Aydon Income Properties Inc. (Previously Forbairt Development Acquisition Corp.)

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MANAGEMENT'S DISCUSSION & ANALYSIS

Accompanying the October 31, 2014 Condensed Interim Financial Statements

This Management's Discussion & Analysis ("MD&A"), prepared as of February 25, 2015, is intended to be read in conjunction with the Company's condensed interim financial statements for the period from Incorporation on April 29, 2014 to October 31, 2014, and related notes thereto, which have been reported in Canadian dollars, and prepared in accordance with International Financial Reporting Standards ("IFRS").

This discussion relates to the operations of Aydon Income Properties Inc. (Previously Forbairt Development Acquisition Corp.) (the "**Company**"), during the period up to the date of this MD&A, *being February 25, 2015.*

Additional information, including press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and is available under the Company's profile at www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. Readers should be aware the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

INTRODUCTION

General

The Company was incorporated on April 29, 2014 and, pursuant to a Plan of Arrangement between the Company and 0941092 B.C. Ltd. ("BC0941092") dated June 25, 2014. BC0941092 assigned all of BC0941092's interest in the letter of intent dated April 2, 2014 with Genesis Income Properties, Inc. in consideration for 8,576,567 of the Company's Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the BC0941092 Shareholders who hold BC0941092 Shares on the Share Distribution Record Date on the basis of one of the Company's Share for each BC0941092 Share held, subject to any concurrent amalgamation. A shareholder circular dated July 14, 2014 was mailed to shareholders of BC0941092 to approve the Plan of Arrangement and subsequent Amalgamation at a meeting to be held August 12, 2014. On August 12, 2014, the Arrangement Agreement was approved by BC0941092 shareholders and subsequently approved by the Supreme Court of British Columbia on August 27, 2014.

The Company and BC0941092 entered into the Arrangement Agreement on June 25, 2014 to conduct a corporate restructuring by way of a statutory plan of arrangement (the "Plan of Arrangement") to amalgamate with Genesis Income Properties Inc. ("AYDON") and continue its operations as Aydon Income Properties Inc. and specializing in real estate acquisition and development, upon the approval from the shareholders of BC0941092 and AYDON.

BC0941092's principal executive office and registered and records office address is currently located at 500, 900 West Hastings Street, Vancouver, British Columbia, Canada V6C 1E5.

Significant Accounting Policies

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The financial statements include judgements and estimates that, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

ii) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Determination of functional currency

The functional currency is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency for the Company is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Foreign exchange

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are recognized through profit or loss.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through profit or loss.

The Company has not classified any financial assets as held-to-maturity or available for sale.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

<u>Financial liabilities</u>

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost. The Company's trade payables and other liabilities are classified as other financial liabilities.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect either accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Future accounting pronouncements

Effective May 1, 2013, the Company adopted the following new and revised International Financial Reporting Standards ("IFRS") that were issued by the International Accounting Standards Board ("IASB").

Amendment to IFRS 7 Financial Instruments: Disclosure – The amendment to IFRS 7 enhances the disclosure required when offsetting financial assets and liabilities. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

New standard IFRS 13 Fair Value Measurement – IFRS 13 defines fair value, summarizes the methods of determining fair value, and outlines the required fair value disclosures. IFRS 13 is utilized when another IFRS standard requires or allows fair value measurements or disclosures about fair value measurements. The application of this IFRS had an immaterial impact on disclosures within the notes to the financial statements.

Amended standard IAS 1 Presentation of Financial Statements – The amendments to IAS 1 pertain to the number of comparative financial statements required in different circumstances and disclosure required in the statement of comprehensive loss. The application of this IFRS had an immaterial impact on disclosures within the statement of comprehensive loss.

Future accounting pronouncements

A number of new standards, amendments to standards and interpretations are not yet effective as at April 30, 2014, and have not been applied in preparing the financial statements. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

(a) Effective for annual periods beginning on or after January 1, 2014
Amended standard IAS 32 Financial Instruments: Presentation – The amendments to IAS 32 clarify the treatment of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements. The amendments to IAS 32 also pertained to the application guidance on the offsetting of financial assets and financial liabilities.

