (if any) of such moneys shall be paid to the Fund or its assigns; provided, however, that no payment shall be made in respect of the principal, premium or interest of any Debenture or coupon held, directly or indirectly, by or for the benefit of the Fund or any Subsidiary (other than any Debenture pledged for value and in good faith to a person other than the Fund or any Subsidiary, but only to the extent of such person's interest therein) except subject to the prior payment in full of the principal, premium (if any) and interest (if any) of all Debentures which are not so held.

(2) The Trustee shall not be bound to apply or make any partial or interim payment of any moneys coming into its hands if the amount so received by it is insufficient to make a distribution of at least 5% of the aggregate principal amount of the outstanding Debentures but it may retain the money so received by it and deposit the same in its deposit department or in a chartered bank in Canada to its credit at such rate of interest as is then current on similar deposits or invest the same as provided in Article 10 until the moneys or the investments representing the same, with the income derived therefrom, together with any other moneys for the time being under its control, shall be sufficient for the purpose or until it shall consider it advisable to apply the same in the manner above set forth.

6.6 Notice of Payment by Trustee

Not less than 21 days notice shall be given by the Trustee to the Debenture holders of any payment to be made under this Article 6. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture upon which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debenture holders will be entitled to interest only on the balance (if any) of the principal moneys, premium (if any) and interest due (if any) to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

6.7 Trustee May Demand Production of Debentures

The Trustee shall have the right to demand production of the Debentures and/or coupons in respect of which any payment of principal, interest or premium required by this Article 6 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement in any special case, upon such indemnity being given to it and to the Fund as the Trustee shall deem sufficient.

6.8 Remedies Cumulative

Each and every remedy herein conferred upon or reserved to the Trustee, or upon or reserved to the holders of the Debentures, shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

6.9 Judgment Against Fund

The Fund covenants and agrees with the Trustee that, in case of any proceedings to obtain judgment for the principal of or interest or premium on the Debentures, judgment may be rendered against it in favour of the Debenture holders hereunder, or in favour of the Trustee, as trustee of an express trust for the Debenture holders, for any amount which may remain due in respect of the Debentures and premium (if any) and interest thereon.

6.10 Immunity of Officers, Shareholders, Directors, Trustees and Others

The Debenture holders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future shareholder, director or officer of the Administrator, trustee of the Fund or ECT or holder of units of the Fund or ECT or of any successor to any of the foregoing for the payment of the principal of or premium or interest on any of the Debentures or on any covenant, agreement, representation or warranty by any Issuer Party contained herein or contained in the other Indenture Documents except to the extent, and only to the extent, such right, cause of action or remedy is necessary against the Fund Trustee or the ECT Trustees (in their capacities as such) to enforce the rights of Debenture holders and the Trustee to obtain payment from the Fund Property or the ECT Trust Property.

ARTICLE 7 ACTIONS BY DEBENTURE HOLDERS AND TRUSTEE

7.1 Debenture Holders May Not Sue

No holder of any Debenture shall have any right to institute any action or proceeding for payment of any principal or interest owing on any Debenture, or for the execution of any trust or power hereunder, or for the appointment of a liquidator, receiver or receiver and manager or to have the Fund wound up or terminated, or for any other remedy hereunder, unless such holder shall previously have given to the Trustee written notice of the happening of an Event of Default hereunder, nor unless the holders of at least 25% in principal amount of the Debentures shall have made written request to the Trustee and shall have afforded to it reasonable opportunities either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its own name for such purpose; nor unless also such Debenture holders shall have offered to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; nor unless the Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures.

7.2 Trustee Not Required to Possess Debentures

All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Debentures or the production thereof on any trial or other proceedings relative thereto.

7.3 Trustee May Institute All Proceedings

(1) The Trustee shall be entitled and empowered, either in its own name or as trustee of an express trust, or as attorney-in-fact for the holders of the Debentures, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claim of the Trustee and of the holders of the Debentures allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to any Issuer Party or its creditors or relative to or affecting its property. The Trustee is hereby irrevocably appointed (and the successive respective holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Debentures with authority to make and file in the respective names of the holders of the Debentures or on behalf of the holders of the Debentures as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Debentures themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Debentures, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claims of the Trustee and of the holders of the Debentures against any Issuer Party or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that nothing contained in this Indenture shall be deemed to give to the Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debenture holder.

(2) The Trustee shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debenture holders.

(3) Any such suit or proceeding instituted by the Trustee may be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the holders of the Debentures subject to the provisions of this Indenture. In any proceeding brought by the Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Debentures, and it shall not be necessary to make any holders of the Debentures parties to any such proceeding.

ARTICLE 8 SATISFACTION AND DISCHARGE

8.1 Discharge

The Trustee shall at the written request of the Fund release and discharge this Indenture and the security, if any, created pursuant hereto and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release each

Issuer Party from its covenants herein contained (other than the provisions relating to the indemnification of the Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the principal of and interest (including interest on amounts in default, if any) on all the Debentures and all other money payable hereunder have been paid or satisfied or that, all the outstanding Debentures having matured or having been duly called for redemption, payment thereof and of all other money payable hereunder has been duly and effectually provided for.

8.2 Money May Be Set Aside For Holders

If the holder of any Debenture shall fail to surrender that Debenture within 60 days after the date on which the same shall be due and payable on redemption, at maturity, or otherwise and the principal, premium (if any) or interest (if any) then payable in respect thereof shall have been duly provided for by the Fund by deposit with the paying agent for the time being or the Trustee, interest, if any, accruing in respect thereof shall cease to accrue, from such date, and such money on the direction of the Fund may be set aside in trust for such holder in a Canadian chartered bank, or the Trustee may itself so set aside such money and such setting aside shall for all purposes be deemed a payment to the holder of such Debenture of the money payable in respect thereof and the holder thereof shall have no other right except to receive payment, subject to the provisions of Section 8.3 hereof, of the money so set aside upon surrender of such Debenture. Any interest allowed by the depository upon the money so set aside shall be payable to the Fund.

8.3 Money Not Claimed May Be Repaid

Subject to applicable law, any money set aside under Section 8.2 and not claimed by and paid to holders of Debentures within 6 years after the date of such setting aside, or set aside under Section 8.2 hereof and not claimed by and paid to holders of Debentures within 6 years after maturity, the repayment date or redemption dates, as the case may be, shall be repaid to the Fund by the Trustee on demand, together with any interest accrued thereon, and thereupon the Trustee shall be released from all further liability with respect to such money and thereafter the holder of a Debenture in respect of which such money was so repaid to the Fund shall have no rights in respect thereof except to obtain payment of the money due thereon from the Fund subject to any applicable period of prescription provided by law.

8.4 Satisfaction

(1) The Fund shall be deemed to have fully paid, satisfied and discharged the outstanding Debentures and the Trustee, at the expense of the Fund, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of the Debentures, when, with respect to all outstanding Debentures, either:

- (a) the Fund has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose of making payment on the Debentures, an amount sufficient to pay, satisfy and discharge the entire amount of principal, premium, if any, and interest, if any, to maturity or any repayment date or redemption dates, as the case may be, of the outstanding Debentures; or

- (b) the Fund has deposited or caused to be deposited with the Trustee as trust property in trust for the purpose of making payment on the Debentures:
 - (i) if the Debentures are issued in Canadian dollars, such amount in Canadian dollars of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada; or
 - (ii) if the Debentures are issued in a currency or currency unit other than Canadian dollars, cash in the currency or currency unit in which the Debentures are payable and/or such amount in such currency or currency unit of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or the government that issued the currency or currency unit in which the Debentures are payable;

as will, together with the income to accrue thereon and reinvestment thereof, be sufficient to pay and discharge the entire amount of principal and accrued and unpaid interest to maturity or any repayment date, as the case may be, of the outstanding Debentures;

and in either event:

- (c) the Fund has paid, caused to be paid or made provisions to the satisfaction of the Trustee for the payment of all other sums payable with respect to the outstanding Debentures; and
- (d) the Fund has delivered to the Trustee an Officers' Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of the outstanding Debentures have been complied with.

Any deposits with the Trustee referred to in this Section 8.4 shall be irrevocable, subject to Section 8.5, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the principal of, and interest and premium, if any, on the Debentures being satisfied.

(2) Upon the satisfaction of the conditions set forth in this Section 8.4 with respect to all the outstanding Debentures, the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained in Articles 2 and 4 and the provisions of Article 1 pertaining to Articles 2 and 4) shall no longer be binding upon or applicable to the Fund.

(3) Any funds or obligations deposited with the Trustee pursuant to this Section 8.4 shall be denominated in the currency of denomination of the Debentures in respect of which such deposit is made.

8.5 Continuance of Rights, Duties and Obligations

Where trust funds or trust property have been deposited pursuant to Section 8.4, the holders of Debentures and the Fund shall continue to have and be subject to their respective rights, duties and obligations under Articles 2 and 4 hereof.

