

**FORM 51-102F3
MATERIAL CHANGE REPORT
PURSUANT TO SECTION 7.1 OF NATIONAL INSTRUMENT 51-102**

1. **Name and Address of Company:**

First National AlarmCap Income Fund (the "Fund")
810, 1122 - 4th Street SW,
Calgary, Alberta T2R 1M1

2. **Date of Material Change:**

April 13, 2006

3. **News Release:**

The Fund issued a press release regarding the material change on April 13, 2006, a copy of which is attached hereto.

4. **Summary of Material Change:**

On April 13, 2006, the Fund completed the previously announced private placement through Wellington West Capital Inc ("Wellington West"), as agent, pursuant to which Wellington West placed, by way of private placement Series A 9% Secured Subordinate Debentures of the Fund (the "Debentures") in the aggregate principal amount of \$5,000,000. The Debentures mature on April 13, 2011.

5. **Full Description Of Material Change:**

See the press release attached as Schedule "A".

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable.

7. **Omitted Information:**

Not Applicable.

8. **Executive Officer:**

Paul-Rene Lacroix, Chief Financial Officer
Tel: (418) 864-7924

DATED at Calgary, Alberta this 24th day of April, 2006.

FIRST NATIONAL ALARMCAP INCOME FUND

Per: "Len Sudermann"
Leonard Sudermann, Trustee

SCHEDULE "A"



FIRST NATIONAL ALARMCAP INCOME FUND ANNOUNCES PRIVATE PLACEMENT

WINNIPEG, Manitoba – April 13, 2006 - First National AlarmCap Income Fund ("FNA") (TSX: FNA.UN) is pleased to announce it has completed the previously announced private placement through Wellington West Capital Inc. ("Wellington West"), as agent, pursuant to which Wellington West placed, by way of private placement Series A 9% Secured Subordinate Debentures of FNA (the "Debentures") in the aggregate principal amount of \$5,000,000 (the "Offering"). The Debentures mature on April 13, 2011. Closing of the Offering of the Debentures occurred on April 13, 2006.

The proceeds of the offering will be used to retire a subordinated debt of the FNA in favour of Securex Master Limited Partnership in the aggregate amount of \$3,500,000 (plus any accrued and unpaid interest thereon) with the balance to be used to indirectly acquire security alarm monitoring accounts through First National AlarmCap LP, an indirect subsidiary of the FNA, and for working capital.

About First National AlarmCap Income Fund

FNA through its direct and indirect subsidiaries ("Subsidiaries") is one of Canada's largest security alarm sales, installation and monitoring companies. Information about First National AlarmCap Income Fund can be found at www.sedar.com or www.alarmcap.com.

Certain statements in this news release may include "forward-looking statements" relating to future events or future performance and reflect management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of FNA and the Subsidiaries. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management of FNA and the Subsidiaries. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the future operating results and economic performance of FNA and the Subsidiaries are forward-looking statements. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking statements. In evaluating these statements, prospective purchasers should specifically consider various factors, including the risks outlined under "Risk Factors", which may cause actual events or results to differ materially from any forward-looking statement. Although the forward-looking statements are based on what management of FNA and the Subsidiaries consider being reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. These forward-looking statements are made as of the date of this news release, and FNA does not assume any obligation to update or revise them to reflect new events or circumstances.

For further information:

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