15 & 17 FITZGERALD ROAD

FIRST QUARTER REPORT 2022

Presented to:
the Limited Partners
of the Fitzgerald Road
Limited Partnership

JENNINGS
REAL ESTATE

JENNINGSDEVELOPMENTS.COM | 18 LOUISA ST | SUITE 370 | OTTAWA | K1R 6Y6

UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

We are pleased to formally report (i) the repayment of the investment in the 302 Legget Drive partnership, which resulted in a distribution of capital, and (ii) the refinancing, each of which occurred in January of this year.

Repayment of Units. As noted in the email dated January 11th, the partnership received payment in full for the Class B units of the 302 Legget Drive partnership, which had been accruing an annual 6% return since inception. The repayment totalled $1,377,032 and was received in early January. Such funds were used to (i) reduce the outstanding mortgage debt (by way of a prepayment of $300,000), (ii) provide a return of capital to all partners equal to 50% of their initial investment (totalling $935,000), and (iii) the remainder to increase the partnerships bank balance in order to fund certain tenant improvements and financing fees.

Refinancing. In January of this year, the financing of the property was consolidated and renewed with the Bank of Nova Scotia. Details are as follow

- Loan Amount: $4,220,583.34 (note that $300,000 of the proceeds from the Class B units were used to pay down the mortgage);
- Term: 5 years
- Amortization period: 22 years
- Fixed Interest Rate: 3.70%
- Recourse: None (the only recourse is to the property itself)

Occupancy. As noted in our previous report, all above grade space in these buildings remains fully leased, with no leases expiring in 2022. Further, we are happy to note that the below-grade space is now over 90% leased.

Capital Expenditures. No major capital expenditures were incurred during this quarter, and we do not anticipate any significant capital expenditures in 2022.

Distribution. Finally, we are making a **distribution of $20,000.00** in relation to this quarter. Such amount has been mailed out on a proportionate basis.

Regards,

Ken and Christian Jennings
Directors of the General Partner

PROPERTY SUMMARY

BUILDING INFORMATION

Built	1985 and 2001
Total Lot Acreage	1.65 acres
Building Size	30,314 sq ft
Parking	98 spaces

ZONING DESIGNATION

Designation	IP
Description	Business Park Industrial Zone
Municipality	City of Ottawa

PROPERTY MANAGEMENT

Jennings Real Estate Corporation conducts frequent site visits, maintains communication with tenants to understand any specific needs or problems, monitors all contract workers to ensure work is done correctly, and also performs routine preventative maintenance.

PROPERTY SUMMARY

TENANT / LEASING

As of March 31, 2022, all above-grade space in both properties was 100% leased.

Tenant	Square Feet	Lease Expiry
John G. Cooke	3,509	28-Feb-24
CFR Engines	6,538	31-Aug-24
Stryten Energy (Galvion)	7,400	31-Mar-25
Motomike	3,147	31-May-26
TCC Canada	9,720	30-Apr-33
TOTAL	30,314	

15 Fitzgerald

TCC Canada

8,820 SF , Exp: Apr 2033

Stryten Energy (Galvion)

7,400 SF, Exp: Mar 2025

TCC Canada

900 SF, Exp: April 2033

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John G Cooke & Associates

3,509 SF, Exp: Feb 2024

CFR Engines Inc.

6,538 SF , Exp: Aug 2024

Motomike

3,147 SF, Exp: May 2026

LEASE EXPIRY YEAR

2022 | 2023 | 2024 | 2025+

PROPERTY SUMMARY

BELOW-GRADE SPACE

We are pleased to report that approximately 3,000 square feet of below-grade storage was leased this quarter, and there remains only 200 square feet of vacancy out of a total of 4,477 square feet. The below grade tenants are a mix of storage and operating businesses.

MARKET UPDATE

In Q1 2022, the Ottawa Deep West office market's vacancy rate increased to 8.3% which is up from 7.1% in Q4 2021. Although there was an increase in the vacancy rate, the average asking net rent rate in the area slightly increased to $14.48 from $14.02. (as per CBRE Q1 2022 Ottawa Office Marketview)

FINANCIAL STATEMENTS

Please find the enclosed Financial Statements*

*Disclaimer. These financial statements are interim, internally prepared and for management purposes. We do not express an opinion or any other form of assurance on them. This report is for management only. It is not intended for distribution or consideration for credit purposes.

FITZGERALD ROAD LIMITED PARTNERSHIP
BALANCE SHEET
for the three months ended March 31, 2022
(Unaudited)

	March 31,2022
ASSETS	
CURRENT	
Cash	266,567
Accounts receivable	12,979
Prepaid expenses	6,316
	285,862
LONG-TERM	
Security deposits	3,091
Deferred finance charges	20,214
Deferred leasing commission	125,106
Deferred tenant inducements	3,991
Property, plant and equipment	4,789,347
	4,941,750
	5,227,612
LIABILITIES	
CURRENT	
Accounts payable and accrued liabilities	37,019
Government remittances payable	14,118
Deferred revenue	36,715
	87,852
LONG-TERM	
Tenant deposits	41,899
Long-term debt	4,199,725
	4,241,624
	4,329,476
PARTNERS' EQUITY	
Partners' capital	887,678
Earnings of the period	10,458
	898,136
	5,227,612

FITZGERALD ROAD LIMITED PARTNERSHIP
STATEMENT OF EARNINGS
for the three months ended March 31, 2022
(Unaudited)

	March 31,2022
REVENUE	
Rental income	217,999
Interest income	956
	218,955
EXPENSES	
Amortization of deferred finance charges	1,305
Amortization of leasing commissions	4,663
Amortization of tenant inducements	521
Bank charges	245
Depreciation	41,630
General and administrative expenses	22,398
Insurance	2,022
Interest on long-term debt	39,120
Management fees	9,305
Professional fees	4,500
Property taxes	30,711
Repairs and maintenance	27,313
Telecomunication	212
Utilities	24,552
	208,497
NET EARNINGS	10,458