ARTICLE 9 SUCCESSOR PROVISIONS

9.1 Successors

Except for a transaction wholly between or among the Fund and any one or more of its Subsidiaries, the Fund shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other person (herein called a “**successor**”) whether by way of reorganization, consolidation, dissolution, arrangement, merger, transfer, sale or otherwise, unless:

- (a) prior to or contemporaneously with the consummation of such transaction the Fund and the successor shall have executed such instruments and done such things as, in the opinion of Counsel, are necessary or advisable to establish that upon the consummation of such transaction:
 - (i) the successor will have assumed all the covenants and obligations of the Fund under this Indenture in respect of the Debentures; and
 - (ii) the Debentures will be valid and binding obligations of the successor entitling the holders thereof, as against the successor, to all the rights of Debenture holders under this Indenture;
- (b) such transaction shall to the satisfaction of the Trustee, upon receiving such advice as it may reasonably require, be upon such terms as substantially preserve and not to impair any of the rights and powers of the Trustee or of the Debenture holders hereunder; and
- (c) no condition or event shall exist as to the Fund or the successor either at the time of or immediately after such transaction and after giving full effect thereto or immediately after the successor shall become liable to pay the principal monies, premium, if any, interest and other monies due or which may become due hereunder, which constitutes or would constitute an Event of Default hereunder.

9.2 Vesting Powers in Successor

Whenever the conditions of Section 9.1 shall have been duly observed and performed, any successor formed by or resulting from such transaction shall succeed to, and be substituted for, and may exercise every right and power of the Fund under this Indenture with the same effect as though the successor had been named as the Fund herein and thereafter, except in the case of a lease or other similar disposition of property to the successor whereby the Fund retains a beneficial estate or other beneficial ownership interest therein, the Fund shall be

relieved of all obligations and covenants under the Indenture Documents forthwith upon the Fund delivering to the Debenture Trustee an opinion of Counsel to the effect that the conditions of Section 9.1 will have been duly observed and performed on completion of the transaction and that the transaction shall not result in any material adverse tax consequences to the Fund or the successor. The Trustee will, at the expense of the successor, execute any documents which it may be advised by Counsel are necessary or advisable for effecting or evidencing such release and discharge.

ARTICLE 10 ADMINISTRATION OF THE TRUST

10.1 Sufficiency of Execution of Instruments

Any order, request, direction, certificate or other instrument to be made or given by the Fund under any of the provisions hereof shall, unless otherwise provided, be deemed sufficiently executed if executed by any two authorized officers of the Administrator on behalf of the Fund. The Trustee may receive a certificate signed by any two authorized officers of the Administrator on behalf of the Fund as sufficient evidence of the passage of any resolution of the ECT Trustees or of the unitholders of the Fund.

10.2 Conditions Precedent to Trustee's Obligations to Act

(1) Subject to Section 11.1 hereof, the Trustee shall not be required to take any measures to enforce this Indenture or any other Indenture Document or any covenant contained herein or therein until furnished with funds for the purpose or indemnified to its reasonable satisfaction.

(2) None of the provisions contained in this Indenture shall require the Trustee to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

10.3 Experts and Advisers

(1) The Trustee may, in relation to this Indenture or any other Indenture Document, act on the opinion or advice of or on information obtained from any Counsel, notary, valuer, surveyor, engineer, broker, auctioneer, accountant or other expert, whether obtained by the Trustee or by the Fund or otherwise.

(2) The Trustee may employ or retain such agents, counsel and other assistants as it may reasonably require for the proper discharge of its duties hereunder and may pay reasonable remuneration for all services performed for it.

10.4 Evidence

(1) The Fund shall furnish to the Trustee forthwith evidence of compliance with the conditions precedent provided for in this Indenture relating to the issue, certification and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture or the taking of any other action to be taken by the Trustee at the request of or on the application of the Fund. Such

evidence shall consist of (i) a statutory declaration or an Officers' Certificate stating that such conditions precedent have been complied with in accordance with the terms of this Indenture and (ii) in the case of conditions precedent, compliance with which are by this Indenture subject to review or examination by Counsel, an opinion of Counsel that such conditions precedent have been complied with in accordance with the terms of this Indenture. Whenever such evidence relates to a matter other than the issue, certification and delivery of Debentures and the satisfaction and discharge of this Indenture, such evidence may consist of or otherwise be in accordance with a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by him, but if such report or opinion is furnished by a director, officer or employee of the Administrator, it shall be in the form of a statutory declaration or a certificate.

(2) Evidence furnished to the Trustee under this Section 10.4 shall include (i) a statement by the person giving the evidence declaring that such person has read and understands the provisions hereof relating to the conditions precedent with respect to compliance with which such evidence is being given, (ii) a statement describing the nature and scope of the examination or investigation upon which the statements or opinions contained in the evidence are based and (iii) a statement declaring that, in the belief of the person giving the evidence, such person has made such examination or investigation as is necessary to enable such person to make the statements or give the opinions contained or expressed therein.

10.5 Reliance by Trustee

(1) In the exercise of its rights and duties, the Trustee may, if it is acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon a statutory declaration, opinion, report or certificate furnished to the Trustee under a provision hereof or at its request where the Trustee examines the same and determines that it complies with the applicable requirement, if any, of this Indenture.

(2) Except in cases where some other mode of proof is required by this Indenture, the Trustee shall be at liberty to accept an Officers' Certificate (i) as to any statements of fact, as evidence of the truth of such statements, and (ii) to the effect that any particular dealing or transaction or step or thing is, in the opinion of the officers so certifying, expedient, as evidence that it is expedient; provided that the Trustee may in its sole discretion require from the Fund or otherwise further evidence or information before acting or relying on such certificate.

(3) The Trustee shall not be bound to act in accordance with any direction or request of the Fund until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

10.6 No Person Dealing with Trustee Need Enquire

No person dealing with the Trustee shall be concerned to enquire whether the powers that the Trustee is purporting to exercise have become exercisable, or whether any

money remains due upon the Debentures or to see to the application of any money paid to the Trustee.

10.7 Investment of Trust Funds

Any money held by the Trustee, which under the trusts of this Indenture may be invested, shall be invested and reinvested as directed by the Fund by the Trustee in its name or under its control in any securities in which trustees are, by the laws of the Province of Alberta, authorized to invest. Pending such investment, such money shall be placed by the Trustee on deposit at interest at the then current rate in a Canadian chartered bank or trust company.

ARTICLE 11 CONCERNING THE TRUSTEE

11.1 Duty of Trustee

In the exercise of the powers, rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith with a view to the best interests of the Debenture holders and shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

11.2 Resignation, etc. of Trustee and Appointment of New Trustee

(1) The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Fund two months' notice in writing or such shorter notice as the Fund may accept as sufficient. In the event of the Trustee resigning or being removed by the Debenture holders by Extraordinary Resolution or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Fund shall forthwith appoint or cause to be appointed a new Trustee unless a new Trustee has already been appointed by the Debenture holders; failing such appointment by the Fund the retiring Trustee (at the Fund's expense) or any Debenture holder may apply to a Judge of the Court of Queen's Bench of Alberta, on such notice as such Judge may direct, for the appointment of a new Trustee; but any new Trustee so appointed by the Fund or by the Court shall be subject to removal as aforesaid by the Debenture holders. Any new Trustee appointed under any provision of this Section shall be a corporation authorized to carry on the business of a trust company in the Province of Alberta. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and obligations as if it had been originally named herein as Trustee.

(2) Any corporation into which the Trustee may be merged or with which it may be consolidated or amalgamated or any corporation resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party shall be the successor Trustee under this Indenture without the execution of any instrument or any further act.

11.3 Trustee May Deal in Debentures

Subject to Section 11.6 hereof, the Trustee may buy, lend upon and deal in the Debentures either with the Issuer Parties or otherwise, and generally contract and enter into

financial transactions with the Issuer Parties or otherwise, without being liable to account for any profit made thereby.

11.4 Trustee Not Required to Give Security

The Trustee shall not be required to give security for the execution of the trusts or its conduct or administration hereunder.

11.5 Protection of Trustee

By way of supplement to the provisions of any law for the time being relating to trustees, it is expressly declared and agreed as follows:

- (a) the Trustee shall not be liable for or by reason of any statements of facts or recitals in this Indenture or in the other Indenture Documents (except the representation contained in Section 11.6 and in the certificate of the Trustee on the Debentures) or required to verify the same, but all such statements or recitals are and shall be deemed to be made by the relevant Issuer Party which is a party thereto;
- (b) nothing herein contained shall impose any obligation on the Trustee to see or to require evidence of registration or filing (or renewals thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- (c) the Trustee shall not be bound to give any notice of the execution hereof;
- (d) the Trustee shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Issuer Parties of any of the covenants contained in the Indenture Documents or of any act of the agents or servants of the Issuer Parties; and
- (e) the Fund indemnifies and saves harmless the Trustee and its officers from and against any and all liabilities, losses, costs, claims, actions, or demands whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations under this Indenture, save only in the event of the negligent failure to act, or the wilful misconduct or bad faith of the Trustee. It is understood and agreed that this indemnification shall survive the termination or discharge of this Indenture or the resignation of the Trustee.

