ZONED PROPERTIES INC.
F/K/A VANGUARD MINERALS CORP.
(A DEVELOPMENT STAGE ENTERPRISE)
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
PERIOD FROM AUGUST 25, 2003 (INCEPTION) TO DECEMBER 31, 2013
(UNAUDITED)

INDEX TO FINANCIAL STATEMENTS

ZONED PROPERTIES, INC
(F/K/A VANGUARD MINERALS CORPORATION)
(DEVELOPMENT STAGE ENTERPRISE)
Unaudited Balance Sheets
As of December 31, 2013 and 2012

ASSETS	December 31, 2013	December 31, 2012
CURRENT ASSETS		
Cash and cash equivalents	$ 11,965	$ —
TOTAL CURRENT ASSETS	11,965	—
TOTAL ASSETS	$ 11,965	$ —
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Convertible notes payable - related parties, net of discount of $79,121	$ 80,292	$ —
Accounts payable and accrued expenses	174,225	162,750
TOTAL CURRENT LIABILITIES	254,517	162,750
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, par value $0.001, 5,000,000 shares authorized, 700,000 and 0 shares issued and outstanding as of December 31, 2013 and 2012, respectively	700	—
Common stock, par value $0.001, 100,000,000 shares authorized, 16,536,111 and 1,386,111 shares issued and outstanding as of December 31, 2013 and 2012, respectively	16,536	1,386
Additional paid in capital	6,612,496	5,622,940
Deferred compensation	(697,892)	—
Accumulated deficit during the development stage	(6,174,392)	(5,787,076)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(242,552)	(162,750)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 11,965	$ —

The accompanying notes are an integral part of these financial statements.

ZONED PROPERTIES, INC
(F/K/A VANGUARD MINERALS CORPORATION)
(DEVELOPMENT STAGE ENTERPRISE)
Unaudited Statements of Operations
For the Years Ended December 31, 2013 and 2012 and
Period from August 25, 2003 (Inception) to December 31, 2013

	For the Years Ended December 31, 2013	For the Years Ended December 31, 2012	Period from August 25, 2003 (Inception) to December 31, 2013
Revenues			
Sales	$ —	$ —	$ 163,500
Cost of sales	—	—	—
Gross profit	—	—	163,500
Operating expenses			
General and Administrative	297,448	248,432	1,086,627
Exploration costs	—	—	3,839,954
Stock based compensation	39,099		39,099
Wages and benefits	—	—	185,526
Product development	—	—	270,086
Rent and Utilities	—	—	83,606
Depreciation	—	—	8,578
Total operating expenses	336,547	248,432	5,513,476
Income (Loss) from Operations	(336,547)	(248,432)	(5,349,976)
Other income (expenses)			
Interest expenses	(1,484)	—	(1,484)
Amortization of discount to note payable	(49,285)		(49,285)
Income from debt forgiveness	—	41,146	41,146
Rescission of investment in securities	—	—	1,020,000
Impairment of investment in securities	—	—	(1,020,000)
Other income (expenses)	—	—	(814,793)
Total other income (expenses)	(50,769)	41,146	(824,416)
Net Income	$ (387,316)	$ (207,286)	$ (6,174,392)
Earnings (loss) per share			
Basic and diluted	$ (0.06)	$ (0.14)	
Weighted average number of shares outstanding			
Basic and diluted	6,048,474	1,502,778	

The accompanying notes are an integral part of the financial statements

ZONED PROPERTIES, INC
(F/K/A VANGUARD MINERALS CORPORATION)
(DEVELOPMENT STAGE ENTERPRISE)
Unaudited Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012 and
Period from August 25, 2003 (Inception) to December 31, 2013

