

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Gamehost Income Fund
400, 4406 – 50th Avenue
Red Deer, AB T4N 3Z5

ITEM 2 Date of Material Change:

December 31, 2010

ITEM 3 News Release:

A press release was issued on January 4, 2011.

ITEM 4 Summary of Material Change:

The previously announced arrangement involving, among others, Gamehost Income Fund (the “**Fund**”), Gamehost Newco Inc., the holders of units of the Fund and the holders of Class B limited partnership units of Gamehost Limited Partnership (the “**Unitholders**”) was completed pursuant to a plan of arrangement (the “**Conversion**”) under subsection 193 of the *Business Corporations Act* (Alberta).

ITEM 5 Full Description of Material Change:

On December 31, 2010 (the “**Effective Date**”), pursuant to a court-supervised plan of arrangement (the “**Conversion**”) involving, among others, the Fund, Gamehost Newco Inc. and the Unitholders, the Fund completed its conversion into a corporation, being Gamehost Newco Inc., which corporation changed its name to Gamehost Inc. pursuant to the Conversion (“**Newco**”). The Conversion was approved by the Unitholders at an annual and special meeting held on April 30, 2010. The final order of the Court of Queen’s Bench of Alberta approving the Conversion was issued on April 30, 2010.

Pursuant to the Conversion, on the Effective Date: (i) The former unitholders of the Fund transferred all of their units (“**Fund Units**”) to Newco in exchange for new common shares of Newco (“**Newco Common Shares**”) on the basis of one such Newco Common Share for each one Fund Unit held; (ii) Newco became the owner of all issued and outstanding Fund Units; (iii) The former unitholders of Gamehost Limited Partnership transferred all of their Class B limited partnership units (“**LP Units**”) to Newco in exchange for Newco Common Shares on the basis of one such Newco Common Share for each one LP Unit held; (iv) Newco became the owner of all issued and outstanding LP Units; (v) Newco filed articles of amendment to, among other things, change its name to Gamehost Inc.; and (vi) The obligations of the Fund regarding its 6.25% Extendible Convertible Unsecured Subordinated Debentures (the “**Debentures**”) were assumed by Newco following completion of the Conversion and the Debentures became debentures of Newco. Immediately following the Effective Date, Gamehost Trust, a subsidiary of the Fund, was wound up and dissolved such that all of its assets were transferred to, and all of its liabilities were assumed by, the Fund. Immediately following the dissolution of Gamehost Trust, the Fund was wound up and dissolved such that all of its assets were transferred to, and all of its liabilities were assumed by, Newco.

As such, pursuant to the Conversion: (i) The former unitholders of the Fund collectively own 100% of the outstanding common shares of Gamehost Inc.; (ii) Gamehost Inc. owns indirectly the assets and business formerly owned indirectly by the Fund; and (iii) the Fund was dissolved.

Additional information is presented in the Fund’s Management Information Circular dated March 30, 2010 which is available on SEDAR (www.sedar.com).

It is expected that the Newco Common Shares and Debentures will commence trading on the Toronto Stock Exchange under the trading symbol “GH” and “GH.DB”, respectively, approximately three to five business days following the Effective Date and the Fund Units will be de-listed immediately preceding that time.

About Gamehost Inc.

Gamehost Inc.'s activities are currently confined to the Province of Alberta, Canada. Gamehost Inc.'s operations include the Boomtown Casino in Ft. McMurray and the Great Northern Casino, Service Plus Inns & Suites and a strip mall all located in Grande Prairie. Gamehost Inc. is currently a 91% joint venture partner in Deerfoot Inn & Casino in Calgary.

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:

The name and business telephone number of an executive officer of the reporting issuer who is knowledgeable about the material change and the report is as follows:

Darcy J. Will (President)
P: (403) 346-4545
F: (403) 340-0683
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ITEM 9 Date of Report:

Dated January 4, 2011