

EXCHANGE RIGHT SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 17, 2010

BETWEEN:

ENBRIDGE INCOME FUND HOLDINGS INC., a corporation incorporated under the laws of the Province of Alberta (“**EIFH**”),

- and -

ENBRIDGE INCOME FUND, a trust established pursuant to a trust indenture made as of May 22, 2003, as amended and restated as of December 17, 2010 (the “**Fund**”),

- and –

ENBRIDGE COMMERCIAL TRUST, a trust established pursuant to a trust indenture made as of May 22, 2003, as amended and restated as of December 17, 2010 (the “**Trust**”),

- and –

ENBRIDGE INC., a corporation continued under the laws of Canada (“**Enbridge**”),

- and -

ENBRIDGE MANAGEMENT SERVICES INC., a corporation incorporated under the laws of Canada (the “**Manager**”).

WHEREAS pursuant to a plan of arrangement under section 193 of the *Business Corporations Act* (Alberta), among other things, the Trust Indenture was amended to provide for the Exchange Right;

AND WHEREAS Enbridge currently holds of all of the issued and outstanding Preferred Units;

AND WHEREAS the Parties wish to supplement and clarify the mechanism for the Exchange Right, as further set out in this Agreement;

NOW THEREFORE, in consideration of the premises and the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

All capitalized terms used but not defined herein that are defined in the Trust Indenture shall have the meanings given to such terms in the Trust Indenture. In this Agreement, including in the recitals hereof, unless something in the subject matter or context is inconsistent therewith:

“**Agreement**” means this agreement, including its recitals, as amended from time to time;

“**Applicable Laws**” means all applicable Canadian federal and provincial laws or regulations, including the rules and regulations of any applicable Governing Authority;

“**CDS**” means CDS Clearing and Depository Services Inc. and its successors;

“**CDS Participant**” means a broker, dealer, bank, other financial institution or other person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;

“**Exchange Notice**” has the meaning given to such term in Section 2.1(a) and in the form attached hereto at Schedule “A”;

“**Fund Units**” mean the units designated by the Fund Trust Indenture as ordinary units of the Fund;

“**Parties**” means, collectively, the Fund, the Trust, EIFH, Enbridge and EMSI;

“**Securities Laws**” includes the *Securities Act* (Alberta) and any other similar legislation in any other province or territory of Canada in which Fund is or becomes a reporting issuer; and

“**Trust Indenture**” means the trust indenture pursuant which the Trust was established, as last amended and restated on December 15, 2010, as amended from time to time.

1.2 Schedules

The following schedule attached hereto is incorporated into and forms an integral part of this Agreement:

Schedule “A” – Form of Exchange Notice

1.3 Date for Any Action

If any date on which any action is required to be taken under this Agreement is not a Business Day, then, unless otherwise specified, such action shall be required to be taken on the next succeeding Business Day.

1.4 Calculation of Time

In this Agreement, unless otherwise specified, a period of days will be deemed to begin on the first day after the event that began the period and to end at midnight (Calgary, Alberta time) on the last day of the period, except that if the last day of the period does not fall on a Business Day, the period will terminate at midnight (Calgary, Alberta time) on the next succeeding Business Day.

ARTICLE 2 - EXCHANGE RIGHT

2.1 Grant of Exchange Right

A holder of Preferred Units has the right (“**Exchange Right**”), exercisable at any time and from time to time in accordance with and subject to the further terms and conditions set forth in this Agreement and the Trust Indenture, to require the Trust to exchange all or a portion of the Preferred Units held by such Preferred Unitholder for Fund Units. The Exchange Right provided herein may be exercised by any Preferred Unitholder at any time and from time to time until such time as such holder no longer owns any Preferred Units.