	For the Years Ended December 31, 2013	For the Years Ended December 31, 2012	Period from August 25, 2003 (Inception) to December 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ (387,316)	$ (207,286)	$ (6,174,392)
Adjustments to reconcile net income (loss) to net cash (used in) operating activities:			
Depreciation and amortization			8,578
Common stock issued for mineral property costs			2,352,500
Loss on disposal of property and equipment			17,524
Shares issued (cancelled) as compensation	39,099	(9,000)	39,099
Amortization of discount to note payable	49,285		49,285
Fair value discount on private placement			653,112
Impairment of Instant Wirefree Technology			46,200
Impairment of investment in shares			1,020,000
Rescission of investment in securities	—	—	(1,020,000)
Changes in operating assets and liabilities:			
Accounts payable and accrued expenses	1,484	(33,714)	176,837
NET CASH (USED IN) OPERATING ACTIVITIES	(297,448)	(250,000)	(2,831,257)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	—	—	(27,128)
Proceeds from disposal of property and equipment	—	—	1,026
Instant Wirefree Technology	—	—	(27,500)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	—	—	(53,602)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Advances from related parties	159,413	—	207,564
Proceeds from issuance of common stock	150,000	250,000	2,476,000
Proceeds from promissory notes	—	—	213,260
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	309,413	250,000	2,896,824
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,965	—	11,965

CASH AND CASH EQUIVALENTS:			
Beginning of period	—	—	—
End of period	$ 11,965	$ —	$ 11,965
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	$ —	$ —	$ —
Cash paid for interest	$ —	$ —	$ —
Supplemental disclosure of non-cash investing and financing activities:			
Debt transferred to contributed capital	$ —	$ —	$ 60,754
Shares issued on acquisition of Instant Wirefree Inc.	$ —	$ —	$ 18,700
Shares issued to settle debt	$ —	$ —	$ 213,600
Shares issued to acquire share investments	$ —	$ —	$ 1,875,000
Shares issued for services rendered	$ 29,108	$ —	$ 29,108

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ZONED PROPERTIES, INC
(F/K/A VANGUARD MINERALS CORPORATION)
(DEVELOPMENT STAGE ENTERPRISE)
Unaudited Statement of Equity (Deficit)
As of December 31, 2013

	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Subscription Receivable	Stock Warrants	Deferred Compensation	Retained Earnings (Deficit)	Total Stockholders' (Deficit)
Balance, December 31, 2007, as originally reported	—	$ —	76,216,333	$ 76,216	$ 2,388,596	$ —	$ 234,360	$ —	$ (2,698,368)	$ 804
Correction of an accounting error			2,000,000	2,000	(2,000)				(59,004)	(59,004)
Balance, December 31, 2007, as restated	—	$ —	78,216,333	$ 78,216	$ 2,386,596	$ —	$ 234,360	$ —	$ (2,757,372)	$ (58,200)
Issuance of common stock @ $0.03 per share			2,333,333	2,333	67,667					70,000
Issuance of common stock @ $0.46 per share			492,336	49	224,351					224,400
Common stock issued to acquire mineral interests			4,000,000	4,000	2,316,000					2,320,000
Net (loss)									(2,690,830)	(2,690,830)
Balance, December 31,	—	$ —	85,042,002	$ 84,598	$ 4,994,614	$ —	$ 234,360	$ —	$ (5,448,202)	$ (134,630)

2008										
Net (loss)									(59,000)	(59,000)
Balance, December 31, 2009	—	$ —	85,042,002	$ 84,598	$ 4,994,614	$ —	$ 234,360	$ —	$ (5,507,202)	$ (193,630)
Cancellation of shares set aside for share subscription			(492,336)	(49)	(224,351)	224,400				—
Effect of 300:1 reverse stock split			(84,267,834)	(84,267)	84,267					—
Issuance of common stock for common stoke of PEI Worldwide Holdings, Inc.		1,000,000	1,000.00	1,499,000					1,500,000	
Issuance of fractional common shares			612							—
Issuance of common stock for common stock of Genesis Ventures Fund India I, LP		125,000	125	374,875					375,000	
Issuance of common stock pursuant to share subscription			187,000	187.00	224,213	(224,400)				—
Rescission of shares issued			(125,000)	(125)	(374,875)					(375,000)
Net (loss)									(1,064,101)	(1,064,101)