11.6 Conflict of Interest

The Trustee represents to the Fund that at the time of the execution and delivery hereof no material conflict of interest exists in the Trustee's role as a fiduciary hereunder and agrees that in the event of a material conflict of interest arising hereafter it will, within 30 days after ascertaining that it has such material conflict of interest, either eliminate the same or resign its trust hereunder.

ARTICLE 12 NOTICES

12.1 Notice to the Fund

Any notice to the Fund under the provisions hereof shall be valid and effective if (i) delivered or mailed by registered mail, postage prepaid, to Enbridge Income Fund, c/o Enbridge Management Services Inc., Suite 3000, 425 – 1st Street S.W., Calgary, Alberta, T2P 3L8, Attention: Corporate Secretary or (ii) sent by facsimile to Enbridge Income Fund, c/o Enbridge Management Services Inc. at (403) 231-5929, Attention: Corporate Secretary, and, subject as provided in this Section 12.1, shall be deemed to have been given at the time of delivery, on the third Business Day after mailing or at the time of sending by facsimile, as the case may be. Any delivery made or facsimile sent on a day other than a Business Day, or after 3:00 p.m. (at the place of receipt) on a Business Day, shall be deemed to be received on the next following Business Day. In the case of disruption in postal services any notice shall be delivered or sent by facsimile. The Fund may from time to time notify the Trustee of a change in address or facsimile number which thereafter, until changed by like notice, shall be the address or facsimile number of the Fund for all purposes of this Indenture.

12.2 Notice to the Trustee

Any notice to the Trustee under the provisions hereof shall be valid and effective if (i) delivered or mailed by registered mail, postage prepaid, to Computershare Trust Company of Canada, Suite 710, 530 - 8th Avenue S.W., Calgary, Alberta T2P 3S8, or (ii) sent by facsimile to Computershare Trust Company of Canada, at (403) 267-6598, Attention: Manager, Corporate Trust, and, subject as provided in this Section 12.2, shall be deemed to have been given at the time of delivery or on the third Business Day after mailing or at the time of sending by facsimile, as the case may be. Any delivery made or sent on a day other than a Business Day, or after 3:00 p.m. (at the place of receipt) on a Business Day, shall be deemed to be received on the next following Business Day. In the case of disruption in postal services any notice shall be delivered or sent by facsimile. The Trustee may from time to time notify the Fund of a change in address or facsimile number which thereafter, until changed by like notice, shall be the address or facsimile number of the Trustee for all purposes of this Indenture.

12.3 Notice to Debenture Holders

Unless herein otherwise expressly provided, any notice to be given hereunder to Debenture holders shall be deemed to be validly given:

- (a) to the holders of registered Debentures if such notice is sent by electronic communication, personally delivered or sent by registered mail, postage prepaid, addressed to such holders at their respective electronic communication numbers or addresses appearing in any of the registers above mentioned and, subject as hereinafter provided, shall be deemed to have been received at the time of sending or delivery or on the third Business Day after mailing, as applicable. Any electronic communication sent or delivery made after 4:00 p.m. (at the place of receipt) on a Business Day shall be deemed to be received on the next following

Business Day. If in the case of joint holders of any Debenture more than one address appears in the register in respect of such joint holding, such notice shall be addressed only to the first address so appearing;

- (b) to the holders of unregistered Debentures if such notice is published:
 - (i) once in each of two successive weeks in a daily newspaper in the English language of national circulation approved by the Trustee, and
 - (ii) once in each of two successive weeks in the City of Montreal in a daily newspaper in the French language of general circulation approved by the Trustee,

provided that in the case of notice convening a meeting of Debenture holders, the Trustee may require such additional publications of such notice, in the same or in other cities or both, as it may deem necessary for the reasonable protection of the Debenture holders. Any notice so given by publication shall be deemed to have been given on the day on which publication shall have been first effected in one of the newspapers in which publication was required, publication having been effected at least once contemporaneously or previously in all other of such newspapers.

In determining under any provision hereof the date when notice of any meeting, redemption or other event must be given, the date of giving the notice shall be included and the date of the meeting, redemption or other event shall be excluded. Accidental error or omission in giving notice or accidental failure to mail notice to any debenture holder shall not invalidate any action or proceeding founded thereon.

12.4 Waiver of Notice

Where this Indenture provides for notice to any person in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event and such waiver shall be the equivalent of such notice. Waivers of notice by Debenture holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

ARTICLE 13 DEBENTURE HOLDERS' MEETINGS

13.1 Convening of Meetings

The Trustee or the Fund may at any time and from time to time, and the Trustee shall on requisition in writing made by the Fund or by the holders of at least 25% of the principal amount of the Debentures and upon receiving sufficient funds and an indemnity satisfactory to the Trustee, convene a meeting of Debenture holders. In the event of the Trustee failing to convene a meeting within 30 days after requisition made as aforesaid the Fund or the holders of at least 25% of the principal amount of the Debentures, as the case may be, may convene such

meeting. Every such meeting shall be held at the City of Calgary or at such other place as the Trustee may approve.

13.2 **Notice**

At least 21 days' previous notice of any meeting shall be given to the Debenture holders and such notice shall state the time when and the place where the meeting is to be held and shall set out the general nature of the business to be transacted thereat. The notice shall be given in the manner provided in Article 12 hereof, and a copy thereof shall be sent by prepaid ordinary mail to the Trustee unless the meeting has been called by it and to the Fund unless the meeting has been called by it. A Debenture holder may waive notice of a meeting either before or after the meeting. The accidental omission to give notice of a meeting to any Debenture holder shall not invalidate any resolution passed at any such meeting.

13.3 **Quorum**

Subject to the provisions of Section 13.5 and 13.12 hereof, a quorum at any meeting of the Debenture holders shall consist of Debenture holders present in person or by proxy and representing at least 25% in principal amount of the Debentures. The chairman of any such meeting at which a quorum exists may, with the consent of the holders of a majority in principal amount of the Debentures present or represented by proxy thereat, adjourn any such meeting and no notice of such adjourned meeting need be given except such notice, if any, as the meeting so adjourned may prescribe.

13.4 **Chairman**

Some person nominated by the Trustee, who need not be a Debenture holder, shall be chairman of the meeting and if no individual is so nominated, or if the individual so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, or is unable or unwilling to act, then a majority of the Debenture holders present in person or by proxy shall choose some individual present to be chairman.

13.5 **Procedure When Quorum Not Present**

If a quorum of the Debenture holders shall not be present within half an hour after the time fixed for holding any meeting, the meeting, if convened by or on the requisition of Debenture holders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is a non-Business Day in which case it shall be adjourned to the following Business Day) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. If at the adjourned meeting a quorum be not present, the Debenture holders then present or represented by proxy shall, subject to the provisions of Section 13.12 hereof, constitute a quorum for the transaction of the business for which the meeting was convened.

13.6 **Show of Hands**

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions

shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

13.7 **Poll**

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Debenture holders or proxies for Debenture holders, a poll shall be taken in such manner and either at once or after an adjournment, as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the holders of a majority in principal amount of the Debentures represented at the meeting and voted on the poll.

13.8 **Voting**

On a show of hands every person who is present and entitled to vote, whether as a Debenture holder or as proxy for one or more Debenture holders or both, shall have one vote. On a poll each Debenture holder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures of which the person shall then be the holder. In the case of any Debenture denominated in a currency or currency unit other than Canadian dollars, the principal amount thereof for these purposes shall be computed in Canadian dollars on the basis of the conversion of the principal amount thereof at the applicable spot buying rate of exchange for such other currency or currency unit as reported by the Bank of Canada at the close of business on the Business Day next preceding the meeting. Any fractional amounts resulting from such conversion shall be rounded to the nearest \$100. A proxy need not be a Debenture holder. In the case of joint holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint holders.

13.9 **Proxies**

A Debenture holder may be present and vote at any meeting of Debenture holders by an authorized representative. The Fund in case it convenes the meeting or the Trustee in any other case (for the purpose of enabling the Debenture holders to be present and vote at any meeting without producing their Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to held) may from time to time make and vary such regulations as it shall think fit providing for any or all of the following matters:

- (a) the form of the instrument of proxy and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debenture holder;
- (b) the deposit of such certificates and/or instruments of proxy at such place as the Trustee (or the Fund in case the meeting is convened by it) may in the notice

convening the meeting direct, and the time before the holding of the meeting, or adjourned meeting, when the same shall be deposited; and

- (c) the lodging of such certificates and/or instruments of proxy at some place or places other than the place at which the meeting is to be held and for particulars of such instruments of proxy to be cabled or sent by facsimile or otherwise transmitted before the meeting to the Fund or to the Trustee at the place where the same is to be held, and that instruments of proxy so deposited may be voted as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective, and the votes given in accordance therewith shall be valid and shall be counted.

13.10 Persons Who May Attend

The Fund, Administrator, the Trustee, and the Debenture holders by their respective partners, employees, officers, directors and trustees, and the legal advisers of the Fund, Administrator, the Trustee and any Debenture holder, may attend any meeting of the Debenture holders.

