

# 2019 Quarter 3 Statement

302 Legget Drive

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





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### **Part A – Notice From General Partner**

On behalf of the general partner of 302 Legget Drive Limited Partnership, we will set out below an update of the property for the third quarter of the 2019 fiscal year.

### **Part B - Property Summary**

#### Building Information

Built:	1975 and 1981
Total Lot Acreage	4.61 acres
Building SF:	84,830 square feet
Parking:	+/- 150 spaces

#### Zoning Designation

Designation:	IG6
Description:	General Industrial
Municipality:	City of Ottawa

#### Property Management Update

Our property management team for this building is set out below:

Title	Name	Phone Number	Email
Property Manager	John Rowan	613-402-1260	<a href="mailto:jrowan@jenningsdevelopments.com">jrowan@jenningsdevelopments.com</a>
Building Operator	Ryan Dickie	613-697-5178	<a href="mailto:rdickie@jenningsdevelopments.com">rdickie@jenningsdevelopments.com</a>
Accountant	Andrew Irving	613-401-9008	<a href="mailto:airving@jenningsdevelopments.com">airving@jenningsdevelopments.com</a>
Administrator	Kelli Vidiuk	613-286-8691	<a href="mailto:kvidiuk@jenningsdevelopments.com">kvidiuk@jenningsdevelopments.com</a>
Analyst	Dan Donnelly	613-302-7302	<a href="mailto:ddonnelly@jenningsdevelopments.com">ddonnelly@jenningsdevelopments.com</a>

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 larger improvements that took place in the third quarter of 2019 are as follows:

- Removal of dead trees around property;
- Repaired exterior stairs;
- Installed new fluid applied restoration system for the front section of the roof; and
- Replaced Sump Pump and control box with new floats and high-water alarm.

Tenant / Leasing Update

The building has no vacancy and no lease expiries in 2020.

MPB Technologies Inc. has extended for an additional 5 years lengthening their tenancy until June 2026.

Please see stacking chart below outlining each tenant's square footage and lease expiration.



Market Update

The Kanata industrial market continues to remain strong with an availability (vacancy) rate of only 2.3% as of September 30, 2019 (as per CBRE). This property is positioned in an established and sought-after business park. This puts the property in good position moving forward as low availability is putting upward pressure on rental rates and there is high tenant demand for space larger than 15,000 square feet which we are able to accommodate.



**Part C – Financial Statements**

# Management Report

302 Legget Drive Limited Partnership  
For the period ended September 30, 2019



Prepared on  
November 20, 2019

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# Profit and Loss

January - September, 2019

	<b>Total</b>
<b>INCOME</b>	
4110 Revenue - Base Rent	713,288.76
4120 Income - Other	10,563.06
4210 Recovery - CAM	189,394.13
4220 Recovery - Property Tax	109,392.46
4250 Recovery - Administration	10,287.24
<b>Total Income</b>	<b>1,032,925.65</b>
<b>COST OF GOODS SOLD</b>	
5010 Management Fees Expense - R	29,832.03
5020 Insurance - R	11,377.47
5030 Electrical - R	1,280.00
5110 Fire and Life Safety - R	1,980.00
5120 Garbage - Contract - R	4,316.65
5131 General Repairs and Maintenance - R	5,876.73
5132 Future Repair Work - R	-950.00
5140 HVAC - Contract - R	6,333.52
5150 HVAC - Repairs - R	13,176.81
5160 Landscaping - Additional - R	8,685.00
5180 Pest Control - R	680.00
5190 Plumbing - R	6,111.42
5200 Snow Removal - Contract - R	7,678.06
5210 Snow Removal - Additional - R	19,997.12
5211 Roof Repairs - R	3,776.35
5212 Summer Maintenance Agreement - R	3,044.44
5220 Signage - R	1,267.00
5250 Doors, Locks and Hinges - R	833.00
5310 Utilities - Gas - R	14,500.57
5320 Utilities - Hydro - R	134,905.72
5330 Utilities - Water / Sewer - R	21,852.37
5410 Management Office Allocation - R	9,205.00
5430 Bank Charges - R	349.88
5510 Bookkeeping fees - R	10,296.00
<b>Total Cost of Goods Sold</b>	<b>316,405.14</b>
<b>GROSS PROFIT</b>	<b>716,520.51</b>
<b>EXPENSES</b>	
4270 Commission Expense - NR	26,128.51
6015 Administration Fees - NR	10,287.24
6150 HVAC - Repairs - NR	1,698.65
6250 Doors, Locks and Hinges - NR	1,127.85
6430 Bank Charges - NR	155.05
6510 Professional Fees - Accounting - NR	-1,605.00
6520 Professional Fees - Legal - NR	441.95
6530 Professional Fees - Other - NR	9,780.00
6540 Office Supplies - NR	244.50
6550 Mortgage Interest	147,072.75
8010 Depreciation - NR	313,592.07

