

FINANCIAL STATEMENTS WITH REPORT OF INDEPENDENT
AUDITORS

Rockoff Urban Renewal, LLC (a Delaware limited liability company)
For the year ended December 31, 2021

6/2/22 

Rockoff Urban Renewal, LLC

Financial Statements

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Report of Independent Auditors

To the Management of Rockoff Urban Renewal, LLC

Opinion

We have audited the accompanying financial statements of Rockoff Urban Renewal, LLC (the "Company"), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, of member's equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that,



individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

March 11, 2022

Rockoff Urban Renewal, LLC

Balance Sheet

	<u>December 31, 2021</u>
Assets	
Land	\$ 7,296,393
Building and improvements	47,151,018
Furniture, fixtures and equipment	7,918,600
Less accumulated depreciation	<u>(10,704,732)</u>
	51,661,279
Construction in progress	<u>1,043</u>
Total real estate assets, net	51,662,322
Cash and cash equivalents	913,714
Restricted funds held on deposit	525,668
Accounts receivable and other receivables, net	145,424
In-place lease intangibles, net accumulated amortization of \$178,457 at December 31, 2021	3,290
Intangible asset - tax abatement, net accumulated amortization of \$3,381,598 at December 31, 2021	11,180,392
Interest rate derivative	25,336
Other assets	<u>101,964</u>
Total assets	<u><u>\$ 64,558,110</u></u>
Liabilities and member's equity	
Liabilities	
Mortgage note payable, net	51,769,077
Due to affiliate	15,361
Resident deposits	359,929
Accounts payable and accrued expenses	<u>547,182</u>
Total liabilities	52,691,549
Member's equity	
Total member's equity	<u>11,866,561</u>
Total liabilities and member's equity	<u><u>\$ 64,558,110</u></u>

The accompanying notes are an integral part of these financial statements.

Rockoff Urban Renewal, LLC

Statement of Operations

	Year Ended December 31, 2021
Revenues	
Rental revenues	\$ 3,860,884
Other revenues	257,736
Total revenues	<u>4,118,620</u>
Expenses	
Operating expenses	1,805,210
Interest expense and other related fees	1,079,276
General and administrative expenses	358,652
Property management fees	128,612
Amortization and depreciation expense	3,812,673
Total expenses	<u>7,184,423</u>
Net loss before realized and unrealized gain (loss) on investments	(3,065,803)
Realized loss on disposal of assets	(875)
Unrealized gain on interest rate derivative	1,836
Total net realized and unrealized gain on investments	<u>961</u>
Net loss	<u>\$ (3,064,842)</u>

The accompanying notes are an integral part of these financial statements.

Rockoff Urban Renewal, LLC

Statement of Member's Equity

Balance, December 31, 2020	\$	14,922,147
Contributions		411,853
Distributions		(402,597)
Net loss		(3,064,842)
Balance, December 31, 2021	\$	<u>11,866,561</u>

The accompanying notes are an integral part of these financial statements.

Rockoff Urban Renewal, LLC

Statement of Cash Flows

	<u>For the Year Ended December 31, 2021</u>
Operating activities	
Net loss	\$ (3,064,842)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Net unrealized gain on interest rate derivative	(1,836)
Depreciation of real estate assets	2,945,394
Amortization of debt issuance costs	49,168
Amortization of in-place lease intangibles	10,445
Amortization of intangible asset - tax abatement	856,834
Realized loss on disposition of assets	875
Changes in assets and liabilities:	
Increase in accounts receivable and other receivables	(50,020)
Increase in other assets	(63,516)
Increase in resident deposits	204,966
Increase in accounts payable and accrued expenses	39,160
Increase in due to affiliate	5,179
Net cash provided by operating activities	<u>931,807</u>
Investing activities	
Purchase of and capital improvements to real estate assets	<u>(12,573)</u>
Cash used in investing activities	(12,573)
Financing activities	
Contributions	411,853
Distributions	(402,597)
Purchase of interest rate cap	(23,500)
Payment of debt issuance costs	<u>(10,250)</u>
Net cash used in financing activities	(24,494)
Net change in cash, cash equivalents and restricted funds held on deposit	894,740
Cash, cash equivalents and restricted funds held on deposit, beginning of year	<u>544,642</u>
Cash, cash equivalents and restricted funds held on deposit, end of year	<u>\$ 1,439,382</u>