2.2 Exchange Procedure

- (a) In order to exercise the Exchange Right, a Preferred Unitholder must deliver a notice (the “**Exchange Notice**”) to the Manager, the Trust and the Fund, together with certificates representing the Preferred Units comprising the Preferred Units being exchanged, duly endorsed in blank for transfer, which specifies that such Preferred Unitholder desires to have the Trust exchange all or a specified number of Preferred Units which are, at that time, owned by such holder (such number of Preferred Units as are specified in the Exchange Notice shall hereafter be referred to as the “**Subject Units**”).
- (b) Upon the exercise of the Exchange Right in accordance with Section 2.4(a), the exchange shall be effected as follows:
 - A. on the date of receipt of a copy of an Exchange Notice (the “**Exchange Date**”), the Trust will forthwith subscribe to the Fund for the Applicable Number of Fund Units and shall satisfy the subscription amount therefor by promising to pay to the Fund an amount for each Fund Unit being subscribed for equal to the “Exchange Right Net Asset Value per Fund Unit” (as such term is defined in the Trust Indenture)(the “**Subscription Price**”) on the Exchange Date. The Trust shall deliver a duly executed Series 1 Note payable to the order of the Fund in an amount equal to the Subscription Price. Upon receipt of such Series 1 Note, the Fund will forthwith issue and deliver to the Trust the Applicable Number of Fund Units for the Subject Units being exchanged as specified in the Exchange Notice and registered in the name or in such names as specified in the Exchange Notice and the Trust shall cancel that number of Preferred Units in the name of the Preferred Unitholder who issued the Exchange Notice equal to the number of Subject Units, revise the Fund’s register of holders of Preferred Units to reflect such cancellation and deliver such Fund Units to the Preferred Unitholder who issued the Exchange Notice; and
 - B. upon the surrender of certificates representing more Preferred Units than the number of such securities to be exchanged, the Trust will forthwith cause to be issued in the name of the holder thereof,

without expense to such holder, new certificates representing the Preferred Units not being exchanged at that time.

- (c) If the Fund Units on the applicable Exchange Date are held in the book-entry only system administered by CDS, no certificates for Fund Units will be issued pursuant to the exercise of the Exchange Right and the Fund Units issuable on such exercise will be registered in the name of CDS or its nominee and registered on the books of CDS for the benefit of the Preferred Unitholder exercising the Exchange Right through a CDS Participant selected by such Preferred Unitholder.

2.3 Withdrawal of Exercise

At any time prior to the applicable Exchange Date, a Preferred Unitholder who delivers an Exchange Notice to the Trust will be entitled to withdraw such notice.

2.4 Effect of Exercise of the Exchange Right

- (a) If the Exchange Right has been exercised, at 6:30 a.m. (Calgary, Alberta time) on the Exchange Date:
 - (i) the closing of the exchange contemplated by the Exchange Right will be deemed to have occurred;
 - (ii) a Preferred Unitholder who exercised the Exchange Right will (A) be deemed to have transferred to the Trust all of such Preferred Unitholder's right, title and interest in and to the Preferred Units (which Preferred Units will be cancelled and Fund Units will be issued as set out in Section 2.2(b)(A.)), (B) cease to be a holder of the Preferred Units, and (C) not be entitled to exercise any of the rights in respect of the Preferred Units, other than the right to receive the Applicable Number of Fund Units deliverable hereunder in exchange therefor;
 - (iii) the Fund will be deemed to have delivered the Fund Units issued pursuant to Section 2.2(b)(A.) to the Preferred Unitholder who exercised the Exchange Right in exchange for the Preferred Units, and the Preferred Unitholder will be considered and deemed for all purposes to be the beneficial holder of such Fund Units; and
 - (iv) the Preferred Unitholder who exercised the Exchange Right will cease to have any right to be paid any amount in respect of declared and unpaid distributions on the Preferred Units.

2.5 Compliance

Subject to compliance with the Fund Trust Indenture, the Trust Indenture and Applicable Laws, each of the Parties will execute all documents and take all other actions necessary or desirable to effect the Exchange Right.

2.6 **Pre-emptive Right**

Each of Enbridge and EIFH acknowledge and agree that the exercise of the Exchange Right will not trigger the pre-emptive right as set out in section 3.4 of the Fund Trust Indenture.

ARTICLE 3 - COVENANTS

3.1 **Validity of Fund Units**

The Fund hereby represents, warrants and covenants that any Fund Unit issuable as described herein will be duly authorized and validly issued as fully paid and non-assessable and shall be free and clear of all encumbrances.

3.2 **Reservation of Fund Units**

The Fund hereby represents, warrants and covenants in favour of Preferred Unitholders that Fund has reserved for issuance and will, at all times while this Agreement is outstanding, keep available, free from pre-emptive and other rights granted by Fund, such number of Fund Units as are issuable under the Exchange Right.

