ROSSLYN SYNDICATION PARTNERS JV LP

Financial Statements

December 31, 2014

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Partners
Rosslyn Syndication Partners JV LP:

We have audited the accompanying financial statements of Rosslyn Syndication Partners JV LP, a Delaware limited partnership (the Partnership), which comprise the statement of net assets, including the schedule of investments, as of December 31, 2014, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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 information 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

March 31, 2015

ROSSLYN SYNDICATION PARTNERS JV LP

Statement of Net Assets

December 31, 2014

Assets:		
Investments, at fair value (cost: $843,167,797)	$	593,225,865
Cash and cash equivalents		2,395,178
Due from partners		448,046
Due from affiliates		1,137,689
Total assets		597,206,778
Liabilities:		
Accounts payable, accrued expenses and other liabilities		346,995
Partnership loans and accrued interest		107,448,729
Total liabilities		107,795,724
Net assets	$	489,411,054

See accompanying notes to financial statements.

ROSSLYN SYNDICATION PARTNERS JV LP

Schedule of Investments

December 31, 2014

Investments	Type [1]	Ownership percentage		Investment at cost [2]		Investment at fair value [3]	% of net assets
1812 Holdings, LLC							
1812 North Moore Street	Office	100%	$	121,790,701	$	150,400,504	30.73%
1000-1100 Wilson Owner, LLC							
1000 Wilson Boulevard	Office	100%		164,199,883		70,437,218	14.39%
1100 Wilson Boulevard	Office	100%		127,341,484		83,440,520	17.05%
1101 Wilson Owner, LLC							
1101 Wilson Boulevard	Office	100%		73,439,801		54,955,050	11.23%
Lynn Estates Property Associates, LLC –							
Berkley Property Associates, LLC							
1701 North Fort Myer	Office	100%		92,745,468		76,205,690	15.57%
Nash Street Property Associates, LLC							
1400 Key Boulevard	Office	100%		44,991,127		18,082,661	3.69%
Oak Hills Property Associates, LLC							
1401 Wilson Boulevard	Office	100%		61,921,912		48,113,621	9.83%
Art Property Associates, LLC							
1501 Wilson Boulevard	Office	100%		29,960,644		18,874,768	3.86%
1515 Wilson Boulevard	Office	100%		35,003,364		27,582,044	5.64%
1200 Property Associates, LLC							
1200 Wilson Boulevard	Office	100%		36,129,698		27,740,159	5.67%
Rosslyn Series, LLC	-	100%		51,780,959		18,296,663	3.74%
REITs	-	100%		3,862,757		(903,033)	-0.18%
			$	843,167,797	$	593,225,865	121.22%

(1) All properties are located in Arlington, VA.

(2) Investment at cost represents the aggregate amount invested by the Partnership, including contributions less the return of capital.

(3) Investment at fair value is the General Partner's estimate of the fair value of the investments at December 31, 2014, plus additions at cost less return of and on capital as of December 31, 2014.

See accompanying notes to financial statements.

ROSSLYN SYNDICATION PARTNERS JV LP

Statement of Operations

Year Ended December 31, 2014

Expenses:		
Professional fees	$	34,883
General, administrative and other expenses		35,152
Interest expense		11,847,908
Total expenses		11,917,943
Net investment loss		(11,917,943)
Unrealized depreciation on investments		(28,395,055)
Net decrease in net assets resulting from operations	$	(40,312,998)

See accompanying notes to financial statements.

ROSSLYN SYNDICATION PARTNERS JV LP

Statement of Changes in Net Assets

Year Ended December 31, 2014

	Net assets at December 31, 2013	Contributions	Net decrease in net assets resulting from operations	Net assets at December 31, 2014
General Partner:				
Rosslyn JV Partners LLC	$ 1,054,648	4,800	(80,626)	978,822
Limited Partners:				
USREO/Rosslyn Investors, LLC	470,586,654	2,141,772	(35,975,523)	436,752,903
Rosslyn Monday LP, LLC	55,682,750	253,428	(4,256,849)	51,679,329
Total	$ 527,324,052	2,400,000	(40,312,998)	489,411,054

See accompanying notes to financial statements.