Amended standard IAS 36 Impairment of Assets – The amendments to IAS 36 outline the additional disclosures that will be required with regards to the recoverable amount of impaired assets.

(b) Effective for annual periods beginning on or after January 1, 2015
Amended standard IFRS 7 Financial Instruments: Disclosures – The amendments to IFRS 7 outline the disclosures required when initially applying IFRS 9 Financial Instruments.

(c) Effective date not yet determined

New standard IFRS 9 Financial Instruments – Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. The mandatory effective date has been removed from the standard and will only be replaced when all sections of the standard have been completed.

Interest-bearing loans and other borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of borrowings on an effective interest basis.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. The Company has not had other comprehensive income since inception and accordingly, a statement of comprehensive income has not been presented.

THE COMPANY AND BUSINESS

The Company was incorporated as “Forbairt Development Acquisition Corp.” pursuant to the Act on April 29, 2014. Genesis Income Properties Inc. was incorporated pursuant to the Business Corporations Act (British Columbia) on April 7, 2014. Genesis is currently a private company. Genesis’s registered and records offices are located at 1025 West Keith Road, North Vancouver, V7P 3C7, British Columbia.

The Company plans to amalgamate with Genesis and under the name Aydon Income properties Inc. (“Aydon”), specializing in real estate acquisition and development; however, it may pursue other related business opportunities. Aydons principal business following the Arrangement and the Amalgamations will be the evaluation of various business opportunities and the development of residential properties in 2014 and an additional 300 residential properties in 2015. Accordingly, AYDON’s financial success may be dependent upon the extent to which it can acquire and develop single and multi-family residential buildings or other types of business.

Business History

Forbairt was incorporated as “Forbairt Development Acquisition Corp.” pursuant to the BCBCA on April 29, 2014.

In May 2014, the Board of BC0941092 determined that it would be in the best interests of the Company to focus on developing and commercializing other business lines., while at the same time retaining its shareholders’ interest in its letter of intent with Genesis Income Properties Inc. by transferring its interest to Forbairt in exchange for Forbairt Shares that would be distributed to the BC0941092 Shareholders, and entered into the Arrangement Agreement on May 5 (subsequently amended and restated on June 25, 2014).

Pursuant to the Arrangement, BC0941092 will transfer to Forbairt all of BC0941092's interest in the letter of intent with Genesis Income Properties, Inc. in consideration for 8,576,567 Forbairt Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the BC0941092 Shareholders who hold BC0941092 Shares on the Share Distribution Record Date on the basis of one Forbairt Share for each BC0941092 Share held. Forbairt will need to raise funds in order to obtain the capital necessary to meet its commitments under the letter of intent with Genesis Income Properties, Inc. and to pay for salaries, for general and administrative expenses and for working capital purposes. Under the amalgamation, each shareholder of record of 092B.C. Ltd. entitled to receive shares of Forbairt, will receive one (1) share of Aydon for each five (5) shares they are entitled to receive of Forbairt for a total of approximately 1,714,513 shares. At this time the distribution of 1,714,513 shares of Aydon to shareholders of record of 092BCLtd. is proceeding which fulfills the entitlement to shares of the spinoff company Forbairt.

The Company is a private company established for the purpose of investing in and developing income-producing residential properties, initially in the United States of America. The Company has not commenced commercial operations as it is intended that, for the purposes of raising the required capital it will pursue an amalgamation with Forbairt Limited, with the intention of obtaining a listing on the Canadian Securities Exchange. Until the completion of that transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing suitable acquisitions of properties and related commercial enterprises.

The Company is currently a reporting issuer in the provinces of British Columbia and Alberta.

