

**NOTICE OF
ANNUAL AND SPECIAL
MEETING
OF UNITHOLDERS
AND INFORMATION
CIRCULAR**



TUESDAY, JUNE 20, 2006 CALGARY, ALBERTA



NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (“the **Meeting**”) of Unitholders of First National AlarmCap Income Fund (the “**Fund**”) will be held at 2:30 p.m. (Calgary time) on Tuesday, June 20, 2006 at the Bankers Hall Auditorium, Lower Level A, 315, 8th Avenue SW, Calgary (Alberta) T2P 4K1 for the following purposes:

1. to receive the consolidated financial statements of the Fund for the year ended December 31, 2005, as well as the auditors’ report thereon;
2. to appoint auditors;
3. to elect the Trustees of the Fund;
4. to consider, and, if thought advisable, to pass, a resolution substantially in the form set out in Schedule "A" to the accompanying information circular, to approve the Phantom Unit Plan of the Fund;
5. to transact such other business as may properly come before the Meeting.

The items on the agenda are explained in greater detail in the attached information circular. These items will be tabled for discussion and voted on in the order in which they are listed.

Calgary, Alberta, May 11, 2006

**BY ORDER OF THE BOARD OF TRUSTEES OF FIRST NATIONAL
ALARMCAP INCOME FUND**

(Signed)
Adrien D. Pouliot
Corporate Secretary

Note: if you are a Unitholder and you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed form of proxy to Equity Transfer Services Inc. so as to arrive not later than 4:30 p.m. (Toronto time) on June 16, 2006 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before any reconvened Meeting or be deposited with the Chairman of the Meeting prior to the commencement of the Meeting or any reconvened Meeting. The enclosed form of proxy may be returned by mail (a) in the enclosed envelope, or (b) in an envelope addressed to Equity Transfer Services Inc. 120 Adelaide St. W – Suite 420 Toronto, Ontario M5H 4C3. Only Unitholders of record at the close of business on May 12, 2006 will be entitled to notice of the Meeting or adjournment thereof, except that a person who has acquired Units subsequent to May 12, 2006 will be entitled to vote such Units upon making a written request to that effect by no later than 10 days before the Meeting to the Corporate Secretary of the Fund and establishing ownership of Units.



INFORMATION CIRCULAR

The purpose of the annual and special meeting (the “**Meeting**”) of holders (the “**Unitholders**”) of Class A trust units and Class B trust units (the “**Units**”) of First National AlarmCap Income Fund (the “**Fund**”) is to elect the trustees, to appoint auditors, to present the 2005 consolidated financial statements of the Fund, to consider, and if thought advisable, approve the Fund’s Phantom Unit Plan, and to transact such other business as may properly come before the Meeting. Information in this Information Circular is dated as of May 11, 2006, except as otherwise noted.

PROXY SOLICITATION AND VOTING AT THE ANNUAL MEETING

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the trustees of the Fund (the “**Trustees**”) for use at the Meeting to be held on June 20, 2006 at the Bankers Hall Auditorium, Lower Level A, 315 - 8^c Avenue SO, Calgary, Alberta T2P 4K1 at 2:30 p.m., and at any adjournment thereof, for the purposes set forth in the Notice of Meeting and in this Information Circular. **The solicitation of proxies by this Information Circular is being made on behalf of the Trustees and the cost incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Information Circular will be borne by the Fund.** In addition to the use of mail, proxies may be solicited by personal interviews or by other means of communication or by the Trustees or any officer, director or employee of the AlarmCap (as hereinafter defined) who will not be remunerated therefor. The cost of any such solicitation is expected to be nominal and will be borne by the Fund. The Fund may also reimburse brokers and other persons holding Units in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies. Such costs are expected to be nominal.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are Trustees or trustees of First National AlarmCap Trust (the “**Trust**”). **A Unitholder who wishes to appoint some other person to represent him/her at the Meeting may do so by inserting such person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy. Such other person need not be a Unitholder of the Fund.**

To be valid, proxies must be returned to Equity Transfer Services Inc. so as to arrive not later than 4:30 p.m. (Toronto time) June 16, 2006 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before any reconvened Meeting or be deposited with the Chairman of the Meeting prior to the commencement of the Meeting or reconvened Meeting. Proxies may be (a) in the enclosed envelope provided for that purpose, or (b) in an envelope addressed to Equity Transfer Services Inc., 20 Adelaide St. W – Suite 420, Toronto (Ontario) M5H 4C3.

REVOCAION OF PROXIES

A registered Unitholder who has given a proxy may revoke the proxy as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so by: (a) completing and signing a proxy bearing a later date and returning to Equity Transfer Services Inc. in the manner and so as to arrive as described above; or (b) depositing an instrument in writing executed by the Unitholder or by his/her attorney authorized in writing (i) at the registered office of the Fund at any time up to and including the last business day proceeding the day of the Meeting, or reconvened Meeting, at which the proxy is to be used, or (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or reconvened Meeting; or (c) in any other manner permitted by law.

A non-registered Unitholder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an intermediary in any written notice to the intermediary, except that an intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the intermediary at least seven days prior to the Meeting.

VOTING OF PROXIES

The persons named in the accompanying form of proxy will vote Units in respect of which they are appointed, on any ballot that may be called for, in accordance with the direction of the Unitholder appointing them and if the Unitholder specifies a choice with respect to any matter to be acted upon, the Units will be voted accordingly. **In the absence of such specification, such Units will be voted IN FAVOUR of the matters to be acted upon as set out herein. The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matter or business. At the time of printing this Information Circular, the Trustees knew of no such amendment, variation, or other matter.**

RECORD DATE

The record date (the “**Record Date**”) for determining those Unitholders entitled to receive notice and to vote at the Meeting is the close of business on May 12, 2006. Only persons registered as Unitholders on the books of the Fund as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting, and no person becoming a Unitholder after the Record Date shall be entitled to receive notice of and to vote at the Meeting or any adjournment thereof except to the extent that such person has transferred any Units after the Record Date and the transferee of such Units establishes ownership thereof and makes a written demand to the Fund, not later than 10 days before the Meeting, to be included in the list of Unitholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such Units. The failure of any Unitholder to receive notice of the Meeting does not deprive the Unitholder of the right to vote at the Meeting. The list of Unitholders so entitled will be available for inspection during normal business hours at the Toronto office of the Fund’s Registrar and Transfer Agent, Equity Transfer Services Inc., located at 20 Adelaide St. W – Suite 420, Toronto (Ontario) M5H 4C3, and at the Meeting.

INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many Unitholders, as a substantial number of them do not hold Units in their own names. Such Unitholders (referred to in this Information Circular as “**Beneficial Unitholders**”) should note that only proxies deposited by Unitholders whose names are on the records of the Fund as the registered Unitholders can be recognized and acted upon at the Meeting. If Units are listed in an account statement provided to a Unitholder by a broker, then in almost all cases those Units will not be registered in the Unitholder’s name on the records of the Fund. In Canada, the vast majority of such Units will likely be registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Units held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers/nominees are prohibited from voting Units on behalf of their clients. The Trustees do not know for whose benefit the Units registered in the names of CDS & Co. are held. Therefore, Beneficial Unitholders cannot be recognized at the Meeting for purposes of voting their Units in person or by way of proxy.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of Unitholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to that provided to registered Unitholders. However, its purpose is limited to instructing the registered Unitholders how to vote on behalf of the Beneficial Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications (“**ADPIC**”). ADPIC typically mails a scannable voting instruction form to the Beneficial Unitholders by mail or facsimile. Alternatively, Beneficial Unitholders can call a toll-free telephone number or access ADPIC’s dedicated voting website at www.proxyvotecanada.com to deliver their voting instructions and vote the Units held by them. ADPIC then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Units to be represented at the Meeting. A Beneficial Unitholder receiving a voting instruction form cannot use that voting instruction form to vote Units directly at the Meeting. Unitholders who receive forms of proxies or voting materials from organizations other than ADPIC should complete and return such forms of proxies or voting materials in accordance with the instructions in such materials in order to properly vote their Units at the Meeting.

If you are a beneficial unitholder and wish to vote in person at the meeting, please contact your broker or agent well in advance of the meeting to determine how you can do so.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

No trustee, trustee of the Trust, director or officer of AlarmCap (as hereinafter defined), nor their associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than as set forth herein.

THE FUND

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Alberta pursuant to a declaration of trust dated February 24, 2005, as amended and restated pursuant to the first amended and restated declaration of trust dated March 4, 2005 (the “**Fund Declaration of Trust**”). The Fund was created to acquire and hold the securities of the Trust and thereby indirectly hold limited partnership units (the “**LP Units**”) of First National AlarmCap LP (“**AlarmCap LP**”) and a corresponding interest in its general partner, First National AlarmCap GP Inc. (“**AlarmCap GP**”).

The Trust is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Alberta pursuant to a declaration of trust dated March 4, 2005. The Trust was created to acquire and hold all of the LP Units and a corresponding interest in its general partner, AlarmCap GP.

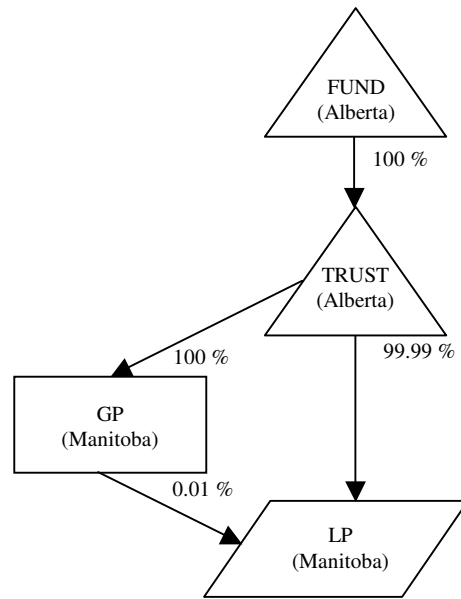
AlarmCap LP is a limited partnership existing and formed under the laws of the Province of Manitoba pursuant to a limited partnership agreement dated March 4, 2005 and a declaration filed under *The Business Names and Registrations Act* (Manitoba) on March 4, 2005. AlarmCap LP owns and operates all of the assets used in connection with the underlying alarm monitoring business, which assets have been purchased, from time to time, from other prior-existing alarm monitoring companies, including but not limited to assets acquired from, Securex Master Limited Partnership, Microtec Securi-T Inc. Inc. and Microtec Technologies Inc. “**AlarmCap**” refers to AlarmCap LP, together with its general partner, AlarmCap GP and their subsidiaries.

The Fund does not carry on any active business but rather is restricted to holding the securities of the Trust, and indirectly, AlarmCap GP and AlarmCap LP. The affairs of the Fund are supervised by its board of Trustees (the “**Board of Trustees**”) which is responsible for, among other things, representing the Fund as the security holder of the Trust and, indirectly, of AlarmCap GP and of AlarmCap LP and effecting the payments of distributable cash from the Fund to Unitholders. The Fund has no executive officers nor does it have any employees. AlarmCap LP owns substantially all of the assets used in connection with the Business. AlarmCap GP has exclusive authority to manage the business and the affairs of AlarmCap LP, to make all decisions regarding the Business and to bind AlarmCap LP. The employees and executive officers of AlarmCap are hired by AlarmCap GP, for and on behalf of AlarmCap LP.

The principal head offices of the Fund, the Trust, AlarmCap LP and AlarmCap GP are located at 810 - 1122, 4th Street S.W., Calgary, Alberta.

The following chart illustrates the structure of the Fund as at May 11, 2006 (including jurisdiction establishment/incorporation of the various entities):

FIRST NATIONAL ALARMCAP



Fund: First National AlarmCap Income Fund
Trust: First National AlarmCap Trust
GP: First National AlarmCap GP Inc.
LP: First National AlarmCap LP

VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

Pursuant to the Fund Declaration of Trust, the Fund is authorized to issue an unlimited number of Class A trust units and an unlimited number of Class B trust units (collectively, the “Units”). As at May 11, 2006 there were 4,574,401 Class A trust units outstanding and 1,750,000 Class B trust units outstanding, each carrying the right to one vote on all matters to come before the Meeting.