ROSSLYN SYNDICATION PARTNERS JV LP

Statement of Cash Flows

Year Ended December 31, 2014

Cash flows from operating activities:		
Net decrease in net assets resulting from operations	$	(40,312,998)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash used in operating activities:		
Unrealized depreciation on investments		28,395,055
Investments		(28,147,939)
Decrease in due from affiliates		770,907
Decrease in other assets		828
Decrease in accounts payable, accrued expenses and other liabilities		(472,722)
Increase in partnership loan and accrued interest		22,199,807
Net cash used in operating activities		(17,567,062)
Cash flows from financing activities:		
Capital contributions		2,400,000
Net cash provided by financing activities		2,400,000
Net decrease in cash and cash equivalents		(15,167,062)
Cash and cash equivalents, beginning of year		17,562,240
Cash and cash equivalents, end of year	$	2,395,178
Supplemental disclosure of non-cash operating activities		
Investments	$	85,248,922
Partnership loan used to pay off property debt		85,248,922

See accompanying notes to financial statements.

(1) Organization and Purpose

Rosslyn Syndication Partners JV LP (the Partnership or the Venture) was established on May 3, 2007 as a Delaware limited partnership. The Partnership was organized pursuant to the Limited Partnership Agreement (the Partnership Agreement) dated May 15, 2007, as amended, by Rosslyn JV Partners LLC (the General Partner), a Delaware limited liability company; and Rosslyn Monday LP, LLC, Rosslyn LBREP LP LLC and Rosslyn LB Syndication Partner LLC as Limited Partners. The General Partner and the Limited Partners are referred to collectively as the Partners and each of them individually as a Partner. The Partnership was formed for the purpose of investing in, acquiring, holding, owning, and otherwise dealing in and with real estate investments in the United States of America.

On October 31, 2011, Rosslyn LBREP LP LLC and Rosslyn LB Syndication Partner LLC sold their interests in the Partnership to USREO/Rosslyn Investors, LLC (USREO). USREO was admitted to the Partnership as a Limited Partner pursuant to the Amended and Restated Limited Partnership Agreement (the Amended Partnership Agreement) dated October 31, 2011. All capitalized terms not defined herein shall have the meaning ascribed in the Amended Partnership Agreement.

The General Partner manages the affairs of the Venture and evaluates and makes investment decisions, as well as the management of the Venture’s investments, subject to Limited Partners’ approval. The Partnership shall continue until dissolution on a date designated by unanimous written consent of the Partners or by the sale of all or substantially all of the Partnership’s assets.

The investment strategy of the Partnership’s investees, which are limited liability companies, is to acquire, develop, redevelop, manage, operate, and otherwise deal in and with real estate investment in the United States of America.

The Partnership controls the investees and may redeem the investments based on the investees’ formation agreements. The Partnership will receive distributions during the investment period, upon liquidation of the investee’s underlying assets or upon redemption of its investments. Liquidations of these assets are expected to occur over time periods stated in the respective investees’ formation agreements.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements of the Partnership have been presented in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Partnership is considered an investment company under GAAP and follows the provisions of the Financial Accounting Standards Board’s (FASB) Accounting Standard Codification’s Topic 946: *Financial Services – Investment Companies*, accordingly, all investments are carried at fair value; revenues are recognized when earned and expenses are recognized as incurred.

(b) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's best estimate and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management adjusts such estimates when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from these estimates. The most significant estimates and assumptions for the Partnership relate to the valuation of the real estate held by the Partnership's investments.

Property and investment values are affected by, among other things, the availability of capital, occupancy rates, rental rates, interest rates and inflation rates. As a result, determining real estate and investment values involve many assumptions. Amounts ultimately realized from each investment may vary significantly from the fair values presented.

(c) Risks and Uncertainties

The Partnership's investments in commercial real estate is concentrated in Arlington, Virginia, and is affected by changes in demand for office space by the U.S. government, entities servicing the U.S. government and other lessees within the market. The successful leasing and re-leasing of office space, and the willingness on the part of financial institutions to make new loans, refinance, restructure or extend existing loans on acceptable terms and conditions continues to impact the Partnership's investees. The Partnership's estimates of fair value are based upon the best information available as of the date of valuation.

(d) Investments

Investments are comprised of equity interests in limited liability companies. The Partnership records its investments at fair value as described in note 3. The difference between the cost basis and the fair value of each investment represents unrealized appreciation or depreciation. Changes in unrealized appreciation or depreciation during a period are reflected in the accompanying statement of operations.

(e) Fair Value Measurements

The Partnership follows the accounting guidance on fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis and on a nonrecurring basis. See note 3 for disclosures about fair value measurements.

(f) Earnings from Investments

Earnings from investments are recognized upon receipt of actual distributions of income received by the Partnership from the related real estate investment. The Partnership records distributions received in excess of net income from underlying investments as a return of capital and/or realized gain. The Partnership records realized gains and losses when there is a sale of the investment or the underlying assets of the real estate investment upon the receipt of cash.

