302 LEGGET DRIVE

SECOND QUARTER REPORT 2023

Presented to:
the Limited Partners
of the 302 Legget Drive
Limited Partnership

JENNINGS
REAL ESTATE

JENNINGSDEVELOPMENTS.COM | 141 LAURIER AVE W | SUITE 402 | OTTAWA | K1P 5J2

UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

We are pleased to provide you with the 2023 Second Quarter Report.

As noted in our previous reports, the building remains fully leased, with no leases expiring in 2023. We are engaged with Purewater Total Home Leisure to extend the existing lease expiring 2024.

During the quarter, we completed the installation of a backflow preventer, a requirement under a new City of Ottawa by-law. We have also completed an upgrade of an outdoor patio area that is accessible to all tenants at the property. In Q3 / Q4 we anticipate completing the resurfacing of the west side parking lot.

Finally, we are making a **distribution of $70,000** at this time. Such amount will be mailed out on a proportionate basis. At year end a comprehensive summary and reporting of annual returns will be detailed.

Regards,

Ken and Christian Jennings
Directors of the General Partner

PROPERTY SUMMARY

BUILDING INFORMATION

Built	1975 and 1981
Total Lot Acreage	4.61 acres
Building Size	85,092 sf
Parking	+/- 150 spaces

ZONING DESIGNATION

Designation	IG6
Description	General Industrial
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 performs routine preventative maintenance.

During Q2, a new backflow preventer was installed in accordance with the City of Ottawa's bylaw. We also completed an update to a building amenity, the outdoor patio area. This included re-levelling the existing pavers and staircase, in addition to new outdoor furniture.

Going forward into Q3, we expect to commence the repaving of the west parking lot.

MARKET UPDATE

In Q2 2023, the Ottawa Deep West industrial vacancy rate was just 2.0%, an increase of 1.7% from 0.3% in Q1, 2023. This persistently low vacancy rate has led to the seventh consecutive quarter of industrial rental rate growth. The average asking rent for Ottawa Deep West is currently $15.74 per square foot, an increase of $2.41 over Q1, 2023 (as per CBRE Q2 2023 Ottawa Industrial Marketview).

PROPERTY SUMMARY

TENANT / LEASING

As of June 30, 2023, the building is fully leased. We are actively engaged with Purewater Total Home Leisure in a renewal of the current lease and are optimistic about the likelihood of renewal.

Tenant	Square Feet	Lease Expiry
Purewater Total Home Leisure	11,901	30-Apr-24
Lloyd Douglas Solutions	12,467	31-Dec-25
MBP Technologies	14,274	30-Jun-26
MCL Hospitality	5,857	31-Oct-27
MDA Corporation	40,593	30-Apr-29
Total	**85,092**	

ELECTRONICS TEST CENTRE
MPB Technologies Inc.

MDA™

PUREWATER
TOTAL HOME LEISURE

Pure Water	Lloyd Douglas Solutions Inc.	MPB Technologies Inc.	MCL Hospitality Ltd.	MDA Corp.
11,901 SF	12,467 SF	14,274 SF	5,857 SF	40,593 SF
Exp: April 2024	Exp: Dec 2025	Exp: Jun 2026	Exp: Oct 2027	Exp: Apr 2029

LEASE EXPIRY YEAR

2023 | 2024 | 2025 | 2026 | 2027+

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.

302 Legget Drive Limited Partnership
Balance Sheet
as at June 30, 2023

Assets

Current		
Cash	$	775,683
Accounts Receivable		14,916
Prepaid Expenses		9,143
Deposits		18,363
	$	**818,106**
Long - Term		
Deferred leasing costs	$	347,431
Deferred finance charges		142,163
Property, plant and equipment		11,072,377
	$	**11,561,971**
Total Assets	**$**	**12,380,077**

302 Legget Drive Limited Partnership

Current		
Accounts payable and accrued liabilities	$	263,537
Government remittances payable		50,920
	$	**314,457**
Long-Term		
Long-term debt	$	11,304,084
Security deposits		31,127
		11,335,212
Total Liabilities	**$**	**11,649,668**
Investor's Equity		
Capital	$	594,590
Current period profit (loss)		135,819
Total Investors' Equity	**$**	**730,409**
Total Liabilities and Investor's Equity	**$**	**12,380,077**

302 Legget Drive Limited Partnership
Income Statement
for the period ended June 30, 2023

Revenue		
Rental Income	$	1,013,418
	$	**1,013,418**
Expense		
Administrative costs	$	40,352
Amortization		278,875
Interest on long-term debt		181,079
Property management		36,862
Professional fees		11,159
Repairs and maintenance		93,041
Utilities		89,170
Property taxes		147,060
	$	**877,599**
Net Income	**$**	**135,819**