To the best of the knowledge of the Fund, the following table shows the name and information about the Units directly or indirectly beneficially owned by each person or company who, as of May 11, 2006, owned of record, or who to the knowledge of the Trustees, owned beneficially, directly or indirectly, more than 10% of any class or series of voting securities of the Fund:

CLASS OF UNITS	UNITHOLDER	NUMBER OF UNITS HELD AND PERCENTAGE OF HOLDINGS
Class B trust units of the Fund	Securex Master Limited Partnership (“SMLP”)	1,750,000 (100%) ⁽¹⁾

(1) Securex Investments Ltd. owns 33.13% of SMLP, which owns all of the Class B trust units. Leonard Sudermann indirectly owns or controls a majority of the shares of Securex Investments Ltd. Furthermore, Leonard Sudermann indirectly and directly owns or controls a majority of the shares of Securex G.P. Ltd., the general partner of SMLP. Securex G.P. Ltd. is also the general partner of the individual limited partnerships, which make up the majority of the limited partners of SMLP. As such, Leonard Sudermann indirectly exercises direction and control over all of the issued and outstanding units of SMLP and thereby, the Class B trust units of the Fund.

MATTERS TO BE CONSIDERED AT THE MEETING

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Fund for the period ended December 31, 2005, together with the auditors' report thereon, are contained in the 2005 Annual Report mailed to Unitholders with this Information Circular.

APPOINTMENT OF AUDITORS

It is proposed that the firm of Ernst & Young LLP Chartered Accountants be re-appointed as auditors of the Fund, to hold office until the next annual meeting of the Unitholders or until their successor is appointed at a remuneration to be determined by the Trustees. Ernst & Young LLP have been the auditors of the Fund since its inception on February 24, 2005. **The persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies FOR a resolution to re-appoint Ernst & Young LLP, 150, René-Lévesque blvd. East, suite 1200, Quebec (Quebec) G1R 6C6 as auditors of the Fund.**

ELECTION OF TRUSTEES OF THE FUND

The Fund Declaration of Trust provides that the Fund shall have a minimum of three (3) Trustees and a maximum of ten (10) Trustees. The number of Trustees presently in office is three (3). The number of Trustees to be elected at the Meeting has been fixed at three (3). The Trustees are appointed for a term expiring at the close of the next annual meeting of Unitholders following such appointment and therefore are elected annually. **The persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, intend to vote FOR the election, as Trustees, of the proposed nominees whose names are set out below (the "Nominees"), all of whom are now currently Trustees.** Only one of the three Nominees is an initial Trustee appointed when the Fund was established on February 24, 2005. Leonard Sudermann, Karen Charters and Darryl Coates were the initial and interim Trustees. Karen Charters and Darryl Coates resigned as initial and interim Trustees on May 11, 2005 and were replaced as Trustees by Oliver Plett and Pierre Marc Johnson, on May 11, 2005.

It is not contemplated that any of the Nominees will be unable to serve as a Trustee but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each Trustee elected will hold office until the next annual meeting or until his successor is elected or appointed.

The following summary sets forth for each person proposed to be nominated for election by the Fund as a Trustee, his name, province and country of residence, his present principal occupation, business or employment, the date of his election or appointment as a Trustee and as a director of AlarmCap GP, as applicable, the committees of the Board of AlarmCap GP on which they serve, as applicable. This summary also indicates whether the nominee is independent, the number of Units beneficially owned, directly or indirectly, or controlled or directed by him as at May 11, 2006:

<u>Name and Municipality of Residence</u>	<u>Director/Trustee since</u>	<u>Position</u>	<u>Principal Occupation</u>	<u>Number and % of Class A trust units</u>	<u>Number and % of Class B trust units</u>
Leonard Sudermann Calgary, Alberta	Trustee since February 24, 2005 Director since February 1, 2005	Trustee and Director and President and Chief Executive Officer of AlarmCap GP	Trustee and Director and President and Chief Executive Officer of AlarmCap GP	147,900 ⁽³⁾ (3.23%)	1,750,000 (100%) ⁽⁴⁾
Pierre Marc Johnson ^{(1) (2) (5)} Montreal, Quebec	Trustee since May 11, 2005 Director since May 11, 2005	Trustee and Director of AlarmCap GP	Senior Counsel, Heenan Blaikie LLP, law firm	Nil	Nil
Oliver Plett ⁽⁵⁾ Winnipeg, Manitoba	Trustee since May 11, 2005	Trustee	Retired	35,921 (0.79%)	Nil ⁽⁶⁾

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Of these Class A trust units, 98,618 are owned by 9156-9871 Québec Inc., a corporation incorporated under the laws of Quebec, and 49,282 are owned by Securex Investments Ltd., a corporation incorporated under the laws of Alberta. Leonard Sudermann indirectly owns or controls a majority of the shares of Securex Investments Ltd. and 50% of the shares of 9156-9871 Québec Inc.
- (4) Securex Investments Ltd. owns 33.13% of SMLP, which owns all of the Class B trust units. Leonard Sudermann indirectly owns or controls a majority of the shares of Securex Investments Ltd. Furthermore, Leonard Sudermann indirectly and directly owns or controls a majority of the shares of Securex G.P. Ltd., the general partner of SMLP. Securex G.P. Ltd. is also the general partner of the individual limited partnerships, which make up the majority of the limited partners of SMLP. As such, Leonard Sudermann indirectly exercises direction and control over all of the issued and outstanding units of SMLP and thereby, the Class B trust units.
- (5) Independent Trustee.
- (6) Oliver Plett has direct or indirect holdings in Securex Investments Ltd. and each of Securex Monitoring Income Partners III, IV, V, VI, VII and XI, each of which is a limited partner of SMLP.

All of the Trustees attended each of the Trustees' meetings except for Mr. Pierre Marc Johnson who did not attend one meeting.

To the knowledge of the Fund, no Trustee is, at the date of this Circular, or has been, in the last ten (10) years prior to the date of this Circular, a director or an executive officer of any other company, that while the director was acting in that capacity: (i) was the subject of a cease trade order or similar order or an order that denied it access to any exemption under applicable securities legislation for a period of more than thirty (30) consecutive days; or (ii) after the director ceased to act in that capacity, was the subject of a cease trade order or similar order or an order that denied him access to any exemption under applicable securities legislation for a period of more than thirty (30) consecutive days because of an event which occurred while the director was acting in that capacity; or (iii) that while the director was acting in that capacity or in the year after the director ceased to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency legislation, was subject to any proceedings, arrangement or compromise with creditors or instituted any proceedings against the same, or had a receiver, receiver-manager or trustee in bankruptcy appointed to hold its assets, except for:

- Leonard Sudermann has been a director and officer of Securex Ltd. since March 2000. On June 10, 1999, Securex Ltd. (as it is now called) was subject to a cease trade order resulting from its failure to file financial statements. The cease trade order was revoked in January 2002 and reinstated on June 20, 2003. In November 1998, Securex Ltd. filed for protection under the Companies Creditors Arrangement Act (Canada) proceedings. The plan of arrangement in connection therewith was approved by the court in November 1999.
- Mr. Pierre Marc Johnson was a director of Air Canada when it declared itself insolvent on April 1, 2003.

ELECTION OF TRUSTEES OF THE TRUST AND DIRECTORS OF ALARMCAP GP

The trustees of the Trust are elected annually. The Fund intends to elect as trustees of the Trust, Adrien D. Pouliot, Jean E. Clerk and Timothy G. Whyte. Each trustee of the Trust elected will hold office until the next annual meeting of the Trust or until his successor is elected or appointed, unless his office is vacated earlier.

The directors of AlarmCap GP are elected annually. The Trust intends to elect as directors of AlarmCap GP, Adrien D. Pouliot, Leonard M. Sudermann, Pierre Marc Johnson, Timothy G. Whyte and George Fink. Each director of AlarmCap GP elected will hold office until the next annual meeting of AlarmCap GP or until his successor is elected or appointed, unless his office is vacated earlier.

APPROVAL OF THE PHANTOM UNIT PLAN

The Unitholders are being asked to act upon a resolution, the text of which is attached hereto as Schedule "A", to approve the Fund's Phantom Unit Plan (the "**Plan**"). Approval of the resolution requires the affirmative vote of the holders of a majority of the Units present or represented and entitled to vote at the Meeting.

The Plan, as amended, was approved by a majority of the Trustees, by a majority of the Fund's unrelated Trustees and by the Board of Directors of AlarmCap GP on May 11, 2006 in each case subject to Unitholder and TSX approval.

The purpose of the Plan is to provide eligible participants with compensation opportunities that will enhance the Fund's and AlarmCap's ability to attract, motivate and retain key trustees, directors and personnel, to reward the Plan participants for above-average long-term performance and associated growth in distributable cash flow and to align the interests of the participants and the Unitholders. The maximum number of Class A trust units which may be issued pursuant to the Plan is equal to ten (10%) percent of the number of Class A trust units outstanding at any time. As the current number of outstanding

Class A trust units of the Fund is 4,574,401, the current number of Class A trust units issuable under the Plan is 457,440. Ten (10%) percent of the outstanding Class A trusts units of the Fund are issuable pursuant to all Unit compensation arrangements of the Fund, including the Plan. In addition, the number of Class A trust units issuable to insiders (as such term is defined pursuant to applicable securities legislation) of the Fund under all security based compensation arrangements, including the Plan, cannot exceed 10% of issued and outstanding securities of the Fund. Furthermore, the number of Class A trust units issued to insiders, within any one year period, under all security based compensation arrangements, including the Plan, cannot exceed 10% of issued and outstanding securities of the Fund.

The Plan provides that the certain employees and directors of AlarmCap GP, Trustees and trustees of the Trust, as the Board of AlarmCap GP may determine, in its sole discretion, may receive awards of phantom units under the Plan (“**Phantom Units**”) in respect of a three-year cycle. The Phantom Units vest if they meet certain vesting conditions, including the continuous employment of the participant during the cycle as well as any other performance-based conditions determined at the date of the grant of the award. Within ninety (90) days after the approval of the Fund’s audited financial statements for the last fiscal year in the three-year cycle, the vested Phantom Units are paid to the participant in Class A trust units issued from treasury in a number equal to the number of vested Phantom Units, unless otherwise instructed by the Board of Directors of AlarmCap GP. The Plan does not provide for any maximum of Phantom Units which an individual can receive. In addition, during the three-year cycle, the dollar value per Class A trust unit distributed by the Fund from time to time to its Unitholders shall be credited to the Plan participant’s account and these sums shall be paid to the participant at the end of the three-year cycle if the Phantom Units vest, by issuing Units at the closing price of such Units (defined as the average closing price of the last five (5) trading days’ transactions of the Fund’s Units recorded on and subsequently published by the Toronto Stock Exchange) on the vesting date. The Plan provides that if a Plan participant’s employment is terminated for cause or if the Plan participant resigns, all non-vested awards shall be forfeited. If the Plan participant retires, dies, suffers a long-term disability or if the Plan participant’s employment is terminated without cause, the Plan participant’s Phantom Units shall vest on a pro-rata basis based on the number of months in the three-year cycle if the performance-based conditions are met at the end of the three-year cycle. The Phantom Units also automatically vest upon a change of control of the Fund or upon a sale wind-up or discontinuance of the business of the Fund. The Phantom Units are not assignable, other than to executors, heirs or personal representatives upon the death of a holder of Phantom Units.

Subject to obtaining security holder approval in applicable scenarios, as described below, the Board may, in its sole discretion and without the consent of any Plan participant, but subject to approval, if required, by regulatory authorities amend the Plan at any time provided that: (i) no amendment shall reduce the number of Phantom Units credited to any Plan participant prior to such amendment; and (ii) no amendment shall modify the Vesting Conditions (as defined in the Plan) that apply to Phantom Units credited to any Plan participant prior to such amendment.

Notwithstanding the discretion granted to the board, an amendment to the Plan will require security holder approval in the following situations:

- i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by security holders will not require an additional security holder approval;
- ii) any amendment to the maximum number of securities issuable to insiders under the Plan;
- iii) any change to the eligible participants which would have the potential of broadening or increasing insider participation;
- iv) the addition of any form of financial assistance to eligible participants under the Plan; and
- v) any amendment which may lead to significant or unreasonable dilution in the Fund's outstanding securities, or may provide additional benefits to eligible participants, especially insiders, at the expense of the Fund and its existing security holders.