Balance, December 31, 2010	—	$ —	1,469,444	$ 1,469	$ 6,577,743	$ —	$ 234,360	$ —	$ (6,571,303)	$ 242,269
Rescission of shares issued for common stock of PEI Worldwide Holdings Inc.			(1,000,000)	(1,000)	(1,499,000)					(1,500,000)
Issuance of common stock as compensation			150,000	150	8,850					9,000
Sale of common stock @$.25 per share			1,000,000	1,000	249,000	(250,000)				—
Debt transferred to contributed capital					60,754					60,754
Reversal of expired warrants					234,360		(234,360)			—
Net income									991,513	991,513
Balance, December 31, 2011	—	$ —	1,619,444	$ 1,619	$ 5,631,707	$ (250,000)	$ —	$ —	$ (5,579,790)	$ (196,464)
Cash received to pay for prior stock subscription						250,000				250,000
Cancelled shares issued for services			(233,333)	(233)	(8,767)					(9,000)
Net (loss)									(207,286)	(207,286)
Balance,	—	$ —	1,386,111	$ 1,386	$ 5,622,940	$ —	$ —	$ —	$ (5,787,076)	$ (162,750)

December 31, 2012										
Sale of common stock @$.01 per share			15,000,000	15,000	135,000					150,000
Issuance of preferred stock for services	700,000	700			699,300			(697,892)		2,108
Issuance of common stock for services			150,000	150	26,850					27,000
Intrinsic value of conversion option					128,406					128,406
Net (loss)									(387,316)	(387,316)
Balance, December 31, 2013	700,000	$ 700	16,536,111	$ 16,536	$ 6,612,496	$ —	$ —	$ (697,892)	$ (6,174,392)	$ (242,552)

The accompanying notes are an integral part of these financial statements.

ZONED PROPERTIES INC.
F/K/A VANGUARD MINERALS CORP.
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(UNAUDITED)

NOTE 1 – NATURE OF OPERATIONS

History

Zoned Properties Inc. F/K/A Vanguard Minerals Corp. (the "Company") was incorporated in the State of Nevada, United States of America on August 25, 2003.

The Company entered into a mineral license option agreement to explore and mine two properties in Mongolia. On April 19, 2006, the Company terminated the option agreements it previously held.

On May 2, 2006, the Company changed its name to Knewtrino, Inc. On August 10, 2007, the Company changed its name to Vanguard Minerals Corporation.

In November 2007, the Company entered into an agreement with Coastal Uranium Holdings Ltd. to acquire its right and option to an undivided 50% right, title and interest in certain mineral claims in the Athabasca region of Canada for $58,300 (Cdn) plus 2,000,000 shares of the common stock of the Company. In addition, the Company agreed to take on the financial responsibility of Coastal Uranium Holdings Ltd. to fund development of the mineral property.

In April 2008, the Company entered into a second agreement with Coastal Uranium Holdings Ltd. to acquire its 50% interest in mining claim S-110476 in the Athabasca region of Canada for $ 250,000 (Cdn) plus 4,000,000 shares of the common stock of the Company. In addition, the Company agreed to take on the financial responsibility of Coastal Uranium Holdings Ltd. to fund development of the mineral property.

In September of 2013, Marc Brannigan, an individual resident of the State of Arizona, acquired 15,000,000 shares of common stock of the Company, representing approximately 91.54% of the issued and outstanding voting power of the Company. The transaction resulted in a change in control of the Company.

Current Business

Concurrently with the change in control of the Company, the Company becomes a strategic real estate investment firm whose primary focus is acquiring commercial properties that face unique zoning challenges in the medical marijuana industry. The core of its business is identifying and acquiring properties that are candidates for re-zoning within a variety of usage types such as industrial, agricultural, as well as mixed use. The Company's goal is to manage a portfolio of properties that it will own and lease, and to provide oversight on each managed property.

On October 2, 2013, the Company filed Articles of Amendment to its Articles of Incorporation with the Secretary of State of Nevada to change its corporate name to Zoned Properties, Inc.

ZONED PROPERTIES INC.
F/K/A VANGUARD MINERALS CORP.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(UNAUDITED)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Development stage company

As of December 31, 2013, the Company devoted substantially all of its efforts to establishing a new business, and there have been no significant revenue therefrom since incorporation. Accordingly, the Company's activities have been accounted for as those of a "Development Stage Enterprise" as set forth in FASB Accounting Standards Codification No. 915 ("ASC 915"). Among the disclosures required by ASC 915 are that the Company's financial statements be identified as those of a development stage company, and that the statements of operations, stockholders' equity and cash flows disclose activity since the date of the Company's inception. The Company's primary revenues began in the first quarter of 2014. Therefore, subsequent to 2013, the Company will not be considered as a development stage enterprise.

