

QUALIFIED OPPORTUNITY ZONES

Qualified Opportunity Zones (QOZ) is a new benefit created with new tax reform legislation and is one of the largest incentives to taxpayers that we have seen in a long time. Although very complex in terms of timing, they are simple to set up and easy to maintain—absolutely worth the effort in terms of tax savings.

THE PURPOSE OF OPPORTUNITY ZONES

The legislation around opportunity zones is clear about the goal to create economic growth and improve blighted areas. We've seen similar benefits like this (which center on specific census tracts) but they have historically been less successful because of limited geography and the lack of a long-term strategy. QOZs require a longer and deeper commitment from the investor in order to make a real impact on the area, but they offer a much greater tax savings. If you're looking for tax savings on future investments with great appreciation potential—this is the vehicle for you.

BASICS OF INVESTING IN QUALIFIED OPPORTUNITY ZONES

Boiled down into its most basic parts, these are the four Phases of QOZ investment:

1. Invest gain from a sale into a Qualified Opportunity Fund (QOF). This defers the tax on that gain for up to 7 years, with a 15% reduction in tax. The deferred taxable gain is not recognized until 2026 or until the asset is sold or exchanged—whichever happens first.
2. The QOF then invests in new assets within the Zones and significantly improves them.
3. The Taxpayer permanently avoids tax on any and all appreciation of the assets in the QOF, as long as it's held for 10 years.
4. There are several important deadlines surrounding the purchase and reinvestment date of assets. Consult an expert to ensure you meet the deadlines and maximize the potential benefit.

Source: Robert Wiebe, Wiebe Hinton Hambalek, LLP

1031 EXCHANGES VS OPPORTUNITY ZONES

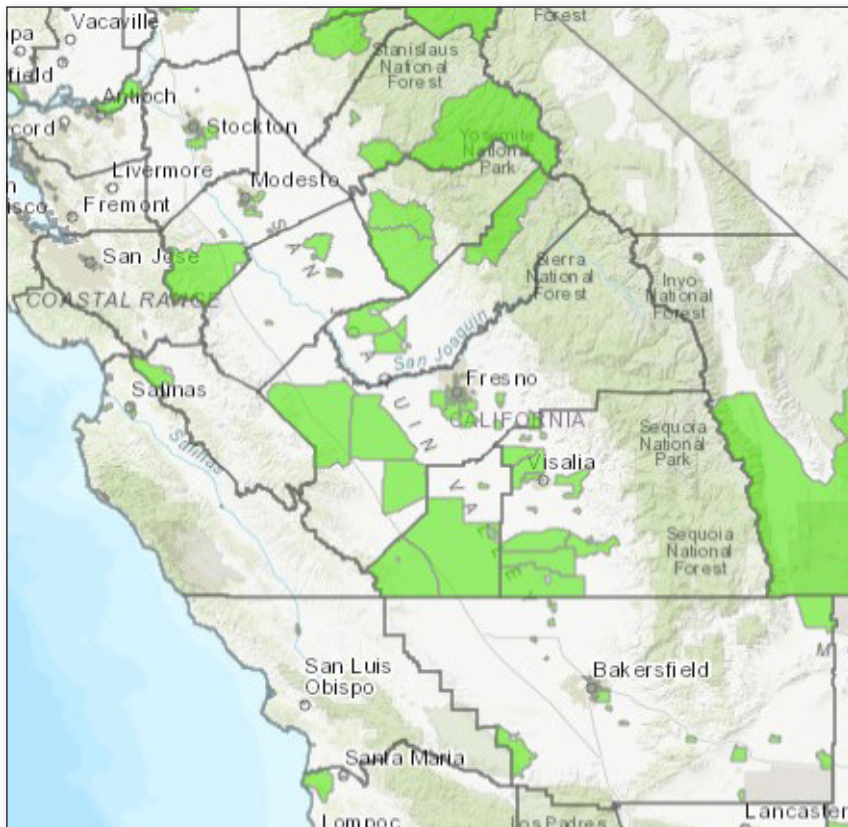
| Factor | 1031 | OZ |
|---|---|--|
| Time to reinvest | 45 day designation 180 days to close | <ul style="list-style-type: none"> • 180 days • 180 days from EOY • 30 months |
| Availability for state taxation | Yes- CA | No- CA |
| Cash to reinvest | Net sales price | Gain only |
| Like kind | Yes | No |
| Personal property | No | Yes |
| Deferral period on tax | Until replacement property is sold | 2026 with reduction |
| Taxable gain on sale of property acquired | Yes | No |
| Geographic limits | None within US | Only designated zones |



