

MATERIAL CHANGE REPORT
Form 51-102F3
Section 7.1 of National Instrument 51-102

Item 1 Name and Address of Company

Dominion Citrus Income Fund
165 The Queensway
Suite 302
Toronto, Ontario M8Y 1H8

Item 2 Date of Material Change

May 12, 2016 and May 16, 2016

Item 3 News Release

Issued via Marketwire on May 12, 2016 and May 16, 2016

Item 4 Summary of Material Change

Dominion Citrus Income Fund (TSX: DOM.UN) ("Fund") announced Trustees unanimous approval of proposed purchase of assets by Paul Scarafile and released valuation report.

Item 5 Full Description of Material Change

On May 12, 2016, Dominion Citrus Income Fund announced that its Board of Trustees had unanimously approved the proposal (the "Scarafile Proposal") by Paul Scarafile, CEO of Dominion Citrus Limited (the "Company" or "DCL"), or his nominee, to acquire all of the assets of the Fund for an aggregate purchase price of \$10,805,070. The Trustees had reviewed and considered all of the options available to them in respect of the unpaid \$19,258,000 Participating Notes owed by the Company to the Fund, including restructuring of the Participating Notes and remedies of foreclosure and liquidation, had reviewed the latest inputs on valuation from Klein Farber Corporate Finance Inc. ("Klein Farber"), and had determined that, in their reasonable best judgment, the Scarafile Proposal represents the best alternative for the unitholders of the Fund (the "Unitholders").

On May 16, 2016, the Fund reported that it had received a valuation report of certain assets of the Fund as at March 31, 2016 prepared by Klein Farber. Subject to the assumptions, restrictions and scope of their work as set out in their report, Klein Farber is of the opinion that the fair market value of the common shares of DCL, the Participating Notes issued by DCL and held by the Fund and the option in favour of the Fund to acquire all shares of DCL's most important subsidiary, Dominion Farm Produce Limited as at March 31, 2016 was in the range of \$7.10 million to \$15.06 million with a midpoint of \$11.08 million.

The Fund and DCL had posted the Klein Farber report on SEDAR under the issuer profiles for the Fund and for DCL to provide all investors with the information contained in the report.

The Scarafile Proposal is conditional upon the successful negotiation, execution and delivery of an agreement between the parties (the "Definitive Agreement"). The Fund expects to call a Special Meeting of Unitholders as soon as practicable to approve the Scarafile Proposal. In such case, an Information Circular would be provided to the Unitholders, which would include the details of the Scarafile Proposal, the Definitive Agreement or a summary thereof and the Klein Farber valuation report.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Inquiries in respect of the material change referred to herein may be made to:

Peter McLaughlin, Chairman of Board of Trustees
Dominion Citrus Income Fund
Tel.: (416) 802-2367

Item 9 Date of Report

This report is dated as of the 20th day of May, 2016.

Cautionary Statement Regarding Forward Looking Information and Statements

*Certain statements contained in this press release contain "forward-looking information" pursuant to Canadian securities laws ("**forward-looking statements**"). Forward-looking statements relate to future events or the Fund's or DCL's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking statements. These forward-looking statements may be affected by the risks and uncertainties in the Fund's and DCL's businesses, including those described in the Fund's and DCL's most recent annual information form filed on SEDAR at www.sedar.com. The forward-looking statements in this press release include statements about the completion of the Definitive Agreement, the Klein Farber valuation, the proposed meeting of Unitholders and the approval by the Unitholders of the Scarafile Proposal. The Scarafile Proposal is still subject to completion of the Agreement and of satisfactory due diligence and to approval of the Unitholders. Any forward-looking statements speak only as of the date of this press release, and the*

Fund and DCL assume no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date of this press release except as required by applicable securities laws.