KERRA Highland LP - July/2020

FINANCIAL RESULTS - JUNE/2020

Rent Income

Rent collection for June was relatively low, we have 2 vacant units and two tenants who did not pay their June rent but have fully caught up in July. We have one tenant that did not pay a few months of rent. At the moment we can't evict her since courts in Illinois are closed.

The income line for June includes an amount of $7,650 we received from the insurance company to compensate for the lost rent on the unit that had the fire.

Expenses

Expenses for June were high as a result of a few reasons:

- Utility bills came in after a delay of more than a month. it is common when switching property manager.
- We have multiple repairs that were done after the fire in unit 3G. we received compensation for those expenses during July.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**29,641**	**30,953**	**29,187**	**21,208**	**26,470**	**34,628**	**0**	**0**	**0**	**0**	**0**	**0**	**172,087**
Repairs & Maintenance	2,597	4,364	3,892	3,738	4,830	9,221	0	0	0	0	0	0	**28,641**
Utilities	4,793	4,412	4,153	1,799	0	7,157	0	0	0	0	0	0	**22,314**
MNG Fee & Leasing Fee	1,873	5,004	2,215	1,748	1,693	1,474	0	0	0	0	0	0	**14,005**
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	30	0	0	0	0	0	0	**1,070**
Total Expenses	**23,260**	**13,850**	**11,619**	**7,285**	**7,247**	**17,882**	**0**	**0**	**0**	**0**	**0**	**0**	**81,143**
NOI	**6,381**	**17,103**	**17,568**	**13,923**	**19,223**	**16,747**	**0**	**0**	**0**	**0**	**0**	**0**	**90,945**
Mortgage *	15,192	15,192	15,192	15,192	15,192	15,192	0	0	0	0	0	0	**91,150**
Net Cash	**(8,810)**	**1,912**	**2,376**	**(1,268)**	**4,031**	**1,555**	**0**	**0**	**0**	**0**	**0**	**0**	**(205)**
KERRA - 4% Fee from Collected Income	1,186	1,238	1,167	848	1,059	1,079	0	0	0	0	0	0	**6,578**
Net After KERRA Fee	**(9,996)**	**673**	**1,208**	**(2,117)**	**2,972**	**476**	**0**	**0**	**0**	**0**	**0**	**0**	**(6,782)**
Eliav & Revital Kling 19%	(1,899)	128	230	(402)	565	90	0	0	0	0	0	0	(1,289)
LZIC LTD 10%	(1,000)	67	121	(212)	297	48	0	0	0	0	0	0	(678)
Meital Steinberg 19%	(1,899)	128	230	(402)	565	90	0	0	0	0	0	0	(1,289)
L&E Kling Holdings 19%	(1,899)	128	230	(402)	565	90	0	0	0	0	0	0	(1,289)
Mitchell J Howard LLC 14%	(1,399)	94	169	(296)	416	67	0	0	0	0	0	0	(950)
LHCO INC 9%	(900)	61	109	(191)	268	43	0	0	0	0	0	0	(610)
Eitan Abu 10%	(1,000)	67	121	(212)	297	48	0	0	0	0	0	0	(678)
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%	2,951	2,640	311
LZIC LTD 10%	1,553	1,389	164
Meital Steinberg 19%	2,951	2,640	311
L&E Kling Holdings 19%	2,951	2,640	311
Mitchell J Howard LLC 14%	2,174	1,945	229
LHCO INC 9%	1,398	1,250	147
Eitan Abu 10%	1,553	1,389	164

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 & June. Our property managers are doing all they can to collect the rents and we can see most tenants are catching up. 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.

We feel that it will be responsible to wait another quarter with the profit distribution for partners and see where we stand with rent collection and expenses.