



3RD QUARTER 2020 ● Investor Report

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RE: 3RD Quarter 2020 Financial Report

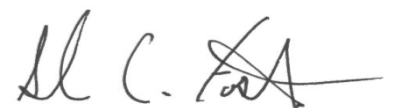
Dear Mr. Shasha,

Despite the numerous operational and economic challenges brought about by the pandemic, the multifamily space, and more specifically PRG, continues to fare extremely well. The PRG same-store portfolio of properties saw net operating income growth of over 2.8% from the same period in 2019, a reflection of both the continued strength of the sector as well as the exemplary performance of our operations teams. Rental rate growth continues at above inflationary levels with expenses remaining at or below budget save for less controllable costs such as real estate taxes and insurance. While high unemployment, eviction moratoria, and uncertainty regarding post-election government policy continues, 100% of our properties cashflow with nearly all distributing funds at budgeted levels.

Specific financial impact from the pandemic has fortunately been relatively muted for us thus far. While our aggregate delinquency levels have indeed increased, the movement was from a very low 1% to a still low 2% in terms of “non-current” payers. There will likely be some additional bad debt write-offs in the 4th quarter once eviction moratoria expire, but in no realistic case do we anticipate aggregate delinquency exceeding 3% in 2020 (or beyond). Our economic occupancy, that is, occupancy which accounts for vacancy, bad debt, and concessions remained at a very strong 94% throughout the 3rd quarter.

As we look towards year end and the 2021 budget season we remain focused on the tasks which have brought us success in the past: adding value through cost effective renovations to existing portfolio units, refinancing debt where feasible at low interest rates, and being creative and hands-on with our property management teams. PRG is well positioned to take advantage of the “flight to the suburbs” which we feel will likely continue for some time. Our modest leverage, the diversified employment bases of our residents, and our vertically integrated property, asset, and investor management platforms will continue to pay dividends, both literal and figurative, for PRG and our investors regardless of the very unique times we find ourselves.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. C. Foster', with a stylized flourish at the end.

Samuel C. Foster
Chief Executive Officer
PRG Real Estate

PRG Thorn Run Assoc. (45 Madison & AMP)

45 Madison ended the quarter \$20,100 or 5.5% under budget primarily as the result of higher vacancy. Several Class A apartment projects have been delivered in the area and we are doing our best to maintain the correct balance of rental rate and occupancy as those properties lease up. For the year, the property remains ahead of budget by approximately 1%. Occupancy is an acceptable 93% with flat rents for the year. 45 Madison cash flows well despite the lower rental rate and occupancy figures having distributed \$125,000 to investors for the quarter, in line with budget. AMP ended the quarter \$24,800 or 14% below its budgeted net operating income. The material variance was almost entirely driven by rental revenue. To maintain 94%+ occupancy, rents had to be lowered by a significant degree so as to compete with additional downtown unit deliveries. We expect this trend to continue for the next 3-6 months as additional units in the marketplace are absorbed. Even with the miss on rents, the property produces good cash flow and distributed \$50,000 to investors this quarter, in line with budget.

Property	Distribution Amount
PRG Thorn Run Assoc. (45 Madison & AMP)	\$2,959.57
Total	\$2,959.57

Partner	Distribution Amount	Distribution %
Jon J. Goodman	\$53,464.90	30.55%
Steven A. Berger Marital Trust	\$67,759.64	38.72%
Robert Goodman	\$35,514.89	20.29%
Robert Shasha	\$11,838.30	6.76%
Arthur Delvesco	\$3,462.70	1.98%
Dennis E. Shasha	\$2,959.57	1.69%
	\$175,000.00	100.00%



