JENNINGS
REAL ESTATE

2022 ANNUAL REPORT

3750 North Bowesville Road

Presented to: **The Limited Partners of 3750 N. Bowesville Road Limited Partnership**

Jennings Real Estate
Unlocking Potential, One Property at a Time

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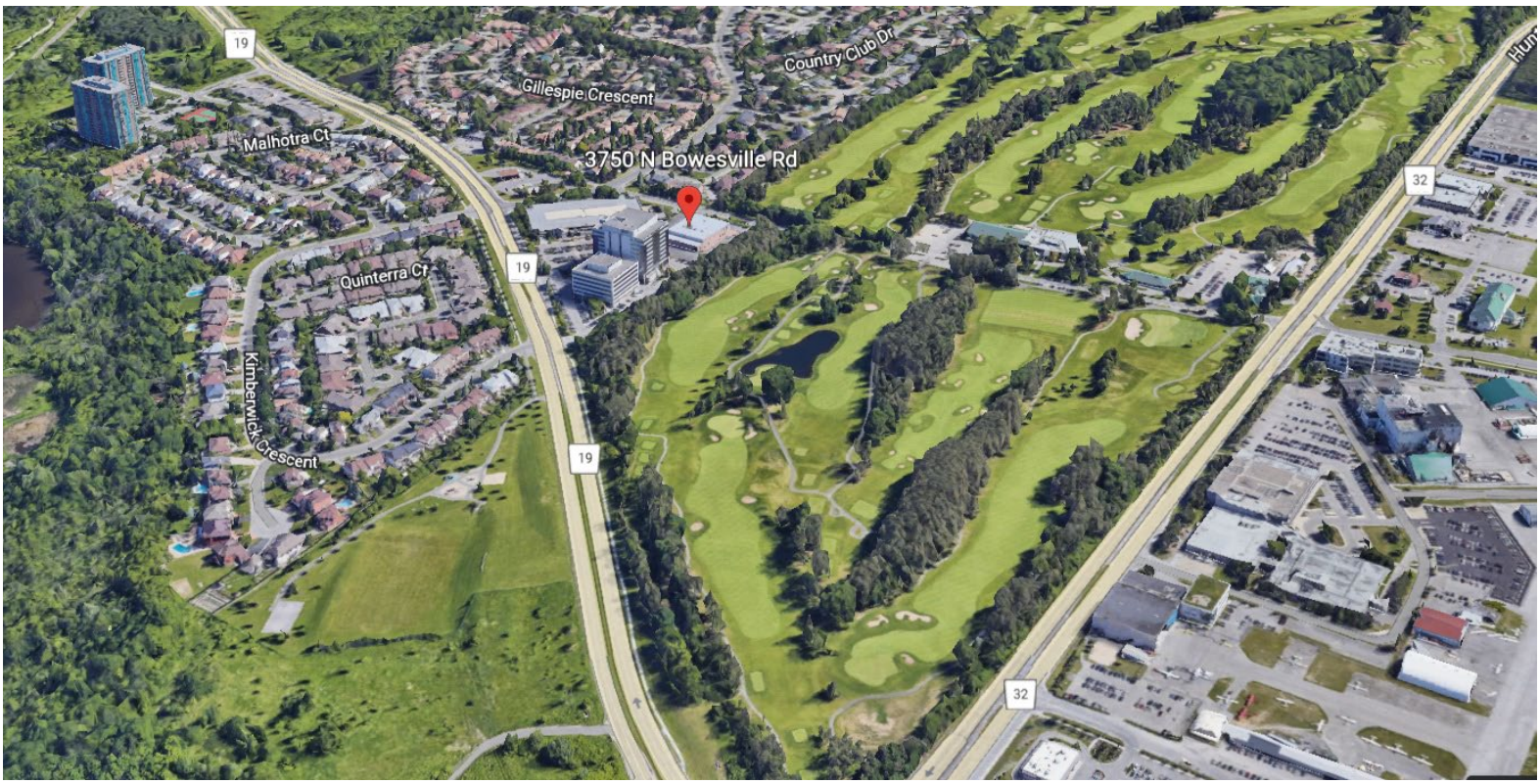
APPENDIX A



PART A – NOTICE FROM THE GENERAL PARTNER

To the Limited Partners of the 3750 N. Bowesville Road Limited Partnership,

November 2022 marked the official closing of the 3750 N Bowesville Road. The property features an approximate 20,000 square foot building, formerly used as an event centre, on 1.66 acres of land. The property was purchased for its future development potential given the relevant urban planning regime of the City of Ottawa, which promotes the redevelopment of inner-city land for housing. The location is central to the city, near the corner of Riverside Drive and Hunt Club Road, yet private being on a secluded street right next to the Ottawa Hunt and Golf Club. The site is regular in shape, making development of new structures more cost effective.