13.11 Powers Exercisable By Extraordinary Resolution

In addition to all powers hereinbefore given, a meeting of the Debenture holders shall have the following powers exercisable from time to time, by Extraordinary Resolution only:

- (a) power to authorize the Trustee to grant extensions of time for payment of any principal or interest on the Debentures, whether or not the principal or interest, the payment of which is extended, is at the time due or overdue;
- (b) power to sanction any scheme for the dissolution, reconstruction, reorganization or recapitalization of the Fund, or for the consolidation, amalgamation or merger of the Fund into or with any other person, or for the transferring, selling or leasing of the undertaking, property and assets or any part thereof of the Fund, when the consent of the holders of Debentures is required thereto;
- (c) power to sanction the exchange of the Debentures for, or the conversion of the Debentures into, debentures, mortgage debentures, debenture stock, bonds or any other securities of the Fund or any other person formed or to be formed;
- (d) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any units or other securities of the Fund;
- (e) power to authorize the distribution in specie of any securities received pursuant to a transaction authorized under the provisions of Section 13.11(c);
- (f) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debenture holders against any Issuer Party, or

against its property, whether such rights shall arise under the Indenture Documents or otherwise;

- (g) power to instruct the Trustee to waive any default and/or cancel any declaration made pursuant to Section 6.2 hereof;
- (h) power to assent to any modification of or change in or omission from or addition to the provisions contained in this Indenture or in any deed or instrument supplemental hereto which shall be agreed to by the Fund, and to authorize the Trustee to concur in and execute any indenture supplemental to this Indenture embodying any such modification, change, omission or addition;
- (i) power to restrain any holder of any Debentures from taking or instituting any action or other proceeding for the payment of principal or interest, or for the execution of any trust or power hereunder, or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Fund terminated or wound up or for any other remedy hereunder and to require such holder of any Debenture to waive any default or defaults by the Fund hereunder on which any action or proceeding is founded; and, in case any action or other proceedings shall have been brought by any holder or holders of any Debentures after failure of the Trustee to act, power to direct such holder or holders and the Trustee to waive the default in respect of which such action or other proceeding shall have been brought, upon payment of the costs, charges and expenses incurred in connection therewith, and to stay or discontinue or otherwise deal with any such action or other proceeding;
- (j) power from time to time to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise on behalf of the Debenture holders such of the powers of the Debenture holders exercisable by Extraordinary Resolution or other resolution as shall be included in such appointment. The resolution making such appointment may provide for payment of the expenses and disbursements of and remuneration to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it, and the members need not be themselves holders of Debentures. Every such committee may elect its chairman, and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number, and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debenture holders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;
- (k) power to require the Trustee to exercise or refrain from exercising any of the powers conferred upon the Trustee under this Indenture or to waive any default on the part of any Issuer Party upon such terms as may be provided; and

- (l) power to remove the Trustee and to appoint a new Trustee to take the place of the Trustee so removed.

13.12 Definition of Extraordinary Resolution

The expression “Extraordinary Resolution” when used in this Indenture means, subject to the provisions of Section 13.18, a resolution passed at a meeting of Debenture holders duly convened for that purpose and held in accordance with the provisions herein contained at which the holders of at least 25% of the principal amount of the Debentures are present or represented by proxy and carried by the affirmative vote of the holders of not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the meeting given on a poll. If, at any such meeting convened for the purpose of considering an Extraordinary Resolution, the holders of 25% of the principal amount of the Debentures are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debenture holders, shall be dissolved but in any other case it shall stand adjourned to such date, being not less than seven days later, and to such place and time as may be appointed by the chairman, and two clear days’ notice shall be given of such adjourned meeting in the manner in which notices are by this Indenture authorized to be given (but it shall not be necessary to specify in such notice the business to be transacted at such adjourned meeting) and at such adjourned meeting Debenture holders present in person or represented by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution passed thereat by the affirmative vote of not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the meeting given on a poll shall be an Extraordinary Resolution within the meaning of this Indenture.

13.13 Powers Cumulative

Any one or more of the powers and any combination of the powers in this Indenture stated to be exercisable by the Debenture holders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of them from time to time shall not be deemed to exhaust the right of the Debenture holders to exercise such power or powers or combination of powers thereafter from time to time.

13.14 Minutes

Minutes of all resolutions and proceedings at every such meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Fund, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, shall be prima facie evidence of the matters therein stated, and until the contrary is proved every such meeting, in respect of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings had, to have been duly passed and had.

13.15 Instrument In Lieu of Extraordinary Resolution

Notwithstanding the foregoing provisions of this Indenture, any resolution or instrument signed in one or more counterparts by the holders of not less than 66 2/3% in principal amount of the Debentures shall have the same force and effect as an Extraordinary Resolution.

13.16 Evidence of Instruments of Debenture Holders

(1) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debenture holders may be in any number of concurrent instruments of similar tenor signed or executed by such Debenture holders.

(2) The Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

13.17 Binding Effect of Resolutions

Subject to the provisions of Section 13.18, every resolution and every Extraordinary Resolution passed at a meeting of the Debenture holders held in accordance with the provisions herein contained shall be binding upon all the Debenture holders, whether present at or absent from such meeting, and every instrument in writing signed by Debenture holders in accordance with Section 13.15 shall be binding upon all the Debenture holders, whether signatories thereto or not, and each and every Debenture holder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect thereto accordingly.

13.18 Serial Meetings

(1) If any business to be transacted at a meeting of Debenture holders, or any action to be taken or power to be exercised by instrument in writing under Section 13.15, especially affects the rights of the Debenture holders of one or more series or maturities in a manner or to an extent substantially differing from that in or to which it affects the rights of Debenture holders of any other series or maturities (as to which an opinion of Counsel shall be binding on all Debenture holders, the Trustee and the Fund for all purposes hereof) then:

- (a) reference to such fact, indicating each series or maturity so especially affected, shall be made in the notice of such meeting and the meeting shall be and is herein called a “Serial Meeting”; and
- (b) the holders of Debentures of a series or maturity so especially affected shall not be bound by any action taken at a Serial Meeting or by instrument in writing under Section 13.15 unless in addition to compliance with the other provisions of this Article 13:
 - (i) at such Serial Meeting (A) there are Debenture holders present in person or by proxy and representing at least 25% in principal amount of the Debentures of such series or maturity, subject to the provisions of this Article 13 as to quorum at adjourned meetings and (B) the resolution is

passed by the affirmative vote of the holders of more than 50% (or in the case of an Extraordinary Resolution not less than 66 2/3%) of the principal amount of the Debentures of such series or maturity voted on the resolution; or

- (ii) in the case of action taken or power exercised by instrument in writing under Section 13.15, such instrument is signed in one or more counterparts by the holders of not less than 66 2/3% in principal amount of the Debentures of such series or maturity.

(2) If in the opinion of Counsel any business to be transacted at any meeting, or any action to be taken or power to be exercised by instrument in writing under Section 13.15, does not adversely affect the rights of the holders of Debentures of one or more series or maturities, the provisions of this Article 13 shall apply as if the Debentures of such series or maturity were not outstanding and no notice of any such meeting need be given to the holders of Debentures of such series or maturity. Without limiting the generality of the foregoing, a proposal to modify or terminate any covenant or agreement which is effective only so long as Debentures of a particular series or maturity are outstanding shall be deemed not to adversely affect the rights of the holders of Debentures of any other series or maturity.

- (3) A proposal:
 - (a) to extend the maturity of Debentures of any particular series or maturity or to reduce the principal amount thereof, the rate of interest or redemption premium thereon or to impair any conversion right thereof;
 - (b) to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series or maturity are outstanding; or
 - (c) to reduce with respect to Debenture holders of any particular series or maturity any percentage stated in Sections 13.3, 13.6, 13.7, 13.12, 13.15 or in this Section 13.18;

shall be deemed to especially affect the rights of the Debenture holders of such series or maturity, as the case may be, in a manner substantially differing from that in which it affects the rights of holders of Debentures of any other series or maturity, whether or not a similar extension, reduction, modification or termination is proposed with respect to Debentures of any or all other series or maturities.

ARTICLE 14 SUPPLEMENTAL INDENTURES

14.1 Supplemental Indentures

From time to time the Fund, when authorized by a resolution of the ECT Trustees, and the Trustee may, subject to the provisions of this Indenture, and they shall, when so directed by this Indenture, execute, acknowledge and deliver by their proper officers deeds or indentures

supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

- (a) providing for the issuance of Additional Debentures under this Indenture;
- (b) deleting, modifying or adding to the covenants of the Fund herein contained for the protection of the holders of the Debentures, or of the Debentures of any series, or providing for events of default in addition to those herein specified;
- (c) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof and which, in the opinion of the Trustee, it may be expedient to make, provided that the Trustee shall be of the opinion that such provisions and modifications will not be prejudicial to the interests of the Debenture holders;
- (d) evidencing the succession, or successive successions of other persons to the Fund and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;
- (e) giving effect to any Extraordinary Resolution passed as provided in Article 13; and
- (f) for any other purpose not inconsistent with the terms of this Indenture.

The Fund and the Trustee may correct any typographical or other manifest errors in this Indenture, provided that in the opinion of the Trustee such corrections will not prejudice the rights of the Trustee or of the Debenture holders hereunder, and may execute all such documents as may be necessary to correct such errors.

