

DCHURCHILL 11 REAL ESTATE LIMITED PARTNERSHIP
CHURCHILL 11 DEBENTURE CORP.

October 15, 2022

Dear Valued Investors,

**Re: Churchill 11 Real Estate Limited Partnership (“Churchill 11”)
2022 – 3rd Quarter Update**

Your second quarter cash distribution was made to your account electronically on October 15, 2022. This represents the quarterly portion of **an annualized 8% interest payment** on the remaining principal balance (**\$690/unit**) of the Debenture. The distribution was \$13.91 per Debenture unit.

Consequently, from the three (3) properties previously sold and cash flow from operations, for each \$1,250 investment in this fund investors have received a total of **\$1,023.93** in payments, representing **81.91%** of your original investment. This amount is a combination of income distributions and a return of capital. In addition, investors have been allocated their proportionate share of tax-deductible expenses from the fund.

Property Operations Update

Ranch Market Shopping Centre, Strathmore, AB

The property combined with its shadow anchors, Walmart, Sobeys grocery store and RONA, keeps the centre relatively busy and continues to be the dominant shopping centre in Strathmore. Some of our more notable tenants are Royal Bank, Alberta Treasury Bank, Shoppers Drug Mart and Dollarama.

As everyone knows, the Alberta Economy is still in very bad shape and the ongoing pandemic waves have added to the continuation of health and financial issues for the community. We intend to paint the buildings, patch and repair the parking lot and the access road, re-stripe the white marking lines and have the property looking its best for a potential sale.

Leasing Update

- **Royal Bank** - We are still in the process of negotiating renewal terms with the Royal Bank. They have offered \$35.00 psf for a five (5) year term. We are obtaining comparables for that area prior to countering their offer.
- **Smokers Haven** – We have reached an agreement with Smokers Haven, containing 1,500 sf, for an additional term of five (5) years. Base Rents are \$27.00 psf for years 1 and 2 and \$29.00 psf for years 3 to 5. The renewal term will commence on January 1, 2023.

We are pleased to report we have now completed renewals with the following Tenants since January 2022:

ATB Financial	-	6,609 square feet
Western Financial Group	-	4,457 square feet
The Ranch Dental Centre	-	1,800 square feet
Booster Juice	-	1,300 square feet
CIR Realty	-	1,053 square feet
Opa! of Greece	-	1,453 square feet
Original Joes	-	3,582 square feet
M & M Meats	-	1,487 square feet

Cushman & Wakefield, Vancouver and Calgary offices have been working together on the “For Sale Listing”. We believe that the desire for “Hard Assets” will increase, as inflation continues to rise and the stock markets in 2022 have spooked many investors. The residential development is still growing in Strathmore and hopefully the recent interest rate and mortgage rate hikes will not kill the residential market.

The Strathmore Resident Market is still strong with more new homes being developed. You can buy a decent 2,000 sq. ft. detached home for \$600,000 and a new 2-bed apartment for \$250,000.

Please note: Commencing July 15, 2022, we will be posting our quarterly update on our website, please click on the following link to access our online report.

<https://churchillinvestments.com/reporting/churchill-11-real-estate-limited-partnership/>

We are hoping that the natural resources sectors will strengthen.

Our next update letter is scheduled for January 15, 2023 for the period ended December 31, 2022. In the interim, if you have any questions regarding the property and/or your investment, please do not hesitate to contact us at any time.

Yours sincerely,

CHURCHILL 11 REAL ESTATE LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER, CHURCHILL 11 PARTNERS INC.

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