The following table provides a reconciliation of cash, cash equivalents and restricted funds held on deposit to amounts reported within the Balance Sheet:

Reconciliation of cash, cash equivalents and restricted funds held on deposit:	
Cash and cash equivalents	\$ 913,714
Restricted funds held on deposit	<u>525,668</u>
Total cash, cash equivalents and restricted funds held on deposit	<u>\$ 1,439,382</u>

Supplemental cash flow information, including non-cash activities	
Cash paid for interest on mortgage note payable	\$ 1,032,751
Capitalized real estate assets in due to affiliate	\$ 1,043

The accompanying notes are an integral part of these financial statements.

Rockoff Urban Renewal, LLC

Notes to Financial Statements

1. Organization and Operations

Rockoff Urban Renewal, LLC, (the “Company”) owns and operates Rockoff Hall Apartments (the “Property”). The Company was acquired by a single member limited liability company, GS-B3 Rockoff Project REIT, LLC (“Manager”), on January 19, 2018. The Company is governed by the Amended and Restated Limited Liability Company Agreement (“The Agreement”). The Property is located in New Brunswick, New Jersey, adjacent to the campus of Rutgers University, and consists of a 12-story high-rise with 619 (unaudited) student beds and four (unaudited) commercial units.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”).

Use of Estimates

The preparation of the financial statements, in conformity with US GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ materially from those estimates.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company places its cash and cash equivalents with high credit quality institutions and minimizes its credit risk exposure via formal credit policies and monitoring procedures. The Company maintains funds in accounts with financial institutions that, from time to time, exceed the Federal Deposit Insurance Corporation insured limit.

Fair Value Measurements

In accordance with the authoritative guidance on fair value measurements and disclosures under US GAAP, the Company determines the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between willing market participants at the measurement date.

The guidance establishes three levels of the fair value hierarchy based on the reliability of inputs as follows:

Rockoff Urban Renewal, LLC

Notes to Financial Statements

2. Basis of Presentation and Significant Accounting Policies (continued)

- Level 1 – Inputs based on unadjusted quoted prices in active markets that are accessible by the Company at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Inputs based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly. These inputs are primarily obtained from third-party pricing services for identical or comparable assets or liabilities.
- Level 3 – Inputs that are unobservable and significant to the overall fair value measurement for the asset or liability. Level 3 inputs incorporate certain assumptions and projections that are not observable in the market and require significant professional judgment in determining the fair value assigned to such assets or liabilities.

The fair value measurement of the assets or liabilities within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the Manager. The Manager considers observable data to be that market data which is readily available; regularly distributed or updated; reliable and verifiable; not proprietary; or proved by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Manager’s perceived risk of that investment. The Company’s accounting for the interest rate derivative requires recurring fair value measurement (see Note 7).

Income Taxes

The Company is structured as a pass-through entity; therefore, income taxes are normally incurred and paid by its member rather than at the Company level. As such, federal, state, and local income taxes have not been provided for in the financial statements to the extent members are responsible for reporting their allocable share of income, gain, deductions, losses, and credits on their respective individual tax returns. However, in certain jurisdictions, state and local income taxes may be required to be paid directly by the Company on behalf of its members rather than directly by its members. No such taxes were accrued for the year ended December 31, 2021.

The Company accounts for income taxes under the provisions of Accounting Standards Codification (“ASC”) 740-10, *Income-Taxes – Overall*, which prescribes use of an asset and liability method of accounting for income taxes. Additionally, ASC 740-10-25-5 clarifies accounting for uncertain tax positions which is required to determine whether the positions are more likely than not sustainable upon examination by the applicable tax authority, based on the technical merits of the tax position. Tax benefits meeting this threshold would be, if applicable, recognized, in the Company’s financial statements. As of December 31, 2021, the Company had not recorded a provision for unrecognized tax benefits. Interest and penalties associated with any unrecognized tax benefits would be recorded as additional income tax

Rockoff Urban Renewal, LLC

Notes to Financial Statements

2. Basis of Presentation and Significant Accounting Policies (continued)

Income Taxes (continued)

expense in the statement of operations. No amounts were recorded for the year ended December 31, 2021 related to interest and penalties.

Tax years 2018 through 2021 remain open to examination by various federal and state taxing authorities.

