

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> |