

KERRA Highland LP - August/2020

FINANCIAL RESULTS - JULY/2020

Rent Income

Rent collection for the month of July was OK, we had 3 vacant units and two tenants who did not pay their July rent and one tenant who paid his July rent at the beginning of August. On the other hand, we have 3 tenants who caught up with their missing rent from past months in July.

The income line for July includes an amount of \$27,220 we received from the insurance company to cover for repairs we have done related to the fire damage. These costs are reflected in June & July.

Expenses

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

- The professional fee we paid for the insurance adjustor, amount of \$17,618. His fee is 10% of the total insurance proceed.
- During July we did work to repairs fire damage, the costs of those repairs are \$15k. We are doing work also in August so you will see more expenses coming related to this topic.

	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	56,437	0	0	0	0	0	228,524
Repairs & Maintenance	2,597	4,364	3,892	3,738	4,830	9,221	15,094	0	0	0	0	0	43,735
Utilities	4,793	4,412	4,153	1,799	0	7,157	1,653	0	0	0	0	0	23,967
MNG Fee & Leasing Fee	1,873	5,004	2,215	1,748	1,693	1,474	1,476	0	0	0	0	0	15,482
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	17,618	0	0	0	0	0	18,883
Miscellaneous Expenses	150	0	165	0	725	30	16	0	0	0	0	0	1,086
Total Expenses	23,260	13,850	11,619	7,285	7,247	17,882	35,857	0	0	0	0	0	117,000
NOI	6,381	17,103	17,568	13,923	19,223	16,747	20,579	0	0	0	0	0	111,524
Mortgage *	15,192	15,192	15,192	15,192	15,192	15,192	15,192	0	0	0	0	0	106,341
Net Cash	(8,810)	1,912	2,376	(1,268)	4,031	1,555	5,388	0	0	0	0	0	5,183
KERRA - 4% Fee from Collected Income	1,186	1,238	1,167	848	1,059	1,079	1,169	0	0	0	0	0	7,746
Net After KERRA Fee	(9,996)	673	1,208	(2,117)	2,972	476	4,219	0	0	0	0	0	(2,563)
Eliav & Revital Kling 19%	(1,899)	128	230	(402)	565	90	802	0	0	0	0	0	(487)
LZIC LTD 10%	(1,000)	67	121	(212)	297	48	422	0	0	0	0	0	(256)
Meital Steinberg 19%	(1,899)	128	230	(402)	565	90	802	0	0	0	0	0	(487)
L&E Kling Holdings 19%	(1,899)	128	230	(402)	565	90	802	0	0	0	0	0	(487)
Mitchell J Howard LLC 14%	(1,399)	94	169	(296)	416	67	591	0	0	0	0	0	(359)
LHCO INC 9%	(900)	61	109	(191)	268	43	380	0	0	0	0	0	(231)
Eitan Abu 10%	(1,000)	67	121	(212)	297	48	422	0	0	0	0	0	(256)
Major Rehab & Appliances **	2,185	0	2,025	0	2,883	0	3,606	0	0	0	0	0	10,699

* 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%	3,753	2,640	1,113
LZIC LTD 10%	1,975	1,389	586
Meital Steinberg 19%	3,753	2,640	1,113
L&E Kling Holdings 19%	3,753	2,640	1,113
Mitchell J Howard LLC 14%	2,765	1,945	820
LHCO INC 9%	1,778	1,250	527
Eitan Abu 10%	1,975	1,389	586

OTHER UPDATES

Occupancy Status

We currently have 3 vacant units, 2 of them were rented, tenants will move into those units in August. The remaining unit is 3G which had the fire.

COVID-19 Update

Due to COVID-19, we saw a drop in the collected rent. 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.

Next Step in Repair Work

As soon as we are done repairing all the fire damage, we will receive remaining insurance funds which are currently held in escrow by our lender. We will use those funds to repair the plumbing problem. We already spoke with few plumbers and got quotes, we will bring this for a vote before we start as required by the partnership agreement.



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