Real Estate Assets

Real estate investments are stated at cost, less accumulated depreciation. Costs include purchase price, renovations, and improvements. Depreciation is computed using the straight-line method over the useful lives of the assets as follows:

	<u>Years</u>
Building	30
Building improvements	15
Site improvements	15
Furniture, fixtures, and equipment	7

General maintenance and repair costs are expensed as incurred.

The carrying value of long-lived assets, including definite lived assets, are evaluated for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable in accordance with ASC 360, *Property, Plant, and Equipment*. An impairment loss is recognized if the carrying amount of the Property is not recoverable from the undiscounted cash flows generated by the property. The Company does not believe the value of any long-lived assets were impaired as of December 31, 2021.

Assets held for sale would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less the costs to sell and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset or liability sections of the balance sheet. The Company did not have any assets held for sale as of December 31, 2021.

Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. The Company maintains funds in accounts with financial institutions that, from time to time, may exceed the Federal Deposit Insurance Corporation insured limit. The Company has not experienced any losses in such accounts to date.

Rockoff Urban Renewal, LLC

Notes to Financial Statements

2. Basis of Presentation and Significant Accounting Policies (continued)

Restricted Funds Held on Deposit

Restricted funds held on deposit consist of security deposits, which are returned to tenants upon completion and satisfaction of leasing arrangements, and lender required tax and replacement escrows which are held as cash collateral per the Company's debt agreement.

Accounts Receivable and Other Receivables, Net

Accounts receivable and other receivables, net includes amounts billed to residents and expense recoveries due from residents. The Company uses the allowance method of accounting for uncollectible accounts. Management regularly evaluates the credit quality of its residents, delinquent payments, historical trends, and current economic conditions. Accounts receivable are considered past due when any disputed balance is aged more than 30 days beyond the billing date. As of December 31, 2021, the allowance for doubtful accounts was \$87,996 and is recorded in accounts receivable and other receivables, net on the balance sheet.

Interest Rate Derivative

ASC 815, *Derivatives and Hedging*, establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognizes all derivatives as either assets or liabilities on the balance sheet and measure these instruments at fair value, with changes to fair value recorded through interest expense and other related fees in the statement of operations. The Company uses an interest rate derivative in order to hedge the effects of interest rate fluctuations on variable rate debt. The Company's interest rate derivative position is measured at fair value using Level 2 observable inputs (see Note 7).

Intangibles and Other Assets

Intangibles and other assets as of December 31, 2021 consist of tax abatement due to the Payment In Lieu of Taxes ("PILOT") program, retail in place leases and origination costs; as well as prepaid property insurance and prepaid property taxes. Prepaid expenses are expensed in the period the benefit is received. The amortization periods are shown below and based on the remaining useful life of each asset, derived from third party research of related leases and agreements. Amortization is expensed monthly and shown in the statement of operations on a straight-line basis, based on the purchase price allocation derived from a third party (see Note 4).

Asset Type	Useful life	Financial Statement Caption
Tax abatement (PILOT program)	204 months	Intangible asset - tax abatement
Retail in-place leases	46 months	In-place lease intangible
Origination Costs	28 months	In-place lease intangible

Rockoff Urban Renewal, LLC

Notes to Financial Statements

2. Basis of Presentation and Significant Accounting Policies (continued)

Mortgage Note Payable, Net

The Company's mortgage note payable is recorded at par (or carrying value), and presented net of unamortized debt issuance costs. As part of the normal course of its business, the Company has provided guarantees against fraud and misrepresentation, failure to maintain insurance policies and required impositions, failure to apply condemnation and insurance proceeds, and failure to pay rental income and security deposits in the event of default (See Note 5).

Debt Issuance Costs

Debt issuance costs consist of the direct costs paid in connection with securing financing, from a third-party lender, and are amortized to interest expense over the term of the related debt. Unamortized debt issuance costs are presented as a direct reduction of the carrying value of the mortgage note payable on the balance sheet.

Due to Affiliate

Due to affiliate is mainly comprised of property management fees, construction management fees earned by affiliates of the Manager and expense reimbursements pursuant to the terms of the Agreement (see Note 9).

Resident Deposits

Resident deposits represent the liability of the Company regarding the resident's required security deposit per the lease agreements.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist primarily of amounts accrued for expenses incurred by the property, tax, legal, and other professional services.