Currently, the property is zoned for high rise residential, but does not permit the density we are looking for. In the months prior to closing, we submitted a re-zoning application to permit the development of two new multi-residential towers on the property. To date we continue to make progress with City staff and are nearing the receipt of a letter of support from City staff. We predict being able to make a formal application to the city in 2023, and receive full approval Q4, 2023.

In the interim while pre-development activities are underway, we successfully leased the property to a tenant shortly after closing. The tenant will continue to operate the property as an event centre, and has hired back former staff of the previously operating event centre. The revenue generated from the property, being $25,000+ per month, will be used to offset on-going operating costs (property tax, utilities etc.), and a portion of the monthly debt service. The lease term is for 18 months, which allows for short term flexibility, should the property be in position at that time to commence the construction of the development.

Sincerely,

Ken and Christian Jennings,
Directors of the General Partner

PART B - PROPERTY SUMMARY

The Property

Acquired in November 2022, 3750 N Bowesville Road features an approximate 20,000 square foot building on 1.66 acres of land. Formerly, this property was used as an event centre known as “Tudor Hall”, which featured a 16,000 square foot ballroom and adjoining commercial kitchen. The property offers future high rise development potential, being central to the city, near the corner of Riverside Drive and W Hunt Club Road, in a secluded area right next to the Hunt Club Golf Course. Pre-development activities are already underway with the City of Ottawa to allow for two residential high rises.

Tenant / Leasing Update

We have successfully entered into a short-term lease with an experienced event centre operator, who has hired back former staff off well known Tudor Hall, and will continue to operate the property as an event centre called “Mosaic Convention Centre”. The tenant will provide short-term holding income to offset expenses related to the operation of the building and debt servicing cost.

Start Date	Term	Expiry	$/Month	Square Feet
1-Jan-23	18 months	30-Jun-24	25,000	20,000

Property Management Update

Jennings Real Estate Corporation is the property manager and completes daily site visits and ongoing maintenance of the property as well as oversees all contracts to ensure work is being completed correctly and up to standard.

PART C – ASSET MANAGEMENT PLAN AND TENANCY FORECAST

No capital expenditures are expected in 2023

The current tenant has a lease expiring June 30, 2024 providing income while the property undergoes the pre-development process.

PART D – FINANCIAL STATEMENTS

See attached.

3750 N. Bowesville Limited Partnership

Compiled Financial Information

December 31, 2022

3750 N. Bowesville Limited Partnership
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For the period ended December 31, 2022

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Compilation Engagement Report

To the Management of 3750 N. Bowesville Limited Partnership:

On the basis of information provided by management, we have compiled the balance sheet of 3750 N. Bowesville Limited Partnership as at December 31, 2022, the statements of loss, retained earnings for the period then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Ottawa, Ontario

March 31, 2023

3750 N. Bowesville Limited Partnership
Balance Sheet
As at December 31, 2022

	2022
Assets	
Current	
Cash	**586,227**
Sales Tax receivable	**22,062**
Deposits	**1,632**
	609,921
Revenue producing property	**7,009,803**
	7,619,724
Liabilities	
Current	
Accounts payable and accrued liabilities	**23,142**
Deferred revenue	**56,500**
	79,642
Tenant deposits	**43,500**
Due from a partner	**96,594**
Mortgage payable	**3,300,657**
	3,520,393
Partners' Capital	**4,099,331**
	7,619,724

Approved on behalf of the Partners

3750 N. Bowesville Limited Partnership
Statement of Loss
For the period ended December 31, 2022

	4 Months Ended 2022
Interest Income	**17,606**
Operating Expenses	
Amortization	**32,724**
Professional fees	**36,746**
Interest on mortgage payable	**29,106**
Property taxes	**10,120**
Management fees	**8,667**
Repairs and maintenance	**5,992**
Interest and bank charges	**560**
Advertising and promotion	**188**
Utilities	**1,655**
	125,758
Net loss	**(108,152)**

3750 N. Bowesville Limited Partnership
Statement of Partners' Capital
For the period ended December 31, 2022

	2022
Balance, beginning of	**-**
Contributions	**4,207,483**
Share of net loss	**(108,152)**
Balance, end of	**4,099,331**

1. Basis of accounting

The basis of accounting applied in the preparation of the financial information of 3750 N. Bowesville Limited Partnership as at December 31, 2022 is on the historical basis, reflecting cash transactions with the addition of:

- sales tax receivable is recognized in the period which it relates
- revenue-producing property amortized in accordance with amounts allowable for income tax purposes
- accounts payable and accrued liabilities
- tenant deposits are recorded as revenue when realized.