# KERRA Knox LP - July/2018

## FINANCIAL RESULTS - JUNE/2018

### Rent Income

Rent collected for June was satisfactory. In the coming months, we are expecting fluctuations in rent collection, as we will be dealing with higher than normal vacancies and delinquent tenants. We are still in the stabilization stage, all the above is expected and we are working with our property manager to minimize vacancy and maximize collection.

### Expenses

Expenses are very low since most utility bills did not arrive yet. After the change of ownership, it takes a few months for the utility companies to update their systems. Those bills will be coming in the next couple of months and will generate higher than normal expenses. In light of all the above, it is important to look at a period of a few months and not each month separately in order to see the real profitability of the property.

### Partners' Distribution

We currently have accumulated some cash in the partnership bank account. This cash will be kept to deal with the fluctuating income and expense in the coming months. Therefore, we will delay the partners' distribution by a few months.

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income** | **0** | **0** | **0** | **0** | **15,866** | **18,280** | **0** | **0** | **0** | **0** | **0** | **0** | **34,146** |
| Repairs & Maintenance | 0 | 0 | 0 | 0 | 425 | 2,025 | 0 | 0 | 0 | 0 | 0 | 0 | **2,450** |
| Utilities | 0 | 0 | 0 | 0 | 50 | 154 | 0 | 0 | 0 | 0 | 0 | 0 | **204** |
| MNG Fee & Leasing Fee | 0 | 0 | 0 | 0 | 925 | 2,391 | 0 | 0 | 0 | 0 | 0 | 0 | **3,316** |
| Insurance | 0 | 0 | 0 | 5,441 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **5,441** |
| Professional Fee (Accounting & Legal) | 14,050 | 0 | 1,600 | 0 | 960 | 61 | 0 | 0 | 0 | 0 | 0 | 0 | **16,671** |
| Miscellaneous Expenses | 1,871 | 33 | 0 | 280 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **2,183** |
| **Total Expenses** | **15,921** | **33** | **1,600** | **5,721** | **2,360** | **4,631** | **0** | **0** | **0** | **0** | **0** | **0** | **30,266** |
| **NOI** | **(15,921)** | **(33)** | **(1,600)** | **(5,721)** | **13,506** | **13,649** | **0** | **0** | **0** | **0** | **0** | **0** | **3,880** |
| Mortgage * | 0 | 0 | 0 | 1,907 | 0 | 9,655 | 0 | 0 | 0 | 0 | 0 | 0 | **11,562** |
| **Net Cash before Income Tax** | **(15,921)** | **(33)** | **(1,600)** | **(7,628)** | **13,506** | **3,993** | **0** | **0** | **0** | **0** | **0** | **0** | **(7,682)** |
| KERRA - 30% Fee | | | | | 4,052 | 1,198 | | | | | | | **5,250** |
| **Net After KERRA Fee** | | | | | **9,454** | **2,795** | | | | | | | **12,250** |
| Portion/Partner - Eliav & Revital Kling 20% | | | | | 1,891 | 559 | | | | | | | 2,450 |
| Portion/Partner - LZIC LTD 20% | | | | | 1,891 | 559 | | | | | | | 2,450 |
| Portion/Partner - Irina Roytblat 24% | | | | | 2,269 | 671 | | | | | | | 2,940 |
| Portion/Partner - L&E Kling Holdings 20% | | | | | 1,891 | 559 | | | | | | | 2,450 |
| Portion/Partner - Yulia Keselman 16% | | | | | 1,513 | 447 | | | | | | | 1,960 |
| **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

### Occupancy Status

We currently have 3 vacant units, we are getting quotes for all the work that needs to be done to make them rent ready. Some items of the required work have started.

### Other Updates

The insurance company sent us a list of safety-related items that we are required to fix, all was taken care of and confirmed back to them.