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KERRA Knox LP - September/2018

FINANCIAL RESULTS - AUGUST/2018

Rent Income

Our income for August was low than expected. Rent from section 8 (the subsidized housing) is still not processed properly. It takes time for those authorities to update all the details, our property manager is following up with them. In addition, we have a few vacant units.

As was stated already, 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

Regular operational expenses this month.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**0**	**0**	**0**	**0**	**15,866**	**18,280**	**18,909**	**14,737**	**0**	**0**	**0**	**0**	**67,792**
Repairs & Maintenance	0	0	0	0	425	2,025	1,854	1,725	0	0	0	0	**6,030**
Utilities	0	0	0	0	50	154	4,791	837	0	0	0	0	**5,833**
MNG Fee & Leasing Fee	0	0	0	0	925	2,391	2,121	1,895	0	0	0	0	**7,332**
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	225	0	0	0	0	**16,996**
Miscellaneous Expenses	1,871	33	0	280	0	0	0	10	0	0	0	0	**2,193**
Total Expenses	**15,921**	**33**	**1,600**	**5,721**	**2,360**	**4,631**	**8,866**	**4,693**	**0**	**0**	**0**	**0**	**43,824**
NOI	**(15,921)**	**(33)**	**(1,600)**	**(5,721)**	**13,506**	**13,649**	**10,043**	**10,044**	**0**	**0**	**0**	**0**	**23,968**
Mortgage *	0	0	0	1,907	0	9,655	9,655	9,655	0	0	0	0	**30,873**
Net Cash before Income Tax	**(15,921)**	**(33)**	**(1,600)**	**(7,628)**	**13,506**	**3,993**	**388**	**389**	**0**	**0**	**0**	**0**	**(6,905)**
KERRA - 30% Fee					4,052	1,198	116	117					**5,483**
Net After KERRA Fee					**9,454**	**2,795**	**271**	**272**					**12,793**
Portion/Partner - Eliav & Revital Kling 20%					1,891	559	54	54					2,559
Portion/Partner - LZIC LTD 20%					1,891	559	54	54					2,559
Portion/Partner - Irina Roytblat 24%					2,269	671	65	65					3,070
Portion/Partner - L&E Kling Holdings 20%					1,891	559	54	54					2,559
Portion/Partner - Yulia Keselman 16%					1,513	447	43	44					2,047

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 5 vacant units, 2 of those units are rent ready and are listed on the market. The other 3 units, are in a process of renovation to have them rent ready.