Revenue Recognition

The Company's leases generally contain options that allow residents to obtain terms equal to one year or less. Retail lease terms vary from three to five years. Rental revenues from retail leases are recognized as amounts are contractually earned from the tenants, which is not materially different than a straight-line basis. Rental revenues from residential leases are recognized as amounts that are contractually earned from residents. Any lease incentives granted to residents are deferred at lease inception and are amortized over the term of the lease on a straight-line basis. Other revenue consists primarily of fees charged to residents for administrative fees, pet fees, lease cancellations, evictions, garage rentals, washer-dryer

Rockoff Urban Renewal, LLC

Notes to Financial Statements

2. Basis of Presentation and Significant Accounting Policies (continued)

Revenue Recognition (continued)

rentals, and utility fees billed to residents. Other non-lease revenues are recognized as amounts are contractually earned from residents.

Rental payments received prior to their recognition as income are stated on the balance sheet within accounts payable and accrued expenses.

As of December 31, 2021, 96.77% (unaudited) of residential units and 75% (unaudited) of retail units were leased.

Interest Income and Interest Expense

Interest income and expense are recorded on an accrual basis.

Advertising

The Company expenses advertising costs associated with the marketing of its units as incurred. The Company incurred advertising expenses of \$156,885 for the year ended December 31, 2021 and is recorded in general and administrative expenses on the statement of operations.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, with codification improvements issued in July 2018 in ASU 2018-10, *Codification Improvements to Topic 842, Leases*, and in March 2019 in ASU 2019-01, *Codification Improvements to Topic 842*. The ASUs include guidance which requires lessees to put most leases on their balance sheets but recognize expenses on their income statements in a manner similar to current accounting. The guidance also eliminates today's real estate-specific provisions for all entities. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*, which delayed the effective date of Topic 842 to fiscal years beginning after December 15, 2021. The Company is currently evaluating the potential impact on its financial statements and related disclosures.

Risks and Uncertainties

In the normal course of business, the Company encounters economic risk, including interest rate risk and market risk. Interest rate risk represents the difference between the market interest rate and the fixed contractual rate. Market risk reflects changes in the valuation of real estate investments held by the Company.

Rockoff Urban Renewal, LLC

Notes to Financial Statements

3. Real Estate Assets

Real estate assets as of December 31, 2021 are comprised of the following:

12/31/2021					
Property	Land	Building, Improvements, FFE and CIP	Accumulated Depreciation	Net Book Value	
SoCam 290	\$ 7,296,393	\$ 55,070,661	\$ (10,704,732)	\$	51,662,322

4. Intangible Assets

Intangible assets and related amortization are shown below:

Asset Type	Gross Carrying Amount	Accumulated Amortization	Expense for the Year Ended December 31, 2021
Tax abatement (PILOT program)	\$ 14,561,990	\$ 3,381,598	\$ 856,834
Retail in-place leases	109,903	106,613	10,445
Origination Costs	71,844	71,844	-
Total	\$ 14,743,737	\$ 3,560,055	\$ 867,279

Amortization for the five years following is shown in the table below:

Asset Type	2022	2023	2024	2025	2026	Thereafter
Tax abatement (PILOT program)	\$ 856,834	\$ 856,834	\$ 856,834	\$ 856,834	\$ 856,834	\$ 6,896,223
Retail in-place leases	3,848	-	-	-	-	-
Total Amortization	\$ 860,682	\$ 856,834	\$ 856,834	\$ 856,834	\$ 856,834	\$ 6,896,223

5. Mortgage Note Payable, Net

The Company, through one of its subsidiaries, entered into a mortgage loan of \$52,050,000 on January 23, 2018. The loan is interest only for the first 60 months.

Property Name	Balance as of December 31, 2021	Interest Rate	Interest Type	Lender Type	Maturity Date
SoCam 290	\$ 52,050,000	LIBOR + 185bps	Floating	Government-Sponsored Enterprise	2/1/2028

Rockoff Urban Renewal, LLC

Notes to Financial Statements

5. Mortgage Note Payable, Net (continued)

The Company incurred interest of \$1,030,107 during the year ended December 31, 2021. The interest rate as of December 31, 2021 was 1.944%. Debt issuance costs of \$461,791 are being amortized using straight-line basis over the life of the loan and reported on the balance sheet net of mortgage note payable as of December 31, 2021. The difference is immaterial between straight-line and effective interest methods. As of December 31, 2021, accumulated amortization totaled \$180,868. After the initial term of 60 months, a fixed monthly principal amount of \$77,463 will be due until maturity on February 1, 2028.

	Principal Repayments
2022	\$ -
2023	\$ 774,629
2024	\$ 929,555
2025	\$ 929,554
2026	\$ 929,555
Thereafter	\$ 48,486,707
Total	<u>\$ 52,050,000</u>

The mortgage note payable is collateralized by the Property and contains certain non-financial covenants. The Company was in compliance with all covenants as of and for the year ended December 31, 2021.

6. Commercial Leases

Four commercial units are available to be leased to retail tenants under operating leases for which the terms and expirations vary. The lease terms have provisions to extend the lease agreements, options for early termination after paying a specified penalty, and other terms and conditions are negotiated. The Company retains substantially all of the risks and benefits of ownership of these commercial real estate assets. Amounts required as security deposits vary depending on the terms of the respective leases and the creditworthiness of the tenant, but generally are not significant amounts. Therefore, exposure to credit risk exists to the extent that a tenant's receivable exceeds the amount of its security deposit.

As of December 31, 2021, the approximate future minimum rental income from the Company's property under noncancelable retail operating leases is as follows:

Rockoff Urban Renewal, LLC

Notes to Financial Statements

6. Commercial Leases (continued)

Year Ending December 31	Amount
2022	168,970
2023	169,697
2024	170,446
2025	153,199
2026	30,213
Thereafter	-
Total	<u>\$ 692,525</u>

7. Derivative Instrument

The Company entered into an interest rate derivative agreement on January 23, 2018 to manage the variable interest rate exposure with respect to amounts borrowed under the mortgage note payable. This contract effectively exchanges the Company's obligation to pay interest based on a floating rate for an obligation to pay interest based on a fixed rate, contingent upon the variable rate increasing to a defined rate. The Company did not enter into this derivative for trading or speculative purposes. The interest rate derivative is recognized as an asset on the balance sheet at fair value, with gains or losses related to changes in the fair value recorded in the statement of operations. On January 22, 2018 the Company acquired the original interest rate derivative for \$8,700. The derivative had a strike rate at 5.67% during the interest only term and 4.61% thereafter; and expired February 1, 2021. The notional amount of the derivative is identical to the amount of the principal balance owed. On February 1, 2021 the Company purchased an interest rate derivative to replace the expired original derivative for \$23,500. The derivative has a strike rate at 4.61% and expires on February 1, 2024. The notional amount of the derivative is identical to the amount of the principal balance owed.

The fair value of the derivative as of December 31, 2021 was \$25,336. The fair value of the derivative instrument was determined using widely accepted valuation techniques, including discounted cash flow analysis based on the contractual terms of the derivative using the period to maturity of the instrument, and observable market-based inputs that include interest rate curves and implied volatilities. Therefore, the fair value determined is considered to be based on significant other observable inputs (Level 2).

In addition, the Company considers counterparty risk of nonperformance in determining the fair value of derivative instruments by estimating the current and potential future exposure under the derivative instruments.

Rockoff Urban Renewal, LLC

Notes to Financial Statements

8. Commitments and Contingencies

As of December 31, 2021, there are no commitments or contingencies.

9. Related Party Transactions

The Company receives services under various agreements from certain affiliates associated with the ongoing operations of the investments. Below is a detailed summary of the fees incurred for these services for the year ended December 31, 2021 as well as where they are recorded in the financial statements.

Property Service Fees	Financial Statement Caption	Year Ended		Fee Description
		December 31, 2021		
Property Management	Property management fees	\$	128,612	2.75% of Gross revenues OR \$8,500 per month minimum
Total Property Service Fees		\$	128,612	

Of the service fee amounts incurred above and the reimbursement amounts incurred below, \$14,318 and \$1,043, respectively was included in Due to Affiliates on the balance sheet as of December 31, 2021. The Company made a deemed distribution of \$102,597 to the Manager to pay for asset management and admin fees on behalf of GS-B3 Rockoff Venture, LLC, an affiliate of the Manager.