ARTICLE 15 FORM OF MEDIUM TERM NOTES

15.1 Form of Medium Term Notes

The following is the form of the Medium Term Notes referred to in Section 2.4.

No. •

\$.•

ENBRIDGE INCOME FUND

CUSIP ••••

MEDIUM TERM NOTE

BILLET À MOYEN TERME

Principal Sum:

Capital :

Issue Date:

Date d'émission :

Maturity Date:

Date d'échéance :

Interest Rate Per Annum: %

Taux d'intérêt annuel : %

Interest Payment Date(s):

Date(s) de paiement d'intérêt :

Enbridge Income Fund (the "Fund"), for value received, promises to pay to or to the order of •

Enbridge Income Fund (le « Fonds »), valeur reçue, promet de payer à •

on the maturity date above in accordance with the provisions of the Indenture hereinafter mentioned the above principal sum in lawful money of Canada on presentation and surrender of this Medium Term Note at any of the principal offices of •, in the cities of [Calgary, Montreal, Toronto and Vancouver] and, subject as hereinafter provided, to pay interest on the principal amount hereof from the date hereof, or from the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, at the interest rate above without adjustment for advance payment of interest, in like money, on the Interest Payment Date(s) above in each year and should the Fund at any time make default in the payment of any principal or interest, to pay interest on the amount in default at the same rate, in like money and on the same date(s).

ou à son ordre à la date d'échéance mentionnée ci-dessus conformément aux dispositions de la convention de fiducie mentionnée ci-après le capital susmentionné en monnaie légale du Canada sur présentation et remise du présent billet à moyen terme à l'un ou l'autre des principaux bureaux de • dans les villes de Calgary, Montréal, Toronto et Vancouver et, sous réserve des dispositions prévues ci-après, de payer l'intérêt sur le capital du présent billet à compter de la date des présentes ou à compter de la dernière date de paiement d'intérêt à laquelle l'intérêt a été payé ou rendu disponible pour être payé sur le présent billet, selon la dernière date, au taux d'intérêt susmentionné sans rajustement pour l'intérêt payé d'avance, en même monnaie, à la date ou aux dates de paiement d'intérêt susmentionnées chaque année et, si le Fonds devait à tout moment faire défaut dans le paiement du capital ou de l'intérêt, de payer l'intérêt sur le montant en souffrance au même taux, en même monnaie et à la même ou aux mêmes dates.

[Interest hereon shall be payable by cheque mailed to the registered holder hereof and, subject to the provisions of the Indenture, the mailing of such cheque shall, to the extent of the sum represented thereby (plus the amount of any tax withheld), satisfy and discharge all liability for interest on this Medium Term Note.] or [Interest hereon shall be payable by electronic funds transfer to the Depository or its nominee for subsequent payment to holders.]

[L'intérêt sur le présent billet sera payable par chèque expédié par la poste au détenteur inscrit de la présente et, sous réserve des dispositions de la convention de fiducie, la mise à la poste de ce chèque éteindra toute obligation de payer l'intérêt sur le présent billet jusqu'à concurrence de la somme qu'il représente (plus le montant de tout impôt retenu).] [L'intérêt sur le présent billet sera payable par transfert électronique de fonds au dépositaire ou à son prête-nom pour être ensuite versé aux détenteurs.]

This Medium Term Note is one of the Debentures of the Fund issued or issuable in one or more series under the provisions of a Trust Indenture made as of November 29, 2004 (the "Indenture") between the Fund and Computershare Trust Company of Canada, as Trustee (the "Trustee"). The Medium Term Notes, of which this is one, issued or issuable under the Indenture are unlimited as to aggregate principal amount. The aggregate principal amount of Debentures of other series which may be authorized under the Indenture is unlimited, but such Debentures may be issued only upon the terms and subject to the conditions provided in the Indenture. Reference is hereby made to the Indenture for a description of the terms and conditions upon which the Debentures are or are to be issued and held and the rights of the holders of the Debentures and of the Fund and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Medium Term Note by

Le présent billet à moyen terme est l'une des débetures du Fonds émises ou émissibles en une ou plusieurs séries en vertu des dispositions d'une convention de fiducie intervenue le 29 novembre 2004 (la « convention ») entre le Fonds et Société de fiducie Computershare du Canada, en qualité de fiduciaire (le « fiduciaire »). Les billets à moyen terme, dont le présent billet fait partie, émis ou émissibles en vertu de la convention sont d'un capital global illimité. Le capital global des débetures d'autres séries qui peuvent être autorisées aux termes de la convention est illimité, mais ces débetures ne peuvent être émises que selon les modalités et que sous réserve des conditions prévues dans la convention. Il y a lieu de se reporter à la convention pour la description des conditions en vertu desquelles les débetures sont ou seront émises et détenues et des droits des détenteurs des débetures, du Fonds et du fiduciaire, conditions et droits qui sont tous au même effet que si les dispositions de la convention étaient énoncées aux présentes, et

acceptance hereof assents. Terms defined in the Indenture are used in this Medium Term Note with the same defined meanings.

This Medium Term Note and all other Debentures issued under the Indenture rank pari passu, save only as to sinking fund, purchase fund, amortization fund or analogous provisions (if any) applicable to different series of Debentures, and are direct unsecured obligations of the Fund.

[This Medium Term Note is not redeemable at the option of the Fund prior to the maturity hereof.] or [This Medium Term Note is redeemable by the Fund at its option in whole at any time or in part from time to time on the terms and conditions set forth in the Indenture at a redemption price equal to •% of the principal amount hereof, together with accrued and unpaid interest to the date fixed for redemption.]

The Fund may, when not in default under the Indenture, purchase this Medium Term Note in the market or by tender or private contract. Medium Term Notes purchased by the Fund will be cancelled and will not be reissued.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner and with the effect provided in the Indenture.

The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder (or in certain circumstances specific series of Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by the holders of a specified majority of Debentures outstanding (or specific series as the case may be).

This Medium Term Note may only be transferred, upon compliance with the conditions prescribed in the Indenture, at any one of the principal offices of the Trustee, in the city of Calgary and in such other place or by such other registrar (if any) as the Fund with the approval of the Trustee may designate. No transfer of this Medium Term Note shall be valid unless made on the register by the registered holder hereof or the holder's executors, administrators or other legal representatives, or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe and upon surrender of this Medium Term Note for cancellation. Thereupon a new Medium Term Note or Medium Term Notes in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Medium Term Note shall not become obligatory for any purpose until certified by the Trustee for the time being under the Indenture.

The parties hereto acknowledge that the Administrator 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 Fund Trustee, the Administrator or any of the unitholders of the Fund or any annuitant, subscriber or beneficiary under a plan of which a unitholder of the Fund is a trustee or carrier (an "annuitant") and that any recourse against the Fund, the Fund Trustee, the Administrator or any unitholder of the Fund 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

auxquelles dispositions le détenteur du présent billet à moyen terme consent par l'acceptation du présent billet. Les termes définis dans la convention ont le même sens lorsqu'ils sont utilisés dans le présent billet à moyen terme.

Le présent billet à moyen terme et toutes les autres débetures émises aux termes de la convention ont égalité de rang, sauf quant au fonds d'amortissement, au fonds d'achat ou à toute disposition analogue (le cas échéant) applicable aux différentes séries de débetures et sont des obligations non garanties directes du Fonds.

[Le présent billet à moyen terme n'est pas remboursable au gré du Fonds avant son échéance]. [Le présent billet à moyen terme est remboursable au gré du Fonds en totalité à tout moment ou en partie de temps à autre aux conditions énoncées dans la convention, à un prix de rachat égal à • % de son capital, majoré de l'intérêt couru et impayé à la date fixée pour le rachat.]

Le Fonds peut, s'il n'est pas en défaut aux termes de la convention, acheter le présent billet à moyen terme sur le marché ou par offre d'achat ou par transaction privée. Les billets à moyen terme achetés par le Fonds seront annulés et ne seront pas émis de nouveau.

Le capital du présent billet peut devenir ou être déclaré exigible et payable avant la date d'échéance stipulée dans les circonstances, de la façon et avec l'effet stipulés dans la convention.

La convention contient des dispositions visant à lier tous les détenteurs de débetures en cours aux termes de la convention (ou dans certains cas, de séries précises de débetures) par les résolutions adoptées aux assemblées de ces détenteurs tenues conformément à ces dispositions et par les documents écrits et signés par les détenteurs de la majorité précisée de débetures en cours (ou d'une série précise, selon le cas).

