



August 15, 2007

TOTAL S-J Management

Re: Distribution of Income to Members

Dear :

Just about six years ago, each of you made an investment in S-J Management LLC (the "Company"). The initial capital contributions totaled \$30,000, and this enabled us to start doing business as the successor entity to Jones & Murphy Incorporated. With a great deal of time and effort from many people, and many projects purchased, sold and managed, we have come a long way in six years' time, and are amazed at the financial results we've been able to attain.

The total of all distributions made to you by the Company since the formation of the Company is \$ 14,660,000.00. Stated differently (and this is the truly amazing statistic), your initial investment of \$30,000.00 has returned 48,866% over the six years since your initial investment, or approximately 8,144% annually!

We don't intend to stop here, and are continuing our efforts to locate good investments, secure appropriate financing terms and utilize a holding period that maximizes returns to the investors in each of our program entities -- whether that is a short time or several years. We cannot guaranty that future results for the Company will approach those that we've been able to realize to date, but can assure you that we will be attempting to continue the trend that has been set.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael J. Sauter', is written over a white background.

Michael J. Sauter, CEO



DATE: October 19, 2007
TO: Current Investor Members
FROM: Michael J. Sauter
SUBJECT: Program Performance

If you recently attended the annual meetings held for all of our various companies, then it is likely that you received a copy of the attached Closed Program Summary for the Projects that we previously acquired and sold in Arizona.

As you can see, we have had very good results, with the percent return on invested capital ranging from 36% to 182%. We are proud of the results that we have been able to attain for our investors, and wanted you to be aware of them.

With each of our companies, we strive to (i) identify and acquire properties that are currently undervalued in their market and position them for resale, and (ii) use financing as a leveraging tool to maximize the returns to investors on the equity investments made. Of course, as with all investments of this nature, past performance is not a guarantee of future results.

If you would like additional information on any of S-J Management's current program offerings, please contact Michael J. Sauter at msauter@sjm.biz or (206) 365-7900.

A handwritten signature in blue ink that reads 'Michael J. Sauter'.

Michael J. Sauter, CEO



November 8, 2007

TO: Current Investor

SUBJECT: Completed Projects

Our first acquisition of apartment properties (there was one office property in the mix) in Arizona began in May, 2003, with the Ventura Vista Apartments, and since that time, Arizona properties have been the focus of our acquisitions. A sustained level of activity, involving the sale of 11 properties in Washington, the purchase of 19 Arizona properties and the sale of 7 of those same properties, has been the norm since February, 2004. In the approximately 3-1/2 years since February, 2004, with investments from you, we have achieved a real milestone -- having just surpassed the point at which we have completed over \$1,000,000,000 in transactions in that period.

We realized that we had been busy over this period of time, but such a milestone really points out the magnitude of the achievement.

The list of properties purchased and sold, and the dollar amount related to each of the transactions, is displayed and can be accessed on our website. We believe, however, that there are several important things to take away from such an achievement, and to keep in mind going forward. We have improved the quality of projects purchased over the past years, and believe that acquiring premium residential properties and operating them well, in a manner that gives residents a place they are proud to call home, is imperative. In dealing with those from whom we purchase properties and to whom we sell them, as well as with our lenders, we always try to be forthright. It is certainly the case that building strong relationships in this industry can be a benefit for the next transaction. Finally, we always operate with the understanding that we are working for the benefit of those who have entrusted their investments to us. Our goal is to make wise investment decisions, so as to maximize the return to our investors on any given project.

We appreciate the investments that you have made with us in the past that have contributed to our success, and look forward to continuing to work with you on new programs in the future.

Best regards,

A handwritten signature in blue ink, appearing to read 'Michael J. Sauter', is written over a white background.

Michael J. Sauter
Chief Executive Officer

Closed Arizona Program Summary
S-J Management LLC
10/19/07

Entity	Date Acquired	Date Sold	Purchase Price	Sale Price	Amount Invested	Amount Distributed	Investment Gain	Percent Return on Invested Capital	Per Year Return
Ventura Vista Associates LLC	16-Jul-03	27-May-05	14,300,000	16,700,000	4,800,000	6,516,413	1,716,413	36%	19%
Belaflora Associates LLC	30-Apr-04	27-Feb-06	16,100,000	21,275,000	3,735,000	6,967,122	3,232,122	87%	47%
Mandarina Associates LLC	18-Feb-04	10-Apr-06	15,475,000	20,500,000	5,380,000	8,669,330	3,289,330	61%	29%
Monterra Associates LLC	23-Nov-04	25-Apr-06	18,160,000	22,075,000	2,660,000	4,051,032	1,391,032	52%	37%
Villas Associates LLC	15-Dec-05	18-Dec-06	45,500,000	62,750,000	3,500,000	9,887,200	6,387,200	182%	181%
MonteViejo Associates LLC	21-Sep-05	9-Feb-07	50,500,000	59,391,243	8,975,000	13,841,921	4,866,921	54%	39%
San Ventura Associates LLC	1-May-06	10-May-07	33,000,000	40,700,000	5,000,000	7,545,750	2,545,750	51%	50%
TOTALS			\$ 193,035,000	\$ 243,391,243	\$ 34,050,000	\$ 57,478,768	\$ 23,428,768	69%	57%