RESULTS OF OPERATIONS AND SUMMARY OF QUARTERLY RESULTS

	For the Three Months Ended October 31, 2014	**For the period from incorporation April 29, 2014**
Expenses	**$**	**$**
Total Expenses	NIL	NIL
Net loss and total comprehensive loss for the period	NIL	NIL

RESULTS OF OPERATIONS

Period from Incorporation on April 29, 2014 to October 31, 2014

The Company did not have any revenues during the period from Incorporation on April 29, 2014 to October 31, 2014.

For the period from Incorporation on April 29, 2014 to October 31, 2014, a Director of the company through a wholly owned corporation has funded the costs of the company through advances to its former parent company, arising from expenses related to the Plan of Arrangement, administration and reporting, and costs of amalgamation.

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LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	Note	For the Period from Incorporation on April 29, 2014 to October 31, 2014
Assets		
Current Assets		
Cash		100
Total Assets		**100**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accrued Liabilities and Accounts Payable		-
		-
Shareholders' Equity		
Capital Stock	5	100
		100
Total Liabilities and Shareholders' Equity		**100**

Changes in Cash Position
(Expressed in Canadian dollars)

	For the Period from Incorporation on April 29, 2014 to October 31, 2014
Cash provided by (used in):	
Operating Activities	**Nil**
Net cash provided by (used in) Operating Activities	**0**
Financing Activities	
Share issuance	100
Net cash provided by Financing Activities	**100**
Investing Activities	**Nil**
Net cash used in Investing Activities	**0**
Change in cash	**-**
Cash, beginning of the period	**100**
Cash, end of the period	**100**

Cash paid for interest expense	-
Cash paid for income taxes	-

The Company has not commenced operations and there were no operations for the period ended October 31, 2014

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of accrued liabilities; the fair values of which are considered to approximate their carrying value due to their short-term maturities or ability of prompt liquidation.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Strategic and operational risks are risks that arise if the Company fails to carry out sales under its Agency and license agreement and the economic viability of achieving a level of sufficient sales and/or to raise sufficient equity and/or debt financing in financing the market development. These strategic opportunities or threats arise from a range of factors, which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2014, the Company had cash balance of $100 and current liabilities of $NIL. All of the Company's financial liabilities have contractual maturities of less than 30 days, and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short term and long term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Accrued liabilities are denominated in Canadian currency. Therefore, the Company's exposure to currency risk is minimal.

Share Capital

The total number of common shares issued and outstanding as at October 31, 2014 was 100 and remains at that as at the date of this report.

Future Cash Requirements

The Company's future capital requirements will depend on many factors, including, among others, cash flow from operations. Should the Company pursue other business opportunities, the Company may need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. Accordingly, the Company is investigating various business opportunities that ideally will increase the Company's positive cash flow.

RELATED PARTY TRANSACTIONS

The company and BC0941092, its former parent company, entered into the Arrangement Agreement described in Note 4. The Arrangement Agreement provides for the transfer of a Letter of Intent entered into with Genesis Income Properties Inc. dated April 2, 2014 from BC0941092 to the Company and the distribution of a controlling interest in the common shares of the Company to the current shareholders of BC0941092. The shareholders of BC0941092 at the completion of the Arrangement Agreement continued to collectively own the Investment, albeit through an altered corporate structure. Consequently, given that there was no substantive change in the beneficial ownership of the purchase agreement at the time that it was transferred to the Company, the transfer was recorded under IFRS using the historical carrying values of the purchase agreement in the accounts of BC0941092 at the time of the transfer, which was nil.

A Director of the company through a wholly owned corporation has funded the costs of the company through advances to its former parent company, arising from expenses related to the Plan of Arrangement, administration and reporting, and costs of amalgamation.

RISKS AND UNCERTAINTIES

Need for Funds
AYDON is currently at a stage where it requires external capital to continue and grow its business. It must obtain the funding now and may need additional future working capital if it cannot penetrate the market as quickly as has been anticipated. There can be no certainty that AYDON can obtain these funds within the anticipated time frame and within the terms that it is most comfortable with.

