

302 LEGGET DRIVE



**THIRD
QUARTER
REPORT
2022**

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



JENNINGS
REAL ESTATE

UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

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

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

Some significant improvements were made to the building in Q3 2022, including the roof replacement in the north portion of the building, which is expected to be fully completed in November 2022, and the installation of a new roof top mechanical unit serving MDA's premises. No major capital expenditures are expected for the remainder of 2022.

Finally, we are making a **distribution of \$50,000** this quarter. Such amount will be mailed out on a proportionate basis. We expect distributions to continue as projected in Q4 2022, 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 2022 were:

- The replacement of the roof in the north portion of the building was 80% completed and is the project is expected to be fully completed in early November 2022.
- The installation of a roof top mechanical unit over MDA's premise.
- Design and competitive bidding for the repaving of the west portion of the parking lot. The project is expected to be completed in Q2 2023.



PROPERTY SUMMARY

TENANT / LEASING

As of September 30, 2022, the building is fully leased with 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 0.5% at the end of Q3 2022 which is up from 0.3% in Q2 2022. The average net asking rent rate in the area increased from \$13.65 to \$14.21 psf. (as per CBRE Q3 2022 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 at September 30, 2022
(Unaudited)

September 30, 2022

ASSETS

CURRENT

Cash	1,027,877
Other receivables	6,984
Prepaid expenses	31,450
	<u>1,066,311</u>

LONG-TERM

Deferred finance charges	173,355
Deferred leasing commissions	399,992
Property, plant and equipment	11,080,657
Security deposits	18,633
	<u>11,672,637</u>
	<u>12,738,948</u>

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	375,692
Government remittances payable	26,120
Deposits	31,127
	<u>432,940</u>

LONG-TERM

Long-term debt	11,483,808
	<u>11,916,747</u>

PARTNERS' EQUITY

Partners' capital	681,338
Earnings (loss) of the period	140,862
	<u>822,200</u>
	<u>12,738,948</u>

302 LEGGET DRIVE LIMITED PARTNERSHIP
STATEMENT OF EARNINGS (LOSS)
for the three months ended September 30, 2022
(Unaudited)

	<u>September 30, 2022</u>
REVENUE	
Rental income	458,940
Interest income	8,789
	<u>467,730</u>
EXPENSES	
Amortization of deferred finance charges	11,810
Amortization of leasing commission	17,056
Bank charges	175
Depreciation	104,602
General and administrative expenses	35,750
Insurance	4,278
Interest on long-term debt	91,647
Management fees	18,431
Professional fees	2,140
Property taxes	77,802
Repairs and maintenance	12,038
Utilities	50,201
	<u>425,929</u>
NET EARNINGS (LOSS)	<u><u>41,801</u></u>

302 LEGGET DRIVE LIMITED PARTNERSHIP
STATEMENT OF EARNINGS (LOSS)
for the nine months ended September 30, 2022
(Unaudited)

	<u>September 30,2022</u>
REVENUE	
Rental income	1,372,536
Interest income	17,733
	<u>1,390,269</u>
EXPENSES	
Amortization of deferred finance charges	35,161
Amortization of leasing commission	51,167
Bank charges	586
Depreciation	313,392
General and administrative expenses	94,593
Insurance	12,835
Interest on long-term debt	276,344
Management fees	55,293
Professional fees	7,174
Property taxes	219,217
Repairs and maintenance	39,316
Utilities	144,330
	<u>1,249,407</u>
NET EARNINGS (LOSS)	<u><u>140,862</u></u>