Le présent billet à moyen terme ne peut être transféré, conformément aux conditions établies dans la convention, que dans l'un ou l'autre des principaux bureaux du fiduciaire dans la ville de Calgary et en tout autre lieu ou par tout autre agent chargé de la tenue des registres (s'il y a lieu) que le Fonds peut désigner avec l'approbation du fiduciaire. Aucun transfert du présent billet à moyen terme ne sera valable à moins d'avoir été effectué dans le registre par le détenteur inscrit du présent billet ou ses exécuteurs, administrateurs ou autres représentants légaux, ou un fondé de pouvoir dûment nommé par un acte écrit dont la forme et la signature satisfont le fiduciaire ou l'autre agent chargé de la tenue des registres, et en conformité avec les exigences raisonnables que le fiduciaire ou l'autre agent chargé de la tenue des registres peut prescrire et sur remise du présent billet à moyen terme pour annulation. Dès lors, un nouveau billet à moyen terme ou de nouveaux billets à moyen terme du même capital global seront émis au cessionnaire en échange des présentes.

Le présent billet à moyen terme n'imposera aucune obligation à toute fin jusqu'à ce qu'il soit certifié par le fiduciaire du moment en vertu de la convention.

Les parties aux présentes reconnaissent que l'administrateur conclut la présente convention uniquement en sa qualité de représentant du Fonds et les obligations du Fonds aux termes des présentes ne lient pas personnellement le fiduciaire du Fonds, l'administrateur ou l'un ou l'autre des porteurs de parts du Fonds ou tout titulaire de rente, souscripteur ou bénéficiaire aux termes d'un régime dont un porteur de parts du Fonds est fiduciaire ou émetteur (un « titulaire de rente ») et que tout recours contre le Fonds, le fiduciaire du Fonds, l'administrateur ou un porteur de parts du Fonds ou titulaire de rente de quelque manière que ce soit à l'égard d'une dette, d'une obligation ou d'une responsabilité du Fonds découlant des présentes ou de questions auxquelles la présente convention se rapporte, le

negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Fund Property.

cas échéant, y compris notamment les réclamations fondées sur la négligence ou un comportement autrement délictueux se limiteront aux biens du Fonds et seront acquittés uniquement au moyen de ces biens.

In Witness Whereof **Enbridge Income Fund** has signed this Medium Term Note by its Administrator, Enbridge Management Services Inc. as of the issue date.

En foi de quoi, **Enbridge Income Fund** a fait signer le présent billet à moyen terme par son administrateur, Enbridge Management Services Inc. à la date d'émission.

**Enbridge Income Fund, by its Administrator,
Enbridge Management Services Inc..**

**Enbridge Income Fund, par son administrateur, Enbridge
Management Services Inc.**

by _____

par _____

Trustee's Certificate

Certificat du fiduciaire

This is one of the Medium Term Notes referred to in the Indenture within mentioned.

Le présent billet à moyen terme fait partie des billets à moyen terme dont il est fait mention dans la convention mentionnée aux présentes.

Computershare Trust Company of Canada, Trustee

Société de fiducie Computershare du Canada, fiduciaire

by – *Authorized Officer*

par – *Signataire autorisé*

Date of Certification:

Date de certification :

**ARTICLE 16
LIABILITY OF ADMINISTRATOR**

16.1 Liability of Administrator

The parties hereto acknowledge that the Administrator 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 Fund Trustee, the Administrator or any of the unitholders of the Fund or any annuitant, subscriber or beneficiary under a plan of which a unitholder of the Fund is a trustee or carrier (an “annuitant”) and that any recourse against the Fund, the Fund Trustee, the Administrator or any unitholder of the Fund 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.

**ARTICLE 17
ACCEPTANCE OF TRUSTS BY TRUSTEE**

17.1 Acceptance

The Trustee hereby accepts the trusts in this Indenture declared and provided and agrees to perform the same upon the terms and conditions hereinbefore set forth.

**ARTICLE 18
COUNTERPARTS**

18.1 Counterparts

This Trust Indenture may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute the one and the same instrument and notwithstanding their date of execution shall be deemed to bear date as of the 29th day of November, 2004.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers duly authorized in that behalf.

**ENBRIDGE INCOME FUND,
by its Administrator,
Enbridge Management Services Inc.**

By: (Signed) *Brad Boyle*

By: (Signed) *Murray Desrosiers*

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

By: (Signed) *Laura Leong*

By: (Signed) *Jacqueline Spink*

SCHEDULE A

- **[INSERT NAME OF RELEVANT MATERIAL SUBSIDIARY]**

GUARANTEE

MADE AS OF •, 2004

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• [INSERT NAME OF RELEVANT MATERIAL SUBSIDIARY]

GUARANTEE

THIS GUARANTEE is made as of •, 2004;

WHEREAS the Guarantor is a Material Subsidiary of the Fund;

AND WHEREAS the Guarantor has agreed to provide a guarantee with respect to the Debentures issued by the Fund pursuant to the Trust Indenture;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the sum of Cdn. \$10.00 now paid by the Beneficiaries to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby conclusively acknowledged), the Guarantor hereby covenants and agrees with the Beneficiaries as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) In this Guarantee and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

“**Beneficiaries**” means, collectively, the Trustee and the Debenture holders and
“**Beneficiary**” means the Trustee or any Debenture holder.

“**Beneficiaries’ Counsel**” means Fraser Milner Casgrain LLP or such other firm of lawyers as may be selected by the Beneficiaries from time to time.

“**Fund Obligations**” has the meaning set out in Section 8.1.

“**Governmental Authority**” means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

“**Governmental Authorization**” means an authorization, order, permit, approval, grant, license, consent, right, franchise, privilege, registration, exemption, filing, qualification, direction, certificate, judgment, writ, injunction, award, determination, direction, decree or demand or the like issued or granted by law or by rule or regulation of any Governmental Authority.

“**Guarantee**” means this guarantee, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

“**Guarantee Rate**” means 10.0% per annum.

“**Guaranteed Obligations**” means, collectively and at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Fund to the Trustee and the Debenture holders under, in connection with, pursuant or relating to the Indenture Documents and including the principal, premium, if any, and interest, commissions, legal and other costs, charges and expenses payable by the Fund under the Indenture Documents.

“**Guarantor**” means • **[INSERT NAME OF RELEVANT MATERIAL SUBSIDIARY]**. and its successors.

“**Indenture Documents**” means, collectively, the Trust Indenture and the Debentures.

“**Trust Indenture**” means the trust indenture made as of •, 2004 between Enbridge Income Fund and Computershare Trust Company of Canada (as trustee), as the same may be further amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

(b) Capitalized words and phrases used in this Guarantee and the recitals hereto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Trust Indenture.

1.2 **Headings**

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Guarantee. The terms “this Guarantee”, “hereof”, “hereunder” and similar expressions refer to this Guarantee 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 Guarantee.

1.3 **Number; persons; including**

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organization, corporations and other bodies corporate and vice versa and words and terms denoting inclusiveness (such as “include” or “includes” or “including”), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.4 **Interest Act (Canada)**

Whenever a rate of interest hereunder is calculated on the basis of a year (the “deemed year”) which contains fewer days than the actual number of days in the calendar year of

calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.5 Nominal Rates

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Guarantee; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after demand, default and judgment. The rates of interest specified in this Guarantee are intended to be nominal rates and not effective rates and any interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

1.6 References to Guarantor

All references in this Guarantee to representations and warranties by, covenants of, actions and steps by, or the performance of the terms and conditions hereof by the “Guarantor” shall, as the context requires, be and shall be construed as being by the partners of • Partnership on behalf of and in respect of such partnership. **[Note: Insert Section 1.6, with appropriate conforming changes, for a guarantee by a general partnership; insert similar provisions, with additional conforming changes, for a guarantee by a limited partnership, trust or other unincorporated entity.]**

ARTICLE 2 **GUARANTEE**

2.1 Guarantee of Obligations

The Guarantor hereby unconditionally and irrevocably guarantees to the Beneficiaries the payment and performance of all of the Guaranteed Obligations, together with interest thereon as provided in Section 5.4.

2.2 Indemnity

If any or all of the Guaranteed Obligations are not duly paid or performed by the Fund and are not recoverable under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Beneficiaries from and against all losses resulting from the failure of the Fund to pay and perform such Guaranteed Obligations.

2.3 Guarantor as Principal Obligor

If any or all of the Guaranteed Obligations are not duly paid or performed by the Fund and are not recoverable under Section 2.1 or the Beneficiaries are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Guaranteed Obligations shall, as a separate and distinct obligation, be recoverable by the Beneficiaries from the

Guarantor as the primary obligor and principal debtor in respect thereof and shall be paid to the Beneficiaries forthwith after demand therefore as provided herein.