Reliance on Key Personnel
AYDON is currently reliant on its management team to oversee the core marketing, business development, operational and fund raising activities. The loss of any of these individuals in the short-term would have a detrimental effect on the short-term ability of AYDON to achieve its objectives.

Competitive Environments
The real estate investment and property management market is highly competitive with a number of established competitors. It is also anticipated that as the economy improves, competition in this sector is will increase. AYDON's success will depend on, among other things, AYDON's ability to acquire distressed properties at low prices as well as its ability to find investors for such properties at higher prices on a continuous basis. There can be no assurance that other companies with greater financial resources will not develop similar strategies and services with greater success and that AYDON will be able to compete successfully against existing competitors or future entrants into the market.

Changing Economic Circumstances
AYDON's revenues are substantially dependent on economic conditions in the United States. In addition, AYDON must develop successful marketing, promotional and sales programs in order to sell its services. If AYDON is not able to develop successful marketing, promotional and sales programs, this will have a material adverse effect.

Other Risks include but are not limited to the following:
· AYDON is employing a new and untested business model with no proven track record, which may make its business difficult to evaluate.
· AYDON may not be able to effectively manage its growth, and any failure to do so may have an adverse effect on its business and operating results.

· AYDON intends to continue to rapidly expand its scale of operations and make acquisitions even if the rental and housing markets are not as favourable as they have been in recent months, which could adversely impact anticipated yields.
· AYDON's future growth depends, in part, on the availability of additional debt or equity financing. If AYDON cannot obtain additional financing on terms favourable or acceptable to it, its growth may be limited.
· AYDON's success depends, in part, upon its ability to hire and retain highly skilled managerial, investment, financial and operational personnel, and the past performance of its senior management may not be indicative of future results.
· AYDON's investments are and will continue to be concentrated in its target markets and the single-family properties sector of the real estate industry, which exposes it to downturns in its target markets or in the single-family properties sector.
· AYDON faces competition for acquisitions of its target properties, which may limit its strategic opportunities and increase the cost to acquire those properties.
· AYDON faces competition in the leasing market for quality tenants, which may limit its ability to rent its single-family homes on favourable terms or at all.
· The large supply of single-family homes becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.
· AYDON's evaluation of properties involves a number of assumptions that may prove inaccurate, which could result in it paying too much for properties it acquires or overvaluing its properties or its properties failing to perform as it expects.
· Single-family properties that are being sold through short sales or foreclosure sales are subject to risks of theft, mould, infestation, vandalism, deterioration or other damage that could require extensive renovation prior to renting and adversely impact AYDON's operating results.
· If occupancy levels and rental rates in AYDON's target markets do not increase sufficiently to keep pace with rising costs of operations, its income and distributable cash will decline.
· AYDON depends on its tenants and their willingness to renew their leases for substantially all of its revenues. Poor tenant selection and defaults and non-renewals by its tenants may adversely affect its reputation, financial performance and ability to make distributions to its shareholders.
· Declining real estate values and impairment charges could adversely affect AYDON's earnings and financial condition.
· If AYDON is self-insured against many potential losses, and uninsured or underinsured losses relating to properties may adversely affect its financial condition, operating results, cash flows and ability to make distributions on its securities.
· Mortgage loan modification programs and future legislative action may adversely affect the number of available properties that meet AYDON's investment criteria.
· AYDON may be adversely affected by lawsuits alleging trademark infringement as such lawsuits could materially harm its brand name, reputation and results of operations.
· The availability and timing of cash distributions is uncertain.
· AYDON's ability to pay dividends is limited by the requirements of state law.
· Members of AYDON's executive team and its board collectively may own a significant amount of its common shares or units of limited partnership, and future sales by these holders of of common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of AYDON's common shares.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in marketing and financial corporations. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

ADDITIONAL INFORMATION

Additional information pertaining to the Company is available on the SEDAR website at www.sedar.com.