

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

*Aydon Income Properties Inc.
(the "Company")
#202, 5626 Larch Street
Vancouver, BC V6M 4E1*

Item 2. Date of Material Change

July 24, 2017

Item 3. News Release

A news release was issued on July 25, 2017 and disseminated through the facilities of GlobeNewswire.

Item 4. Summary of Material Change

The Company announced that it has entered into a Share Purchase Agreement dated July 24th, 2017 (the "Agreement") with the Delma Group (Delma Resorts & Hotels GP Inc., Delma Properties Canada LP, Delma Resorts & Hotels LP, Société En Commandite Bromont I, 9216-3583 Québec Inc.) whereby Aydon will acquire all of the issued and outstanding shares and units of the Delma Group (the "Purchased Securities") for a price of \$50,327,000 paid by the issuance of Aydon common shares (the "Proposed Transaction"). Terms of the Proposed Transaction and Conditions to Closing are detailed in the attached Schedule "A" press release.

The Company has requested for its shares to be halted until the completion of the Proposed Transaction.

Item 5.1 Full Description of Material Change

See attached Schedule "A"

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

This Report is not being filed on a confidential basis.

Item 7. Omitted Information

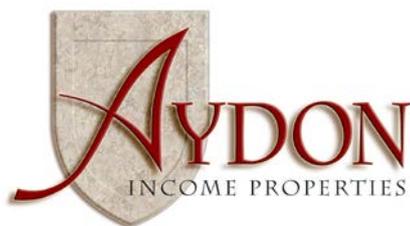
None.

Item 8. Executive Officer

*Vid Wadhvani, President
1.855.322.7771*

Item 9. Date of Report

July 25, 2017



Aydton Enters into Share Purchase Agreement with the Delma Group

VANCOUVER, BC July 25, 2017: (CSE: AYD) **Aydton Income Properties Inc.** ("Aydton" or the "**Company**") is pleased to announce that it has entered into a Share Purchase Agreement dated July 24th, 2017 (the "Agreement") with the Delma Group (Delma Resorts & Hotels GP Inc., Delma Properties Canada LP, Delma Resorts & Hotels LP, Société En Commandite Bromont I, 9216-3583 Québec Inc.) whereby Aydon will acquire all of the issued and outstanding shares and units of the Delma Group (the "Purchased Securities") for a price of \$50,327,000 paid by the issuance of Aydon common shares (the "Proposed Transaction").

The Company has requested for its shares to be halted until the completion of the Proposed Transaction.

Terms of the Proposed Transaction and Conditions to Closing

The Proposed Transaction is subject to, among other things, receipt of the approval of the shareholders of Aydon, approval of the Canadian Stock Exchange (the "CSE") and standard closing conditions. The completion of the Proposed Transaction will constitute a "Fundamental Change" pursuant to Policy 8 of the CSE and a change of control of Aydon will occur.

Prior to closing of the Proposed Transaction, the Company will change its name to the Delma Group of Companies Inc., or such other name as agreed to by the parties, and will complete a consolidation of the Aydon common shares (the "Aydton Shares") on the basis of one post-consolidated Aydon Share for every one hundred pre-consolidation Aydon Shares.

Pursuant to the Proposed Transaction, Aydon will acquire the Purchased Securities for a price of \$50,327,000 paid by the issuance of 16,775,666 post-consolidated Aydon Shares to the Delma Group Shareholders. All member companies of the Delma Group will become wholly owned subsidiaries of Aydon and at closing will have consolidated net assets of at least \$50,000,000. No concurrent financing is anticipated to occur in connection with the Proposed Transaction. All outstanding options to purchase Aydon Shares pursuant to Aydon's stock option plan will be cancelled upon closing of the Proposed Transaction.

The completion of the Proposed Transaction remains subject to a number of terms and conditions including, among other things:

- Aydon having received shareholder approval of the Proposed Transaction by a majority of the Aydon shareholders;
- Aydon and the Delma Group obtaining all necessary consents, orders and regulatory approvals, including the conditional approval of the CSE subject only to customary conditions of closing;
- no material change occurring to the business of Aydon and the Delma Group;
- Aydon having no employees and at the closing having net assets of \$2,000;
- Delma Group and Delma Group Subsidiaries having consolidated assets totaling at least \$70,000,000 and having combined net assets of at least \$50,000,000.
- the satisfaction of obligations under the Share Purchase Agreement relating to each of the parties; and
- the delivery by each of the parties of standard closing documents.

Upon completion of the Proposed Transaction, Aydon will continue on with the business of the Delma Group, and with its operating subsidiaries (the Company after the Proposed Transaction being referred to herein as the "Resulting Issuer").

Subsequent Additional Value

Pursuant to the Agreement, Aydon Shareholders of record, prior to the Proposed Transaction (the “Pre-Transaction Shareholders”) will receive an additional \$800,000 in value (the “Additional Value”) if and when Aydon is able to generate \$400,000 in annual recurring income as approved by the board of directors of the Resulting Issuer. The Additional Income shall be recognized at the latest in the 2019 audited financial statements of Aydon. The Additional Value will be paid by the issuance of post-consolidated Aydon Shares to the Pre-Transaction Shareholders at a price per share equivalent to the weighted average value of the Aydon Shares in the ten (10) days preceding the approval by the board of directors of the Resulting Issuer when the Additional Income has been recognized.

The Delma Group is a Montreal based developer – owner – operator – manager, it owns and operates a real estate group, a hospitality group, and a hospitality management & facilities management group. The Company owns assets in Canada, the United States, and Europe.

Aydon Income Properties Inc. is a Real Estate Investment Company acquiring income producing real estate assets in select areas of the United States and Canada. Through its wholly owned subsidiary, AIP General Partners Ltd., the Company is currently focused on student housing in the United States and more specifically in Washington State. Upon completion of the Proposed Transaction, AIP General Partners Ltd., will continue to operate as a wholly owned subsidiary of the Resulting Issuer and continue building its real estate assets primarily in this sector and region.

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, Director

Contact us: info@aydonproperties.com

Statements in this release may be viewed as forward-looking statements. Such statements involve risks and uncertainties that could cause actual results to differ materially from those projected. There are no assurances the company can fulfill such forward-looking statements and the company undertakes no obligation to update such statements. Forward-looking statements are only predictions; actual events or results may differ materially as a result of risks facing the company, some of which are beyond the company’s control.