KERRA Knox LP - August/2018

FINANCIAL RESULTS - JULY/2018

Rent Income

Rent collected for July was satisfactory. As was stated last month, in the coming months, we are expecting fluctuations in rent collection, as we will be dealing with higher than normal vacancies and delinquent tenants. When changing ownership for properties of this type, it is common to have few tenants being late on paying their rent or even trying to challenge the new management. 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 this month are high as we are starting to get the utility bills which covers also previous months.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**0**	**0**	**0**	**0**	**15,866**	**18,280**	**18,909**	**0**	**0**	**0**	**0**	**0**	**53,055**
Repairs & Maintenance	0	0	0	0	425	2,025	1,854	0	0	0	0	0	**4,305**
Utilities	0	0	0	0	50	154	4,791	0	0	0	0	0	**4,996**
MNG Fee & Leasing Fee	0	0	0	0	925	2,391	2,121	0	0	0	0	0	**5,437**
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	100	0	0	0	0	0	**16,771**
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**	**8,866**	**0**	**0**	**0**	**0**	**0**	**39,132**
NOI	**(15,921)**	**(33)**	**(1,600)**	**(5,721)**	**13,506**	**13,649**	**10,043**	**0**	**0**	**0**	**0**	**0**	**13,923**
Mortgage *	0	0	0	1,907	0	9,655	9,655	0	0	0	0	0	**21,217**
Net Cash before Income Tax	**(15,921)**	**(33)**	**(1,600)**	**(7,628)**	**13,506**	**3,993**	**388**	**0**	**0**	**0**	**0**	**0**	**(7,294)**
KERRA - 30% Fee					4,052	1,198	116						**5,366**
Net After KERRA Fee					**9,454**	**2,795**	**271**						**12,521**
Portion/Partner - Eliav & Revital Kling 20%					1,891	559	54						2,504
Portion/Partner - LZIC LTD 20%					1,891	559	54						2,504
Portion/Partner - Irina Roytblat 24%					2,269	671	65						3,005
Portion/Partner - L&E Kling Holdings 20%					1,891	559	54						2,504
Portion/Partner - Yulia Keselman 16%					1,513	447	43						2,003
Major Rehab & Appliances **	0	0	0	0	406	0	1,111	0	0	0	0	0	**1,517**

* 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 6 vacant units. 3 of those units are rent ready and are listed on the market. The other 3 units, we are getting quotes for all the work that needs to be done. We will start the work on those when the previous 3 are rented. This will allow us to manage the cash flow in an optimal way.