Schedule of Investor Equity

Dennis E. Shasha

Quarter Ending September 30 2020

	PRG Thorn Run Assoc. (45 Madison & AMP)	Total
Estimated Property Value	\$46,300,000	
Debt Outstanding	(\$28,800,000)	
Estimated Value of Asset	\$17,500,000	
Ownership %	1.6912%	
Estimated Equity Value ¹	\$295,957	\$295,957
Cash Returned to Date ²	\$28,074	\$28,074
Less: Capital Investment	\$295,957	\$295,957
Estimated Investment Gain/Loss	\$28,074	\$28,074
Date of Investment	11/30/2017	

¹Net of carried interest, if applicable

²Through prior quarter

Quarterly Distribution

Dennis E. Shasha

Quarter Ending September 30 2020

Month	PRG Thorn Run Assoc. (45 Madison & AMP)
Balance Forward	-
Jan-16	-
Feb-16	-
Mar-16	-
Apr-16	-
May-16	-
Jun-16	-
Jul-16	-
Aug-16	-
Sep-16	-
Oct-16	-
Nov-16	-
Dec-16	-
Total	-
Jan-17	-
Feb-17	-
Mar-17	-
Apr-17	-
May-17	-
Jun-17	-
Jul-17	-
Aug-17	-
Sep-17	-
Oct-17	-
Nov-17	-
Dec-17	-
Total	-
Jan-18	-
Feb-18	-
Mar-18	-
Apr-18	846
May-18	-
Jun-18	-
Jul-18	1,691
Aug-18	-
Sep-18	-
Oct-18	2,114
Nov-18	-
Dec-18	-
Total	4,651
Jan-19	3,382
Feb-19	-
Mar-19	-
Apr-19	3,382
May-19	-
Jun-19	-
Jul-19	3,805
Aug-19	-
Sep-19	-
Oct-19	3,805
Nov-19	-
Dec-19	-
Total	14,375
Jan-20	3,129
Feb-20	-
Mar-20	-
Apr-20	-
May-20	-
Jun-20	-
Jul-20	5,919
Aug-20	-
Sep-20	-
Oct-20	2,960
Nov-20	-
Dec-20	-
Total	12,007
Grand Total	31,033

	Current Quarter				Year To Date				Annual Budget
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year	
REVENUE									
Net Rent Revenue	\$553,131	\$564,535	(\$11,404)	\$544,469	\$1,666,123	\$1,676,875	(\$10,752)	\$1,639,050	\$2,240,394
Other Revenue	\$67,018	\$72,425	(\$5,407)	\$66,355	\$210,703	\$210,244	\$458	\$206,421	\$276,665
TOTAL REVENUE	\$620,149	\$636,960	(\$16,811)	\$610,824	\$1,876,826	\$1,887,120	(\$10,294)	\$1,845,471	\$2,517,059
Operating Expenses									
Administration	\$15,689	\$17,206	\$1,517	\$14,196	\$57,966	\$57,200	(\$766)	\$50,700	\$74,190
Personnel	\$80,584	\$72,977	(\$7,607)	\$64,697	\$223,052	\$213,369	(\$9,684)	\$183,229	\$280,128
Materials	\$7,442	\$8,670	\$1,228	\$7,152	\$19,876	\$25,015	\$5,139	\$21,429	\$26,940
Contract and Repairs	\$21,401	\$21,549	\$148	\$20,349	\$76,458	\$84,796	\$8,338	\$89,601	\$113,120
Utility Expense	\$35,178	\$36,233	\$1,055	\$39,023	\$88,855	\$103,414	\$14,560	\$100,429	\$140,358
Mgmt Fee Taxes and Insurance	\$109,108	\$108,729	(\$379)	\$104,213	\$327,279	\$325,287	(\$1,992)	\$315,318	\$433,841
Total Operating Expenses	\$269,402	\$265,365	(\$4,037)	\$249,630	\$793,487	\$809,081	\$15,595	\$760,706	\$1,068,576
NOI Before Recurring Replacements	\$350,747	\$371,595	(\$20,848)	\$361,194	\$1,083,339	\$1,078,038	\$5,301	\$1,084,765	\$1,448,483
Recurring Replacements	\$2,987	\$3,720	\$733	\$4,379	\$7,238	\$8,808	\$1,570	\$8,162	\$11,198
NOI After Recurring Replacements	\$347,760	\$367,875	(\$20,115)	\$356,815	\$1,076,101	\$1,069,230	\$6,871	\$1,076,602	\$1,437,285
Interest Expense	\$205,364	\$205,364	-	\$205,364	\$611,629	\$611,629	-	\$609,397	\$816,993
Non-Recurring Repairs & Maintenance	\$58,967	\$70,426	\$11,459	\$77,719	\$164,383	\$235,160	\$70,777	\$227,679	\$275,909
Other Admin Fees	\$6,721	\$6,370	(\$351)	\$6,174	\$19,680	\$18,871	(\$809)	\$19,020	\$27,296
Other Non-Operating Expense (Income)	(\$109)	-	\$109	(\$3,326)	(\$2,115)	-	\$2,115	(\$10,556)	
Depreciation and Amortization Expense	\$81,929	\$81,929	-	\$81,689	\$245,788	\$245,788	-	\$245,021	\$327,717
TOTAL NET INCOME (LOSS)	(\$5,113)	\$3,786	(\$8,899)	(\$10,805)	\$36,737	(\$42,218)	\$78,955	(\$13,958)	(\$10,630)