2.4 Guarantee Absolute and Unconditional

The liability and obligations of the Guarantor hereunder shall be continuing, unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, limited or otherwise affected by:

- (a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Guaranteed Obligation, security, person or otherwise, including any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of any of the Guaranteed Obligations, covenants or undertakings of the Fund under the Trust Indenture;
- (b) any modification or amendment of or supplement to the Guaranteed Obligations;
- (c) any loss of or in respect of any security held by the Beneficiaries, whether occasioned by the fault of the Beneficiaries or otherwise, including any release, non-perfection or invalidity of any such security;
- (d) any change in the existence, structure, constitution, name, control or ownership of the Fund or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Fund or any other person or their respective assets;
- (e) the existence of any set-off, counterclaim, claim or other right which the Guarantor or the Fund may have at any time against the Beneficiaries or any other person, whether in connection with, the Trust Indenture, this Guarantee or any unrelated transaction;
- (f) any provision of applicable law purporting to prohibit or limit the payment by the Fund of any Guaranteed Obligation, and the foregoing is hereby waived by the Guarantor to the extent permitted under applicable law;
- (g) any limitation, postponement, prohibition, subordination or other restriction on the right of a Beneficiary to payment of the Guaranteed Obligations;
- (h) any release, substitution or addition of any other guarantor of the Guaranteed Obligations;
- (i) any defence arising by reason of any failure of any Beneficiary to make any presentment, demand, or protest or to give any other notice, including notice of all of the following: acceptance of this Guarantee, partial payment or non-payment of all or any part of the Guaranteed Obligations and the existence, creation, or incurring of new or additional Guaranteed Obligations;

- (j) any defence arising by reason of any failure of a Beneficiary to proceed against the Fund or any other person, or to apply or exhaust any security held from the Fund or any other person for the Guaranteed Obligations, to proceed against, apply or exhaust any security held from the Guarantor or any other person, or to pursue any other remedy available to the Beneficiaries;
- (k) any defence arising by reason of the invalidity, illegality or lack of enforceability of the Guaranteed Obligations or any part thereof or of any security or guarantee in support thereof, or by reason of any incapacity, lack of authority, or other defence of the Fund or any other person, or by reason of any limitation, postponement or prohibition on a Beneficiary's rights to payment, or the cessation from any cause whatsoever of the liability of the Fund or any other person with respect to all or any part of the Guaranteed Obligations (other than irrevocable and indefeasible payment to the Beneficiaries in full, in cash, of the Guaranteed Obligations), or by reason of any act or omission of the Beneficiaries or others which directly or indirectly results in the discharge or release of the Fund or any other person or of all or any part of the Guaranteed Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise;
- (l) any defence arising by reason of the failure by a Beneficiary to obtain, register, perfect or maintain a Security Interest in or upon any property of the Fund or any other person, or by reason of any interest of the Beneficiaries in any property, whether as owner thereof or as holder of a Security Interest therein or thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment of any right or recourse to collateral;
- (m) any defence arising by reason of the failure of the Beneficiaries to marshal assets;
- (n) to the extent permitted under applicable law, any defence based upon any failure of the Beneficiaries to give to the Fund or the Guarantor notice of any sale or other disposition of any property securing any or all of the Guaranteed Obligations or any other guarantee thereof, or any notice that may be given in connection with any sale or other disposition of any such property;
- (o) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Fund or any other person, including any discharge or bar against collection of any of the Guaranteed Obligations; or
- (p) any other law, event or circumstance or any other act or failure to act or delay of any kind by the Fund, the Beneficiaries or any other person, which might, but for the provisions of this Section, constitute a legal or equitable defence to or discharge, limitation or reduction of the Guarantor's obligations hereunder, other than as a result of the indefeasible payment or extinguishment in full of the Guaranteed Obligations.

The foregoing provisions apply and the foregoing waivers, to the extent permitted under applicable law, shall be effective even if the effect of any action or failure to take action by the Beneficiaries is to destroy or diminish the Guarantor's subrogation rights, the Guarantor's right to proceed against the Fund for reimbursement, the Guarantor's right to recover contribution from any other guarantor or any other right or remedy of the Guarantor.

ARTICLE 3
DEALINGS WITH THE FUND AND OTHERS

3.1 No Release

The Beneficiaries, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability and obligations hereunder, may:

- (a) grant time, renewals, extensions, indulgences, releases and discharges to the Fund or any other guarantor, endorser or person;
- (b) take or abstain from taking security or collateral from the Fund or any other guarantor, endorser or person or from perfecting security or collateral of the Fund or any other guarantor, endorser or person;
- (c) accept compromises from the Fund or any other guarantor, endorser or person;
- (d) subject to the Indenture Documents, apply all money at any time received from the Fund or from security upon such part of the Guaranteed Obligations as the Beneficiaries may see fit or change any such application in whole or in part from time to time as the Beneficiaries may see fit; or
- (e) otherwise deal with the Fund and all other persons and security as the Beneficiaries may see fit.

3.2 No Exhaustion of Remedies

The Beneficiaries shall not be bound or obligated to exhaust their recourse against the Fund or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Article 5) before the Beneficiaries shall be entitled to demand, enforce and collect payment from the Guarantor hereunder.

3.3 Evidence of Guaranteed Obligations

Any account settled or stated in writing by or between a Beneficiary or the Beneficiaries, as the case may be, and the Fund shall be prima facie evidence that the balance or amount thereof appearing due to the same is so due.

3.4 No Set-off

In any claim by the Beneficiaries against the Guarantor hereunder, the Guarantor shall not claim or assert any set-off, counterclaim, claim or other right that either the Fund or the Guarantor may have against one or more of the Beneficiaries.

**ARTICLE 4
CONTINUING GUARANTEE**

4.1 Continuing Guarantee

This Guarantee shall be a continuing guarantee and shall continue to be effective even if at any time any payment of any of the Guaranteed Obligations is rendered unenforceable or is rescinded or must otherwise be returned by any Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Fund), all as though such payment had not been made.

4.2 Revival of Indebtedness

If at any time, all or any part of any payment previously received by a Beneficiary and applied to any Guaranteed Obligation must be rescinded or returned by the Beneficiary for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Fund), such Guaranteed Obligation shall, for the purpose of this Guarantee, to the extent that such payment must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Beneficiary, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Guaranteed Obligation as though such application by the Beneficiary had not been made.

**ARTICLE 5
DEMAND FOR PAYMENT, EXPENSES AND INTEREST**

5.1 Demand for Payment

The Trustee shall be entitled to make demand upon the Guarantor at any time during the continuance of an Event of Default and upon any such demand the Beneficiaries may treat all Guaranteed Obligations as due and payable and may forthwith collect from the Guarantor all Guaranteed Obligations. The Guarantor shall make payment to or performance in favour of the Beneficiaries of all Guaranteed Obligations forthwith after demand therefor is made upon the Guarantor by the Beneficiaries as aforesaid.

5.2 Stay of Acceleration

If acceleration of the time for payment of any amount payable by the Fund in respect of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy, arrangement or reorganization of the Fund or any moratorium affecting the payment of the Guaranteed Obligations, all such amounts that would otherwise be subject to acceleration shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Trustee.

5.3 Expenses

The Guarantor shall pay to the Beneficiaries all reasonable out-of-pocket costs and expenses, including all reasonable legal fees (on a solicitor and his own client basis) and other expenses incurred by the Beneficiaries from time to time in the enforcement, realization and collection of or in respect of this Guarantee. All such amounts shall be payable by the Guarantor on demand by the Trustee.

5.4 Interest

Any payment obligation comprised in the Guaranteed Obligations guaranteed hereunder which is not paid when due hereunder shall bear interest, to the extent not already included in the Guaranteed Obligations, both before and after default or judgment, from the date of demand pursuant to Section 5.1 to the date of payment at the rate or rates provided in the relevant Indenture Document for such Guaranteed Obligations or, in the event no such rate is provided for therein, at a rate per annum that is equal to the Guarantee Rate. Any other amounts payable pursuant hereto, including pursuant to Section 5.3, which are not paid when due hereunder shall bear interest, both before and after default or judgment, from the date of demand to the date of payment or reimbursement thereof by the Guarantor at a rate per annum that is equal to the Guarantee Rate. All such interest shall accrue daily and shall be payable by the Guarantor on demand by the Trustee.

ARTICLE 6 **SUBROGATION**

6.1 Subrogation

- (a) Until all the Guaranteed Obligations have been irrevocably and indefeasibly paid in full in cash, the Guarantor shall have no right of subrogation to, and waives to the fullest extent permitted by applicable law, any right to enforce any remedy which the Beneficiaries now have or may hereafter have against the Fund in respect of the Guaranteed Obligations, and until such time the Guarantor waives any benefit of, and any right to participate in, any security, now or hereafter held by the Beneficiaries for the Guaranteed Obligations.
- (b) If (i) the Guarantor performs or makes payment to the Beneficiaries of all amounts owing by the Guarantor under this Guarantee, and (ii) the Guaranteed Obligations are performed and irrevocably and indefeasibly paid in full then the Beneficiaries will, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of the Beneficiaries' interest in the Guaranteed Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES; COVENANTS

7.1 Representations and Warranties

The Guarantor represents and warrants as follows to each of the Beneficiaries and acknowledges and confirms that each of the Beneficiaries is relying upon such representations and warranties:

(a) Status and Authority

It is a [corporation duly incorporated and] **OR** [INSERT OTHER DESCRIPTION, AS APPLICABLE] existing under the laws of • and has all authority, capacity and powers and all material Governmental Authorizations required to carry on its business as now conducted.

(b) Valid Authorization

The execution, delivery and performance by the Guarantor of this Guarantee (i) is within the Guarantor's authority, capacity and power, (ii) has been duly authorized by all necessary [corporate] **OR** [INSERT OTHER DESCRIPTION, AS APPLICABLE] and other action, (iii) requires no Governmental Authorization or action by or in respect of, or filing with, any Governmental Authority, and (iv) does not contravene or constitute a default under any provision of applicable law, or any agreement or any judgment, injunction, order, decree or other instrument binding upon the Guarantor or result in the creation or imposition of any Security Interest on any asset of the Guarantor or any of its Subsidiaries (other than to the extent provided in Section 8.1 of this Guarantee).

