KERRA Lamon LP - July/2018

FINANCIAL RESULTS - JUNE/2018

Rent Income

The collected rent this month is fairly low as we are dealing with some delinquent tenants, some are being evicted and with the others we are working on a payment schedule to catch up with their rents.

We are working closely with our property manager to raise rents to their maximum potential. This process will be stretched over a period of several months.

Expenses

During the past 6 months the expenses ratio is high as a results of few factors:

- We are evicting problematic tenants so we are incurring legal expenses related to those evictions.
- Each vacant unit requires work to bring it to rent ready status.
- Renting the unit generates commission for leasing

All those have been accumulating, but the effort should payoff in future months.

The amount you see on line: "Major Rehab & Appliances" reflects renovation of an empty unit and an AC unit we needed to replace.

Partners' Distribution

In the coming few days we will be sending the checks for months: January - June. Checks’ amount is: $116 for each partner.

When we purchased this property, we had extra funds in the partnership bank account. We kept those funds in order to fix items that we were aware of and also for things that might come up. All those were taken care of and funds in the partnership's bank account are still higher than what we need to keep. Therefore we will send checks to each partner for $2,500. This represents a partial return of the initial investment each partner contributed. This will bring us to net cash invested of $47,500 per partner.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**8,402**	**10,050**	**9,985**	**10,399**	**10,970**	**8,085**	**0**	**0**	**0**	**0**	**0**	**0**	**57,891**
Repairs & Maintenance	450	2,790	0	40	990	650	0	0	0	0	0	0	**4,920**
Utilities	95	2,671	2,552	2,592	441	292	0	0	0	0	0	0	**8,644**
MNG Fee & Leasing Fee	0	1,150	0	0	2,076	1,417	0	0	0	0	0	0	**4,643**
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Professional Fee (Accounting & Legal)	(125)	150	0	3,043	0	0	0	0	0	0	0	0	**3,068**
Miscellaneous Expenses	212	0	3	0	0	0	0	0	0	0	0	0	**215**
Total Expenses	**632**	**6,762**	**2,555**	**5,676**	**3,507**	**2,359**	**0**	**0**	**0**	**0**	**0**	**0**	**21,490**
NOI	**7,770**	**3,289**	**7,430**	**4,723**	**7,463**	**5,726**	**0**	**0**	**0**	**0**	**0**	**0**	**36,400**
Mortgage *	5,898	5,898	5,898	5,898	5,898	5,898	0	0	0	0	0	0	**35,386**
Net Cash before Income Tax	**1,872**	**(2,609)**	**1,533**	**(1,174)**	**1,565**	**(172)**	**0**	**0**	**0**	**0**	**0**	**0**	**1,015**
KERRA - 30% Fee	562	(783)	460	(352)	470	(52)							**304**
Net After KERRA Fee	1,310	(1,826)	1,073	(822)	1,096	(120)							**710**
Portion per Partner (25% each) *	**328**	**(457)**	**215**	**(164)**	**219**	**(24)**				**0**	**0**	**0**	**116**
Major Rehab & Appliances **	15,000	0	0	0	1,400	2,356	0	0	0	0	0	0	**18,756**

* 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 December and prior months

OTHER UPDATES

Occupancy Status

The vacant unit was rented a couple of days ago.