KERRA Knox LP - June/2018

FINANCIAL RESULTS - MAY/2018

Rent Income

We are currently in stabilization stage. This means that a portion of the rent did not go thru, mainly the rent that is paid as subsidized rent. We have reviewed all details with our property manager, he is working with authorities to make sure all is resolved.

Expenses

This section will usually include the following components:

- Repairs & Maintenance – items that need to be fixed, monthly cleaning, and different issues that come up on a regular basis. This includes also preparing units for new tenants (also called unit turn over)
- Utilities: gas, electricity in common areas, water, garbage & recycling.
- Management fee - charge by the property manager on site for all day to day work. Leasing fee is a commission for renting units.
- Professional fee: legal services, accounting services, etc.
- Major Rehab & Appliances – These are not expenses, it falls under investment and being added to the value of the property. This month we replaced an AC in one of the units.

Mortgage payments

Include 3 components: Principle, Interest & escrow. Escrow is kept by the bank and they use it to pay property tax when time comes. First mortgage payment is set for June.

Portion per Partner

There is one line for each partner, since ownership share is different between partners. Checks will be sent to partners every quarter for the past 3 months.for example, on July we will send checks to cover partners' distribution for April, May & June. Next checks will be sent on October to cover the next 3 months, and so on.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**0**	**0**	**0**	**0**	**15,866**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**15,866**
Repairs & Maintenance	0	0	0	0	425	0	0	0	0	0	0	0	**425**
Utilities	0	0	0	0	50	0	0	0	0	0	0	0	**50**
MNG Fee & Leasing Fee	0	0	0	0	925	0	0	0	0	0	0	0	**925**
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Professional Fee (Accounting & Legal)	14,050	0	1,600	0	960	0	0	0	0	0	0	0	**16,610**
Miscellaneous Expenses	1,871	33	0	0	0	0	0	0	0	0	0	0	**1,903**
Total Expenses	**15,921**	**33**	**1,600**	**0**	**2,360**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**19,913**
NOI	**(15,921)**	**(33)**	**(1,600)**	**0**	**13,506**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(4,047)**
Mortgage *	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Net Cash before Income Tax	**(15,921)**	**(33)**	**(1,600)**	**0**	**13,506**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(4,047)**
KERRA - 30% Fee					4,052								**4,052**
Net After KERRA Fee					**9,454**								**9,454**
Portion/Partner - Eliav & Revital Kling 20%					1,891								1,891
Portion/Partner - LZIC LTD 20%					1,891								1,891
Portion/Partner - Irina Roytblat 24%					2,269								2,269
Portion/Partner - L&E Kling Holdings 20%					1,891								1,891
Portion/Partner - Yulia Keselman 16%					1,513								1,513

**Major Rehab & Appliances ** **	0	0	0	0	406	0	0	0	0	0	0	0	**406**

* Mortgage payments include: principle, Interest & escrow for property tax

** Major Rehab & Appliances are not expenses they are added to the property value

OTHER UPDATES

Other Updates

We took over the property mid-April, our property manager becoming familiar with all the little details and physical aspects of units and common areas. We are looking into items that need to be fixed and maintained.