(g) Statement of Cash Flows

The Partnership considers all highly liquid assets with original maturities of three months or less to be cash equivalents.

(h) Income Taxes

Under tax regulations in the United States of America, the Partnership itself is not subject to federal, state and local income taxes for tax purposes. Federal, state and local income taxes have not been provided for in the accompanying financial statements. Each Partner is responsible for reporting its allocable share of the Partnership's income, gains, losses, deductions and credits in their individual tax return. Further, Partners' capital accounts reflected in the accompanying financial statements differ from amounts reported in the Partnership's federal income tax returns because of differences between GAAP and federal income tax law.

The Partnership's investment structure includes Real Estate Investment Trusts (REIT or REITs) that have elected to be treated as a REIT under the Internal Revenue Code (IRC) beginning with the tax year ended December 31, 2011. The Partnership believes that the REITs are organized and operate in such a manner as to qualify for treatment as a REIT for tax purposes under the IRC.

The Partnership evaluates the uncertainties of tax positions taken or expected to be taken on a return based on the probability of whether the position taken will be sustained upon examination by taxing authorities. The Partnership uses a more-likely-than-not threshold for recognition and derecognition of tax positions taken or to be taken in a tax return. The Partnership concluded that it has no material uncertain tax positions to be recognized at this time.

In accordance with the accounting guidance on the accounting for uncertainty in income taxes, the Partnership assessed its tax positions for all open tax years as of December 31, 2014 as follows:

Federal	Years 2011 through 2014
State and local	Years 2011 through 2014

If there are interest and penalties on tax positions, the Partnership's policy is to classify these as general, administrative and other expenses.

(i) Partnership Loan

The Partnership carries the Partnership loan payable at cost on the accompanying statement of net assets.

(j) Recently Adopted Accounting Standard

In June 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-08, *Amendments to the Scope, Measurement, and Disclosure Requirements for Investment Companies*. The amendment changes the assessment of whether an entity is an investment company, require an investment company to measure noncontrolling ownership interests in other investment companies at fair value, and require additional disclosures. The amendment is effective prospectively for reporting periods beginning after December 15, 2013. In 2014, the Partnership adopted the new accounting standards update which did not have a material impact on the Partnership's financial statements.

(3) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market considering the highest and best use of an asset or nonperformance risk related to a liability, at the measurement date. The Partnership uses the most observable inputs that are available to measure fair value. Observable inputs are inputs that the market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Partnership. Unobservable inputs are inputs that reflect the Partnership's views about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is measured in three levels based on the reliability of inputs:

- Level 1– Valuations based on quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access.
- Level 2– Valuations based on quoted prices in active markets for similar assets and liabilities or quoted prices in less active dealer or broker markets.
- Level 3– Valuations derived from other valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and not based on market, exchange, dealer or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and significant professional judgment in determining the fair value assigned to such assets or liabilities.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Investments in real estate ventures and mortgage debt are classified within Level 3 of the fair value hierarchy. These fair value measurements are based primarily upon judgmental estimates and are based on the current economic and competitive environment, the characteristics of the investment, credit, interest, and other factors. Therefore, the result cannot be determined with precision, cannot be substantiated by comparison to quoted prices in active markets, and may not be realized in a current sale or immediate settlement of assets and liabilities. Additionally, there are inherent uncertainties in any fair value measurement technique, and changes in the underlying assumptions used, including discount rates, liquidity risks, and estimates of future cash flows, could significantly affect the fair value measurement amounts.

The Partnership records its investments at fair value which is predominately based on the fair value of the underlying real estate and mortgage debt and other factors, such as leverage, ownership percentage, ownership rights, buy/sell agreements, guarantees, distribution provisions, capital call obligations and potential cash shortfalls of the investment.

The fair value of the underlying real estate is based upon a number of factors, including discounted cash flow using assumptions that market participants would use in valuing underlying operating properties incorporating discount rates, capitalization rates, future market rents, lease-up and renewal assumptions, projected net operating income and capital expenditures, including tenant improvements over a projected holding period. The values of real estate properties where the highest and best use of the properties have been determined to be for redevelopment, the valuation has been prepared using detailed analysis of market comparables and land residual values. Each property valuation is prepared by an external appraiser on an annual basis. Management reviews and approves each property valuation annually.

The fair value of the underlying transferable Mortgage Loan (see note 7(a)) is developed by using a discounted cash flow valuation methodology incorporating market interest rates adjusted by a spread which reflects the credit standing of the borrower and also considers the terms of the existing loans, including maturity date, extension options, prepayment provisions, unamortized debt issuance costs and whether the loans are transferable. Each debt valuation is prepared by an external appraiser on an annual basis. Management reviews and approves each debt valuation annually.

The carrying value of the underlying transferable Portfolio Mortgage Loan and 1200 Mortgage Loan (see note 7(b) and 7(c)) approximates their fair value as of December 31, 2014.

The impact of other factors, including leverage, ownership percentage, ownership rights, buy/sell agreements, guarantees, distribution provisions, capital call obligations and potential cash shortfalls of the investment, is assessed to determine if any adjustments are necessary to be made to the fair value of the ownership interest in the limited liability companies. Upon the disposition of all real estate investments by an investee entity, the Partnership continues to state its equity in the remaining net assets of the investee entity during the wind down period, if any, prior to the dissolution of the investee entity. The Partnership's investments are classified within Level 3 of the fair value hierarchy.

The following are the significant unobservable inputs used in the fair value measurement of the Partnership's investments as of December 31, 2014. Significant increases or decreases in any of these inputs in isolation would result in significantly lower or higher fair value measurements.

Asset class	Valuation technique	Unobservable inputs	Range
Office	Discounted cash flow	Discount rates	7.50% - 9.00%
		Terminal capitalization rates	5.75% - 7.25%
	Market Comparable	N/A	N/A
Mortgage Loan	Discounted cash flow	Discount rate	3.78%
Portfolio Loan and 1200 Mortgage Loan	[A]	N/A	N/A

[A] The Partnership estimated the fair value of these loans using inputs based on recent financing transactions and current London Interbank Offered Rate (LIBOR).

To better reflect the current highest and best use of certain investments, the Partnership changed the valuation technique for two of its investments in determining the fair value from discounted cash flow in December 31, 2013 to market comparable in December 31, 2014.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following are the Partnership's assets measured at fair value on a recurring basis at December 31, 2014:

Description	Level 3 Significant unobservable inputs
Investments	$ 593,225,865

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended December 31, 2014:

Investments, at fair value:		
Beginning balance – January 1, 2014	$	508,224,059
Investments		113,396,861
Return of capital from investments		—
Unrealized depreciation on investments		(28,395,055)
Ending balance – December 31, 2014	$	593,225,865

Net unrealized depreciation from Level 3 investments still held as of December 31, 2014 is ($28,395,055) for the year ended December 31, 2014 and is included in the accompanying statement of operations.

(4) Partnership Agreement

The respective amended Percentage Interests and Initial Capital Contributions of the Partners commencing October 31, 2011 (see note 1) are as follows:

	Percentage interests		Initial capital contribution*
General Partner:			
Rosslyn JV Partners LLC	0.2000%	$	1,033,641
Limited Partners:			
USREO/Rosslyn Investors, LLC	89.2405		461,213,179
Rosslyn Monday LP, LLC	10.5595		54,573,622
	100.0000%	$	516,820,442

* Deemed initial capital contribution

(a) Allocation of Profits and Losses

Pursuant to the Amended Partnership Agreement, Profits and Losses are generally allocated to the Partners in such a manner so that their Capital Accounts at the end of each year or portion thereof will reflect as nearly as possible the amount which each Partner would receive if the Partnership were to be liquidated as of the end of each year or portion thereof, assuming for purposes of any hypothetical liquidation (i) a sale of all of the assets of the Partnership at prices equal to their Book Values and (ii) the distribution of the net proceeds thereof to the Partners in accordance with the distribution provision of the Amended Partnership Agreement.

(b) Contributions and Distributions

Under the Amended Partnership Agreement, capital contributions are made proportionately in relation to each Partner's Percentage Interest.

The Partners approved the development of an office building and garage on the property held by 1812 Holdings, LLC, an indirect investee of the Partnership, in accordance with an approved development budget and have agreed to fund all required capital and assume all liabilities related to the development, including tenant improvements and leasing commissions. As of December 31, 2014, the remaining costs to be incurred to complete the building is approximately $6.6 million and approximately $74.9 million is budgeted for leasing commissions and tenant improvements, all of which shall be funded by a combination of project loans and/or capital contribution. The building received a temporary certificate of occupancy on November 22, 2013.

During 2014, the Partnership entered into Partnership Loans with USREO/Rosslyn Investors, LLC with a total principal balance of $95,600,821. The Partnership Loans bear interest at 20% per annum until certain thresholds are met, as per the Amended Partnership Agreement and, thereafter, at 15% per annum and will be repaid as described in the distribution priorities below.