Basis of presentation

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") under the accrual basis of accounting. The Company has adopted a December 31 fiscal year end.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The more significant areas requiring the use of estimates include asset impairment, stock-based compensation, and future income tax amounts. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

Cash and cash equivalents

The Company considers all short term investments with a maturity of three months or less when purchased to be cash and equivalents for purposes of the statement of cash flows.

Impairment of long-lived assets

The Company evaluates the recoverability of its fixed assets and other assets in accordance with section 360-10-15 of the FASB Accounting Standards Codification for disclosures about Impairment or Disposal of Long-Lived Assets. Disclosure requires recognition of impairment of long-lived assets in the event the net book value of such assets exceeds its expected cash flows. If so, it is considered to be impaired and is written down to fair value, which is determined based on either discounted future cash flows or appraised values. The Company adopted the statement on inception. No impairments of these types of assets were recognized during the periods ended December 31, 2013 and 2012, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of financial instruments
The Company measures its financial and non-financial assets and liabilities, as well as makes related disclosures, in accordance with FASB Accounting Standards Codification No. 820, *Fair Value Measurement* ("ASC 820"), which provides guidance with respect to valuation techniques to be utilized in the determination of fair value of assets and liabilities. Approaches include, (i) the market approach (comparable market prices), (ii) the income approach (present value of future income or cash flow), and (iii) the cost approach (cost to replace the service capacity of an asset or replacement cost). ASC 820 utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one more significant inputs or significant value drivers are unobservable.

Our financial instruments include cash, accrued liabilities, and convertible note payable – related party.

The carrying values of the Company's cash, accrued liabilities approximate their fair value due to their short-term nature.

The Company's convertible note payable – related party are measured at amortized cost.

Basic Income (Loss) Per Share
The Company calculates net income (loss) per share in accordance with the FASB Accounting Standards Codification No. 260, *Earnings per Share*. Basic income (loss) per share is calculated by dividing the Company's net income or loss applicable to common shareholders by the weighted average number of common shares during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. There were no adjustments required to net loss for the periods presented in the computation of basic loss per share. No diluted loss per share is required to be represented.

Revenue Recognition
The Company is in the business development stage and has yet to realize significant revenues from operations. Once the Company has commenced operations, it will recognize revenues when delivery of goods or completion of services has occurred provided there is persuasive evidence of an agreement, acceptance has been approved by its customers, the fee is fixed or determinable based on the completion of stated terms and conditions, and collection of any related receivable is probable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes
Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized. It is the Company's policy to classify interest and penalties on income taxes as interest expense or penalties expense. As of December 31, 2013, there have been no interest or penalties incurred on income taxes.

Dividends
The Company has not adopted any policy regarding payment of dividends. No dividends have been paid during the period shown.

Related parties
Parties, which can be a corporation or individual, are considered to be related if the Company 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. Companies are also considered to be related if they are subject to common control or common significant influence. A material related party transaction has been identified in Note 3 in the financial statements.

Stock-Based Compensation
The Company recognizes compensation costs to employees under FASB Accounting Standards Codification No. 718, *Compensation - Stock Compensation* ("ASC 718"). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Equity instruments issued to other than employees are recorded on the basis of the fair value of the instruments, as required by FASB Accounting Standards Codification No. 505, *Equity Based Payments to Non-Employees.* In general, the measurement date is when either a (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

Subsequent Events
The Company evaluated for subsequent events through the issuance date of the Company's financial statements. These events are summarized in Note 10.

Recent Accounting Pronouncements
The Company has reviewed all recently issued, but not yet effective, accounting pronouncements up to ASU 2014-05, and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

NOTE 3 – RELATED PARTY TRANSACTIONS

(A) Convertible notes payable – Beneficial conversion features

The Company borrowed funds to cover its daily operations, including but not limited to, consulting and advisory fees, accounting fees, legal fees, compliance fees and others, from MAC CAM LLC, a related party partially owned by the Company's President. The borrowings were evidenced by four convertible promissory notes, dated on September 30, 2013 ("September Note"), October 31, 2013 ("October Note"), November 30, 2013 ("November Note") and December 31, 2013 ("December Note"). The holder of the Notes has an option to convert all or any portion of the accrued interest and unpaid principal balance of the Notes into the common stock of the Company or its successors. The outstanding balances, interest rates, maturity dates and conversion prices of each note are set forth in the following table:

	Outstanding Balance	Interest Rate	Maturity Date	Conversion Price
September Note	$ 25,000	8%	Due on demand	$0.05
October Note	52,518	8%	Due on demand	$0.05
November Note	32,217	10%	November 30, 2014	$0.05
December Note	49,678	10%	December 31, 2014	$0.10
Total	$ 159,413			
Remaining balance of discounts	(79,121)			
Net	$ 80,292			

The conversion price associated with the Notes was determined based on the facts at the time whereby the Company had nominal trading volume for its stock and had negative shareholder equity at the time of issuance.

The Notes were discounted in amount of $128,406 due to the intrinsic value of the beneficial conversion option. As of December 31, 2013, the aggregate carrying value of the Notes was $80,292, net of debt discounts of $79,121. The Company recorded interest expense related to the Notes of $1,484 and amortization of debt discount in amount of $49,285 during the year ended December 31, 2013. The interest expense of $1,484 has been included under accrued liabilities.

NOTE 4 – CAPITAL STOCK

(A) Common Stock

As of December 31, 2013, the Company was authorized to issue 100,000,000 shares of common stock, par value $0.001 per share, of which 16,536,111 were shares issued and outstanding.

NOTE 4 – CAPITAL STOCK (CONTINUED)

(B) Preferred Stock

As of December 31, 2013, the Company was authorized to issue 5,000,000 shares of preferred stock, par value $0.001 per share, of which 700,000 shares were issued and outstanding.

The preferred stock is not convertible into any other class or series of stock. The holders of the preferred stock are entitled to fifty (50) votes for each share held. Voting rights are not subject to adjustment for splits that increase or decrease the common shares outstanding. Other rights and preferences of the preferred stock may be determined by the Board of Directors.

NOTE 5 – CAPITAL TRANSACTIONS

In June 2011, the Company sold 1,000,000 shares of common stock in a private placement for $250,000. The funds were being held in escrow pending the satisfaction of certain conditions that were placed on the release of the funds. These funds were released in August, 2012.

In September of 2013, Marc Brannigan, an individual resident of the State of Arizona, acquired 15,000,000 shares of common stock of the Company at a price of $0.01 per share, or $150,000 in total, representing approximately 91.54% of the issued and outstanding voting power of the Company. The transaction resulted in a change in control of the Company.

NOTE 6 – STOCK ISSUED FOR SERVICES

On November 11, 2013, the Company entered into a consulting service agreement with a Consultant for construction advice, business models development, product planning and introduction of prospective customers, and so on, in exchange for the issuance of 500,000 shares of common stock of the Company. The agreement had a term of two years effective from November 11, 2013 ending November 10, 2015. The fair value of this stock issuance was determined using the market value of the Company’s common stock on the grant date at a price of approximately $0.08 per share. Accordingly, the Company calculated the stock based compensation of $40,000 at its fair value and booked pro rata within the relative service periods. The 500,000 shares were not issued as of December 31, 2013. The stock based compensation of $2,744 for the year ended December 31, 2013 has been included under accrued liabilities.

On November 11, 2013, the Company entered into a consulting service agreement with a Consultant for advice on equity and debt financing, sales assistance, capitalization planning and ESOP structure, and so on, in exchange for the issuance of 750,000 shares of common stock of the Company. The agreement had a term of two years effective from November 11, 2013 ending November 10, 2015. The fair value of this stock issuance was determined using the market value of the Company’s common stock on the grant date at a price of approximately $0.08 per share. Accordingly, the Company calculated the stock based compensation of $60,000 at its fair value and booked pro rata within the relative service periods. The 750,000 shares were not issued as of December 31, 2013. The stock based compensation of $4,115 for the year ended December 31, 2013 has been included under accrued liabilities.

NOTE 6 – STOCK ISSUED FOR SERVICES (CONTINUED)

On December 1, 2013, the Company entered into a consulting service agreement with a Consultant, pursuant to which the Consultant will act as the Company's non-exclusive financial public relations counsel in exchange for the issuance of 50,000 shares of common stock of the Company. The agreement had a term of six months effective from December 1, 2013 ending June 1, 2014. The fair value of this stock issuance was determined using the market value of the Company's common stock on the grant date at a price of approximately $0.38 per share. Accordingly, the Company calculated the stock based compensation of $19,000 at its fair value and booked pro rata within the relative service periods. The 50,000 shares were not issued as of December 31, 2013. The stock based compensation of $3,132 for the year ended December 31, 2013 has been included under accrued liabilities.

On December 17, 2013, the Board of Directors of the Company approved the issuance of 150,000 shares of common stock to a consultant for professional services in connection with reporting compliance and corporate matters during 2013. The value of this stock issuance was determined using the market price of the Company's common stock on the grant date at a price of approximately $.18 per share. Accordingly, the Company calculated stock based compensation of $27,000 as its fair value and recognized the expense during the year ended December 31, 2013.

On December 20, 2013, the Board of Directors of the Company approved the issuance of 700,000 shares of preferred stock to a related party partially owned by the Company's President for professional services in connection with setting up the business with respect to commercial properties acquisition and management that face unique zoning challenges in the medical marijuana industry, and running the daily operations of the Company. The fair value of 700,000 preferred shares in amount of $700,000 was determined by the estimated value of services rendered since neither exist a public market nor conversion rate for the Company's preferred shares. The agreement had a term of ten years commencing on December 20, 2013. Accordingly, stock based compensation was booked pro rata within the relative service periods. For the year ended December 31, 2013, the Company recognized $2,108 in its statements of operations. Unrecognized compensation was recorded as deferred compensation amounting to $697,892 as of December 31, 2013.

NOTE 7 – INCOME TAXES

Due to the prior years' operating losses and the inability to recognize an income tax benefit therefrom, there is no provision for current or deferred income taxes for the years ended December 31, 2013 and 2012, respectively. The cumulative net operating loss carryforward is $6,174,392 at December 31, 2013, and will expire in various years through 2033.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for federal income tax purposes.

NOTE 7 – INCOME TAXES (CONTINUED)

The cumulative tax effect at the expected rate of 34% of significant items comprising our net deferred tax amount is as follows as of December 31, 2013 and 2012:

	2013	2012
Deferred tax asset attributable to:		
Net operating loss carryover	$ 2,099,293	$ 1,967,605
Less: valuation allowance	(2,099,293)	(1,967,605)
Net deferred tax assets	$ -	$ -

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for federal income tax reporting purposes are subject to annual limitations. When a change in ownership occurs, net operating loss carry forwards may be limited as to use in future years.

NOTE 8 – FORGIVENESS OF DEBT

During the year ended December 31, 2012, the Company signed a settlement agreement with a vendor under which the vendor waived all rights to rights to payments of liabilities owed to them by the Company. A total of $41,146 relating to this vendor has been recognized as income from forgiveness of debt in 2012.

NOTE 9 – GOING CONCERN

The Company's financial statements are prepared in conformity with US GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has not begun to generate significant revenues, and has incurred significant operating losses through December 31, 2013.

The Company is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful. Without sufficient financing, or the achievement of profitable operations, it would be unlikely for the Company to continue as a going concern.

NOTE 10 – SUBSEQUENT EVENTS

As discussed in Note 12, the Company completed a private offering of its common stock. The Company believes proceeds from that offering will be sufficient to fund its operations through December 31, 2014.

(A) Mortgage receivable

On December 9, 2013, the Company entered into a Note Purchase and Loan Participation Assignment Agreement with and amongst two related parties of the Company and five individual investors, pursuant to which the Company issued 1,000,000 shares of common stock of the Company and two convertible promissory notes in total amount of $170,000 to purchase a Promissory Note dated February 19, 2013, in the original principal amount of $209,400 and with a maturity date of February 1, 2018, which is secured by a Mortgage/Deed of Trust on Real Property recorded March 5, 2013 in Document No. 2013-01174, of the Official Records of the County Recorder of Graham County, Arizona. There was no gain or loss recognized in this transaction. The transaction was not closed until January 8, 2014.

NOTE 10 – SUBSEQUENT EVENTS (CONTINUED)

(B) Convertible Notes Payable

On January 8, 2014, the Company issued two convertible promissory notes in total amount of $170,000 (the “Notes”) to two related parties in connection with the purchase of a Promissory Note dated February 19, 2013 (see Note 10(A)). The Notes bear an interest rate of 10% per annum and are due on January 8, 2015, pursuant to which the holders of the Notes have an option to convert all or any portion of the accrued interest and unpaid principal balance of the Notes into the common stock of the Company or its successors, at 50% of the market bid price of the common stock on the demand date for conversion.

(C) Private Placement

During the first quarter of 2014, the Company issued 5,857,000 shares of restricted common stock at a price of $1.00 per share to approximately 28 accredited investors pursuant to a private placement, exempt from registration pursuant to Rule 506(c) under the Securities Act of 1933, as amended. The total proceeds the Company received from this private placement were approximately $5,857,000.

(D) Note Conversion

During the first quarter of 2014, the Company issued a total of 2,925,514 shares of common stock of the Company to settle the principal obligations of certain convertible notes payable – related parties in amount of $329,413. The accrued interest was forgiven.

(E) Property Acquisitions

On January 22, 2014, the Company entered into a real estate purchase agreement with an individual resident of the State of Arizona, pursuant to which the Company acquired the land located in Gilbert Arizona for a total payment of $300,000, of which $250,000 was paid in cash, and $50,000 was paid by issuing 16,667 shares of the common stock of the Company at a price of $3 per share. Simultaneously, the Company issued 100,000 shares of common stock of the Company to Cumbre Investment LLC, a related party of the Company, to acquire its Right of First Refusal on the land. The transaction was completed and the title of the land was transferred to the Company.

On January 29, 2014, the Company entered into a purchase and consulting agreement with a related party of the Company, pursuant to which the Company acquired a permanent modular building located in Gilbert Arizona for total payments of $675,000. Simultaneously, the Company issued 140,000 shares of common stock of the Company at a price of $1 per share to the seller of the building to acquire a conditional use permit for the building. The transaction was completed and the title of the land was transferred to the Company.

On March 7, 2014, the Company entered into a real estate purchase agreement with Maryland LLC, an Arizona limited liability company, pursuant to which the Company acquired the property located in Tempe Arizona for total payment of $4,600,000, of which $2,500,000 was paid by cash, and $2,100,000 was seller carryback from Maryland LLC. The transaction was completed and the title of the land was transferred to the Company.

NOTE 10 – SUBSEQUENT EVENTS (CONTINUED)

(F) Stock issued for services

On January 8, 2014, the Company entered into a consulting service agreement with a Consultant for the services related to compliance filing in exchange for the issuance of 10,000 shares of common stock of the Company. The fair value of this stock issuance was determined by using the market value of the Company's common stock on the grant date, or $0.95 per share. The 10,000 shares were issued on March 4, 2014.

On January 28, 2014, the Company entered into a consulting service agreement with two individual Consultants, respectively, pursuant to which the Consultants will study and review the Company's performance with respect to its business, operations, financing and development initiatives, identify potential sources of debt or equity financing for the Company, and so on, in exchange for the issuance of total 100,000 shares of common stock of the Company, or 50,000 shares each. The fair value of this stock issuance was determined by using the market value of the Company's common stock on the grant date, or $2.70 per share. The 100,000 shares were issued on March 4, 2014.

On February 10, 2014, the Company entered into an agreement with an officer of the Company for his services rendered, pursuant to which 250,000 shares of common stock of the Company was issued to the Officer. The fair value of this stock issuance was determined by using the market value of the Company's common stock on the grant date, or $4.98 per share.

On March 4, 2014, the Company issued total 1,250,000 shares of common stock to the Consultants pursuant to the consulting agreements, dated November 11, 2013 (see Note 6).

On March 4, 2014, the Company issued 50,000 shares of common stock to a Consultant pursuant to the consulting agreement, dated December 1, 2013 (see Note 6).

(G) Sale of Safford Note

On March 12, 2014, the Company sold the note on the Safford, Arizona dispensary location for a cash payment of $210,500.

I, Marc Brannigan certify that:

1. I have reviewed the Financial Statements for the years ended December 31, 2013 and 2012 of Zoned Properties Inc., f/k/a Vanguard Minerals Corp.

2. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference hereto, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented hereto.

Date: March 24, 2014

/s/: Marc Brannigan
Marc Brannigan
President