For a list of available property in the opportunity zones, contact:

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CENTRAL CALIFORNIA DESIGNATED QUALIFIED OPPORTUNITY ZONE TRACTS



SOURCE: http://dof.ca.gov/Forecasting/Demographics/opportunity_zones/

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The trifecta of site selection...
We've got it all in the Central Valley*



300 MILES OF OPPORTUNITY
Over 30 million square feet of spec buildings make Central California the number one area for Industrial Growth!

| GEOID | County | Census Tract | Poverty Rate | Median Family Income | Communities Located in Census Tract |
|-------------|--------|--------------------|--------------|----------------------|-------------------------------------|
| 06019000100 | Fresno | Census Tract 1 | 67.3 | (X) | Fresno |
| 06019000200 | Fresno | Census Tract 2 | 56.4 | 20,000 | Fresno |
| 6019000300 | Fresno | Census Tract 3 | 56.0 | 33,212 | Fresno |
| 6019000400 | Fresno | Census Tract 4 | 50.4 | 25,881 | Fresno |
| 06019000501 | Fresno | Census Tract 5.01 | 51.4 | 20,726 | Fresno |
| 06019000502 | Fresno | Census Tract 5.02 | 39.2 | 29,155 | Fresno |
| 06019000600 | Fresno | Census Tract 6 | 65.4 | 16,500 | Fresno |
| 06019000700 | Fresno | Census Tract 7 | 39.9 | 29,875 | Fresno |
| 06019000800 | Fresno | Census Tract 8 | 50.8 | 24,489 | Fresno |
| 6019000901 | Fresno | Census Tract 9.01 | 45.0 | 27,551 | Fresno |
| 06019000902 | Fresno | Census Tract 9.02 | 61.4 | 22,083 | Fresno |
| 6019001000 | Fresno | Census Tract 10 | 44.0 | 25,601 | Fresno |
| 6019001100 | Fresno | Census Tract 11 | 45.3 | 30,565 | Fresno |
| 6019001201 | Fresno | Census Tract 12.01 | 49.6 | 25,000 | Fresno |
| 06019001202 | Fresno | Census Tract 12.02 | 36.7 | 27,781 | Fresno |
| 6019001301 | Fresno | Census Tract 13.01 | 50.1 | 27,256 | Fresno |
| 06019001303 | Fresno | Census Tract 13.03 | 40.9 | 29,500 | Fresno |
| 6019001407 | Fresno | Census Tract 14.07 | 52.7 | 17,327 | Fresno |
| 06019001410 | Fresno | Census Tract 14.10 | 22.8 | 50,951 | Fresno |
| 06019001411 | Fresno | Census Tract 14.11 | 28.5 | 42,377 | Fresno |
| 6019001500 | Fresno | Census Tract 15 | 36.9 | 38,514 | Fresno |
| 06019001700 | Fresno | Census Tract 17 | 29.0 | 50,500 | Fowler |
| 06019001800 | Fresno | Census Tract 18 | 17.8 | 53,926 | Fresno |
| 06019001900 | Fresno | Census Tract 19 | 24.1 | 52,760 | Fresno |
| 06019002000 | Fresno | Census Tract 20 | 48.0 | 21,657 | Fresno |
| 06019002300 | Fresno | Census Tract 23 | 38.4 | 34,832 | Fresno |
| 06019002400 | Fresno | Census Tract 24 | 47.2 | 28,371 | Fresno |
| 06019002501 | Fresno | Census Tract 25.01 | 57.3 | 19,923 | Fresno |
| 06019002602 | Fresno | Census Tract 26.02 | 26.8 | 31,348 | Fresno |

CENTRAL CALIFORNIA DESIGNATED QUALIFIED OPPORTUNITY ZONE TRACTS

(CONTINUED)