Distributions of Available Cash are to be made, at such times as determined by the General Partner quarterly, if any, in the following order of priority:

(i) First, to the Partners with outstanding Partnership Loans, pro rata in proportion to the relative principal amounts of such Partnership Loans (including accrued and unpaid interest) that each such Partner has outstanding as a percentage of the total outstanding Partnership Loans made by all Partners, to repay the full principal balance of, and any accrued interest on the Partnership Loans at the applicable Interest Rate.

(ii) Second, to the Partners, pro rata in accordance with each Partner’s Percentage Interest, until each Partner shall have received, taking into account the amount of all capital contributions and all prior distributions, a return of the full amount of all of such Partner’s Adjusted Capital Contributions through the date of such distribution.

(iii) Third, to the Partners pro rata in accordance with each Partner’s Percentage Interest until USREO has received, taking into account the amount and timing of all capital contributions and all prior distributions, an internal rate of return of 14% with respect to its Adjusted Capital Contributions. As of December 31, 2014, the unpaid cumulative return for all Partners is $262,505,030.

(iv) Fourth, 20% to the General Partner and 80% pro rata in accordance with each Partner’s Percentage Interest.

The capital account balances at December 31, 2014 represent each Partner’s share of cash which would be distributed to the Partners under a hypothetical liquidation of the Partnership at net asset value as of December 31, 2014, pursuant to the above described distribution priorities.

From the admittance of USREO through December 31, 2014, the Partnership has made total cumulative distributions of approximately $31 million to its Partners pursuant to the Amended Partnership Agreement.

(5) Related Party Transactions

(a) Management Administration Fee

Under the Amended Partnership Agreement, no Partner is entitled to compensation from the Partnership or any of its investees in connection with the fulfillment of its duties and responsibilities.

The Partnership retains Goldman, Sachs & Co., an affiliate of USREO, to provide financial advisory and sales advisory services to the Partnership and pay customary fees and commissions for such services consistent with the then market price for similar transactions of such size and type. There were no such fees and commissions incurred during the year ended December 31, 2014.

(b) Management Fees and Leasing Commissions

The investments in real property in which the Partnership invests have entered into separate management and leasing agreements (the Management and Leasing Agreements) with Monday Properties Services, LLC (Monday), an affiliate of the General Partner, under which Monday is to provide specific management and leasing services to the investees. The Management and Leasing Agreements shall be renewed annually and can only be terminated upon the occurrence of certain events, as defined in the Management and Leasing Agreements. Under the Management and Leasing Agreements, the investees are obligated to pay Monday the following fees:

(i) a monthly management fee for each property of 2% of Gross Revenue, as defined;

(ii) a capital improvement supervision and coordination fee equal to 3% of all costs in connection with any capital or tenant improvements;

(iii) a reimbursement for certain out of pocket expenses incurred by Monday in the performance of its duties and compensation costs of its employees to the extent such employees provide services under the Management and Leasing Agreements; and

(iv) leasing commissions without an outside broker of 3% of fixed rent during the lease term or 50% of the commission paid to an outside broker.

(c) Development Fees

1812 Holdings, LLC, an indirect investee of the Partnership, entered into a separate development and services agreement with Monday for development, design, construction, supervisory and other services on designated development projects. Under this agreement, 1812 Holdings, LLC is obligated to pay Monday a development fee of 1.5% of certain costs, which are defined by the development and services agreements plus reimbursements of allocated overhead.

(d) Parking Income

In 2011, 1000-1100 Wilson Owner, LLC, 1101 Wilson Owner, LLC, Nash Street Property Associates, LLC, and Art Property Associates, LLC entered into separate parking garage management agreements with an affiliate of Monday for the operation of parking garages at the respective properties.

(6) Financial Highlights

The following represents the financial highlights attributable to the Limited Partners for the year ended December 31, 2014:

Ratios to average net assets (1)(5):	
Net investment loss (2)	(2.29)%
Expense ratio:	
Operating expenses	2.29%
Carried interest(3)	—
Total expense and carried interest	2.29%
Internal Rate of Return (IRR) – inception to date (4)(5):	
Beginning of year	(3.97)%
End of year	(4.58)%

1 Average net assets are calculated using the average of the December 31, 2013, March 31, 2014, June 30, 2014, September 30, 2014 and December 31, 2014 net assets.

2 Net investment loss includes income less all expenses other than any realized and unrealized gains and losses for the year ended December 31, 2014.

3 Carried interest represents the incentive allocation of the Partnership's profits to the General Partner.

4 The IRR since inception was computed based on the actual dates of the cash inflows of capital contributions, outflows (cash distributions), and the ending net assets of the Limited Partners' capital accounts as of each measurement date.

5 The computation of such ratios and IRR to an individual Limited Partner may vary from these ratios and IRR based on the timing of capital transactions.