Accounts	Current Quarter	Previous Quarter	Change	% Change
Assets				
Current Assets				
Cash and Cash Equivalents	\$791,508	\$996,790	(\$205,282)	-20.59%
Escrowed Funds	\$363,643	\$267,149	\$96,494	36.12%
Accounts Receivable	(\$6,262)	(\$6,051)	(\$211)	-3.49%
Prepaid Expenses	\$29,855	\$32,229	(\$2,375)	-7.37%
Total Current Assets	\$1,178,744	\$1,290,117	(\$111,373)	-8.63%
Fixed Assets				
Total Fixed Assets	\$14,223,517	\$14,223,517	\$0	0.00%
Accumulated Depreciation	(\$3,662,991)	(\$3,585,664)	(\$77,327)	-2.16%
Net Fixed Assets	\$10,560,526	\$10,637,853	(\$77,327)	-0.73%
Intangible Assets				
Total Intangible Assets	\$184,084	\$184,084	\$0	0.00%
Accumulated Amortization	(\$50,623)	(\$46,021)	(\$4,602)	-10.00%
Net Intangible Assets	\$133,461	\$138,063	(\$4,602)	-3.33%
Total Assets	\$11,872,730	\$12,066,033	(\$193,302)	-1.60%
Liabilities and Capital				
Current Liabilities				
Accounts Payable and Accrued Liabilities	\$346,041	\$281,554	\$64,487	22.90%
Prepaid Rent	\$15,547	\$17,852	(\$2,305)	-12.91%
Security Deposits	\$51,929	\$52,792	(\$863)	-1.63%
Exchange/Intercompany	(\$16,195,783)	(\$16,196,274)	\$492	0.00%
Total Current Liabilities	(\$15,782,266)	(\$15,844,076)	\$61,810	0.39%
Long Term Liabilities				
Mortgages Payables	\$19,600,000	\$19,600,000	\$0	0.00%
Total Long Term Liabilities	\$19,600,000	\$19,600,000	\$0	0.00%
Total Liabilities	\$3,817,734	\$3,755,924	\$61,810	1.65%
Capital				
Partners' Capital	\$12,000,000	\$12,000,000	\$0	0.00%
Distributions	(\$1,025,000)	(\$775,000)	(\$250,000)	-32.26%
Retained Earnings	(\$2,920,004)	(\$2,914,891)	(\$5,113)	-0.18%
Total Partners' Capital	\$8,054,996	\$8,310,109	(\$255,113)	-3.07%
Total Liabilities and Capital	\$11,872,730	\$12,066,033	(\$193,302)	-1.60%

Cash Flow from Operating Activities:

Net Income (Loss)	(\$5,113)
Add Back:	
Depreciation & Amortization (non-cash)	\$81,929
(Increase) / Decrease in Assets:	
Escrowed Funds	(\$96,494)
Accounts Receivable	\$211
Prepaid Expenses	\$2,375
Increase /(Decrease) in Liabilities	
Accounts Payable and Accrued Expenses	\$64,487
Prepaid Rent	(\$2,305)
Tenant Security Deposit & Other Working Capital Movements	(\$372)
Net cash provided by (used in) operating activities	\$44,718

Cash Flow from Investing Activities:

Capital Expenditures	-
Intangibles and Other	-
Net Cash Provided by (used in) Investing Activity	-

Cash Flows from Financing Activities:

Borrowings/(Repayments) of Mortgage Principal	-
Capital Contributions from Investors	-
Cash Distribution to Investors	(\$250,000)
Net Cash Provided by (used in) Financing Activities	(\$250,000)

Net Increase (Decrease) in Cash	(\$205,282)
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	Current Quarter				Year To Date				Annual Budget
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year	
REVENUE									
Net Rent Revenue	\$278,051	\$293,381	(\$15,330)	\$295,656	\$833,088	\$873,442	(\$40,354)	\$867,964	\$1,167,734
Other Revenue	\$53,405	\$53,069	\$336	\$49,335	\$157,905	\$157,022	\$883	\$160,349	\$207,627
TOTAL REVENUE	\$331,456	\$346,450	(\$14,994)	\$344,991	\$990,993	\$1,030,464	(\$39,471)	\$1,028,313	\$1,375,361
Operating Expenses									
Administration	\$11,852	\$11,471	(\$381)	\$12,926	\$35,522	\$40,618	\$5,096	\$38,173	\$51,215
Personnel	\$43,906	\$42,236	(\$1,670)	\$42,526	\$121,282	\$121,412	\$131	\$115,228	\$158,760
Materials	\$2,949	\$1,953	(\$996)	\$2,698	\$6,239	\$6,409	\$170	\$6,854	\$8,062
Contract and Repairs	\$21,011	\$17,115	(\$3,896)	\$14,438	\$48,176	\$49,402	\$1,227	\$45,677	\$63,077
Utility Expense	\$34,017	\$31,917	(\$2,101)	\$30,897	\$98,632	\$95,993	(\$2,639)	\$94,016	\$127,814
Mgmt Fee Taxes and Insurance	\$64,074	\$63,743	(\$330)	\$55,829	\$191,865	\$190,815	(\$1,050)	\$167,627	\$255,081
Total Operating Expenses	\$177,807	\$168,434	(\$9,373)	\$159,314	\$501,715	\$504,650	\$2,935	\$467,576	\$664,008
NOI Before Recurring Replacements	\$153,648	\$178,015	(\$24,367)	\$185,676	\$489,279	\$525,815	(\$36,536)	\$560,737	\$711,353
Recurring Replacements	\$1,246	\$772	(\$474)	\$684	\$1,511	\$2,775	\$1,263	\$1,072	\$3,292
NOI After Recurring Replacements	\$152,402	\$177,243	(\$24,841)	\$184,993	\$487,767	\$523,040	(\$35,273)	\$559,665	\$708,061
Interest Expense	\$103,214	\$103,214	-	\$103,214	\$307,398	\$307,398	-	\$306,276	\$410,611
Non-Recurring Repairs & Maintenance	\$21,497	\$7,488	(\$14,009)	-	\$28,690	\$60,275	\$31,585	\$13,024	\$60,275
Other Admin Fees	\$3,312	\$3,589	\$277	\$3,470	\$10,249	\$10,632	\$383	\$10,770	\$16,206
Other Non-Operating Expense (Income)	(\$11)	-	\$11	(\$6)	(\$40)	-	\$40	(\$21)	
Depreciation and Amortization Expense	\$37,059	\$37,059	-	\$37,198	\$111,178	\$111,178	-	\$111,316	\$148,237
TOTAL NET INCOME (LOSS)	(\$12,669)	\$25,893	(\$38,562)	\$41,117	\$30,294	\$33,558	(\$3,264)	\$118,300	\$72,732