| GEOID | County | Census Tract | Poverty Rate | Median Family Income | Communities Located in Census Tract |
|------------|--------|--------------------|--------------|----------------------|-------------------------------------|
| 6019002702 | Fresno | Census Tract 27.02 | 49.8 | 25,362 | Fresno |
| 6019002800 | Fresno | Census Tract 28 | 53.9 | 22,197 | Fresno |
| 6019002903 | Fresno | Census Tract 29.03 | 51.9 | 24,398 | Fresno |
| 6019003500 | Fresno | Census Tract 35 | 39.0 | 47,384 | Fresno |
| 6019004505 | Fresno | Census Tract 45.05 | 38.2 | 29,557 | Fresno |
| 6019004901 | Fresno | Census Tract 49.01 | 38.8 | 27,478 | Fresno |
| 6019005000 | Fresno | Census Tract 50 | 33.7 | 37,941 | Fresno |
| 6019005100 | Fresno | Census Tract 51 | 35.2 | 33,171 | Fresno |
| 6019005403 | Fresno | Census Tract 54.03 | 53.1 | 21,212 | Fresno |
| 6019005408 | Fresno | Census Tract 54.08 | 72.3 | 8,510 | Fresno |
| 6019006201 | Fresno | Census Tract 62.01 | 32.8 | 31,797 | Sanger |
| 6019006202 | Fresno | Census Tract 62.02 | 28.7 | 41,901 | Sanger |
| 6019006501 | Fresno | Census Tract 65.01 | 51.7 | 23,922 | Reedley |
| 6019006602 | Fresno | Census Tract 66.02 | 45.9 | 28,472 | Reedley |
| 6019007802 | Fresno | Census Tract 78.02 | 46.7 | 20,316 | Five Points |
| 6019008200 | Fresno | Census Tract 82 | 44.5 | 27,089 | San Joaquin/Tranquility |
| 6019008302 | Fresno | Census Tract 83.02 | 51.7 | 26,719 | Mendota |
| 6019008501 | Fresno | Census Tract 85.01 | 58.7 | 25,439 | Parlier |
| 6029000200 | Kern | Census Tract 2 | 47.7 | 25,815 | Bakersfield |
| 6029000300 | Kern | Census Tract 3 | 42.7 | 26,897 | Bakersfield |
| 6029000400 | Kern | Census Tract 4 | 45.3 | 24,158 | Bakersfield |
| 6029000600 | Kern | Census Tract 6 | 47.4 | 22,230 | Bakersfield |
| 6029001202 | Kern | Census Tract 12.02 | 59.7 | 22,045 | Bakersfield |
| 6029001400 | Kern | Census Tract 14 | 60.2 | 23,189 | Bakersfield |
| 6029001600 | Kern | Census Tract 16 | 32.5 | 30,547 | Bakersfield |
| 6029001902 | Kern | Census Tract 19.02 | 36.4 | 29,665 | Bakersfield |
| 6029002000 | Kern | Census Tract 20 | 44.6 | 26,470 | Bakersfield |
| 6029002100 | Kern | Census Tract 21 | 51.4 | 23,286 | Bakersfield |
| 6029002200 | Kern | Census Tract 22 | 59.0 | 21,535 | Bakersfield |
| 6029002301 | Kern | Census Tract 23.01 | 34.9 | 27,297 | Bakersfield |
| 6029002302 | Kern | Census Tract 23.02 | 40.0 | 30,962 | Bakersfield |
| 6029002400 | Kern | Census Tract 24 | 25.8 | 38,235 | Bakersfield |
| 6029002500 | Kern | Census Tract 25 | 46.3 | 28,161 | Bakersfield |
| 6029002600 | Kern | Census Tract 26 | 29.5 | 35,703 | Bakersfield |
| 6029003103 | Kern | Census Tract 31.03 | 25.6 | 34,981 | Bakersfield |
| 6029003121 | Kern | Census Tract 31.21 | 33.0 | 37,893 | Bakersfield |
| 6029003303 | Kern | Census Tract 33.03 | 34.0 | 44,615 | Taft |
| 6029003500 | Kern | Census Tract 35 | 21.2 | 50,266 | Taft |
| 6029004101 | Kern | Census Tract 41.01 | 22.6 | 49,826 | Shafter |
| 6029004401 | Kern | Census Tract 44.01 | 23.6 | 47,748 | Wasco |
| 6029004402 | Kern | Census Tract 44.02 | 57.1 | 22,252 | Wasco |
| 6029004701 | Kern | Census Tract 47.01 | 41.2 | 33,042 | McFarland |
| 6029004800 | Kern | Census Tract 48 | 50.2 | 25,908 | Delano |
| 6029005003 | Kern | Census Tract 50.03 | 37.0 | 28,919 | Delano |
| 6029005300 | Kern | Census Tract 53 | 33.5 | 30,938 | Ridgecrest |
| 6029005507 | Kern | Census Tract 55.07 | 20.2 | 62,346 | California City |
| 6029005600 | Kern | Census Tract 56 | 33.4 | 38,859 | Boron |
| 6029005802 | Kern | Census Tract 58.02 | 29.8 | 49,167 | Rosamond |
| 6029005900 | Kern | Census Tract 59 | 32.2 | 42,056 | Mojave |
| 6029006100 | Kern | Census Tract 61 | 23.1 | 56,940 | Tehachapi |
| 6029006303 | Kern | Census Tract 63.03 | 33.1 | 32,539 | Arvin |
| 6029006304 | Kern | Census Tract 63.04 | 35.7 | 25,087 | Arvin |
| 6029006401 | Kern | Census Tract 64.01 | 39.3 | 29,659 | Lamont |
| 6031001100 | Kings | Census Tract 11 | 36.5 | 31,284 | Hanford |
| 6031001300 | Kings | Census Tract 13 | 48.1 | 21,750 | Corcoran |
| 6031001402 | Kings | Census Tract 14.02 | 51.9 | 25,804 | Corcoran |
| 6031001601 | Kings | Census Tract 16.01 | 36.4 | 33,125 | Avenal/Kettleman City |
| 6031001701 | Kings | Census Tract 17.01 | 36.4 | 32,743 | Avenal |
| 6039000103 | Madera | Census Tract 1.03 | 25.0 | 61,667 | Oakhurst |
| 6039000202 | Madera | Census Tract 2.02 | 17.2 | 60,542 | Chowchilla |