(7) Loans Payable

(a) Mortgage Loan Payable

As of December 31, 2014, 1000-1100 Wilson Owner, LLC and 1101 Wilson Owner, LLC, the Partnership's indirect investees, have a mortgage of approximately $568 million (the Mortgage Loan) which is secured by the respective properties. The Mortgage Loan requires monthly payments of interest only, at a fixed interest rate, through the maturity date of June 11, 2017. As of December 31, 2014, the outstanding balance of the Mortgage Loan is $567,675,000.

(b) Portfolio Mortgage Loan Payable

On May 12, 2014, Art Property Associates, LLC, Oak Hills Property Associates, LLC, Nash Street Property Associates, LLC and Berkley Property Associates, LLC (the Portfolio Loan Borrowers) entered into a portfolio mortgage loan agreement with Starwood Property Mortgage, L.L.C. in the amount of $79 million (Portfolio Mortgage Loan), which is secured by the respective properties. The Portfolio Mortgage Loan bears interest at one-month LIBOR plus 2.25%, and matures on May 12, 2017 with the right to extend the Portfolio Mortgage Loan for two additional one-year periods, under certain conditions, as defined. As of December 31, 2014, the outstanding balance of the Portfolio Mortgage Loan is $79,020,000.

(c) 1200 Mortgage Loan Payable

On May 12, 2014, 1200 Property Associates, LLC and the Portfolio Loan Borrowers (the 1200 Mortgage Borrowers) entered into a loan agreement with Starwood Property Mortgage, L.L.C. for $11 million (1200 Mortgage Loan), which is secured by the respective properties. The 1200 Mortgage Loan bears interest at one-month LIBOR plus 2.25%, and matures on May 12, 2017 with the right to extend the 1200 Mortgage Loan for two additional one-year periods, under certain conditions, as defined. As of December 31, 2014, the outstanding balance of the 1200 Mortgage Loan is $10,980,000.

(d) Mezzanine Loan Payable

On May 12, 2014, Rosslyn 1200 Senior Mezz Borrower, LLC, Rosslyn 1400 Senior Mezz Borrower, LLC, Rosslyn 1401 Senior Mezz Borrower, LLC, Rosslyn 1501-1515 Senior Mezz Borrower, LLC and Rosslyn 1701 Senior Mezz Borrower, LLC (the Mezzanine Borrowers) entered into a loan agreement with Starwood Property Mortgage, L.L.C. for $30 million (Mezzanine Loan), which is secured by the 1200 Mortgage Borrowers. The Mezzanine Loan bears interest at one-month LIBOR plus 13.85%, and matures on May 12, 2017 with the right to extend the Mezzanine Loan for two additional one-year periods, under certain conditions, as defined. As of December 31, 2014, the outstanding balance of the Mezzanine Loan is $30,000,000.

(e) Loan Payable

On December 1, 2014, 1812 Holdings, LLC entered into a loan agreement with iSTAR Financial Inc. in the amount of $220 million (the Loan) which is secured by the property, 1812 North Moore Street. The Loan requires monthly payments of interest only which are advanced by the lender and added to the principal balance. The Loan bears interests at one-month LIBOR plus 5.25% on the unpaid principal balance, and matures on December 1, 2017 with the right to extend the Loan for two consecutive one-year periods, under certain conditions, as defined. As of December 31, 2014, the outstanding balance of the Loan is $142,736,000.

(8) Commitments and Contingencies

Certain of the Partnership's investments are dependent upon the Partnership for future funding, certain of which the Partnership intends to provide through a combination of anticipated capital calls and earnings from investments.

(9) Subsequent Events

Management has evaluated subsequent events after December 31, 2014 and through March 31, 2015, the date which the financial statements were available to be issued and has concluded that there were no subsequent events to be recorded or disclosed in the accompanying financial statements or footnotes other than the below:

On February 13, 2015, the Partnership made a capital call of $8,700,000 which the General Partner and Rosslyn Monday LP, LLC did not fund their proportionate share. As a result, USREO contributed $7,763,924 in the form of a Partnership Loan.