In accordance with the Company's Construction Management Agreement, the Company reimburses certain affiliates of the Manager for costs and services that are incurred on behalf of the Company.

In accordance with the Agreement, the Company reimburses certain affiliates of Greystar Real Estate Partners ("Greystar") for certain payroll expenses for Greystar employees working at the Company's property.

Below is a summary of the costs and services that the Company reimbursed to certain affiliates for the year ended December 31, 2021 as well as where they are recorded in the financial statements.

Reimbursements	Financial Statement Caption	Year Ended	
		December 31, 2021	
Payroll & Benefits for on-site management	Operating expenses	\$	519,571
Construction Management	Real estate assets		13,615
Total Reimbursements		\$	533,186

10. Subsequent Events

The Company has evaluated all subsequent events through the date that the financial statements were made available to be issued (March 11, 2022) and noted no events that are required to be disclosed.



Report of Independent Auditors

To the Management of Rockoff Urban Renewal, LLC

We have audited the financial statements of Rockoff Urban Renewal, LLC as of and for the year ended December 31, 2021 and our report thereon appears on pages 1-2 of this document which included an unmodified opinion on those financial statements. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Annual Calculation of Allowable Net Profit and Excess Profit Charge per N.J.S.A. 40A:20-3(a) and (c) for the year ended December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Annual Calculation of Allowable Net Profit and Excess Profit Charge per N.J.S.A. 40A:20-3(a) and (c) has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Annual Calculation of Allowable Net Profit and Excess Profit Charge per N.J.S.A. 40A:20-3(a) and (c) is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

March 11, 2022

Urban Renewal Entity: Rockoff Urban Renewal, LLC
Annual Calculation of Allowable Net Profit and Excess Profit Charge
per N.J.S.A. 40A:20-3(a) and (c) for the fiscal year ending:

December 31, 2021

Gross Revenue:

(1) Total Gross Revenue per audited Statement of Operations
(please include copy of annual audited statement prepared by
a certified public accountant)

4,118,620

Adjustments:

(2) Insurance, Operating and Maintenance Expenses paid by
Tenant which are ordinarily paid by a Landlord

(3) Vacancy reserves in excess of the
allowable reserve of 10% of Gross Revenues

2,134,927

(4) Rental income from an affiliate related to the Project

(5) Adjusted Total Gross Revenue (Sum of (1) through (4))

6,253,547

Expenses:

(6) Total Expenses per audited Statement of Operations
(The statutes N.J.S.A. 40A:20-15 do not expressly identify what items are to be deducted from gross revenues.
City's position is that these statutes be read in pari-materia with N.J.S.A. 40A:20-3.)

7,184,423

Adjustments:

(7) Depreciation or Obsolescence *

1,297,086

(8) Interest on Debt, except interest which is part of debt service

49,168

(9) Income Taxes

(10) Salaries, Bonuses or Compensation paid, directly or indirectly,
to Directors, Management, Officers, Stockholders,
Partners or other persons holding any proprietary ownership
interest in the property.

(11) Payments for services rendered in excess of reasonable and
customary payments to an affiliate or related party

(12) Amortization in excess of allowable reserve

(13) Adjusted Total Expenses (Line (6) less lines (7)
through (12))

5,838,169

(14) Statutory Net Profit (Line (5) less (13))

415,378

(15) Less Allowable Profit
(Allowable profit 12 % (per Financial Agreement)
x Total Project Cost (Line 17))

5,933,908

(16) Excess Service Charge (Line (14) less (15))
(Please remit to the City within 90 days
of fiscal Year end with a copy of this
Report)

NONE

(17) Total Project Cost (per "Computation of Total Project
Cost per N.J.S.A. 40A:20-3(h)" form))

49,449,230

Certification:

I certify that the information supplied above is complete and accurate and complies with the provisions of
N.J.S.A. 40A:20-1 et seq. I also understand per the provisions of the financial agreement, the City of New
Brunswick may examine and audit all supporting financial records, documents and papers related to this
entity.

PricewaterhouseCoopers LLP

Certified Public Accountant

*Balance includes depreciation expense on real estate assets and amortization expense on intangible
assets. Additionally, the amount presented is net of amortization of project costs of \$1,648,308
(\$49,449,230/30 years) pursuant to N.J.S.A. 40A:20-3(c) 18