

135 SOMERSET MEWS 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 YEARS ENDED DECEMBER 31, 2021 AND 2020

|                                                                                                                                                         | 2021                  | 2020                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Gross Revenue:                                                                                                                                          |                       |                       |
| (1) Total Gross Revenue per audited Statement of Operations                                                                                             | \$ 5,654,287          | \$ 5,680,405          |
| Adjustments:                                                                                                                                            |                       |                       |
| Insurance, Operating and Maintenance Expenses paid by                                                                                                   |                       |                       |
| (2) Tenant which are ordinarily paid by a Landlord                                                                                                      |                       |                       |
| Vacancy reserves in excess of the                                                                                                                       |                       |                       |
| (3) allowable reserve of 10% of Gross Revenues                                                                                                          |                       |                       |
| (4) Rental income from an affiliate related to the Project                                                                                              |                       |                       |
| (5) Adjusted Total Gross Revenue (Sum of (1) through (4))                                                                                               | <u>5,654,287</u>      | <u>5,680,405</u>      |
| Expenses:                                                                                                                                               |                       |                       |
| (6) Total Expenses per audited Statement of Operations                                                                                                  | 7,046,020             | 7,520,620             |
| (7) Depreciation or Obsolescence                                                                                                                        | 2,085,628             | 2,601,186             |
| (8) Interest on Debt, except interest which is part of debt service                                                                                     | 2,590,858             | 2,640,686             |
| (9) Income Taxes                                                                                                                                        | -                     | -                     |
| Salaries, Bonuses or Compensation paid, directly or indirectly, to Directors, Management, Officers, Stockholders, Partners or other persons holding any |                       |                       |
| (10) proprietary ownership interest in the property                                                                                                     | -                     | -                     |
| Payments for services rendered in excess of reasonable and                                                                                              |                       |                       |
| (11) customary payments to an affiliate or related party                                                                                                | -                     | -                     |
| (12) Amortization in excess of allowable reserve                                                                                                        | -                     | -                     |
| Adjusted Total Expenses (Line (6) less lines (7) through (12))                                                                                          | <u>2,369,534</u>      | <u>2,278,748</u>      |
| (13) Statutory Net Profit (Line (5) less (13))                                                                                                          | <u>4,676,486</u>      | <u>5,241,872</u>      |
| (14) Less Allowable Profit                                                                                                                              | <u>7,105,631</u>      | <u>7,105,631</u>      |
| (15) Excess Service Charge (Line (14) less (15))                                                                                                        | <u>\$ (2,429,145)</u> | <u>\$ (1,863,759)</u> |
| (16) Total Project Cost                                                                                                                                 | <u>\$ 59,213,593</u>  | <u>\$ 59,213,593</u>  |

$5,418,437.08$   
 $235,849.92$   
 $109.0$   
 $157.0$   
 $= 5,418,437.08$   
 $= 35,377.49$   
Res. Comm.

TOTAL = \$ 577,221.00

See Report of Independent Auditor

Done  
6/23/22

**Richard Mulrine**

**From:** Gary Colarossi <gary.colarossi@boraie.com>  
**Sent:** Tuesday, June 21, 2022 8:57 AM  
**To:** Richard Mulrine  
**Subject:** Re: Allowable Profit Forms all 3 Properties

No bother.

|           |                          |            |
|-----------|--------------------------|------------|
| 4004-0000 | Commercial Rental Income | 235,849.92 |
|-----------|--------------------------|------------|

The remaining is residential.

Gary

**Gary Colarossi**  
*Boraie Development*



**BORAIE**  
DEVELOPMENT LLC

732-846-3636

**From:** Richard Mulrine <rmulrine@cityofnewbrunswick.org>  
**Sent:** Monday, June 20, 2022 12:09 PM  
**To:** Gary Colarossi <gary.colarossi@boraie.com>  
**Subject:** RE: Allowable Profit Forms all 3 Properties

Hey Gary,

Sorry to bother – but I can ask you give me this figured updated for 2021 please. Thanks in advance!

Rich

**From:** Gary Colarossi <gary.colarossi@boraie.com>  
**Sent:** Friday, June 18, 2021 2:36 PM  
**To:** Richard Mulrine <rmulrine@cityofnewbrunswick.org>  
**Subject:** Re: Allowable Profit Forms all 3 Properties

That's a simple one.

|           |                          |            |
|-----------|--------------------------|------------|
| 4004-0000 | Commercial Rental Income | 228,433.32 |
|-----------|--------------------------|------------|

The rest is from residential operations.

**Gary Colarossi**  
*Boraie Development*