SUPPLEMENTAL SCHEDULES

ROSSLYN SYNDICATION PARTNERS JV LP

Combining Schedule of Investments

December 31, 2014

	1812 North Moore Street	1000 Wilson Boulevard	1100 Wilson Boulevard	1101 Wilson Boulevard	1701 N. Ft. Myer Drive	1400 Key Boulevard	1401 Wilson Boulevard	1501 Wilson Boulevard	1515 Wilson Boulevard	1200 Wilson Boulevard	Rosslyn Series, LLC	REITs	Elimination and Others A	Total
Assets:														
Investments in real property, at fair value	$ 293,000,000	327,000,000	308,000,000	179,000,000	101,000,000	37,000,000	66,000,000	40,300,000	40,900,000	40,900,000	-	-	-	1,433,100,000
Cash and cash equivalents	59,286	581,522	694,137	379,917	1,468,756	670,920	200,480	300,247	-	1,374,272	39,074	319,793	-	6,088,404
Restricted cash	6,660,182	2,090,948	1,024,317	1,036,069	852,952	595,032	755,840	712,030	-	445,245	-	-	-	14,172,615
Accounts receivable, net	264,780	1,368,166	1,144,929	517,115	1,316,002	210,571	482,187	186,112	127,024	(22,098)	47	-	-	5,594,835
Due from affiliate	5,149	232,417	20,777	37,290	1,558,357	84,077	241,680	127,278	7,282,308	1,008,121	18,260,830	-	(28,693,959)	164,327
Deferred costs, net of accumulated amortization	4,024,651	2,499,168	2,129,105	1,181,639	359,799	241,146	225,860	181,486	245,363	196,441	-	-	(4,387,455)	6,897,203
Other assets	795,130	94,638	89,454	69,426	47,875	30,491	33,541	23,737	31,473	30,432	-	108,930	-	1,355,127
Total assets	**304,809,178**	**333,866,859**	**313,102,719**	**182,221,456**	**106,603,741**	**38,832,237**	**67,939,588**	**41,830,890**	**48,586,168**	**43,932,413**	**18,299,951**	**428,723**	**(33,081,413)**	**1,467,372,512**
Liabilities and Members' Equity:														
Notes payable	$ 142,736,000	244,215,000	208,035,000	115,425,000	29,910,000	20,000,000	18,715,000	15,020,000	20,375,000	15,980,000	-	-	28,773,716	859,184,716
Due to affiliate	6,808,711	3,189,468	7,065,199	3,903,473	174,631	91,149	264,199	7,165,141	10,881	18,259	2,849	849,997	(28,693,959)	849,998
Deferred liability	-	4,276	5,616	4,341	2,788	1,219	1,461	2,547	2,747	1,761	-	-	-	26,756
Accounts payable, accrued expenses and other liabilities	839,316	3,642,384	4,011,724	2,083,050	266,605	596,922	800,472	721,614	510,125	130,771	439	56,999	**-**	**13,660,422**
Total liabilities	**150,384,027**	**251,051,128**	**219,117,539**	**121,415,864**	**30,354,024**	**20,689,290**	**19,781,132**	**22,909,302**	**20,898,753**	**16,130,791**	**3,288**	**906,996**	**79,757**	**873,721,891**
Members' equity (deficit), beginning of year	157,127,258	79,350,669	95,872,683	56,170,920	59,215,820	14,426,500	10,761,360	8,263,209	15,343,602	33,115,933	22,445,589	(1,985,580)	(41,883,904)	508,224,059
Contributions (Distributions)	1,512,000	13,380,425	4,811,744	1,512,853	21,677,241	11,707,356	24,608,524	12,662,730	12,007,050	11,649,530	(4,148,486)	2,015,895	-	113,396,861
Net income (loss)	(4,214,107)	(9,915,362)	(6,699,247)	3,121,819	(4,643,344)	(7,990,908)	12,788,571	(2,004,350)	336,763	(16,963,840)	(440)	(933,348)	8,722,733	**(28,395,055)**
Members' equity (deficit) of the Partnership, end of year	**154,425,151**	**82,815,732**	**93,985,180**	**60,805,592**	**76,249,717**	**18,142,948**	**48,158,455**	**18,921,589**	**27,687,415**	**27,801,623**	**18,296,663**	**(903,033)**	**(33,161,171)**	**593,225,865**
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	424,760	-	424,760
Members' equity (deficit), end of year	**154,425,151**	**82,815,732**	**93,985,180**	**60,805,592**	**76,249,717**	**18,142,948**	**48,158,455**	**18,921,589**	**27,687,415**	**27,801,623**	**18,296,663**	**(478,273)**	**(33,161,171)**	**593,650,625**
Total liabilities and members' equity	**$ 304,809,178**	**333,866,860**	**313,102,719**	**182,221,456**	**106,603,741**	**38,832,237**	**67,939,588**	**41,830,890**	**48,586,168**	**43,932,414**	**18,299,951**	**428,723**	**(33,081,414)**	**1,467,372,516**

A - Elimination and Others include elimination of intercompany accounts and transactions, and ASU No. 820 adjustments related to fair value measurements of debt.