The following Awards have been made to the Trustees, trustees of the Trust and to executive officers of AlarmCap, all subject to Unitholders' approval of the Plan, as at May 11, 2006:

Name of Participant	Number of Phantom Units awarded
Jean Clerk	1,000
George Fink	3,000
Pierre Marc Johnson	3,750
Oliver Plett	1,000
Adrien D. Pouliot	112,500
Timothy G. Whyte	3,750

A copy of the Plan will be mailed free of charge to any Unitholder who provides notice in writing to the Corporate Secretary of AlarmCap GP, prior to the Meeting. A copy of the Plan will also be made available at the Meeting.

RECOMMENDATIONS OF THE BOARD OF TRUSTEES

The Trustees are of the view that the creation and implementation of the Plan will be beneficial for the Fund and AlarmCap as it will enhance the Fund's ability to attract, motivate and retain key trustees, directors and personnel, to reward the participants for above-average long-term performance and associated growth in distributable cash flow and to align the interests of the participants and the Unitholders.

Accordingly, the Trustees unanimously recommend that the Unitholders vote IN FAVOR of the resolution adopting the Plan. In the absence of instructions to the contrary, the persons named in the enclosed form of proxy will vote the Units in respect of which they are appointed proxy.

CORPORATE GOVERNANCE DISCLOSURE

GUIDELINES

The following constitutes the Fund's disclosure of its corporate governance practices and is made pursuant to and with reference to National Policy 58-201, *Corporate Governance Guidelines* and National Instrument 58-101, *Disclosure of Corporate Governance Practices* (collectively, the "**Corporate Governance Guidelines**") which have been adopted by the Canadian Securities Administrators.

Given that the Fund has no business activities and that the Trustees are also directors of the AlarmCap GP, other than as described herein, the corporate governance practices described below refer to the corporate governance practices of AlarmCap, inclusive of AlarmCap GP.

The board of directors (the "**Directors**") of AlarmCap GP (the "**Board of Directors**") has three committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

The following description of the Board of Directors, its committees (the "**Committees**"), directors and other matters reflect AlarmCap's compliance with the Corporate Governance Guidelines.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The corporate governance and nominating committee ("**CGNC**") of the Board of Directors comprises three members, all of whom are "independent" within the meaning of the Corporate Governance Guidelines. The CGNC is comprised of the following individuals: Mr. George Fink (Chairman), Mr. Pierre Marc Johnson and Mr. Timothy G. Whyte. The CGNC is responsible for developing AlarmCap's approach to corporate governance issues, advising the Board of Directors on filling vacancies on the Board of Directors, the Board of Trustees and the board of trustees of the Trust and periodically reviewing the composition and effectiveness of the Board of Directors and the contribution of individual Trustees. The CGNC is also responsible for adopting and periodically reviewing and updating AlarmCap's written disclosure policy and trading policy.

AUDIT COMMITTEE

AlarmCap GP has an audit committee (the “**Audit Committee**”) comprised of three Directors, each of whom is “independent” within the meaning of the Corporate Governance Guidelines. The Audit Committee is comprised of the following individuals: Mr. Timothy G. Whyte (Chairman), Mr. Pierre Marc Johnson and Mr. George Fink. All members of the Audit Committee are financially literate as this term is defined under applicable securities law and have the ability to read and understand a set of financial statements that present a breadth and level of complexity a accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by AlarmCap’s financial statements.

The Audit Committee has a charter, which will be available on AlarmCap’s website as soon as translation has been completed. The Audit Committee assists the Directors of AlarmCap GP in fulfilling their responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures of AlarmCap and the Fund, the adequacy of internal accounting controls and procedures, and the quality and integrity of financial statements of AlarmCap and the Fund. In addition, the audit committee is responsible for directing the auditors’ examination of specific areas and for the selection of potential independent auditors to be appointed by the Unitholders.

COMPENSATION COMMITTEE

The compensation committee (the “**Compensation Committee**”) of the board of Directors of AlarmCap GP is comprised of three Directors, all of whom are “independent” within the meaning of the Corporate Governance Guidelines. The Compensation Committee is comprised of the following individuals: Mr. Pierre Marc Johnson (Chairman), Mr. Timothy G. Whyte and Mr. George Fink. The Compensation Committee reviews annually the CEO’s goals and objectives for the upcoming year and provides an appraisal of the CEO’s performance. The Compensation Committee also makes recommendations concerning the remuneration of the Directors and executive officers of AlarmCap GP, the Trustees and the trustees of the Trust. The Compensation Committee administers and makes recommendations regarding the operation of any long-term incentive plan and any employee bonus plans.

COMPOSITION OF THE BOARD OF TRUSTEES

The Fund complies with the Corporate Governance Guidelines which stipulate that the Board of Trustees should have a majority of independent directors.

Following a review conducted by the CGNC, the Board of Directors has determined that two (2) of three (3) Trustees, representing a majority of the Trustees, are independent as such term is defined in applicable securities laws. The independent Trustees are identified as such under “*Matters to be Considered at the Meeting – Election of Trustees*”. Mr. Leonard Sudermann is not considered an independent Trustee as he is the President and Chief Executive Officer of AlarmCap.

The following is a summary of the directorship of the Trustees in other issuers that are reporting issuers in a Canadian or foreign jurisdiction:

NAME OF TRUSTEE/DIRECTOR	NAME OF REPORTING ISSUER
Pierre Marc Johnson	ACE Aviation Holdings Inc., Aeroplan Income Fund, St. Lawrence Ciment Group Inc., ORTHOsoft Inc., Vincor International Inc.
Oliver Plett	Lakeview Hotel REIT, Huntingdon REIT

BOARD STRUCTURE AND OPERATIONS

The Trustees are elected annually by the Unitholders and together with those appointed to fill vacancies or appointed as additional Trustees throughout the year, collectively constitute the Board of Trustees. As noted above, the Board of Directors and the board of trustees of the Trust are also elected annually by the shareholders of AlarmCap GP and by the holders of Trust units, respectively.

