

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")
4780 Saint-Felix Street
Saint-Augustin-de-Desmaures, Quebec G3A 2J9

2. **Date of Material Change:**

March 10, 2008

3. **News Release:**

The Fund issued a press release regarding the material change on March 10, 2008, a copy of which is attached hereto.

4. **Summary of Material Change:**

The trustees of the Fund have resolved to align the governance structure of the Fund, its wholly-owned subsidiary First National AlarmCap Trust (the "Trust"), and the Trust's wholly-owned subsidiary First National AlarmCap GP Inc. Effective immediately the Trust's trustees are Timothy Whyte, Oliver Plett and Leonard Sudermann, who are also the existing trustees of the Fund. Also effective immediately the directors of the GP are George Fink, Timothy Whyte, Oliver Plett and Leonard Sudermann..

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:**

Leonard Sudermann, President and Chief Executive Officer
Tel: (403) 299-2299

DATED at Calgary, Alberta this 10th day of March, 2008.

FIRST NATIONAL ALARMCAP INCOME FUND

Per: "Len Sudermann"
Leonard Sudermann, Trustee

SCHEDULE "A"



FIRST NATIONAL ALARMCAP INCOME FUND ANNOUNCES CHANGES TO GOVERNANCE POSITIONS OF ITS SUBSIDIARIES

CALGARY, Alberta – March 10, 2008 - First National AlarmCap Income Fund (TSX: FNA.UN) (the "Fund") announces that the trustees of the Fund have resolved to align the governance structure of the Fund, its wholly-owned subsidiary First National AlarmCap Trust (the "Trust"), and the Trust's wholly-owned subsidiary First National AlarmCap GP Inc. Effective immediately the Trust's trustees are Timothy Whyte, Oliver Plett and Leonard Sudermann, who are also the existing trustees of the Fund. Also effective immediately the directors of the GP are George Fink, Timothy Whyte, Oliver Plett and Leonard Sudermann.

The Fund indirectly owns and operates Microtec, one of Canada's largest security alarm sales, installation and monitoring companies. The Fund also indirectly owns Securex, a leading alternative credit provider which offers bundled financial, billing / back office and monitoring services to independent dealers throughout Canada.

Information about First National AlarmCap Income Fund can be found at www.sedar.com

For further information:

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