(CONTINUED)

| GEOID | County | Census Tract | Poverty Rate | Median Family Income | Communities Located in Census Tract |
|--------------|---------------|---------------------|---------------------|-----------------------------|--|
| 06039000503 | Madera | Census Tract 5.03 | 9.4 | 62,463 | Madera |
| 06039000506 | Madera | Census Tract 5.06 | 17.1 | 55,270 | Madera |
| 06039000800 | Madera | Census Tract 8 | 38.5 | 28,165 | Madera |
| 06047000503 | Merced | Census Tract 5.03 | 23.0 | 61,250 | Atwater |
| 06047000602 | Merced | Census Tract 6.02 | 37.8 | 36,611 | Atwater |
| 06047000603 | Merced | Census Tract 6.03 | 36.3 | 36,310 | Atwater |
| 06047001301 | Merced | Census Tract 13.01 | 34.8 | 35,000 | Merced |
| 06047001302 | Merced | Census Tract 13.02 | 47.1 | 26,957 | Merced |
| 06047001401 | Merced | Census Tract 14.01 | 35.4 | 30,467 | Merced |
| 06047001501 | Merced | Census Tract 15.01 | 36.7 | 45,978 | Merced |
| 06047001601 | Merced | Census Tract 16.01 | 64.5 | 21,350 | Merced |
| 06047001602 | Merced | Census Tract 16.02 | 35.0 | 32,091 | Merced |
| 06047001700 | Merced | Census Tract 17 | 40.2 | 29,392 | Merced |
| 06047002201 | Merced | Census Tract 22.01 | 42.3 | 27,228 | Los Banos |
| 06077000100 | San Joaquin | Census Tract 1 | 58.4 | 16,221 | Stockton |
| 06077000300 | San Joaquin | Census Tract 3 | 41.7 | 26,607 | Stockton |
| 06077000402 | San Joaquin | Census Tract 4.02 | 47.3 | 19,091 | Stockton |
| 06077000500 | San Joaquin | Census Tract 5 | 45.1 | 29,226 | Stockton |
| 06077000600 | San Joaquin | Census Tract 6 | 43.9 | 28,171 | Stockton |
| 06077000700 | San Joaquin | Census Tract 7 | 53.9 | 21,657 | Stockton |
| 06077000801 | San Joaquin | Census Tract 8.01 | 28.9 | 47,594 | Stockton |
| 06077000900 | San Joaquin | Census Tract 9 | 36.0 | 33,596 | Stockton |
| 06077001200 | San Joaquin | Census Tract 12 | 20.6 | 75,735 | Stockton |
| 06077001500 | San Joaquin | Census Tract 15 | 34.2 | 36,645 | Stockton |
| 06077001600 | San Joaquin | Census Tract 16 | 36.9 | 24,425 | Stockton |
| 06077001900 | San Joaquin | Census Tract 19 | 41.2 | 29,558 | Stockton |
| 06077002100 | San Joaquin | Census Tract 21 | 31.6 | 40,264 | Stockton |
| 06077002201 | San Joaquin | Census Tract 22.01 | 39.4 | 30,321 | Stockton |
| 06077002202 | San Joaquin | Census Tract 22.02 | 36.8 | 27,992 | Stockton |
| 06077002800 | San Joaquin | Census Tract 28 | 14.9 | 56,151 | Stockton |
| 06077003307 | San Joaquin | Census Tract 33.07 | 42.1 | 28,031 | Stockton |
| 06077003700 | San Joaquin | Census Tract 37 | 34.1 | 27,333 | Stockton |
| 06077003803 | San Joaquin | Census Tract 38.03 | 28.0 | 50,494 | French Camp |
