

**CHURCHILL 11 REAL ESTATE LIMITED PARTNERSHIP  
CHURCHILL 11 DEBENTURE CORP.**

October 15, 2023

Dear Valued Investors,

**Re: Churchill 11 Real Estate Limited Partnership (“Churchill 11”)  
2023 – 3rd Quarter Update**

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Your third quarter cash distribution was made to your account electronically on October 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 **\$13.91** 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 **\$1,079.13** in payments, representing **86.33%** 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, RONA, Walmart and Sobeys grocery store ensures steady traffic to Ranch Market. It is the dominant shopping centre in Strathmore. Some of our more notable tenants are a free-standing Royal Bank with drive thru, Alberta Treasury Bank, Shoppers Drug Mart, Dollarama, Pizza Hut and a bank of Tesla charging stations.

We have patched the parking lot and the access road, re-striped the yellow parking lines and the property is now looking its best for a potential sale.

**Leasing Update**

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
M & M Meats	-	1,487 square feet
Pizza Hut	-	1,199 square feet
Royal Bank	-	5,746 square feet
Quesada Burritos	-	1,200 square feet
Warehouse One	-	2,987 square feet
<u>Eminent Liquore Store</u>	-	<u>3,175 square feet</u>
<b>Total Renewals</b>		<b>36,048 square feet</b>

The Partnership is also currently in negotiations with Denny’s Restaurant for the lease of the 6,600 sq. ft. store previously occupied by the retailer “Ardene’s”. We have an acceptable, ten (10) year offer to lease for 1,770 square feet to a Shawarma.

As reported in the last quarter’s reporting letter, JLL’s National Shopping Centre Team have the property listed for sale and are now undertaking their marketing campaign. We received one (1) offer on September 28, 2023 at \$24,000,000. We countered bank the Non-Binding Letter of Intent at \$26,880,000 and the potential purchaser raised his offer to \$24,500,000 which management considers too low. However, we are still negotiating with the potential purchaser.

The Strathmore Residential Market is still strong with more new homes being developed. However, rising interest rates are not helping the new or resale residential markets or the commercial property market.

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

### **Debenture Maturity Date Extension to December 31, 2025**

Citing the above, we intend to seek approval from the unitholders to extend the maturity date of the Debentures by two (2) years, from December 31, 2023 to December 31, 2025.

The Special Meeting is now scheduled for November 6, 2023. An Information Circular with all of the details will be mailed to the unitholders for their perusal and consideration by mid-October. We encourage you to complete and return the proxy form in order to facilitate a timely process.

Our next update letter is scheduled for January 15, 2024 for the period ended December 31, 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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