ARTICLE 4- GENERAL

4.1 **Amendments**

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

4.2 **Severability**

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

4.3 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

- (a) If to EIFH, the Fund, the Trust or the Manager:

Enbridge Management Services Inc.
3000, 425 – 1st Street, S.W.
Calgary, Alberta
T2P 3L8

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

(b) If to Enbridge:

Enbridge Inc.
3000, 425 – 1st Street, S.W.
Calgary, Alberta
T2P 3L8

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

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

4.4 **Governing Law and Attornment**

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

4.5 **Waivers**

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

4.6 **Further Assurances**

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

4.7 Time of Essence

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

4.8 Entire Agreement

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

4.9 Enurement

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

4.10 Counterparts

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

4.11 Facsimile Execution

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

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

ENBRIDGE INCOME FUND HOLDINGS INC.

Per: (signed) "Colin Gruending"
Name: Colin Gruending
Title: Chief Financial Officer

**ENBRIDGE INCOME FUND,
by its administrator
ENBRIDGE MANAGEMENT SERVICES INC.**

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

**ENBRIDGE COMMERCIAL TRUST,
by its Manager
ENBRIDGE MANAGEMENT SERVICES INC.**

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

ENBRIDGE INC.

Per: (signed) "J. Richard Bird"
Name: J. Richard Bird
Title: Executive Vice President, Chief
Financial Officer and Corporate
Development

Per: (signed) "Alison T. Love"
Name: Alison T. Love
Title: Vice President & Corporate
Secretary

ENBRIDGE MANAGEMENT SERVICES INC.

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

SCHEDULE “A”

Exchange Notice

TO: **ENBRIDGE MANAGEMENT SERVICES INC.**

AND TO: **ENBRIDGE COMMERCIAL TRUST**

AND TO: **ENBRIDGE INCOME FUND**

This notice is given pursuant to Section 2.2 of the exchange right support agreement (the “**Agreement**”) made December 17, 2010 between Enbridge Income Fund Holdings Inc., Enbridge Income Fund, Enbridge Commercial Trust, Enbridge Inc. and Enbridge Management Services Inc. All capitalized words and expressions used in this Exchange Notice have the meanings ascribed to such words and expressions for purposes of the Agreement.

The undersigned hereby notifies the Manager, the Trust and the Fund that the undersigned desires to have exchanged, in accordance with Article 2 of the Agreement, the number of Preferred Units specified below:

	Certificate No.	No. of Securities Represented by Certificate	No. of Securities to be Exchanged
Preferred Units to be Exchanged:			

The undersigned hereby notifies the Manager, the Trust and the Fund that the Exchange Date shall be: _____

NOTE: The Exchange Date must be a Business Day and must not be less than three (3) Business Days nor more than ten (10) Business Days after the date upon which this Exchange Notice is received by the Trust. If no such Business Day is specified above, the Exchange Date shall be deemed to be the third Business Day after the date on which this Exchange Notice is received by the Trust.

This notice is and shall be deemed to be a revocable offer by the undersigned to transfer the Preferred Units to the Trust in accordance with the Agreement. This Exchange Notice, and this offer to exchange the Preferred Units, may be revoked and withdrawn by the undersigned only by notice in writing given to the Trust at any time before 4:30 p.m. (Calgary time) on the Business Day immediately preceding the Exchange Date.

The undersigned hereby represents and warrants to Trust that as of the Exchange Date the undersigned will have good title to and will own all Preferred Units specified above in this Exchange Notice that are to be acquired by the Trust, free and clear of all liens, charges, adverse claims and encumbrances.

Date:

Name of Person in Whose Name Fund Units are to be Registered, Issued or Delivered (please print):

Street Address or P.O. Box:

City, Province and Postal Code:

Signature of Preferred Unitholder:

Signature Guaranteed by:

NOTE: This Exchange Notice must be completed and this Exchange Notice together with the certificates for the Preferred Units for which this Exchange Notice is delivered must be deposited with the Trust. The Fund Units resulting from the exchange of the Preferred Units will be issued and registered in the name of the undersigned as it appears on the register of the Trust, unless the foregoing is duly completed in respect of such Fund Units.

If this Exchange Notice is for less than all of the Preferred Units represented by the certificates accompanying this Exchange Notice, certificates representing the remaining Preferred Units represented by such certificates will be issued and registered in the name of the undersigned above as it appears on the register of the Trust, unless the foregoing is duly completed in respect of such Preferred Units.

For so long as Fund Units are held in the Book-Entry Only System administered by the Canadian Depository for Securities Limited, the following additional information shall be provided:

Name of CDS Participant through which Fund Units will be held:

FINS Number of CDS Participant:

Name and telephone number of registered representative at CDS Participant:
