



EJI Partners, LLC - Overview

www.ejipartners.com

Em Johnson Interest, formed as a minority-owned business enterprise, has positioned itself for unique and exponential growth in the period from 2009 – 2013 and beyond. Em Johnson Interest (EJI) has been a leading San Francisco Bay Area real estate development company for 15 years. The company focuses on urban in-fill, mixed income, mixed use and affordable residential housing. Through the completion of our 32 projects resulting in approximately 3,000 housing units at a cost of over eight-hundred and fifty million dollars (\$850,000,000), EJI has formed strategic and lasting relationships with the communities in which we work and live. EJI and our investors have enjoyed much success by partnering with public and private funding sources as we work towards answering the needs of our growing community and its' residents. Our goal is to provide leadership in the development process by ensuring that our projects are completed on time and within budget, maximizing profits and return on investment. This has recently been demonstrated with the completion of our Richmond Village & Fillmore Heritage Center projects in 2007 & 2008 respectively with the achievement of our redevelopment and investment goals, to award winning success.

As a result of our success and strong track record, EJI is in a position to realize the growth that we have been preparing for. Our current pipeline includes over 1,500 housing units of development at a cost exceeding \$500 million, and is filled with opportunities that will enrich our communities with diverse and lasting enhancements. It is in response to these opportunities that Em Johnson Interest, the operating entity, has taken the initiative and created EJI Partners LLC.

EJI Partners, LLC is a limited liability company formed for the purpose of raising capital to fund real estate development projects for Em Johnson Interest. EJI Partners, LLC is raising capital through a series of private placement offerings and membership subscriptions for EJI Partners, LLC (the Company). To date we have raised a total of \$500,000 dollars consisting of an initial investment of \$250,000 from Em Johnson Interest and investments made by two other sources at \$125,000 each.

The Company targets accredited and qualified investors (as defined in our offering memorandum). The Company seeks a minimum initial investment of fifty thousand dollars (\$50,000) per investor. The goal is to raise a total of five-million dollars (\$5,000,000). Two-million dollars (\$2,000,000) of this total would be funded immediately. The remaining three-million dollars (\$3,000,000) would be in the form of pledges and realized in response to a voluntary capital call should the investment committee deem it necessary. ***For a complete and detailed view of this offering, as well as project and company information, we direct you to our FTP Site www.ejipartners.com.*** EJI projects that this \$5.0 million will leverage another \$55 million in private equity, over \$58 million in public investment, \$330 million in private debt for a total of over \$500 million in development activity.



Investments made by the Company and our partners will be made into single purpose entities formed for each individual project. Because of the nature of the investments made by the Company there is no set investment horizon. Therefore, investments made by existing and prospective members of the Company should be considered long term. Total return, in the target range of 15% to 20% for the investors, will be funded by: a *preferred return* of 8% annually, paid quarterly plus a *preferred distribution* of profits received by the Company from completed projects. Profits will be determined after the repayment of secured debt (i.e. construction loans and project equity mezzanine investors). It should be noted that the funds to provide the *annual preferred return* will be set aside as annual obligations and operating expense of the company. Longer term preferred distributions of profits will depend upon the availability of profits from each deal.

The work completed by Em Johnson Interest to date has allowed the company to control some very significant urban real estate development projects that benefit the city, the community and our investors. It is with great enthusiasm that we extend this opportunity at a time in our history when smart, urban, green and transit-oriented “double bottom lined” developments are the future direction of this country. Our relationships and expertise afford us the opportunity to be significant leaders in our industry.

For more detailed information, please review our Offering Memorandum, Subscription Agreement and Operating Agreement. For specific questions and access to these documents please contact John F. Howell, Director of Investor Relations for Em Johnson Interest, Inc. at (415) 255-8710 or jhowell@emjint.com.



TERM SHEET

1. **Name of Entity:** EJI Partners, LLC (“the Company”)
2. **Purpose of Entity:** to raise capital to fund Em Johnson Interest, Inc. (“EJI”) real estate development projects, including operating capital for the EJI. Capital of the Company will be invested during predevelopment to advance EJI projects, and into project specific Limited Liability Companies established for each project.
3. **Members:** Em Johnson Interest, Inc. will be the Manager (“Manager”), and other EJI staff will be Management Members (“Management Members”). Also, EJI Board of Director members will be admitted as Board Members (“Board Members”). The Manager can also admit other outside investors to participate in the Company who shall be Investment Members (“Investment Members”).
4. **Term:** five (5) year term with an automatic two (2) year extension if necessary according to the duration of real estate development projects in our pipeline.
5. **Capital Contributions:** The total funding goal is Five Million (\$5,000,000). The initial Two Million (\$2,000,000) of this amount will be funded immediately with the remaining Three-Million to come in the form of Member pledges. The minimum initial capital contribution for each Member is Fifty Thousand (\$50,000). There is no maximum contribution amount. However, any contributions in excess of the first Two Million (\$2,000,000) will be directed to Member pledges. Further descriptions of the Capital Contributions are defined in 4.1 of the LLC Operating Agreement.
6. **Return on Investment:** the target for the “Total Return” on investment of capital is fifteen percent (15%) to twenty percent (20%) annually. *Investment Members capital contributions will receive a “Preferred Return” of 8.0% annually that will be paid current quarterly by Em Johnson Interest’s operating cashflow or a dedicated reserve established within the fund. The Total Return on capital for all Members will be achieved by the payment of the “Preferred Return” distributed or accrued, plus a preferred distribution of the necessary amount from the back-end profits received by the Company to obtain a total rate of return of 15-20% annually where possible following the repayment of secured debt and equity from secured investors.*
7. **Control & Management of the Company:** Investment decisions of the Company will be managed by an Investment Committee made up of Members of the Company. The business affairs of the Company will be managed by the Manager, except as required by the Company to have the consent of the Members or Investment Committee.

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