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KERRA Highland LP - September/2020

FINANCIAL RESULTS - AUGUST/2020

Rent Income

Rent collection for the month of August was good, we have 1 vacant unit (the one that had the fire) and two tenants who did not pay their July & August rent.

Expenses

Expenses for August were regular operational expenses with 2 exceptions:

- We had a high Gas bill for $4,300 due to a mistake of our previous property managers
- We had a commission fee of $2,600 for renting 2 units this 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**	**34,628**	**56,437**	**29,486**	**0**	**0**	**0**	**0**	**258,010**
Repairs & Maintenance	2,597	4,364	3,892	3,738	4,830	9,221	15,094	5,181	0	0	0	0	**48,916**
Utilities	4,793	4,412	4,153	1,799	0	7,157	1,653	9,144	0	0	0	0	**33,111**
MNG Fee & Leasing Fee	1,873	5,004	2,215	1,748	1,693	1,474	1,476	4,487	0	0	0	0	**19,969**
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	27	0	0	0	0	**1,112**
Total Expenses	**23,260**	**13,850**	**11,619**	**7,285**	**7,247**	**17,882**	**35,857**	**18,839**	**0**	**0**	**0**	**0**	**135,839**
NOI	**6,381**	**17,103**	**17,568**	**13,923**	**19,223**	**16,747**	**20,579**	**10,647**	**0**	**0**	**0**	**0**	**122,171**
Mortgage *	15,192	15,192	15,192	15,192	15,192	15,192	15,192	15,192	0	0	0	0	**121,533**
Net Cash	**(8,810)**	**1,912**	**2,376**	**(1,268)**	**4,031**	**1,555**	**5,388**	**(4,545)**	**0**	**0**	**0**	**0**	**638**
KERRA - 4% Fee from Collected Income	1,186	1,238	1,167	848	1,059	1,079	1,169	1,155	0	0	0	0	**8,901**
Net After KERRA Fee	**(9,996)**	**673**	**1,208**	**(2,117)**	**2,972**	**476**	**4,219**	**(5,700)**	**0**	**0**	**0**	**0**	**(8,263)**
Eliav & Revital Kling 19%	(1,899)	128	230	(402)	565	90	802	(1,083)	0	0	0	0	(1,570)
LZIC LTD 10%	(1,000)	67	121	(212)	297	48	422	(570)	0	0	0	0	(826)
Meital Steinberg 19%	(1,899)	128	230	(402)	565	90	802	(1,083)	0	0	0	0	(1,570)
L&E Kling Holdings 19%	(1,899)	128	230	(402)	565	90	802	(1,083)	0	0	0	0	(1,570)
Mitchell J Howard LLC 14%	(1,399)	94	169	(296)	416	67	591	(798)	0	0	0	0	(1,157)
LHCO INC 9%	(900)	61	109	(191)	268	43	380	(513)	0	0	0	0	(744)
Eitan Abu 10%	(1,000)	67	121	(212)	297	48	422	(570)	0	0	0	0	(826)
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%	2,670	2,640	30
LZIC LTD 10%	1,405	1,389	16
Meital Steinberg 19%	2,670	2,640	30
L&E Kling Holdings 19%	2,670	2,640	30
Mitchell J Howard LLC 14%	1,967	1,945	22
LHCO INC 9%	1,265	1,250	14
Eitan Abu 10%	1,405	1,389	16

OTHER UPDATES

Occupancy Status

We currently have only 1 vacant unit, the unit that 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 the 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.