



EM JOHNSON INTEREST, INC.
COMMITTED PROJECT ACTIVITY DESCRIPTIONS &
REVENUE PROJECTIONS

1. **16th & G Mixed-Use Project – San Diego, CA:** This \$250 million project is a joint venture between EJI and Avion Development of San Diego. The project includes over 589,000 square feet of apartments, condos, office space, and retail space. EJI closed on \$17.1 million of financing for the land from Morgan Stanley/Telesis CDE. The JV has over \$4.0 million in equity invested in the project, including over \$1.4 million by EJI. The joint venture also closed in December 2008 the sale of a portion of the Bakery Building located on the project to a third-party who has invested \$2.4 million that is being used towards predevelopment costs of the project, as well as the renovation of a historic building on-site. Additionally, SDMB is negotiating the sale of an additional portion of the Bakery Building to the same third party investors, which could be completed in August-September 2009. The JV has re-evaluated the current program for the 589,000 sf of entitlements and has proposed a three phase development program with two phases located on site, including a smaller first phase mixed-income public-private apartment tower of approx. 231 units, and a taller mixed use condo-apartment tower once the market adjusts. This concept also includes a proposed third phase development project with the acquisition of select adjacent parcels, and the closure of the adjacent street (17th Street). With this overall direction, the JV projects to start construction in early-mid 2011. This project will be underway for the next 4 years, and represents a major undertaking for EJI. This project has the potential for EJI to earn over \$3.0 – 4.0 million in development fees and profits, together with over \$1.5 million in development overhead over this period.
 - a. Projected Receivables: Overhead from this project will start at approximately \$30,000 per month once funding for the project is secured; EJI has invested approximately \$900,000 in predevelopment equity into this project, plus over \$500,000 from the sales proceeds of the Bakery Building sale. EJI is projecting over \$1.5 million in developer overhead during the course of this project from 2010 to 2012, and projected profits exceeding \$3.0 million. These totals could increase once the program for phases two and three are finalized and funded.
2. **Westside Courts Mixed-Income Project – San Francisco, CA:** EJI has been selected by the San Francisco Housing Authority to redevelop this 136 unit public housing property in a joint venture with TMG Partners. EJI is the lead developer, and proposes to demolish and redevelop these 136 public housing units as a



mixed-income affordable complex, and also build approximately 58 additional new mixed-income for-sale or rental units. This project will be underway for the next 4 years, after the start of predevelopment activities in June 2008. EJI is also negotiating an expansion of the project to include a substantial off-site component that would double the size of the project to include another approximate 220 units, and which would provide a greater mix of affordability and market rate units mixed together with the reconstruction of the 136 units on two sites. EJI is receiving development overhead during this 4 year period from the project financing, together with several million in development fees and profits. Recently EJI closed a predevelopment loan from the Mayor's Office of Housing, which will provide approximately \$12-15,000 per month in overhead for an 18-24 month period. Once the project is underway, EJI is projecting over \$40,000 per month in overhead starting in the first quarter of 2011 for a period of 24 months until the end of 2012, and projected profits from this project in excess of \$2.0 million as result of the project expansion to include an off-site component as well.

- a. Projected Receivables: \$480,000 in overhead from September 2008 to December 2010, followed by \$40,000 per month from January 2011 until December 2012, with projected profits of approx. \$2.0 million as EJI's share. This revenue for EJI could double to over \$5.0 million in revenue with the expansion of the project to include the additional off-site location.
3. **Asheville, NC, Mixed Use Project:** EJI is partnering in a joint venture with Tayani Suma of Mission Development, and a local CDC after being selected by the City of Asheville to undertake this \$18.0 million mixed use project including 78 mixed income-workforce housing units and 6,500 sf of commercial space. The details of the transaction joint venture are still to be negotiated, as EJI has recently completed an Exclusive Negotiations Agreement that will include finalizing the development program over the next 3 months. Based on the last site tour and meetings in Asheville, EJI proposes that the team expand the site area of the project, which will expand the overall master development opportunity of this downtown site. This has the potential to add an additional 200 units and more commercial space to the project scope. Construction is projected to start on the first phase of demolition and infrastructure in the third quarter of 2010, followed by the start of the building renovation and expansion in early 2011.
 - a. Projected Receivables: TBD
4. **Parcel C Senior Housing Project – San Francisco, CA:** EJI is the lead developer and joint venture partner with Chinatown CDC, which has been selected by the SF Redevelopment Agency to develop a 100 unit affordable senior housing project in San Francisco – “the Mary Helen Rogers Senior Center”. The JV team has recently completed and entered into an ENA with the Agency, together with a



Predevelopment Loan which will fund predevelopment activities over the next 12 months. The team will submit for a LIHTC application in the first quarter of 2010 to obtain the needed equity for this \$44 million project. The project is projected to start construction in the fourth quarter of 2010. EJI is projected to receive developer overhead and construction management fees during the predevelopment phase of the project, along with developer fees during construction and once the project has been completed.

- a. Projected Receivables: Projected Receivables: \$90,000 in developer overhead and construction management fees from July 2009 to June 2010, followed by \$22,000 per month from August 2010 until February 2012, with deferred developer fees of approx. \$300,000 as EJI's share upon completion.
5. **CADA 16th & N Street Project – Sacramento, CA:** EJI is the lead developer and joint venture partner with NCRF Holdings, a Sacramento based company. The JV team has recently been selected, completed negotiations and entered into an ENA with CADA. The project includes approximately 117 for-sale workforce level condos over approximately 5,000 sq. ft. of retail space, with parking for 135 cars. The total project costs is approx. \$45 million. The team will be in the ENA, then DDA phases from May 2009 until the second quarter of 2011 when construction is projected to start. EJI will receive overhead during the predevelopment phase of 18 months, followed by overhead during construction, and 50% of the developer profits in 2012.
- a. Projected Receivables: Overhead from June 2009 to November 2010 to be determined, followed by \$40,000 per month from December 2010 until April 2012, with deferred developer fee and profits projected at approx. \$2.5 million as EJI's share upon completion and sellout.
6. **Richmond Easter Hill Third Phase – Richmond, CA:** EJI has been asked by the Richmond Housing Authority to undertake a third phase of this HUD HOPE VI project, after finishing two phases during 2003-2007. This phase will include the development of approx. 40 senior affordable housing units, together with 11 affordable family units, and also the possible renovation of an existing 150 unit senior housing building on an adjacent site. The project is in the early planning stages, and will be applying for various federal and state funding sources over the next several months. EJI is anticipated to receive developer overhead once the project feasibility has been established, including funding from the Housing Authority over the next 36 months, including an allowable development fee.
- a. Projected Receivables: TBD



Other Projects Under Consideration:

- a. **Mission Bay N4-P3:** EJI has completed the entitlements and obtained design approval for this project that includes 129 units of market rate workforce and Below-Market Rate for-sale units in San Francisco, CA. EJI is negotiating the final purchase contract and schedule to continue with the predevelopment activities.
 - i. Potential Revenue: \$4.0 million

- b. **Glen Park BART Station:** EJI is one of several finalists to be selected to be the Master Developer for this BART station in San Francisco. The program will likely include the construction of a new parking garage, with approximately 60 mixed-income housing units above, along with some ground floor retail. A decision is anticipated in fourth quarter of 2009.
 - i. Potential Revenue: TBD