

CHURCHILL 11 REAL ESTATE LIMITED PARTNERSHIP  
CHURCHILL 11 DEBENTURE CORP.

April 15, 2023

Dear Valued Investors,

**Re: Churchill 11 Real Estate Limited Partnership (“Churchill 11”)  
2023 – 1st Quarter Update**

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Your first quarter cash distribution was made to your account electronically on April 15, 2023. This represents the quarterly portion of **an annualized 8% interest payment** on the remaining principal balance (**\$690/unit**) of the Debenture. The distribution was **\$13.61** 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 **\$1,051.45** in payments, representing **84.12%** 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 bad shape and the ongoing pandemic waves have added to the continuation of health and financial issues for the community. We intend to patch and repair the parking lot and the access road, re-stripe the yellow marking lines and have the property looking its best for a potential sale.

**Leasing Update**

We have had three (3) recent renewals at Ranch Market as follows:

- We renewed the Royal Bank containing 5,746 sf for another term of five (5) years commencing on January 1, 2023. Base Net Rent is \$35.00 per square foot for the five (5) year term.
- We have also renewed Quesada Burritos for another five (5) year term. Their premises contain 1,200 square feet and base net rents are \$21.00 per square foot for the first year; \$22.00 per square foot for year 2; \$22.50 per square foot for year 3; \$23.00 per square foot for year 4 and \$24.00 per square foot for the final year of the term.

- Warehouse One has also been renewed for one (1) additional year. Gross Rent payable will continue to be 12% of Gross Sales. Once this term is complete, they have assured us they will be in a position to start paying base rent again.
- Pizza Hut is currently being renewed for a ten (10) year term commencing with a Net Rent of \$20.000 psf increasing annually by \$0.50.

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
<u>Pizza Hut</u>	-	<u>1,199 square feet</u>
<b>Total Renewals</b>		<b>22,940 square feet</b>

Cushman & Wakefield, Vancouver and Calgary offices have been working together on the “For Sale Listing”.

The Strathmore Resident Market is still strong with more new homes being developed. However, rising interest rates have slowed home sales.

We are hoping that the natural resources sectors will strengthen, and the technology sectors will continue to expand in Alberta.

Our next update letter is scheduled for July 15, 2023 for the period ended June 30, 2023. 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.**

*Philip Langridge*

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