KERRA Highland LP - June/2020

FINANCIAL RESULTS - MAY/2020

Rent Income

Rent collection for May was relatively OK, we have 2 vacant units and three tenants who did not pay their May rent.

Expenses

Regular operational expenses for May, some bills for this month did not come in yet. We will catch up with those costs next month.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**29,641**	**30,953**	**29,187**	**21,208**	**26,470**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**137,459**
Repairs & Maintenance	2,597	4,364	3,892	3,738	4,830	0	0	0	0	0	0	0	**19,420**
Utilities	4,793	4,412	4,153	1,799	0	0	0	0	0	0	0	0	**15,157**
MNG Fee & Leasing Fee	1,873	5,004	2,215	1,748	1,693	0	0	0	0	0	0	0	**12,532**
Insurance	13,847	0	0	0	0	0	0	0	0	0	0	0	**13,847**
Professional Fee (Accounting & Legal)	0	70	1,195	0	0	0	0	0	0	0	0	0	**1,265**
Miscellaneous Expenses	150	0	165	0	725	0	0	0	0	0	0	0	**1,040**
Total Expenses	**23,260**	**13,850**	**11,619**	**7,285**	**7,247**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**63,261**
NOI	**6,381**	**17,103**	**17,568**	**13,923**	**19,223**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**74,198**
Mortgage *	15,192	15,192	15,192	15,192	15,192	0	0	0	0	0	0	0	**75,958**
Net Cash	**(8,810)**	**1,912**	**2,376**	**(1,268)**	**4,031**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(1,760)**
KERRA - 4% Fee from Collected Income	1,186	1,238	1,167	848	1,059	0	0	0	0	0	0	0	**5,498**
Net After KERRA Fee	**(9,996)**	**673**	**1,208**	**(2,117)**	**2,972**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(7,258)**
Eliav & Revital Kling 19%	(1,899)	128	230	(402)	565	0	0	0	0	0	0	0	(1,379)
LZIC LTD 10%	(1,000)	67	121	(212)	297	0	0	0	0	0	0	0	(726)
Meital Steinberg 19%	(1,899)	128	230	(402)	565	0	0	0	0	0	0	0	(1,379)
L&E Kling Holdings 19%	(1,899)	128	230	(402)	565	0	0	0	0	0	0	0	(1,379)
Mitchell J Howard LLC 14%	(1,399)	94	169	(296)	416	0	0	0	0	0	0	0	(1,016)
LHCO INC 9%	(900)	61	109	(191)	268	0	0	0	0	0	0	0	(653)
Eitan Abu 10%	(1,000)	67	121	(212)	297	0	0	0	0	0	0	0	(726)
**Major Rehab & Appliances ** **	2,185	0	2,025	0	2,883	0	0	0	0	0	0	0	**7,093**

* 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%	2,861	2,640	221
LZIC LTD 10%	1,506	1,389	116
Meital Steinberg 19%	2,861	2,640	221
L&E Kling Holdings 19%	2,861	2,640	221
Mitchell J Howard LLC 14%	2,108	1,945	163
LHCO INC 9%	1,355	1,250	105
Eitan Abu 10%	1,506	1,389	116

OTHER UPDATES

Occupancy Status

We currently have 2 vacant units, one of them is the one that had the fire.

COVID-19 Update

Due to COVID-19, we saw a drop in the collected rent for the month of May. Although May collection was higher than April and some of the tenants were able to catch up, we still have tenants that were not able to pay their May's rent. Our property managers are working with the tenants to set up payment plans so they can catch up with their payments. Businesses in Chicago have started to open up and most of the tenants are back to work. We will be monitoring the collection closely in the coming months to ensure that tenants are catching up on their rents.

Fire Related Update

We have received the check from the insurance company and we are sending it to our lender, as required. Our lender will hold the funds in an escrow account and will release the funds based on work progress. We are currently collecting bids for the project and should have a couple of bids shortly. Once we will have the bids, we will circle back to all the partners in order to approve the expense which is higher than the threshold that is defined in the partnership agreement and will require a vote. We will be sending a separate communication to all once we will finalize the bids.