The Board of Trustees generally holds its meetings concurrently with the Board of Directors and the board of trustees of the Trust and meets at least four times per year and may meet more often if required. Meetings of the Board of Directors, the trustees of the Trust or of the Board of Trustees may be convened at the request of any member of the Board of Directors, the trustees of the Trust or the Trustees, respectively. The Directors, the trustees of the Trust and Trustees are expected, subject to scheduling conflicts and to the extent feasible, to attend in person all meetings of the boards and Committees on which they sit (other than conference call meetings). Directors, trustees of the Trust and Trustees, as the case may be, are asked to notify AlarmCap if they are unable to attend, and attendance at meetings is duly recorded. Moreover, the independent Directors and independent Trustees have the ability to hold meetings at which non-independent Directors or Trustees and members of management are not in attendance. However, given that the independent Directors and Trustees, as the case may be hold in camera sessions at most of the meetings, and given that they can meet as members of the Audit Committee, the Compensation Committee or the CGNC without the presence of the non-independent Directors or Trustees, no separate meeting of the independent Directors or Trustee were held in 2005.

The Board of Trustees, the board of trustees of the Trust and the Board of Directors held two (2) meetings during the fiscal year ended December 31, 2005, which started on April 1, 2005. Overall attendance by the Trustees at the Board of Trustees' meetings was 83.3% while attendance by the Directors at Board of Directors' meetings was 80% and attendance by the trustees of the Trust at the meetings of the board of trustees of the Trust was 83.3%. Attendance at the Committees meetings was 81.9%.

Financial and other relevant information for the meetings are made available to Directors, trustees of the Trust or Trustees, as the case may be, several days before scheduled meetings to facilitate preparation for meetings. Apart from the President and CEO who is a member of the Board and participates in such capacity, the Board invites other members of management to attend parts or all of Board meetings (other than during in camera sessions) for reporting and informational purposes.

The independent Trustees meet in camera either at each of the Trustees' meetings or at Committee meetings without any member of management present to ensure free and open discussion among them, unless waived by them, and as such met in camera at each of its two (2) regular meetings held during the last fiscal year.

BOARD MANDATE

The mandate of the Board of Directors is to oversee the conduct of AlarmCap's business and to supervise management. The Board of Directors discharges its responsibilities either directly or through its Committees. The mandate of the Board of Trustees is to supervise the affairs of the Fund and, among other things, represent the Fund as the security holder of the Trust and indirectly, of AlarmCap GP and AlarmCap LP and effecting the payments of distributable cash from the Fund to Unitholders

AlarmCap GP and the Fund have considered adopting board and Committee charters and have decided to adopt only a charter for the Audit Committee. It is anticipated that the Audit Committee charter will be available on AlarmCap's website as soon as translation has been completed.

POSITION DESCRIPTION

The Board of Directors has not developed a written position description for the chairman of the board, the chairman of each of the Committees, nor the President and CEO of AlarmCap GP. The chairman of the Board and the CEO have job descriptions in their respective employment contracts. The goals and objectives of the CEO are reviewed annually by the Compensation Committee, the first such review to take place on May 11, 2006. The chairs of the Committees are responsible to ensure that the proper issues are addressed by the Committees and that the Committees fulfill their respective roles.

ORIENTATION AND CONTINUING EDUCATION

The Board does not have a formal orientation program for new Trustees. However, given the age of the Fund, it is contemplated that an effective and efficient orientation would consist of a new Trustee meeting with management of AlarmCap GP, to review the Business, tour AlarmCap's facilities, meet with the chairs of each of the Committees and be provided with historical documentation and materials from previous Board of Trustee and Committee meetings. Updates of AlarmCap's Business are also provided to Trustees on a regular basis.

CODE OF CONDUCT AND BUSINESS ETHICS

Management of AlarmCap is in the process of drafting a Code of Business Conduct which will be presented for approval by the Board of Directors during the year. The Audit Committee is mandated on an *ad hoc* basis to review transactions and agreements in respect of which a Trustee, trustee of the Trust or Director or executive officer of AlarmCap has a material interest. It is anticipated that AlarmCap's Code of Business Conduct will be available on AlarmCap's website as soon as it is completed and approved.

NOMINATIONS AND RECRUITMENT OF TRUSTEES

The CGNC assess Trustee and Directors performance on an ongoing basis and is responsible for the nomination of new Trustees, trustees of the Trust and Directors as required. In addition, the CGNC examines the number of Trustees, trustees of the Trust and Directors and whether governance of the Fund, the Trust and AlarmCap GP could be enhanced by a change in the number of Trustees, trustees of the Trust and/or Directors and shall recommend any proposed course of action.

ASSESSMENT

Due to the age of the Fund, the CGNC has not yet formally assessed the performance of the Trustees. **[It is anticipated that the CGNC will conduct, in a manner that it deems appropriate, an annual formal assessment for the periodic performance and effectiveness assessment of the Board of Trustees, the board of trustees of the Trust, the Board of Directors, the Committees and Committee chairs and individual trustees and Directors.]**

EXECUTIVE AND TRUSTEE COMPENSATION

REMUNERATION OF THE TRUSTEES, TRUSTEES OF THE TRUST, DIRECTORS AND COMMITTEE MEMBERS

The Trustees and the trustees of the Trust receive as compensation an annual retainer of \$5,000 per year and a meeting fee of \$1,000 per trustee for attending board or Committee meetings. Trustees are also be reimbursed for out-of-pocket expenses for attending meetings. Directors do not receive compensation for acting as a Trustee (other than for fees for attending board or Committee meetings of the Board of Trustees or the board of trustees of the Trust that do not run concurrently with meetings of the Board of Directors). No trustee compensation is paid to trustees who are members of management of AlarmCap.

Trustees and trustees of the Trust are considered eligible participants under the Plan (see "Matters to be considered at the Meeting - Approval of Phantom Unit Plan").

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS OF ALARMCAP

Under applicable securities legislation, the Fund is required to disclose certain financial and other information relating to the compensation of the Fund's chief executive officer and chief financial officer (the "**Officers**") and each of the Fund's three most highly compensated executive officers, other than the Officers who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000. The Fund does not carry on an active business and does not have any executive officers; its sole business is to hold and invest in the securities of subsidiaries. The executive officers of AlarmCap GP (which include the CEO and Chief Financial Officer of AlarmCap GP (the "**CFO**")) are responsible for the management of the business of AlarmCap. The following table provides a summary of the compensation earned by each of CEO, the CFO and the three highest paid officers of AlarmCap who have earned more than \$150,000 in the most recently completed financial year of AlarmCap for the period from February 24, 2005 to December 31, 2005. None of the other executive officers of AlarmCap earned more than \$150,000 in salary and bonus during the most recently completed financial year.

