

Park View OZ REIT

QUALIFIED OPPORTUNITY FUND (QOF)

Park View OZ REIT's SEC filings may be found at: [EDGAR Search Results \(sec.gov\)](#)

Agenda

The Fund - A better way for all to invest tax efficiently

Qualified Business Income Deduction

Opportunity Zone Act – How it works and what are the benefits

Compare 1031s and QOFs

Special Situations

Good for Business

Provide clients with new tax saving options

Keep capital working for your client

Liquidity and significantly lower fees than partnerships

Impact investment, putting capital to work where it is needed

Investment Strategy: Value Driven and Diversified

Good Investments that happen to be in Opportunity Zones

We seek attractive returns while minimizing risk:

- 1) Rigorous due diligence and valuation discipline
- 2) Judicious use of leverage
- 3) Geographic and asset diversification
 - Multi-family, hospitality, mixed use, medical, renewable energy and more.
 - Areas with strong employment and population trends - We want to be in the path of growth.

Development Partners

We will partner with developers who bring geographic and project specific expertise

Cost effective

Increased profit opportunities

Positioned as a Preferred Partner



Tax Cuts and Jobs Act

Our fund is structured to benefit from two new TCJA provisions

Opportunity Zone (OZ) Incentives

- The potential for the deferral and potential elimination of capital gains

Qualified Business Income (sec. 199A)

- The potential for a 20% reduction in income tax

Qualified Business Income (QBI) Sec 199A

20% of taxable income paid out as dividends is effectively eliminated

We will payout at least 90% of our taxable income through dividends

Eligible for the QBI deduction but better than QBI

OZ Program Background

Originally championed by Sean Parker (Federal + NIIT + California)

$20\% + 3.8\% + 13.3\% = 37.1\% = \text{Warehoused Capital}$

“Investing in Opportunities Act” Enjoyed Bipartisan Support

Only capital gain is eligible

Incentive are greatest for long term investors

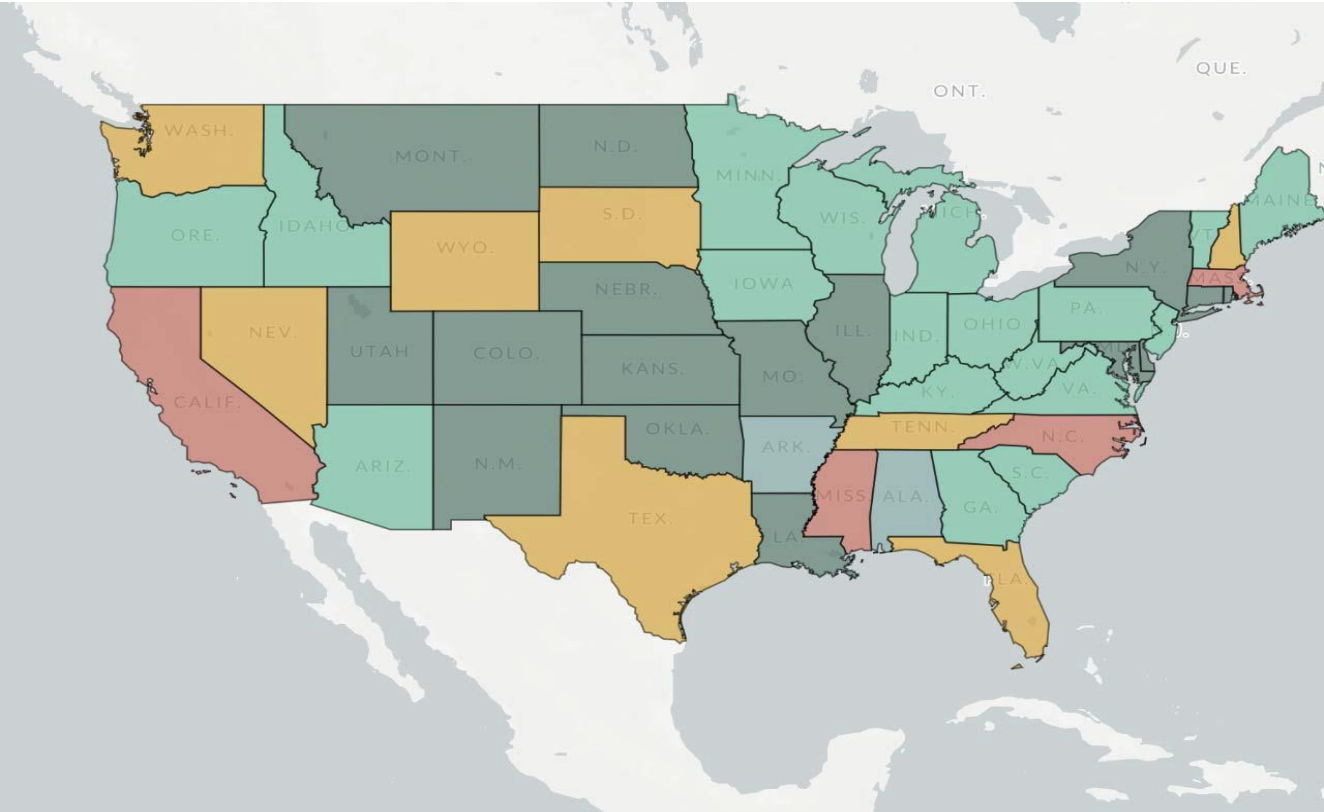
Warehoused Capital is capital trapped by potential tax liability in less dynamic uses

How will QOF Benefits Affect Returns?

