

310 HUNT CLUB ROAD



**THIRD
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 Third Quarter Report.

We are pleased to announce that we have tentatively extended the lease with VBI Vaccines for an additional three years, such that their term will now expire on December 31, 2025. The tenant has provided written notice of board approval on our offer to extend the lease for a further 3-year term and we expect to receive signed formal paperwork back soon. Upon receipt, the earliest tenant expiry will not occur until 2024 (and only 2.2% of the building at that).

One point to mention is in relation to the damage caused by the sever storm and power outage in Q2 2022. As mentioned in our previous report, all fallen trees were removed from the property and the building's card access control system that was damaged was replaced and upgraded.

In addition, we are pleased to inform you that we organized a successful tenant appreciation event at this property during this quarter, with food truck catering. Approximately 90 tenant employees attended and it was a great success. Further, the property's parking lot was monitored during the Canadian Women's Open golf tournament in August 2022. This was a benefit to our tenants and also resulted in additional income of over \$7,000 to the property.

Finally, we are making a distribution of \$57,000 in relation to this quarter. The distribution has been 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	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:

- The building’s access control system has been upgraded from Winpak to ICT.
- Fallen trees were removed from the property.
- Parking lot lines were repainted.
- Approved plans by VBI to install a fill valve at the exterior of the building that serves VBI’s Liquid Nitrogen tank in their lab.



PROPERTY SUMMARY

TENANT / LEASING UPDATE

As of September 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 provided written notice of board approval on our offer to extend the leases for a further 3-year term and we expect to receive signed formal paperwork back soon.

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
Iogen 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 increased to 6.8% in Q3 2022 which is up from 6.4% in Q2 2022. The average net asking rent rate in the area went down to \$13.63 from \$13.71 in Q2 2022. (as per CBRE Q3 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 September 30, 2022
(Unaudited)

September 30, 2022

ASSETS

CURRENT

Cash	382,677
Accounts receivable	3,858
Prepaid expenses	19,787
	406,323

LONG-TERM

Tenant Improvement Loan	107,632
Investment in GIC	76,544
Deposits	31,794
Deferred finance charges	42,250
Deferred leasing commission	398,314
Deferred tenant inducements	409,202
Property, plant and equipment	6,506,695
	7,572,431
	7,978,753

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	80,961
Government remittances payable	29,409
Tenant deposits	357,287
	467,657

LONG-TERM

Long-term debt	6,169,105
	6,636,762

PARTNERS' EQUITY

Partners' capital	1,243,541
Earnings (loss) of the period	98,450
	1,341,992
	7,978,753

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

	<u>September 30, 2022</u>
REVENUE	
Rental income	440,876
Interest income	2,617
	<u>443,493</u>
EXPENSES	
Advertisement	1,819
Amortization of leasing commissions	11,255
Amortization of tenant inducement	4,746
Bank charges and interest	4,401
Depreciation	73,625
General and Administrative expenses	56,087
Insurance	3,906
Interest on long-term debt	43,144
Leasing expenses	19,814
Management fees	14,078
Property taxes	63,162
Repairs and maintenance	70,211
Utilities	65,062
	<u>431,310</u>
NET EARNINGS (LOSS)	<u><u>12,183</u></u>

310 HUNT CLUB LIMITED PARTNERSHIP
STATEMENT OF EARNINGS
for the nine months ended September 30, 2022
(Unaudited)

	<u>September 30, 2022</u>
REVENUE	
Rental income	1,317,077
Interest income	7,696
Other income	1,213
	<u>1,325,985</u>
EXPENSES	
Advertisement	1,819
Amortization of leasing commissions	33,766
Amortization of tenant inducement	14,237
Bank charges and interest	12,785
Depreciation	220,970
General and Administrative expenses	160,659
Insurance	11,250
Interest on long-term debt	130,364
Leasing expenses	58,818
Management fees	42,234
Professional fees	6,780
Property taxes	180,720
Repairs and maintenance	177,638
Utilities	175,493
	<u>1,227,535</u>
NET EARNINGS (LOSS)	<u><u>98,450</u></u>