

310 HUNT CLUB ROAD



**SECOND
QUARTER
REPORT
2022**



Presented to:
the Limited Partners
of the 310 Hunt Club Road
Limited Partnership



JENNINGS
REAL ESTATE

UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

We are pleased to provide you with the 2022 Second Quarter Report.

As noted in our previous reports, the building remains fully leased, with no leases expiring in 2022.

No significant capital expenditures were incurred during this quarter and only minor improvements are expected in the remainder of 2022.

The recent severe storm in late May 2022 caused a hydro outage in the building for a few days and damaged a number of trees on the property. However, the building's emergency generator was able to generate power and maintain life safety systems and keep the labs in working order during that period. Further, the power outage damaged the building's security access system, and we are in the process of having it replaced.

We are making a **distribution of \$50,000** in relation to this quarter. The distribution has been mailed out on a proportionate basis. At this time, we expect regular distributions to continue through 2022.

Regards,

Ken and Christian Jennings
Directors of the General Partner



PROPERTY SUMMARY

BUILDING INFORMATION

Built	2006
Total Lot Acreage	2.80 acres
Building Size	52,370 sf
Parking	211 spaces

ZONING DESIGNATION

Designation	T1A
Description	Airport Lands
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.

In addition, the following improvements were completed in the second quarter of 2022:

- Refreshed the courtyard with new barbecues, picnic tables and bike rack;
- Fence repairs were completed in the courtyard;
- Sprinkler repairs completed to the irrigation system; and
- The building’s security access system is being upgraded.



PROPERTY SUMMARY

TENANT / LEASING UPDATE

As of June 30, 2022, the building is 100% leased.

VBI Vaccine’s leases expire on December 31, 2022, and on April 30, 2023, respectively. The tenant has confirmed that it will be renewing on a long-term basis, but is awaiting board sign off which is expected in September.

Tenant	Square Feet	Lease Expiry
VBI Vaccines	9,807	31-Dec-22
VBI Vaccines	2,602	30-Apr-23
Helux Systems Inc.	1,155	31-Mar-24
Genvira Biosciences	5,460	30-Apr-25
Bayshore Healthcare	5,654	31-Jan-26
Mital Group	1,323	30-Jun-30
OneLife Management	7,118	31-May-35
Pryor Tax Law	3,232	30-Sep-35
logen Corporation	16,019	30-Jun-50
TOTAL	52,370	



PROPERTY SUMMARY

OneLife Wealth Management 7,118 SF Exp: May 2035	Pryor Tax Law 3,232 SF Exp: Sep 2035	Genvira Biosciences Inc. 5,460 SF Exp: Apr 2025	Mital Group 1,323 SF Exp: June 2030	Helux Systems Inc. 1,155 SF Exp: March 2024
Bayshore Healthcare Ltd. 5,654 SF Exp: Jan 2026	VBI Vaccines Inc. 9,807 SF Exp: Dec 2022		VBI Vaccines Inc. 2,602 SF Exp: Apr 2023	
Iogen Corporation 16,019 SF Exp: June 2050				

LEASE EXPIRY YEAR



MARKET UPDATE

The Ottawa South office market’s vacancy rate decreased to 6.4% in Q2 2022 which is down from 7.1% in Q1 2022. The average net asking rent rate in the area went down to \$13.71 from \$13.77 in Q1 2022. (as per CBRE Q2 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.



310 HUNT CLUB LIMITED PARTNERSHIP
BALANCE SHEET
As at June 30, 2022
(Unaudited)

June 30,2022

ASSETS

CURRENT

Cash	370,923
Accounts receivable	2,355
Prepaid expenses	6,803
	<u>380,081</u>

LONG-TERM

Tenant Improvement Loan	109,041
Investment in GIC	76,544
Deposits	31,794
Deferred finance charges	45,500
Deferred leasing commission	409,570
Deferred tenant inducements	419,209
Property, plant and equipment	6,574,263
	<u>7,665,921</u>
	<u>8,046,002</u>

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	58,955
Government remittances payable	32,653
Tenant deposits	357,287
	<u>448,895</u>

LONG-TERM

Long-term debt	6,217,299
	<u>6,666,193</u>

PARTNERS' EQUITY

Partners' capital	1,293,541
Earnings (loss) of the period	86,267
	<u>1,379,808</u>
	<u>8,046,002</u>

310 HUNT CLUB LIMITED PARTNERSHIP
STATEMENT OF EARNINGS (LOSS)
for the three months ended June 30, 2022
(Unaudited)

	<u>June 30,2022</u>
REVENUE	
Rental income	440,052
Interest income	2,536
	<u>442,589</u>
EXPENSES	
Amortization of leasing commissions	11,255
Amortization of tenant inducement	4,746
Bank charges and interest	4,301
Depreciation	73,636
General and Administrative expenses	52,677
Insurance	3,672
Interest on long-term debt	43,352
Leasing expenses	19,502
Management fees	14,078
Professional fees	1,250
Property taxes	58,779
Repairs and maintenance	59,878
Utilities	50,978
	<u>398,105</u>
NET EARNINGS (LOSS)	<u><u>44,483</u></u>

310 HUNT CLUB LIMITED PARTNERSHIP
STATEMENT OF EARNINGS (LOSS)
for the six months ended June 30, 2022
(Unaudited)

	<u>June 30,2022</u>
REVENUE	
Rental income	876,201
Interest income	5,078
Other income	1,213
	<u>882,492</u>
EXPENSES	
Amortization of leasing commissions	22,511
Amortization of tenant inducement	9,491
Bank charges and interest	8,385
Depreciation	147,345
General and Administrative expenses	104,572
Insurance	7,344
Interest on long-term debt	87,220
Leasing expenses	39,005
Management fees	28,156
Professional fees	6,780
Property taxes	117,558
Repairs and maintenance	107,427
Utilities	110,431
	<u>796,225</u>
NET EARNINGS (LOSS)	<u><u>86,267</u></u>