

EJF CAPITAL AND CHANCE PARTNERS TO DEVELOP 486-UNIT MULTIFAMILY HOUSING COMMUNITY IN JACKSONVILLE, FL OPPORTUNITY ZONE

Project known as San Marco Crossing and located in historic San Marco neighborhood, expected to break ground in Q3 2019 and open in Q4 2020

ARLINGTON, VA – June 27, 2019 – EJF Capital LLC (“EJF”) and Chance Partners (“Chance”) today announced the development of a two-building, 486-unit multifamily housing community in the historic San Marco neighborhood of Jacksonville, FL. The project, known as San Marco Crossing (the “Project”), is being developed on nearly nine acres consisting of three parcels in an area certified as an “Opportunity Zone” under the Tax Cuts and Jobs Act of 2017 (“TCJA”). The TCJA offers investors attractive tax benefits to invest into Opportunity Zones to create economic growth in lower income areas. The approximately \$86 million project expects to break ground in Q3 2019 and plans to open in Q4 2020. Ameris Bank, with participation from Stifel Bank, is providing \$51 million of construction financing.

“EJF continues to identify and execute on attractive Opportunity Zone investments across the U.S. and bring our financial resources and real estate operating expertise to communities that need it most,” said EJF Co-Founder and Chief Operating Officer, Neal Wilson. “We are excited to partner with Chance Partners on San Marco Crossing, which will bring high-quality multifamily units to this growing area and create a significant number of construction jobs as well as permanent property management positions. We believe small businesses in San Marco will also benefit from the added economic vitality that results from the spending power of about 700 expected new residents.”

Asheel Shah, EJF’s Senior Managing Director and Head of Real Estate Development, said, “Jacksonville is a resilient real estate market that has exhibited favorable demographic trends and a strong business climate. We believe demand for multifamily housing will continue to grow as more people and jobs move to the Jacksonville market, especially in the dynamic and fast-growing healthcare sector. From an environmental and quality of life standpoint, San Marco Crossing will enable more people to move to the area and find housing that allows them to commute shorter distances or even walk to their places of employment. The project will transform nearly nine acres of underused property in the Opportunity Zone into a vibrant community on the edge of historic San Marco which is only a short walk away.”

“We are pleased to partner with EJF on this project, as we have similar aspirations and goals for developing underserved neighborhoods through the Opportunity Zone legislation,” said, Jeff Rosen, Principal of Chance. “San Marco Crossing will be a significant catalyst in connecting the historic San Marco Square with the revitalization occurring along Atlantic Boulevard and further into the San Marco East mixed-use corridor.”

Market Strengths

One of the most significant and attractive features of the San Marco submarket is the imbalance of multifamily housing supply when compared to the number of jobs in proximity to the Project. The job market is expanding, particularly in the healthcare sector, which is one of its major drivers. The Project is near more than 23,000 healthcare jobs in neighboring Southbank and downtown Jacksonville which pay an average annual wage of more than \$63,000. Furthermore, Florida projections estimate that the healthcare

industry will be the fastest growing sector in the Jacksonville Metropolitan Statistical Area (“MSA”) through 2026, adding nearly 14,000 jobs, an increase of nearly 19 percent.

The Jacksonville MSA boasts the fourth largest employment market in the state with approximately 709,000 jobs. Employment has averaged almost 16,000 new jobs annually since 2010 and median household income of \$58,700 is the third highest in the state. Many people, including families, have moved to the area, with the population growing nearly 12 percent since 2010, a ratio higher than the Atlanta, Miami, and Tampa-St. Petersburg MSAs.

Importantly, San Marco Crossing is in the heart of this activity. The Project is just a mile-and-a-half south of the healthcare complexes in Southbank, two miles south of downtown Jacksonville, and six miles north of the J Turner Butler Boulevard and the St. Johns Town Center employment corridor, all easily accessible from the Project through a network of roads, Philips Highway and I-95.

Moreover, the Project is within one of the only historic, infill neighborhoods in Jacksonville, located on the east bank of the St. Johns River, and a five-minute walk to the commercial heart of San Marco with its tree-lined streets and historic charm. San Marco boasts diverse and unique boutiques and eateries primarily around Balis Park. Regency Centers, which is one of the nation’s largest operators of grocery-anchored shopping centers, is scheduled to start construction on a Publix-anchored retail center about one-quarter mile west of the Project in the near future.

“We believe no neighborhood is better connected to Southbank and its healthcare complexes than San Marco Crossing,” Shah said.

San Marco Crossing has engaged Jacksonville-based Live Oak Contracting as the General Contractor for the Project with completion expected in 2021.

About EJV Capital

EJV Capital LLC is a global alternative asset management firm headquartered outside of Washington, D.C. As of March 31, 2019, EJV manages approximately \$7.5 billion across a diverse group of alternative asset strategies. The firm was founded in 2005 by Manny Friedman and Neal Wilson. Since inception, EJV has focused on regulatory event-driven investment themes including its newly formed strategy to invest in Opportunity Zones.

EJV formed the EJV OpZone Fund I LP (the “Fund”) to take advantage of certain benefits provided by the TCJA. Benefits to U.S. taxable investors include the ability for investors to (1) defer recognizing recent capital gains for federal income tax purposes until 2026 (treatment of state capital gains varies by state), (2) reduce the amount of capital gains recognized in 2026 by 15% (for investors investing in 2019), and (3) eliminate any federal capital gains tax generated from investments in the Fund (for investors in the Fund at least ten years). If you would like more information on the Fund, please contact EJV Investor Relations at investorrelations@ejvcap.com.

EJV has built a track record of providing equity capital to development projects in Opportunity Zones across the country with San Marco being the fourth investment by the Fund. EJV has invested in the ground up

development of Marriott International's new Moxy Hotel in Oakland, CA; has purchased 510 acres in western Jasper County, SC, to develop a multi-phased industrial park that will serve the Port of Savannah; and is also partnering in the development of Hill East, a 262-unit mixed-use, mixed-income, multifamily community in the Hill East neighborhood of Southeast Washington, D.C.

About Chance Partners

Chance Partners is a fully integrated real estate firm specializing in the acquisition and development of high-quality, infill, multifamily and mixed-use communities. Backed by a deep understanding of the markets, a commitment to excellence and a track record of success, Chance Partners, led by Judd Bobilin and Jeffrey Rosen, is redefining its targeted communities, one building at a time. Since 2010, the Company has developed or acquired more than \$300 million of premier assets ranging from multifamily to student housing to hospitality to retail in strategic walkable locations throughout the Southeast. Chance Partners targets walkable neighborhoods throughout the Southeast and maintains its primary office in Jacksonville, FL, with additional locations in Atlanta, GA and Orlando, FL. Chance Partners provides full suite of investment management, asset management and development services to minimize risk in each investment opportunity. Chance Partners has a successful track record working alongside multiple communities, institutional equity partners and national and community lenders.

Contact

EJF Investor Relations

investorrelations@ejfcap.com

571.982.7281