

MATERIAL CHANGE REPORT

Subsection 75(2) of the *Securities Act* (Ontario) and equivalent sections in the securities acts of each of the other provinces of Canada

1. **Reporting Issuer**

Contrans Income Fund
1179 Ridgeway Road
Woodstock, Ontario
N4S 8P6

2. **Date of Material Change**

January 8, 2004

3. **Press Release**

A Press Release was issued in Woodstock, Ontario on January 8, 2004 and subsequently filed on SEDAR.

4. **Summary of Material Change**

Contrans Income Fund (the "Fund") announced that it has entered into a term loan agreement dated with effect on January 8, 2004 with First Treasury Financial Inc. ("First Treasury") in connection with a \$37,500,000 term loan from First Treasury repayable by the Fund in full on December 15, 2008.

5. **Full Description of Material Change**

The Fund announced that it has entered into a term loan agreement dated with effect as of January 8, 2004 with First Treasury in connection with a \$37,500,000 term loan from First Treasury repayable by the Fund in full on December 15, 2008. The loan agreement provides that interest on the term loan will be payable, on a monthly basis, on the outstanding principle amount of the loan at the fixed rate of 6.589%.

The initial advance of the term loan received by the Fund, totalling approximately \$4.5 million was used to repay outstanding indebtedness and the further amounts to be released from trust will be used by the Fund to pursue strategic growth opportunities.

6. **Reliance on Subsection 75(3) of the Securities Act (Ontario)**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Senior Officer**

For further information contact Gregory W. Rumble, Trustee, at (519) 421-4600.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Woodstock, Ontario this 20th day of January, 2004.

CONTRANS INCOME FUND

Per: "Gregory W. Rumble"
Gregory W. Rumble
Trustee