



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.