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# KERRA Highland LP - October/2020

# FINANCIAL RESULTS - SEPTEMBER/2020

### Rent Income

Rent collection for the month of September was Relatively low due to a few factors:

- We have 2 tenants who did not pay their rents for a few months.
- Unit 3G that had the fire was still vacant until the end of October.
- One tenant paid his September rent during the month of October.
- One tenant left and did not pay her last month, we are checking if we can use her security deposit for the missing rent.

### Expenses

Expenses for September were higher than usual as we had multiple repairs to do for multiple units. some of those were postponed due to covid.

| | 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** | **26,481** | **0** | **0** | **0** | **284,491** |
| Repairs & Maintenance | 2,597 | 4,364 | 3,892 | 3,738 | 4,830 | 9,221 | 15,094 | 5,181 | 15,182 | 0 | 0 | 0 | **64,098** |
| Utilities | 4,793 | 4,412 | 4,153 | 1,799 | 0 | 7,157 | 1,653 | 9,144 | 3,358 | 0 | 0 | 0 | **36,469** |
| MNG Fee & Leasing Fee | 1,873 | 5,004 | 2,215 | 1,748 | 1,693 | 1,474 | 1,476 | 4,487 | 1,708 | 0 | 0 | 0 | **21,677** |
| 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 | 100 | 0 | 0 | 0 | **1,212** |
| **Total Expenses** | **23,260** | **13,850** | **11,619** | **7,285** | **7,247** | **17,882** | **35,857** | **18,839** | **20,348** | **0** | **0** | **0** | **156,187** |
| **NOI** | **6,381** | **17,103** | **17,568** | **13,923** | **19,223** | **16,747** | **20,579** | **10,647** | **6,133** | **0** | **0** | **0** | **128,304** |
| Mortgage * | 15,192 | 15,192 | 15,192 | 15,192 | 15,192 | 15,192 | 15,192 | 15,192 | 15,565 | 0 | 0 | 0 | **137,098** |
| **Net Cash** | **(8,810)** | **1,912** | **2,376** | **(1,268)** | **4,031** | **1,555** | **5,388** | **(4,545)** | **(9,432)** | **0** | **0** | **0** | **(8,794)** |
| KERRA - 4% Fee from Collected Income | 1,186 | 1,238 | 1,167 | 848 | 1,059 | 1,079 | 1,169 | 1,155 | 1,059 | 0 | 0 | 0 | **9,960** |
| **Net After KERRA Fee** | **(9,996)** | **673** | **1,208** | **(2,117)** | **2,972** | **476** | **4,219** | **(5,700)** | **(10,491)** | **0** | **0** | **0** | **(18,754)** |
| Eliav & Revital Kling 19% | (1,899) | 128 | 230 | (402) | 565 | 90 | 802 | (1,083) | (1,993) | 0 | 0 | 0 | (3,563) |
| LZIC LTD 10% | (1,000) | 67 | 121 | (212) | 297 | 48 | 422 | (570) | (1,049) | 0 | 0 | 0 | (1,875) |
| Meital Steinberg 19% | (1,899) | 128 | 230 | (402) | 565 | 90 | 802 | (1,083) | (1,993) | 0 | 0 | 0 | (3,563) |
| L&E Kling Holdings 19% | (1,899) | 128 | 230 | (402) | 565 | 90 | 802 | (1,083) | (1,993) | 0 | 0 | 0 | (3,563) |
| Mitchell J Howard LLC 14% | (1,399) | 94 | 169 | (296) | 416 | 67 | 591 | (798) | (1,469) | 0 | 0 | 0 | (2,626) |
| LHCO INC 9% | (900) | 61 | 109 | (191) | 268 | 43 | 380 | (513) | (944) | 0 | 0 | 0 | (1,688) |
| Eitan Abu 10% | (1,000) | 67 | 121 | (212) | 297 | 48 | 422 | (570) | (1,049) | 0 | 0 | 0 | (1,875) |
| **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% | 676 | 2,640 | (1,963) |
| LZIC LTD 10% | 356 | 1,389 | (1,033) |
| Meital Steinberg 19% | 676 | 2,640 | (1,963) |
| L&E Kling Holdings 19% | 676 | 2,640 | (1,963) |
| Mitchell J Howard LLC 14% | 498 | 1,945 | (1,447) |
| LHCO INC 9% | 320 | 1,250 | (930) |
| Eitan Abu 10% | 356 | 1,389 | (1,033) |

# OTHER UPDATES

### Occupancy Status

During the month of September, we had 2 vacant units, both have been rented and tenants will move in November.

### COVID-19 Update

In general, our property manager informed us that they see a reduction in rent collection, starting in September. Specifically, in Highland our collection so far was not so good. We have 2 tenants who are missing a few months of rents. The majority of financial help people got from the government for Covid-19 is over and there is uncertainty in regards to the collection of rent in the coming months. We will be monitoring this closely in the coming months and work with our property managers to have everything possible done to maximize our rent collection

### Next Step in Repair Work

A separate update related to the plumbing work and insurance funds will be sent within a week or so.

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