	<b>Total</b>
8020 Amortization - Finance Fees - NR	1,180.04
<b>Total Expenses</b>	<b>510,103.61</b>
<b>OTHER EXPENSES</b>	
6570 Property Taxes	183,237.00
<b>Total Other Expenses</b>	<b>183,237.00</b>
<b>PROFIT</b>	<b>\$23,179.90</b>

# Balance Sheet

As of September 30, 2019

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Cash and Cash Equivalent</b>	
1011 Operating Account - 2nd	470,261.75
1050 Petty Cash	2.01
1070 Deposits	18,692.00
<b>Total Cash and Cash Equivalent</b>	<b>488,955.76</b>
<b>Accounts Receivable (A/R)</b>	
1100 Accounts Receivable	17,385.56
<b>Total Accounts Receivable (A/R)</b>	<b>17,385.56</b>
1300 Prepaid Expenses	3,592.01
1320 Financing Fees	30,680.81
1321 Accum. Amortization - Financing Fees	-8,260.28
<b>Total 1320 Financing Fees</b>	<b>22,420.53</b>
<b>Total Current Assets</b>	<b>532,353.86</b>
<b>Non-current Assets</b>	
<b>Property, plant and equipment</b>	
1500 Land	1,826,044.59
1501 Leasing Commissions	16,273.48
1502 Accum. Amortization - Leasing Commissions	-1,356.10
<b>Total 1501 Leasing Commissions</b>	<b>14,917.38</b>
1510 Building	10,347,586.00
1511 Accum. Amortization - Building	-408,874.23
<b>Total 1510 Building</b>	<b>9,938,711.77</b>
1610 Building Improvements	75,742.07
1611 Accum. Amortization - Building Improvements	-722.98
<b>Total 1610 Building Improvements</b>	<b>75,019.09</b>
<b>Total Property, plant and equipment</b>	<b>11,854,692.83</b>
<b>Total Non Current Assets</b>	<b>11,854,692.83</b>
<b>Total Assets</b>	<b>\$12,387,046.69</b>

## LIABILITIES AND EQUITY

### Liabilities

#### Current Liabilities

##### Accounts Payable (A/P)

2000 Account Payable 196,627.53

**Total Accounts Payable (A/P) 196,627.53**

2110 GST/HST Payable 42,049.66

2155 Due to/from JREC 244.50

**Total Current Liabilities 238,921.69**

#### Non-current Liabilities

2400 First Mortgage 6,364,075.32

2600 Tenant Deposits 17,907.37

2610 Tenant Prepayments 7.51

**Total Non-current Liabilities 6,381,990.20**

**Total Liabilities 6,620,911.89**

### Equity

	<b>Total</b>
<b>Total 3020 Investor Capital</b>	<b>5,742,954.90</b>
Profit for the year	23,179.90
<b>Total Equity</b>	<b>5,766,134.80</b>
<b>Total Liabilities and Equity</b>	<b>\$12,387,046.69</b>