

**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")
1122 – 4th Street SW, Calgary, Alberta T2R 1M1

2. **Date of Material Change:**

April 30, 2006

3. **News Release:**

The Fund issued a press release regarding the material change on April 19, 2006, a copy of which is attached hereto.

4. **Summary of Material Change:**

Upon payment of the Fund's March distribution of \$0.10833 per Class A and Class B trust unit on April 30, 2006, a Distribution Priority Termination Event will have occurred, ending the subordination of the Fund's Class B trust units. As a consequence of this, the holders of Class B trust units will have the right to exchange their units for Class A trust units, on the basis of one (1) Class A trust unit for each Class B trust unit. The listing of Class A trust units will be subject to obtaining approval from the TSX.

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:**

Len Sudermann, Chief Executive Officer
Tel: (403) 299-2299

DATED at Calgary, Alberta this 5th day of May, 2006.

FIRST NATIONAL ALARMCAP INCOME FUND

Per: "Len Sudermann"
Leonard Sudermann, Trustee

SCHEDULE "A"



**FIRST NATIONAL ALARMCAP INCOME FUND ANNOUNCES
APRIL 2006 DISTRIBUTION AND END OF DISTRIBUTION
PRIORITY TO CLASS A UNIT HOLDERS**

CALGARY, Alberta – April 19, 2006 - First National AlarmCap Income Fund (TSX: FNA.UN) (the "Fund") announces the cash distribution for the month of April of \$ 0.10833 per Class A and Class B trust unit of the Fund. The distribution will be paid on May 31, 2006 to unit holders of record at the close of business on April 30, 2006.

The cash distribution covers the period from April 1, 2006 to April 30, 2006.

The holders of the Class A trust units have received distributions from the Fund equal to \$0.325 per Class A trust unit per quarter for a period of four consecutive quarters, therefore a Distribution Priority Termination Event has occurred and the Distribution Priority in favor of the holders of the Class A trust units over the holders of the Class B trust units has terminated. In addition, holders of the Class B trust units now have the right to exchange their Class B trust units for Class A trust units on the basis of one (1) Class A trust Unit for each Class B trust unit.

First National AlarmCap Income Fund indirectly holds all the issued and outstanding securities of First National AlarmCap LP ("AlarmCap"). Information about First National AlarmCap Income Fund can be found at www.sedar.com or www.alarmcap.com.

AlarmCap owns and operates Microtec, one of Canada's largest security alarm sales, installation and monitoring companies. AlarmCap also owns Securex, a leading alternative credit provider which offers bundled financial, billing / back office and monitoring services to independent dealers throughout Canada. AlarmCap has security alarm monitoring agreements with more than \$2,400,000 in recurring monthly revenue from over 100,000 subscribers.

For further information:

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