(c) Enforceability of Indenture Documents

This Guarantee constitutes a valid and legally binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are only available in the discretion of the court.

7.2 Effective Time of Repetition

All representations and warranties, when repeated or deemed to be repeated hereunder, shall be construed with reference to the facts and circumstances existing at the time of repetition, unless they are stated herein to be made as at the date hereof.

7.3 Nature of Representations and Warranties

The representations and warranties set out in this Guarantee or deemed to be made pursuant hereto shall survive the execution and delivery of this Guarantee notwithstanding any investigations or examinations which may be made by the Beneficiaries or Beneficiaries' Counsel. Such representations and warranties shall

survive until this Guarantee has been terminated and all Guaranteed Obligations have been fully and finally paid and performed.

7.4 Covenants Contained in the Indenture Documents

The Guarantor hereby covenants and agrees with the Beneficiaries that the Guarantor shall observe, perform and comply with any and all of the covenants of the Fund contained in the Indenture Documents that the Fund agrees that the Guarantor and other Subsidiaries shall observe, perform and comply with or that the Fund shall cause the Guarantor and other Subsidiaries to observe, perform and comply with.

ARTICLE 8 **POSTPONEMENT**

8.1 Postponement

Upon the occurrence and during the continuance of an Event of Default, all debts, liabilities and obligations, present and future of the Fund to or in favour of the Guarantor (collectively, the “**Fund Obligations**”) shall be and are hereby postponed and subordinated to the prior payment and performance in full of the Guaranteed Obligations. All money received by the Guarantor in respect of such debts, liabilities and obligations during the continuance of an Event of Default shall be received and held in trust for the benefit of (a) the Beneficiaries and (b) the holders of other senior unsecured obligations of the Guarantor in favour of which the Guarantor has also postponed and subordinated the Fund Obligations, and shall be forthwith paid over, pro rata, to the Beneficiaries and such holders, the whole without in any way lessening or limiting the liability and obligations of the Guarantor hereunder and this postponement is independent of the Guarantee and shall remain in full force and effect until full and final payment and performance in full of the Guaranteed Obligations and all obligations of the Guarantor under this Guarantee.

ARTICLE 9 **GENERAL**

9.1 Waiver of Notices

The Guarantor hereby waives promptness, diligence, presentment, demand of payment, notice of acceptance and any other notice with respect to this Guarantee and the obligations guaranteed hereunder, except for the demand pursuant to Section 5.1.

9.2 Benefit of the Guarantee

This Guarantee shall enure to the benefit of the respective successors and permitted assigns of the Beneficiaries and be binding upon the successors of the Guarantor.

9.3 Foreign Currency Obligations

The Guarantor shall make payment relative to each Guaranteed Obligation or other amount owing hereunder in the currency (the “original currency”) in which the Fund is required to pay such Guaranteed Obligation or in which the Guarantor is required to pay such other amount. If the Guarantor makes payment relative to any Guaranteed Obligation or other amount owing hereunder to the Beneficiaries in a currency (the “other currency”) other than the original currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the liability of the Guarantor hereunder in respect of such Guaranteed Obligation or other amount owing hereunder only to the extent of the amount of the original currency which the Beneficiaries are able to purchase with the amount of other currency they receive on the date of receipt in accordance with normal practice. If the amount of the original currency which the Beneficiaries are able to purchase is less than the amount of such currency originally due in respect of the relevant Guaranteed Obligation or other amount owing hereunder, the Guarantor shall indemnify and save the Beneficiaries harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Beneficiaries and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order. A certificate of a Beneficiary as to any such loss or damage shall constitute *prima facie* evidence thereof, in the absence of manifest error.

9.4 Taxes and Set-off by Guarantor

All payments by the Guarantor under this Guarantee, whether in respect of principal, interest, interest on overdue and unpaid interest, fees, cost or expenses, or any other Guaranteed Obligations, shall be made in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless the Guarantor is prohibited by applicable laws from doing so, in which event the Guarantor shall:

- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
- (b) forthwith pay to the Beneficiaries such additional amount so that the net amount received by the Beneficiaries will equal the full amount which would have been received by it had no such deduction or withholding been made;
- (c) pay to the relevant Governmental Authorities, within the period for payment required by applicable laws, the full amount of the deduction or withholding (including the full amount of any deduction or withholding from any additional amount paid pursuant to this Section); and

- (d) furnish to the Beneficiaries promptly, as soon as available, an official receipt of the relevant Governmental Authorities involved for all amounts deducted or withheld as aforesaid.

9.5 No Waiver; Remedies

No failure on the part of the Beneficiaries to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.6 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.7 Amendments and Waivers

Any provision of this Guarantee may be amended, waived or a consent given in respect thereof with the concurrence of the Guarantor and all of the Beneficiaries. Any waiver and any consent by the Beneficiaries under any provision of this Guarantee must be in writing signed by the Trustee and may be given subject to any conditions thought fit by the Beneficiaries, as the case may be. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

9.8 Additional Security

This Guarantee is in addition and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Beneficiaries and any other rights or remedies they might have.

9.9 Notices

Any demand, notice or other communication (hereinafter in this Section referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery, telecopier or by registered mail addressed to the recipient as follows:

To the Trustee on behalf of the Beneficiaries as follows:

Computershare Trust Company of Canada
Suite 710, 530 – 8th Avenue S.W.
Calgary, Alberta
T2P 3S8

Attention: Manager
Facsimile: (403) 267-6598

To the Guarantor:

• **[INSERT NAME OF RELEVANT MATERIAL SUBSIDIARY]**
c/o Enbridge Management Services Inc.
Suite 3000, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3L8

Attention: Corporate Secretary
Facsimile: (403) 231-5929

or such other address or teletype number as may be designated by notice by any party to the other. Any Communication given by personal delivery or telecopier shall be conclusively deemed to have been given on the day of actual delivery or transmittal thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or telecopier.

9.10 Assignment

The Guarantor may not assign any of its obligations under this Guarantee.

9.11 Time of Essence

Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee may be strictly enforced by the Beneficiaries.

9.12 Financial Condition of the Fund

The Guarantor is fully aware of the financial condition of the Fund and acknowledges that it shall receive a benefit from the Beneficiaries entering into the Indenture Documents to which the Beneficiaries are a party. The Guarantor assumes all responsibility for being and keeping itself informed of the Fund's financial condition and assets, and of all other circumstances bearing upon the risk of non-payment or non-performance of the Guaranteed Obligations and the nature, scope and extent of the risks

which Guarantor assumes and incurs hereunder, and agrees that the Beneficiaries shall not have a duty to advise the Guarantor of information known to any of them regarding such circumstances or risks.

9.13 Acknowledgement of Documentation; Waiver of Verification Statements

The Guarantor hereby acknowledges receipt of a true and complete copy of the Indenture Documents and all of the terms and conditions thereof. The Guarantor hereby waives, to the extent permitted by applicable law, the right to receive any financing statements, financing change statements or verification statements filed or registered in respect of any security interests constituted by this Guarantee.

9.14 Entire Agreement

This Guarantee and the Indenture Documents constitute the entire agreement between the Beneficiaries and the Guarantor with respect to the subject matter hereof and cancel and supersede any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth herein or therein.

9.15 Governing Law

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

9.16 Attornment

The Guarantor and each of the Beneficiaries hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to this Guarantee. For the purpose of all such legal proceedings, the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Guarantee. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to limit the right of the Guarantor or the Beneficiaries to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

9.17 Acknowledgment

[The Beneficiaries acknowledge that the Trustees or Manager of the Guarantor, as applicable, are entering into this Guarantee solely in their capacity as trustees or as agents, as the case may be, on behalf of the Guarantor and the obligations of the Guarantor hereunder shall not be personally binding upon any of the Trustees, the Manager, any of the Unitholders 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 Guarantor, the Trustees, the Manager, any Unitholder or annuitant in any manner in respect of any indebtedness, obligation or liability of the Guarantor arising hereunder or arising in connection herewith or from the matters

to which this Guarantee relates, if any, including claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Property. For the purposes of this Section 9.17, capitalized terms used previously in this Section and not otherwise expressly defined herein shall have the meanings set forth in the trust indenture of the Guarantor dated as of December 20, 2002, as amended and restated as of June 30, 2003, as the same may be further amended.

The rights conferred by this Section 9.17 shall be held in trust and enforced by the Trustees for their benefit and for the benefit of the Manager, the Unitholders and annuitants, as applicable.] [Note: insert Section 9.17 for a Guarantee by Enbridge Commercial Trust and, with appropriate conforming changes (if any), for a Guarantee by any other trust.]

IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

• [INSERT NAME OF RELEVANT MATERIAL SUBSIDIARY]

Per: _____
Name:
Title:

c/s

Per: _____
Name:
Title: