

302 LEGGET DRIVE



**THIRD
QUARTER
REPORT
2021**

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



JENNINGS
REAL ESTATE

UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

As noted in previous reports, this property remains fully leased.

We are pleased to report that we have come to terms with MDA corporation on a seven-and-a-half-year lease extension for their 40,593 square feet, at a net rent rate commencing at \$13.50 psf, which represents an increase of 22.7% above their existing rent. No free rent, tenant improvement allowances or other inducements were provided to the tenant.

A series of significant improvements were made to the building in Q3 2021, including painting of all siding, repair or replacement of exit stairs and windowsills as well as re-paving of the south drive.

As a follow-up on our previous report about the tenant lease expiring on Oct 31st, 2022, we are please to announce that we recently received a notice from the tenant to extend their current lease for another 5 years.

Finally, we will be making a distribution at this time of \$40,000. Such amount was mailed out on a proportionate basis. We expect distributions to continue as projected in Q4 2021, at which time 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 also performs routine preventative maintenance.

In addition, some of the projects that took place in the third quarter of 2021 were:

- All siding of the building has been painted, as shown in the photo on page 1
- All loading exit stairs were either repaired or replaced as required
- The south drive was re-paved in August 2021; and
- All windowsills were repaired or replaced as required.



PROPERTY SUMMARY

TENANT / LEASING

As noted in Part A, we have extended MDA corporation lease by an additional 7.5 years.

As of September 30, 2021, the building is fully leased and no leases expiring in the next 12 months.

| Tenant | Square Feet | Lease Expiry |
|-------------------------|---------------|--------------|
| Purewater | 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 | |



MARKET UPDATES

The Ottawa Deep West (Kanata) industrial market's vacancy rate stands at 0.4% at the end of Q3 2021 which is down from 0.9% in Q2 2021. The average net asking rent rate in the area decreased from \$12.03 to \$11.77 psf. (as per CBRE Q3 Ottawa Industrial 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.





302 Legget Drive Limited Partnership

Balance Sheet
As of September 30, 2021

| | TOTAL |
|--|------------------------|
| Assets | |
| Current Assets | |
| Cash and Cash Equivalent | |
| 1011 Operating Account - 2nd | 553,130.78 |
| 1050 Petty Cash | 2.01 |
| Total Cash and Cash Equivalent | \$553,132.79 |
| Accounts Receivable (A/R) | |
| 1100 Accounts Receivable | -4,062.63 |
| Total Accounts Receivable (A/R) | \$ -4,062.63 |
| 1070 Deposits | 18,692.00 |
| 1300 Prepaid Expenses | 4,294.35 |
| Total Current Assets | \$572,056.51 |
| Non-current Assets | |
| Property, plant and equipment | |
| 1500 Land | 1,826,044.59 |
| 1501 Leasing Costs | 63,644.47 |
| 1510 Building | 9,159,516.82 |
| 1610 Building Improvements | 73,401.85 |
| 1615 Interior/Exterior Lighting Upgrades - R | 40,336.07 |
| 1620 Roof Replacement | 113,609.68 |
| 1630 MDA RTU Replacement | 18,251.20 |
| 1640 Lloyd Douglas HVAC | 48,311.45 |
| 1650 Building Improvements - R | 57,092.00 |
| Total Property, plant and equipment | \$11,400,208.13 |
| 1720 Financing Fees | 8,260.05 |
| Total Non Current Assets | \$11,408,468.18 |
| Total Assets | \$11,980,524.69 |

302 Legget Drive Limited Partnership

Balance Sheet

As of September 30, 2021

| | TOTAL |
|--|------------------------|
| Liabilities and Equity | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable (A/P) | |
| 2000 Account Payable | 193,715.61 |
| Total Accounts Payable (A/P) | \$193,715.61 |
| 2110 GST/HST Payable | 63,928.40 |
| 2120 Accrued Liabilities | 62,632.00 |
| Total Current Liabilities | \$320,276.01 |
| Non-current Liabilities | |
| 2400 First Mortgage | 5,940,070.31 |
| 2600 Tenant Deposits | 31,127.37 |
| Total Non-current Liabilities | \$5,971,197.68 |
| Total Liabilities | \$6,291,473.69 |
| Equity | |
| 3020 Investor Capital | 0.00 |
| 3030 Chrisken Realty Investments Inc. | 185,637.86 |
| 3040 DH (Ottawa) Investments Inc | 27,622.73 |
| 3050 TH (Ottawa) Investments Inc | -4,975.38 |
| 3060 AYM Real Estate Inc | 293,382.91 |
| 3070 BC Bockstael Holdings Inc. | 257,990.67 |
| 3080 B Holmes Holdings Ltd. | 257,990.67 |
| 3090 Adam Mills Holdings Inc. | 257,990.67 |
| 3100 Walker Family Wealth Ltd. | 257,990.67 |
| 3110 1394804 Ontario Inc. | 257,990.67 |
| 3120 2077188 Ontario Inc. | 293,382.91 |
| 3125 2490626 Ontario Inc. | 257,990.67 |
| 3130 Grant Castle Properties Inc. | 469,999.38 |
| 3140 Maissonneuve Investments Inc. | 257,990.67 |
| 3160 Carol Holmes | 257,990.67 |
| 3170 McLarty Family Holdings Inc | 128,995.32 |
| 3175 McLarty Family Holdings Inc (Lynn) | 128,995.34 |
| 3186 A.M. Food Services Ltd. | 497,922.94 |
| 3190 302 Legget Drive (GP) Inc. | 0.22 |
| 3200 Fitzgerald Road Limited Partnership | 1,377,032.83 |
| Total 3020 Investor Capital | 5,461,922.42 |
| Retained Earnings | 0.00 |
| Profit for the year | 227,128.58 |
| Total Equity | \$5,689,051.00 |
| Total Liabilities and Equity | \$11,980,524.69 |



302 Legget Drive Limited Partnership

Profit and Loss
January - September, 2021

| | TOTAL |
|----------------------------------|-----------------------|
| INCOME | |
| 4000 Rental Income | 746,256.40 |
| 4200 Additional Rent | 496,515.90 |
| 4300 Other Income | 9,666.23 |
| Total Income | \$1,252,438.53 |
| RECOVERABLE COSTS | |
| 5000 Recoverable Operating Costs | 285,580.22 |
| 6570 Property Taxes | 212,895.00 |
| Total RECOVERABLE COSTS | \$498,475.22 |
| GROSS PROFIT | \$753,963.31 |
| EXPENSES | |
| 6000 Non Recoverable Expenses | 67,404.44 |
| 6550 Mortgage Interest | 154,949.85 |
| 8000 Depreciation | 304,480.44 |
| Total Expenses | \$526,834.73 |
| PROFIT | \$227,128.58 |