

**CHURCHILL 10 REAL ESTATE LIMITED PARTNERSHIP
CHURCHILL 10 DEBENTURE CORP.**

January 15, 2023

Dear Valued Investors,

**Re: Churchill 10 Real Estate Limited Partnership (“Churchill 10”)
2022 – 4th Quarter Update**

Your second quarter cash distribution was made to your account electronically on January 15, 2023. This represents the quarterly portion of **an annualized 8% interest payment** on the remaining principal balance (**\$725/unit**) of the Debenture. The distribution was \$14.62 per Debenture unit.

Consequently, from the properties previously sold and cash flow from operations, for each \$1,250 investment unit in this fund, investors have received a total of **\$920.50** in payments, representing **73.64%** of your original investment unit. 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.

LEASING UPDATE

We are pleased to report we are now over 99% leased.

The new lease to Pet Valu operating as Bosley’s/Pet Valu, started to pay net rental payments, property taxes and operating costs commencing January 10, 2023.

The summary below outlines the current status of leases that needed renewing during the calendar year 2022. We believe that although all these renewals took many long hours, a lot of hard work and tough negotiations by the writer and the leasing staff at Churchill, the result was a very successful 2022 for Okanagan Lake Shopping Centre.

| Tenant | Unit # | Sq. ft | Expiry Date | Final Date to Exercise Option | Current Status |
|--------------------|---------------|---------------|--------------------|--------------------------------------|-----------------------------|
| Subway | 910 | 1,260 | Apr 30, 2022 | Option exercised | Renewal has been completed. |
| Shoppers Drug Mart | 100 | 18,564 | May 31, 2022 | Option exercised | Renewal has been completed. |
| Sammy J’s | 190 | 3,891 | May 31, 2022 | Option exercised | Renewal has been completed. |
| Yamato | 210 | 2,715 | May 31, 2022 | Option exercised | Renewal has been completed. |

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|-------------------------|---------------|---------------|--------------------|--------------------------------------|---|
| Dollarama | 280 | 8,126 | Jun 30, 2022 | Option exercised | Renewal has been completed. Minimum Rent is a pre-set rate of \$20.00 psf for the renewal term. |
| Dairy Queen | 900 | 2,794 | Jun 30, 2022 | Option exercised | Renewal has been completed. |
| Liquor Depot | 150 | 3,140 | Aug 31, 2022 | Mar 1, 2022 | Renewal has been completed. |
| TD Bank | 800 | 5,091 | Aug 31, 2022 | Mar 1, 2022 | Renewal has been completed. |
| True Dental Corporation | 206/208 | 3,629 | Nov 30, 2022 | Option Exercised | Tenant has exercised renewal option. We are negotiating renewal terms. |
| Vape Street | 412 | 900 | Nov 30, 2022 | Option Exercised | Renewal has been completed. |
| TOTAL | | 50,110 | | | |

NEW LEASING

We are pleased to report that Landmark Cinema is once again open and operating smoothly. Two and a half (2 ½) years ago, we negotiated with Landmark Cinemas for a rent reduction due to COVID restrictions. We did not want them to close permanently, so we reduced the net rent. Commencing March 1, 2022, they started to pay full net rent, common area costs and property taxes. The writer met with the Vice Chairman and Chief Operating Officer at the International Council of Shopping Centres (ICSC) in Whistler and they reported a good come back since COVID, with movies like Mavrick and Avatar.

We have now finalized a new sub-lease for Units 404, 406, and 410 containing approximately 4,200 sq. ft. in Building G. Base Rent for the Ten (10) year term is \$25.00 psf for Years 1 to 5 and \$27.00 psf for Years 6 to 10. This lease is to the public company “Pet Valu” doing business as “Bosley’s”, so we have an excellent covenant. With the completion of this sub-lease, we now have one (1) vacant unit consisting of 1,277 square feet between Bosley’s and the Shell Gas Station. Agreeing on the WFN sub-lease with this National Public Company tenant, headquartered in the US, was very difficult and time consuming for all involved in the negotiations. Our legal firm, Norton Rose Fulbright Canada LLP had to be consulted many times.

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-10-real-estate-limited-partnership/>

The next reporting letter is scheduled for April 15, 2023, for the period ending March 31, 2023. 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 10 REAL ESTATE LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER, CHURCHILL 10 PARTNERS INC.

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