Name and Principal with AlarmCap	Year	Annual compensation			Long term Compensation	All other Compensation
		Salary	Bonus	Other Annual Compensation		
		(\$)	(\$)	(\$)	(\$)	
Leonard Sudermann ⁽¹⁾ President and Chief Executive Officer AlarmCap GP	2005	-	-	-	-	-
Michel Gosselin ⁽²⁾ Vice-President, Finance and Administration and Chief Financial Officer AlarmCap GP	2005	54,558 ⁽⁵⁾	-	-	-	185,000 ⁽³⁾
Paul-René Lacroix ⁽⁴⁾ Vice President, Finance, Administration and Accountant and Interim Chief Financial Officer AlarmCap GP	2005	27,308	10,650	-	-	

(1) Mr. Sudermann received no remuneration from AlarmCap GP in 2005.

(2) Mr. Gosselin was employed by the Fund as its Chief Financial Officer from April 1, 2005 to July 27, 2005.

(3) Represents the amount paid to Mr. Gosselin as payment under a change of control provision pursuant to his employment agreement with the GP.

(4) Mr. Lacroix was employed by the Fund as its interim Chief Financial Officer from July 31, 2005 to April 28, 2006.

(5) Includes accumulated vacation pay of \$14,500.

COMPOSITION AND ROLE OF THE COMPENSATION COMMITTEES

The Compensation Committee of AlarmCap GP assists the Board of Directors in determining and administering the compensation for the chairman of the Board of Directors and the CEO and providing advice to the Board of Directors with respect to the other senior executives of AlarmCap. The Compensation Committee of the AlarmCap GP is comprised of three Board members of AlarmCap GP all of whom are outside and independent Directors who are unrelated to the Fund or AlarmCap. No member of the Compensation Committee is an officer, employee or former officer or employee of the Fund, the Trust or AlarmCap or any of its affiliates and none is eligible to participate in any executive compensation program other than the Phantom Unit Plan.

REPORT ON EXECUTIVE COMPENSATION BY THE COMPENSATION COMMITTEE OF ALARMCAP GP

The Compensation Committee's executive compensation philosophy is guided by the objectives of: helping to attract, motivate and retain key contributors and reward them for achieving the Fund's short and long-term financial objectives.

The compensation levels for senior management are based on reports from an independent consultant who analyzed compensation levels of comparable publicly-traded Canadian organizations. No compensation was paid to the CEO in 2005. The Compensation Committee has approved a compensation program for the members of the executive management team of AlarmCap effective the beginning of fiscal year 2006. The compensation program for senior management of AlarmCap is composed of base salary, annual short-term bonus pursuant to the executive management team short-term incentive plan ("ESTIP") and awards of Phantom Units under the Plan. The annual bonus payments payable under the ESTIP are based on the constitution of a pool of funds equal to 25% of Distributable Cash Flow (as herein defined) in excess of \$1.30 per Unit of the Fund outstanding at the beginning of the relevant fiscal year, which pool is shared by the participants under the ESTIP as determined by the Compensation Committee. The awards under the Plan are determined by the Board of Directors in its sole discretion. The awards granted under the Plan vest only if certain vesting conditions are met, principally with respect to certain targets of cumulative distributable cash flow per unit and distributable cash flow per Class A trust unit in specified fiscal years are met over a three-year cycle. The compensation program is designed to pay salaries and short-term bonuses at the median but above-market long-term compensation. The Board of Directors approved the issuance of Phantom Units to

the chairman of the Board of Directors in 2005, subject to obtaining Unitholder approval of the Plan. However, such Phantom Units were awarded after the fiscal year 2005.

Each officer's performance and related salary level and annual bonus target is reviewed and approved annually by the Compensation Committee.

Compensation matters relating to the CEO are approved by the Board of Directors on the recommendation of the Compensation Committee.

The foregoing information on executive compensation is submitted by:

Pierre Marc Johnson (Chair of the Compensation Committee)
 Timothy G. Whyte
 George Fink

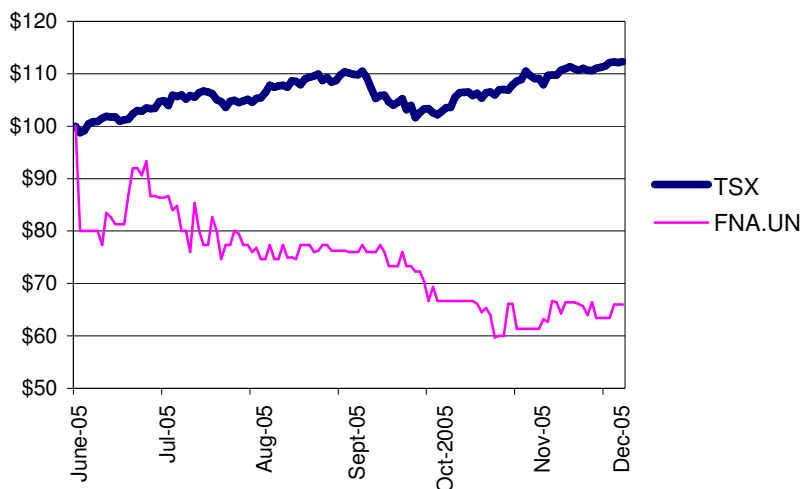
MARKET PRICE AND TRADING HISTORY

The Class A trust units of the Fund are traded on the TSX under the symbol "FNA.UN". The following table sets forth, for the calendar period indicated, the high and low closing prices and trading volume for the Class A trust units of the Fund, as reported on the TSX :

	High \$	TSX	
		Low \$	Volume
2005			
June	15.00	12.00	2,550
July	14.00	11.40	214,275
August	13.00	11.20	189,823
September	11.80	11.00	226,369
October	11.60	9.80	164,267
November	10.40	8.96	132,072
December	9.00	9.00	25,096

PERFORMANCE GRAPH

The following graph compares the total cumulative return to unitholders for \$100 invested in Class A trust units of the Fund with the total cumulative return of the S&P/TSX Composite Total Returns Index and the total cumulative unitholder return of the S&P/TSX Canadian Income Trust Index for the period from June 27, 2005, when the Class A trust units were listed on the TSX for trading, to December 31, 2005. On March 31, 2006, the Fund's Class A trust Units closed at \$9.00 per Class A trust unit.



