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KERRA Highland LP - March/2020

FINANCIAL RESULTS - FEBRUARY/2020

Rent Income

Rent collection for February was good as we have only one vacant unit and all existing tenants paid their rent.

Expenses

February expenses were mostly regular operational. In addition to those expenses, we leasing commissions paid for 3 units that were rented last month.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**29,641**	**30,953**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**60,594**
Repairs & Maintenance	2,597	4,364	0	0	0	0	0	0	0	0	0	0	**6,961**
Utilities	4,793	4,412	0	0	0	0	0	0	0	0	0	0	**9,205**
MNG Fee & Leasing Fee	1,873	5,004	0	0	0	0	0	0	0	0	0	0	**6,877**
Insurance	13,847	0	0	0	0	0	0	0	0	0	0	0	**13,847**
Professional Fee (Accounting & Legal)	0	70	0	0	0	0	0	0	0	0	0	0	**70**
Miscellaneous Expenses	150	0	0	0	0	0	0	0	0	0	0	0	**150**
Total Expenses	**23,260**	**13,850**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**37,109**
NOI	**6,381**	**17,103**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**23,485**
Mortgage *	15,192	15,192	0	0	0	0	0	0	0	0	0	0	**30,383**
Net Cash	**(8,810)**	**1,912**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(6,899)**
KERRA - 4% Fee from Collected Income	1,186	1,238	0	0	0	0	0	0	0	0	0	0	**2,424**
Net After KERRA Fee	**(9,996)**	**673**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(9,322)**
Eliav & Revital Kling 19%	(1,899)	128	0	0	0	0	0	0	0	0	0	0	(1,771)
LZIC LTD 10%	(1,000)	67	0	0	0	0	0	0	0	0	0	0	(932)
Meital Steinberg 19%	(1,899)	128	0	0	0	0	0	0	0	0	0	0	(1,771)
L&E Kling Holdings 19%	(1,899)	128	0	0	0	0	0	0	0	0	0	0	(1,771)
Mitchell J Howard LLC 14%	(1,399)	94	0	0	0	0	0	0	0	0	0	0	(1,305)
LHCO INC 9%	(900)	61	0	0	0	0	0	0	0	0	0	0	(839)
Eitan Abu 10%	(1,000)	67	0	0	0	0	0	0	0	0	0	0	(932)
Major Rehab & Appliances **	2,185	0	0	0	0	0	0	0	0	0	0	0	**2,185**

* Mortgage payments include: principle, Interest & escrow for property tax

** Major Rehab & Appliances are not expenses they are added to the property value

*** Partners' distribution was paid for Sep/2019 and prior months

Profit Distribution - Balance per Partner	Total Accum. Profit	Total Paid Until Now	Remaining Balance to be Paid
Eliav & Revital Kling 19%	2,468	2,640	(171)
LZIC LTD 10%	1,299	1,389	(90)
Meital Steinberg 19%	2,468	2,640	(171)
L&E Kling Holdings 19%	2,468	2,640	(171)
Mitchell J Howard LLC 14%	1,819	1,945	(126)
LHCO INC 9%	1,169	1,250	(81)
Eitan Abu 10%	1,299	1,389	(90)

OTHER UPDATES

Occupancy Status

We currently have 1 unit that is in progress to make it rent ready.

Plumbing Update

We have received 3 quotes so far for the plumbing work that needs to be done at the property and waiting for another quote in the coming days. The lowest one out of the three is around $35,000 (for the same scope).
At this point in time, we might be putting the project on hold due to the COVID-19 and the potential impact on the economy. There are pros and cons to such a delay. The cons are the fact that we don’t know when we will face another crisis like the one we had last winter. The risk is higher during the winter months when the boilers are working. We will be turning the boilers off soon when the temperatures will get warmer, which will mitigate some of the risks. The pro is that we will hold to the cash that we have and we will save it in reserves for the coming months as we don’t know at this point how the current situation will impact our cash flow (we assume that we will see a reduction in our income as some people will not be able to pay rent). Another pro might be that in a few months we will be able to get lower quotes if the economy will go down and both labor and material prices will go down.
We will keep monitoring the situation and if anything will change, we will send you a special update.

Tax Return 2019

All K-1 forms were sent to investors, you can work with your American accountant of filing your 2019 tax return in the US if you haven't done so already.
