302 LEGGET DRIVE

THIRD 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 Third Quarter Report.

As noted in our previous report, the building remains fully leased, with no leases expiring in 2023.

We are happy to report that we have successfully entered into a lease extension agreement with our current tenant, Purewater Total Home Leisure, for their 11,901 square foot unit that was set to expire April 30, 2024. The term has been extended by three years until April 30, 2027, and includes a rental rate increase of 57% upon commencement of the extension. The lease extension was completed on an “as is” basis, and no inducements were provided to the tenant.

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 Q3, we commenced demolition, and installation of new granular for the west parking lot in preparation for repaving at the beginning of Q4.

MARKET UPDATE

In Q3 2023, the Ottawa Deep West industrial vacancy rate was just 1.6%, an decrease of 0.4% from 2.0% in Q2, 2023. The average asking rent for Ottawa Deep West held steady in Q3, and is currently $15.69 per square foot, a decrease of $0.05 from Q2, 2023 (as per CBRE Q3 2023 Ottawa Industrial Marketview).

PROPERTY SUMMARY

TENANT / LEASING

As of September 30, 2023, the building is fully leased. We successfully entered into a lease extension agreement, Purewater Total Home Leisure. The term has been extended by three years until April 30, 2027, and includes a rental rate increase of 57%, with additional 2% increases year over year thereafter.

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

Purewater Total Home Leisure	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 2027	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 September 30, 2023

Assets

Current		
Cash	$	816,875
Accounts Receivable		16,004
Prepaid Expenses		4,572
Deposits		15,256
	$	**852,708**
Long - Term		
Deferred leasing costs	$	329,852
Deferred finance charges		142,163
Property, plant and equipment		11,001,302
	$	**11,473,318**
Total Assets	**$**	**12,326,025**

302 Legget Drive Limited Partnership

Current		
Accounts payable and accrued liabilities	$	213,266
Deferred revenue		5
Government remittances payable		45,781
	$	**259,052**
Long-Term		
Long-term debt	$	11,243,217
Security deposits		31,127
		11,274,344
Total Liabilities	**$**	**11,533,396**
Investor's Equity		
Capital	$	524,590
Current period profit (loss)		268,039
Total Investors' Equity	**$**	**792,629**
Total Liabilities and Investor's Equity	**$**	**12,326,025**

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

Revenue		
Rental Income	$	1,523,124
	$	**1,523,124**
Expense		
Administrative costs	$	60,546
Amortization		406,686
Interest on long-term debt		240,796
Property management		55,293
Professional fees		14,188
Repairs and maintenance		118,161
Utilities		132,913
Property taxes		226,500
	$	**1,255,085**
Net Income	**$**	**268,039**