- Many market pundits calculate the QOF benefits increase returns on an investment earning 7 or 8% by roughly 40%
- Tax free compound growth is a powerful wealth creator

Conforming States

Only California, Massachusetts, Mississippi and North Carolina are OZ non-conforming.



Source:
Novogradac

	Full Conformity - Rolling: The state automatically conforms to the current IRC as it is amended.
	Full Conformity - Adopted: The state conforms to the IRC as of a specific date that is after the enactment of the Opportunity Zones legislation.
	Limited Conformity: The state conforms with Section 1400Z-2 in certain limited circumstances.
	No Capital Gains Tax: Has no state income tax/generally does not tax capital gains.
	Nonconformity: The state conforms to the IRC as of specific date prior to the enactment of the Opportunity Zones legislation or the state has specifically decoupled from the Opportunity Zones provisions of the IRC.

Who is Eligible for QOF Benefits?

Anyone with a realized capital gain owed to the IRS.

- Foreign or domestic
- Could be an individual, corporation, a REIT, trust or partnership

The QOF investment generally must be made within 180 days of realizing capital gains

The capital gain can be from almost any source

Mixed assets - Only the capital gain investment qualifies for the tax benefits, but investing non-capital gains funds is allowed

Opportunity Zone Business Property

Must be tangible commercial property, such as real estate or equipment that meets one of two criteria.

- **Original use:** Not yet placed in service or unoccupied for 3 years
- **Substantially improved:** Improve by at least as much as the purchase price of the building not including the land

What is an Opportunity Zone?

OZs are census tracts that qualify as low-income communities

Census tracts are typically 2,000 to 8,000 in population

The Governors of each state were able to choose 25% of their eligible census tracts for OZ designation

Across the country, there are more than 8,700 opportunity zones



Attractive Opportunity Zone Profile: Alewife

Rapidly developing mixed use neighborhood.

Transportation oriented. Adjacent to the Alewife red line station with rapid connections to Harvard Square, MIT, MGH and downtown Boston. Also features dozens of bus lines and highway and parkway road infrastructure.

Centrally located to parks, entertainment, universities and business districts.

The A.I.V. Problem

Timing: Matching the investor's 180 window with the QOF's funding timeline

Capital: Finding a QOF that needs the amount of gain you are trying invest

Asset Profile: Finding a QOF whose asset matches your risk and return needs

Liquidity and Choice: A) If life changes and you want the money for other needs. B) You are enjoying tax free compound growth but the partnership chooses to liquidate.

History Repeats - REIT Background

- 1960 sponsored by Senator John Kennedy and signed by President Eisenhower.
- Commercial real estate created great wealth but only the already wealthy had access.
- Essentially a tax-free entity.
- In exchange REIT must:
 - Have at least 100 shareholders
 - No more than 50% can be owned by any five individuals.
 - Payout at least 90% of its income.

Solution is to Structure the QOF as a REIT

The QOF stays open and compliant

Diversified portfolio of Qualifying Commercial Real Estate

Shares are freely tradable

Open to all investors – No accreditation paperwork is required

Low Minimum Investment

Tax Benefits QOF/QBI

Tax payment for the original capital gain is deferred until December of 2026

The deferred gain is reduced by 10% after 5 years via a basis step-up

After 10 years, all capital gain tax liability on the new OZ investment is eliminated (the benefit lasts through 2047)

Stockholders are eligible to take a 20% federal income deduction on their REIT dividends (QBI deduction)

More Benefits

REIT structure means no double
taxation

No K-1 (or multiple K-1s) to wait for:
You will receive a 1099-DIV

Tradable shares give investors much
better control of their investment
period than typical PE funds

Low Fees

No sales commission or investor service fees

Low 5% carried interest (versus 20% traditionally)

0.75% management fee (versus 2% traditionally)

Transparency and a Low Investment Minimum

Public financial reports and SEC oversight gives shareholders much greater financial transparency than private real estate funds

Low investment minimum of \$10,000 per investor

Should you choose a QOF, a 1031 or both

1031s can defer gain indefinitely and can pass to the next generation without capital gain liability

They can not be used on the same investment, but they can complement each other. If you have a failed 1031 a QOF can help

The TCJA restricted 1031s to Real Estate

QOFs and 1031s Continued

QOF's can work with capital gains from personal property

QOFs are easier to execute than 1031s. No need for hiring intermediaries, setting up escrow account or identify property within 45 days.

QOFs require that only the gain be reinvested. 1031s require that both the principal and gain be reinvested

Special Situations

Gains from precious metals (even ETFs), art and other collectibles (28% capital gain tax rate) no longer qualify for a 1031s

Investors with liquidity can trigger gains to qualify for QOF investments and repurchase the original asset with a higher basis

Short term capital gains tax can be painful. New York is $37\% + 3.8\% + 8.8\% = 49.6\%$

QOFs paired with irrevocable grantor trusts

Park View OZ REIT Service Providers



A Holistic Approach to Wealth Management

- Create a tax efficient and low fee investment plan
- Investors control the timing and amount of investment
- Available to accredited and non accredited investors
- Low investment minimum with tradable shares
- Impact Investment – creating jobs and economic equality
- Keep money working for your clients

Appendix:

How to Claim Tax Incentives with the IRS

Use form 8949 on entry and exit of the QOF

Use form 8997 annually while invested in the QOF

For QBI deduction used form 8995

You will receive a 1099-DIV not a K-1

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