See accompanying independent auditors' report.

ROSSLYN SYNDICATION PARTNERS JV LP

Combining Schedule of Investment Income

Year Ended December 31, 2014

	1812 North Moore Street	1000 Wilson Boulevard	1100 Wilson Boulevard	1101 Wilson Boulevard	1701 N. Ft. Myer Drive	1400 Key Boulevard	1401 Wilson Boulevard	1501 Wilson Boulevard	1515 Wilson Boulevard	1200 Wilson Boulevard	Rosslyn Series, LLC	REITs	Elimination and Others [A]	Total
Income:														
Rental income	$ -	13,338,721	18,128,181	10,657,362	9,530,469	3,825,214	3,220,275	3,113,580	4,038,152	5,651,559	-	-	-	71,503,513
Operating expense recoveries	-	769,621	886,239	1,004,771	828,342	62,699	10,956	119,308	82,906	175,517	-	-	-	3,940,359
Parking income	176,504	2,220,029	-	2,037,936	593,484	920,499	-	735,562	-	536,373	-	-	-	7,220,387
Interest and other income	5,420	343,405	880,570	562,356	201,666	85,532	60,288	63,939	102,554	91,381	-	-	-	2,397,111
Total income	**181,924**	**16,671,776**	**19,894,990**	**14,262,425**	**11,153,961**	**4,893,944**	**3,291,519**	**4,032,389**	**4,223,612**	**6,454,830**	**-**	**-**	**-**	**85,061,371**
Expenses:														
Operating expenses:														
Property escalatable expenses	(2,332,183)	(3,855,695)	(3,499,598)	(2,608,690)	(1,882,070)	(1,551,379)	(1,651,674)	(1,243,031)	(1,238,535)	(1,377,557)	-	-	-	(21,240,412)
Real estate taxes	-	(3,431,158)	(3,355,411)	(1,799,490)	(1,304,396)	(603,051)	(689,814)	(499,181)	(363,664)	(682,949)	-	-	-	(12,729,114)
Property non-escalatable expenses	(81,814)	(1,517,145)	(1,061,486)	(1,122,705)	(339,938)	(565,667)	(327,183)	(651,158)	(268,675)	(168,703)	(440)	-	-	(6,104,914)
General & Administrative	-	-	-	-	-	-	-	-	-	-	-	(933,348)	-	(933,348)
Total operating expenses	**(2,413,997)**	**(8,803,998)**	**(7,916,495)**	**(5,530,885)**	**(3,526,404)**	**(2,720,097)**	**(2,668,671)**	**(2,393,370)**	**(1,870,874)**	**(2,229,209)**	**(440)**	**(933,348)**	**-**	**(41,007,783)**
Net operating income (loss)	**(2,232,073)**	**7,867,778**	**11,978,495**	**8,731,540**	**7,627,557**	**2,173,847**	**622,848**	**1,639,019**	**2,352,738**	**4,225,621**	**(440)**	**(933,348)**	**-**	44,053,588
Interest expense	(664,952)	(14,632,099)	(12,464,365)	(6,915,660)	(2,661,964)	(1,698,277)	(1,827,757)	(1,474,488)	(1,803,537)	(1,619,101)	-	-	-	(45,762,199)
Amortization of deferred financing costs	(133,213)	(1,033,277)	(880,275)	(488,543)	(1,258,999)	(669,262)	(808,356)	(599,434)	(525,398)	(670,360)	-	-	(243,038)	(7,310,156)
Unrealized appreciation (depreciation) on derivatives and investments	(1,183,869)	(2,117,764)	(5,333,102)	1,794,482	(8,349,938)	(7,797,216)	14,801,836	(1,569,447)	312,960	(18,900,000)	-	-	8,965,771	(19,376,287)
Investment income (loss)	**(4,214,107)**	**(9,915,362)**	**(6,699,247)**	**3,121,819**	**(4,643,344)**	**(7,990,908)**	**12,788,571**	**(2,004,350)**	**336,763**	**(16,963,840)**	**(440)**	**(933,348)**	**8,722,733**	**(28,395,055)**
Income (loss) attributable to noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income (loss) attributable to the Partnership	**$ (4,214,107)**	**(9,915,362)**	**(6,699,247)**	**3,121,819**	**(4,643,344)**	**(7,990,908)**	**12,788,571**	**(2,004,350)**	**336,763**	**(16,963,840)**	**(440)**	**(933,348)**	**8,722,733**	**(28,395,055)**

(A) Elimination and Others include elimination of intercompany accounts and transactions, and ASU No. 820 adjustments related to fair value measurements of debt.

See accompanying independent auditors' report.