| 06077004403 | San Joaquin | Census Tract 44.03 | 36.4 | 24,511 | Lodi |
| 06099001400 | Stanislaus | Census Tract 14 | 36.0 | 36,133 | Modesto |
| 06099001603 | Stanislaus | Census Tract 16.03 | 40.7 | 35,601 | Modesto |
| 06099001604 | Stanislaus | Census Tract 16.04 | 41.1 | 25,586 | Modesto |
| 06099001700 | Stanislaus | Census Tract 17 | 46.1 | 29,125 | Modesto |
| 06099001800 | Stanislaus | Census Tract 18 | 34.3 | 34,167 | Modesto |
| 06099002002 | Stanislaus | Census Tract 20.02 | 40.7 | 34,844 | Modesto |
| 06099002100 | Stanislaus | Census Tract 21 | 35.6 | 33,448 | Modesto |
| 06099002200 | Stanislaus | Census Tract 22 | 42.1 | 26,452 | Modesto |
| 06099002301 | Stanislaus | Census Tract 23.01 | 36.6 | 37,801 | Modesto/Shackleford |
| 06099002402 | Stanislaus | Census Tract 24.02 | 46.0 | 28,299 | Modesto/Shackleford |
| 06099002501 | Stanislaus | Census Tract 25.01 | 14.6 | 48,327 | Modesto |
| 06099002602 | Stanislaus | Census Tract 26.02 | 26.7 | 41,039 | Ceres |
| 06099003002 | Stanislaus | Census Tract 30.02 | 29.3 | 43,073 | Modesto/Keyes |
| 06099003201 | Stanislaus | Census Tract 32.01 | 34.3 | 43,640 | Patterson |
| 06099003400 | Stanislaus | Census Tract 34 | 33.3 | 36,250 | Newman |
| 06099003802 | Stanislaus | Census Tract 38.02 | 40.0 | 24,659 | Turlock |
| 06099003803 | Stanislaus | Census Tract 38.03 | 25.7 | 46,250 | Turlock |
| 06107000201 | Tulare | Census Tract 2.01 | 35.2 | 32,432 | Orosi |
| 06107000302 | Tulare | Census Tract 3.02 | 43.0 | 28,512 | Visalia |
| 06107000502 | Tulare | Census Tract 5.02 | 23.3 | 41,324 | Dinuba |
| 06107000900 | Tulare | Census Tract 9 | 31.2 | 34,517 | Visalia |
| 06107001003 | Tulare | Census Tract 10.03 | 19.6 | 83,819 | Visalia |
| 06107001100 | Tulare | Census Tract 11 | 56.8 | 23,513 | Visalia |
| 06107001400 | Tulare | Census Tract 14 | 15.3 | 52,500 | Exeter/ Farmersville |
| 06107002202 | Tulare | Census Tract 22.02 | 41.1 | 27,917 | Tulare |
| 06107002800 | Tulare | Census Tract 28 | 54.5 | 21,449 | Lindsay |
| 06107002901 | Tulare | Census Tract 29.01 | 40.6 | 28,576 | Tulare |
| 06107003200 | Tulare | Census Tract 32 | 39.2 | 31,028 | Tulare |
| 06107003400 | Tulare | Census Tract 34 | 37.5 | 35,420 | Porterville |
| 06107003802 | Tulare | Census Tract 38.02 | 43.9 | 26,139 | Porterville |
| 06107004101 | Tulare | Census Tract 41.01 | 42.1 | 30,183 | Porterville |
| 06107004102 | Tulare | Census Tract 41.02 | 45.2 | 26,319 | Porterville |
| 06107004200 | Tulare | Census Tract 42 | 53.7 | 27,877 | Pixley |
| 06107004300 | Tulare | Census Tract 43 | 47.0 | 29,568 | Pixley |