Accounts	Current Quarter	Previous Quarter	Change	% Change
Assets				
Current Assets				
Cash and Cash Equivalents	\$166,478	\$227,334	(\$60,857)	-26.77%
Escrowed Funds	\$241,168	\$183,132	\$58,036	31.69%
Accounts Receivable	(\$8,268)	(\$10,248)	\$1,980	19.32%
Prepaid Expenses	\$15,355	\$19,842	(\$4,488)	-22.62%
Deposits	\$410	\$410	\$0	0.00%
Total Current Assets	\$415,142	\$420,470	(\$5,328)	-1.27%
Fixed Assets				
Total Fixed Assets	\$6,764,910	\$6,764,910	\$0	0.00%
Accumulated Depreciation	(\$2,021,454)	(\$1,987,248)	(\$34,206)	-1.72%
Net Fixed Assets	\$4,743,456	\$4,777,662	(\$34,206)	-0.72%
Intangible Assets				
Total Intangible Assets	\$114,131	\$114,131	\$0	0.00%
Accumulated Amortization	(\$30,435)	(\$27,582)	(\$2,853)	-10.34%
Net Intangible Assets	\$83,696	\$86,550	(\$2,853)	-3.30%
Total Assets	\$5,242,295	\$5,284,682	(\$42,387)	-0.80%
Liabilities and Capital				
Current Liabilities				
Accounts Payable and Accrued Liabilities	\$215,067	\$150,904	\$64,162	42.52%
Prepaid Rent	\$2,978	\$1,231	\$1,747	141.92%
Security Deposits	\$22,457	\$18,597	\$3,860	20.76%
Exchange/Intercompany	(\$7,676,146)	(\$7,676,658)	\$513	0.01%
Total Current Liabilities	(\$7,435,644)	(\$7,505,926)	\$70,282	0.94%
Long Term Liabilities				
Mortgages Payables	\$9,200,000	\$9,200,000	\$0	0.00%
Total Long Term Liabilities	\$9,200,000	\$9,200,000	\$0	0.00%
Total Liabilities	\$1,764,356	\$1,694,074	\$70,282	4.15%
Capital				
Partners' Capital	\$5,500,000	\$5,500,000	\$0	0.00%
Distributions	(\$635,000)	(\$535,000)	(\$100,000)	-18.69%
Retained Earnings	(\$1,387,062)	(\$1,374,392)	(\$12,669)	-0.92%
Total Partners' Capital	\$3,477,938	\$3,590,608	(\$112,669)	-3.14%
Total Liabilities and Capital	\$5,242,295	\$5,284,682	(\$42,387)	-0.80%

Cash Flow from Operating Activities:	
Net Income (Loss)	(\$12,669)
Add Back:	
Depreciation & Amortization (non-cash)	\$37,059
(Increase) / Decrease in Assets:	
Escrowed Funds	(\$58,036)
Accounts Receivable	(\$1,980)
Prepaid Expenses	\$4,488
Deposits	-
Increase /(Decrease) in Liabilities	
Accounts Payable and Accrued Expenses	\$64,162
Prepaid Rent	\$1,747
Tenant Security Deposit & Other Working Capital Movements	\$4,373
Net cash provided by (used in) operating activities	\$39,143
Cash Flow from Investing Activities:	
Capital Expenditures	-
Intangibles and Other	-
Net Cash Provided by (used in) Investing Activity	-
Cash Flows from Financing Activities:	
Borrowings/(Repayments) of Mortgage Principal	-
Capital Contributions from Investors	-
Cash Distribution to Investors	(\$100,000)
Net Cash Provided by (used in) Financing Activities	(\$100,000)
Net Increase (Decrease) in Cash	(\$60,857)