DIRECTORS AND OFFICERS INSURANCE

The Fund (through AlarmCap GP) has a policy of insurance for the Trustees, the trustees of the Trust and the Directors and officers of AlarmCap. The policy also insures the Fund against liability for security claims. The aggregate limit of liability under the policy is \$5 million, inclusive the defence costs. Individual Trustees, trustees of the Trust and Directors and officers of AlarmCap are insured against any loss arising out of covered wrongful acts, except to the extent that the Fund, the Trust or AlarmCap has indemnified the Trustees, trustees of the Trust or the Directors and officers of AlarmCap for covered wrongful acts in excess of a per policy retention of \$100,000.

For the period from August 1, 2005 to August 1, 2006 the total premium paid on the policy was \$ 65,000.

No claim has been made to date pursuant to the policy.

INDEBTEDNESS OF TRUSTEES AND DIRECTORS AND OFFICERS

No amounts are owed to the Fund or its subsidiaries by any Trustee, trustee of the Trust or any officer, employee or Director of AlarmCap as at December 31, 2005.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, the Trustees are not aware of any material interest of any Trustee, trustee of the Trust or any officer or Director of AlarmCap or any Unitholder who beneficially, either directly or indirectly owns more than 10% of the Units, or any known associate or affiliate of these persons, in any transaction since the commencement of the last fiscal year of the Fund or in any proposed transaction, that has materially affected or would materially affect the Fund except as disclosed under the headings “Trustees, Directors and Management – Conflict of Interest” and “Interest of Management and Others in Material Transactions” in the Funds Annual Information Form dated March 23, 2006, which was mailed to the Unitholders and filed on sedar at www.sedar.com on March 27, 2006, which Annual Information Form is incorporated herein by reference.

MANAGEMENT CONTRACTS

SMLP entered into a management agreement (the “**Management Agreement**”) with Securex Financial Corp., a corporation controlled by Mr. Leonard Sudermann, President and Chief Executive Officer of AlarmCap, on January 1, 2003, as amended by letter agreements dated January 15, 2004 and March 8, 2005, whereby Securex Financial Corp. manages and operates all of the alarm accounts business (as defined therein) of SMLP, including providing administrative facilities. This agreement has been assigned to AlarmCap at the time when AlarmCap purchased substantially all of the assets of SMLP.

Pursuant to the Management Agreement, Securex Financial Corp. is engaged as an independent contractor to carry out the supervision, direction and behalf of Securex, which includes without limitation, the following duties:

- To ensure that SMLP is and continues to be duly licensed, registered and qualified as a limited partnership, and otherwise, to carry on business in each jurisdiction which it owns or leases property or carries on its business;
- To ensure that monitoring services are being provided by reputable service providers in accordance with industry standards on commercially reasonable terms which, among other things, preclude the service provider from soliciting alarm accounts and protect SMLP’s confidential proprietary information;
- To ensure that billings and collections as required under the alarm accounts are being performed in a timely and accurate manner and that appropriate records are being kept;
- To provide timely and accurate financial information to each of the limited partners of SMLP;
- To monitor the operation of the dealers who have been contracted to provide customer service and relationship management in connection with the alarm accounts, on a regular basis to ensure that they are complying with the provisions of the management agreements executed by them;
- To ensure that the alarm accounts managed by the dealers are subject to written agreements which, among other things, include appropriate alarm account non-solicitation provisions and protect SMLP’s confidential proprietary information;
- To ensure that SMLP has appropriate monitoring liability insurance in place to cover potential liability under the alarm accounts that may be acquired from; and
- To otherwise protect and preserve SMLP’s investment in the alarm accounts.

In consideration of the services performed by Securex Financial Corp. pursuant to the Management Agreement, AlarmCap pays Securex Financial Corp. management fees equal to the following:

- (a) 10% multiplied by the recurring monthly revenues from the alarm accounts collected in the month; and
- (b) a monthly fee equal to \$1.50 per alarm account for billings and collection services.

OTHER BUSINESS

Management is not aware of any matter intended to come before the Meeting other than those items of business set forth in the attached Notice. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote in respect of those matters in accordance with their judgement.

ADDITIONAL INFORMATION

The Fund's Class A trust units are listed on the Toronto Stock Exchange with the trading symbol: FNA.UN.

Further financial information is provided in the Fund's financial statements and management's discussion and analysis for 2005. Additional information relating to the Fund is available at www.sedar.com.

Copies of the Fund's financial statements for 2005 together with the report of the auditors thereon, management's discussion and analysis of the Fund's financial condition and results of operations for 2005, the interim financial statements of the Fund for periods subsequent to the end of the Fund's last fiscal year, the current annual information form (together with any document or the pertinent pages of any document incorporated therein by reference) of the Fund and this Information Circular are available upon request from the Corporate Secretary of the Fund.

APPROVAL OF TRUSTEES

The contents and the mailing of this Information Circular to the Unitholders of the Fund have been approved by the Board of Trustees of the Fund.

Dated May 11, 2006.

**BY ORDER OF THE TRUSTEES OF FIRST NATIONAL
ALARMCAP INCOME FUND**

(Signed)
Adrien D. Pouliot
Corporate Secretary, First National AlarmCap GP Inc.

SCHEDULE "A"
ORDINARY RESOLUTION

"BE IT RESOLVED as an Ordinary Resolution that the ratification and implementation of the Fund's Phantom Unit Plan, in the same form as more particularly described in the Fund's Information Circular dated May 11, 2006, and as approved by the Trustees of the Fund is hereby authorized, sanctioned, ratified, confirmed and approved."

Note: A copy of the Fund's Phantom Unit Plan will be mailed free of charge to any Unitholder who provides notice in writing to the Corporate Secretary of AlarmCap GP, prior to the Meeting. A copy of the Plan will also be made available at the Meeting.