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Aydon Income Properties, Inc. Announces Private Placement for up to C\$750,000 10% Convertible Exchangeable Debentures

VANCOUVER, BRITISH COLUMBIA – (December 10th, 2015) – AYDON INCOME PROPERTIES, INC. ("Aydon" or the "Company") (CSE: AYD), is pleased to announce that it will proceed with a private placement financing through the issuance of 10% Convertible Exchangeable Secured Subordinate Debentures (the "Debentures") for gross proceeds of up to C\$750,000.

The Company is pleased to announce a partial closing at this time for proceeds of C\$126,000. The Company will be issuing additional Debentures in tranches at various closing dates with the next planned closing (the "Closing") on or about December 31, 2015.

The Company intends to use the net proceeds from the Debentures to acquire Units in the AIP Limited Partnership (the "LP Offering") that was formed and announced by the Company on May 27th, 2015.

The Debentures will bear an interest rate of 10.0% per annum payable semi-annually on June 10 and December 10 in each year until December 10, 2018 (the "Maturity Date"). The Debentures may be redeemed in whole or in part at the option of the Company but not before December 10, 2016.

Each Debenture will be convertible to the underlying Common Shares of Aydon (the "Shares") at a conversion price of \$0.30 per Share in the first year and \$0.50 per Share on or after December 10, 2016 and up until December 3, 2018 (10 trading days prior to Maturity Date).

Unless previously redeemed or converted, each Debenture will also be exchangeable to the AIP Limited Partnership Units (the "Units") acquired by the Company at an exchange price equal to 110% of the price paid per Unit by Aydon (the "Offering Price"). It is expected that the Offering Price will be USD\$1,000 per Unit. The currency exchange rate available to the Debenture holder will be the same rate used by Aydon to acquire Units of the AIP Limited Partnership at the time of Closing. Subject to the applicable securities laws and restrictions on transfer, the holder shall have the right to exchange the Debentures into the Units of the AIP Limited Partnership from (and including) 41 calendar days after the Closing Date until (and including) December 3, 2018 (10 trading days prior to the Maturity Date).

The obligations of Aydon under the Debentures will be secured by a General Security Agreement (the "Security Document") in respect of all present and after acquired personal property of Aydon including the LP Limited Partnership Units. Aydon reserves the right to subordinate the Debentures to any other senior security issued in its favor to any financial entity at the sole discretion of the Company.

The Debentures will be eligible for sale in all provinces and territories of Canada pursuant to National Instrument 45-106 – Prospectus and Registration Exemptions ("NI 45-106"). All Debentures issued will be subject to a statutory four-month hold period under applicable Securities Laws. Finders' fees of up to 10% may be payable in accordance with the policies of the Exchange.

About Aydon Income Properties, Inc.:

Aydon Income Properties, Inc. ("Aydon" or the "Company") is strategically positioned to take advantage of the recovery currently underway in the United States after the historic financial crisis that led to a severe downturn in the residential housing market. Our aim is to capitalize on the recovery in the real estate market by acquiring quality income producing assets at prices below replacement cost in prime residential neighbourhoods that can be turned around or made more profitable through rehabilitation and marketing



programs designed to maximize occupancy and boost rents. For more information about the Company, please visit: www.aydonproperties.com.

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

ON BEHALF OF THE BOARD

Vid Wadhvani, Chairman & CFO

Forward-Looking Statement:

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, corporate vision, proposed acquisitions, partnerships, joint-ventures and strategic alliances and co-operations, budgets, cost and plans and objectives of or involving the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions, dependence upon regulatory and shareholder approvals, the execution of definitive documentation and the uncertainty of obtaining additional financing. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise.