Park View OZ REIT Investor Brief (OTC: PVOZ)

We empower investors to maximize the generous tax incentives available through Opportunity Zone Investments.

Park View OZ REIT is revolutionizing qualified opportunity fund (QOF) investing. Our unique QOF REIT structure gives our investors two important advantages. First, we make participating in QOF tax incentives easy by eliminating holding period requirements, K-1 tax forms, investment minimums, accreditation requirements, and more. Second, because our investors control their holding period a myriad of thoughtful tax planning strategies become available, including enjoying tax-free compound growth (aka the eighth wonder of the financial planning world) until the benefit sunsets in 2047.

Unlike Park View OZ REIT, QOFs overwhelmingly have been structured similarly to traditional real estate partnerships. These QOF partnerships employ 10-year capital commitment periods followed shortly thereafter by a planned liquidation. This type of “one size fits all” investment period prevents investors and financial planners from maximizing QOF tax benefits.
Additionally, most of the investing public will not invest in partnerships for many reasons, including difficult K-1 tax forms, high minimum investments, lock-up periods, capital calls, accreditation requirements, and high fees.

Park View OZ REIT offers accessibility to QOF tax benefits for all investors and empowers them to choose the entry and exit timing that best suits their unique financial planning needs.

What is the purpose of opportunity zones tax incentives?

The purpose of opportunity zones is to create a positive social impact by spurring economic growth and job creation in low-income communities designated as opportunity zones. It offers significant tax incentives for participating investors. States nominate communities for the designation, and the U.S. Department of the Treasury certifies that nomination. Opportunity Zones were created under the 2017 Tax Cut and Jobs Act. There are more than 8700 designated opportunity zones located across all 50 states.

What is a qualified opportunity fund (QOF)?

A qualified opportunity fund is an investment vehicle that is organized for the purpose of investing in qualified opportunity zone properties. The IRS keeps track of investment opportunity zone tax incentive compliance through QOFs. A QOF needs to invest at least 90% of its assets in qualified opportunity zone properties to stay compliant. This is tested semiannually. QOFs can be structured in a variety of ways, including partnerships, LLCs, and corporations. Most QOFs are partnerships, but Park View OZ REIT is a corporation that will elect to be taxed as a REIT. This gives our shareholders favorable tax treatment and offers the relative liquidity of unrestricted shares of stock.

A quick review of the two tax incentives offered by a QOF:

- Almost any type of capital gains liability can be deferred until the QOF is sold or December 31, 2026.
- After holding a qualifying investment in the QOF for 10 years, any capital gain achieved by the QOF can be eliminated.

The second benefit is by far the most powerful. It allows investors to compound growth tax-free until you sell the QOF or 2047.

Who is eligible for QOF tax incentives?

Anyone who reinvests a capital gains liability owed to the U.S. government within 180 days of realizing the gain is eligible for benefits. You can be an individual living within or outside of the U.S., and you can be a U.S. citizen or resident of another country. Additionally, entities such as partnerships, trusts, corporations, REITs, and others can all qualify for benefits. In most cases, once the gain is realized, it must be invested into a QOF within 180 days, but there are exceptions and extensions to this rule. Importantly, unlike 1031 exchanges, you only need to invest the gain into the QOF to qualify for the tax benefit. The principal portion of your proceeds is free for any use.

Why is it important for QOF investors to control their own investment period?

Qualified opportunity fund tax incentives are closely tied to the individual taxpayer's QOF holding period and each investor's financial planning needs are unique. Some investors may want a deferral of a year or two so they can realize the gain in a year when they expect to be in a lower tax bracket. The financial flexibility for investors to enjoy the short-term benefits of QOFs while still maintaining the option to stay in the QOF long term or liquidate, adds valuable financial planning flexibility.

However, because of the potential for tax-free compound growth, most QOF investors are long-term investors. We have all seen compound growth charts and the amazing results the math can deliver. One thing these charts all have in common is that most of the benefit comes toward the end of the holding period. QOFs have the potential to deliver tax-free compound growth until the benefit expires in 2047. Holding the investment until 2047 captures 100% of the potential tax elimination benefit, while selling at year 10 only captures about 15% of the potential tax savings. Why stop tax-free compound growth early?

Table 1: Most QOF partnerships have a 10 year capital hold requirement followed by a planned liquidation shortly after the 10 year holding period is achieved.

	Traditional QOF	**Park View OZ REIT**
	10-year Lock-up / Liquidation	Tradable / Stays QOF Compliant
1 Year Hold	Not Available	1 Year Tax Deferral
3 Year Hold	Not Available	3 Year Tax Deferral
10 Year Hold	Deferral of original gain until 2026, 100% Elimination of QOF Capital Gain	Deferral of original gain until 2026, 100% Elimination of QOF Capital Gain
15, 20, 25+ Year Hold	Not Available	Deferral on the original gain, 100% Elimination of QOF capital gain, ***Tax-Free Compound Growth Potentially until 2047***

Since the future is unknown, financial flexibility is valuable for most investors.Table 1 shows the benefits available at different holding periods. We believe that planned liquidations are a mistake for investors. QOF holding periods cannot be transferred to a new QOF. Because Park View OZ REIT investors receive unrestricted shares of stock and the fund stays QOF compliant, we allow our investors to choose the investment period that works best for their financial planning needs.

Who can invest in Park View OZ REIT?

Anyone is eligible to invest in the fund. We do not have accreditation requirements, and we are a mixed fund, so non-QOF capital is welcome. Cash investments that are not QOF eligible will still participate in the returns of our commercial real estate investments, the REIT's tax-efficient structure, and benefit from the qualified business income deduction.

How do qualified opportunity fund (QOF) benefits affect after-tax returns?

For an investment returning 7% or 8% per year, the QOF tax benefit adds about 3% annually to after-tax returns over a 10-year holding period. Therefore, a 7% return would be the equivalent of a 10% taxable return, and the 8% would be equivalent to an 11% taxable return. This is an extra (3%/7.5%=40%) 40% that your capital is earning. In a QOF, you can enjoy compound growth, free of capital gains liability until December 31, 2047. It is a great wealth-creation tool!

How can investors receive the qualified business income deduction?

The qualified business income (QBI) deduction reduces taxable income by 20%. Because we are structured as a REIT, the income we pay out as dividends will qualify for the deduction, and we will be paying out at least 90% of our income through dividends. This will lead to substantial tax savings for our investors.

What is the fund's investment strategy?

The fund's core focus is investing in residential multifamily properties. We may invest in other asset classes to diversify the portfolio when attractive purchases are available. We plan, in most cases, to be long-term holders of properties and diversify by geography and asset type. We are positioning the fund as a preferred partner for developers with geographic and project-specific expertise that will allow us to consider many more investments while reducing execution risk. Attractive asset types include multifamily residential, healthcare facilities, industrial, and many others. Attractive areas to invest in are those with strong population and employment growth, which favors warm weather and low-tax states.

A good example of our strategy is our initial investment in townhouses at 2209 North Blvd, Tampa Heights. The property is located just north of downtown Tampa along the Hillsborough River. Several long-term trends make Tampa Heights an attractive place to invest. First, downtown Tampa has benefited from billions of dollars in capital invested over the last 10 years and has been completely revitalized. Secondly, the scenic Riverwalk connects downtown Tampa and Tampa Heights, providing a pleasant and heavily utilized passage between the two neighborhoods. Tampa Heights has already seen a boom in new restaurants and craft breweries in recent years, highlighted by Armature Works, which offers 20 bars and restaurants. Additionally, the Tampa area and rest of the state continue to see significant job and population growth due to their warm climate and low tax rates.

Here is a brief overview of the benefits the fund offers investors.

Qualified Opportunity Fund (QOF) Benefits

The Original Capital Gain is Deferred: Tax payments on the original capital gain will be deferred until the QOF investment is sold or December 31, 2026, whichever comes first. This allows an investor to keep their capital working for them.

Total Capital Gain Elimination: Once an investment is held for 10 years, the investor may elect to step-up their cost basis in the QOF by 100%, thereby eliminating all capital gain liability. This benefit will last until the asset is sold or until 2047, whichever comes first.

Social Impact Investing: The objective of the opportunity zone program is to spread economic prosperity more evenly by encouraging capital investment into economically disadvantaged communities which have been designated as opportunity zones. There are more than 8,700 designated opportunity zones across the United States.

Potential State and Local Tax Benefits: Most states and some local governments also provide tax incentives for QOF investments. You should check for availability with your tax advisor.

REIT Benefits

Eliminates Double Taxation on Earnings Dividends: We are a C corporation that elects to be taxed as a REIT. As a REIT, we will not be taxed at the corporate level on earnings passed through to investors in the form of dividends. We intend to pay out at least 90% of our taxable earnings in dividends to investors quarterly.

QBI 20% Income Tax Deduction: Qualified Business Income (QBI) allows REIT investors to deduct 20% of their taxable REIT income paid out as dividends.

Eliminates Multiple State and Local Income Tax Exposure: Partnerships expose investors to state and local tax both at the project location and where the investor is domiciled. As a C corporation, our investors would only be responsible for taxes applicable to their tax residence.

Form 1099-DIV not a K-1: As a C corporation, the investor will receive the simpler 1099-DIV tax form rather than the K-1 (or multiple K-1s) issued by partnerships.

Lower Fees

No Sales Commission: We are not charging a sales commission as part of this offering.

Low Management Fee: We charge a low annual management fee of 0.75% compared to many real estate managers who charge 1.5% to 2%.

Low Management Interest / Carried Interest: Our manager will receive a 5% participation in recognized profits and distributions. This management interest is significantly less than the carried interest of 20% typically earned by external managers of many real estate funds.

Additional Benefits

Public Company Transparency: Our Company is subject to periodic public reporting requirements under federal securities laws.

Development Partners: Partnering with regional developers brings us geographic as well as project-specific expertise. This enables us to lower development risk and enhance our investors' available profit opportunities and portfolio diversification.

No Minimum or Maximum Holding Period: Our shares are freely tradeable under the stock symbol (OTC: PVOZ). This flexibility enables many tax-saving wealth management strategies thatare unavailable to traditional OZ investors, which typically have 10+ year lockup periods with a planned liquidation shortly after the lockup expires.

Minimal Investment Requirements: For purchases through our subscription agreement we have set a low minimum investment amount of $10,000 per investor, with no minimum for subsequent investments. Additionally, as little as one share may be purchased on the secondary markets under the stock trading symbol PVOZ.

Why did Park View Investments Sponsor this Fund?

We were early believers in the power of the QOF incentives, but were frustrated that the investment only worked for partnership investors. When the final opportunity zone regulations were published in December of 2019, it specifically allowed the transfer of QOF benefits from one QOF owner (the seller) directly to the new owner (the buyer). This ability to trade the benefits among shareholders opened the door for creating a QOF that issued tradable stock. We chose to be a REIT because it is taxed like a partnership (no double taxation) but has the freely tradable shares of a corporation. This gave us the opportunity to design a QOF with public company attributes that would compare very favorably to partnerships: no investor accreditation requirements, lower fees, relative liquidity, easier tax filing, and better transparency.

Wealth Management Strategies

Failed 1031 Exchanges and Boot - QOFs can help with boot or troubled like-kind exchange transactions. To execute a 1031 exchange, strict cash tracing and property identification procedures must be followed. Frequently these transactions fail because personal possession was taken of the proceeds, or a replacement property could not be identified. Both situations would cause a 1031 to fail but QOFs have no such requirements. As a result, QOFs are often used as a "plan B" for failed 1031s. QOFs are also used when a new 1031 property is of less value than the property sold leaving a portion of the capital gain without the deferral benefit, this is referred to as "boot." A QOF investment can fill the gap and defer the remaining boot.

Liquidity for High Tax Basis 1031 Investors - Investors who prefer liquidity and are selling a property with a high-cost basis should consider investing in a QOF. For example, if the investor sold a warehouse for 10 million dollars and their tax basis is 9 million, to defer the 1 million dollar capital gain a 1031 would require the entire 10 million dollars in proceeds be reinvested while a QOF investment would only require the 1 million dollar gain be reinvested. The investor using the QOF would be free to use the 9 million in principle as the wish.

Intentionally Defective Irrevocable Trusts (IDITs) - IDITs are a hybrid in tax planning; they remove assets from an estate but the taxpayer remains the same, which is important for QOF compliance purposes. Removing the assets from the estate protects them from lawsuits, estate tax, and other claims on the estate, making it a great vehicle for passing on wealth to the next generation. Unfortunately, because the assets are no longer part of the estate, they do not receive a step up in cost basis upon death (Section 1014). This can result in heirs receiving a significant capital gain liability with the assets. Pairing an IDIT with a QOF can provide the trust's protection while eliminating the capital gain not only at death but until the asset is sold or 2047, whichever comes first. This combination can be a powerful wealth management tool.

Collectibles - Collectibles such as art, precious metals (including precious metals backed by ETFs), antiques etc., are taxed at a higher capital gain tax rate of 28% versus 20% for most assets. Until recently, you could defer any tax due on collectibles through a 1031 exchange. The Tax Cuts and Jobs Act of 2017 restricted 1031s to commercial real estate. However, collectors with recent capital gains are eligible to claim QOF deferral and tax elimination benefits.

Potential to Match a Current Capital Gain with a Future Loss - When an investor has a capital gain they can choose to pay the tax or they may want to defer the realization of gain by investing in a QOF. If they defer the gain and then suffer a future loss, in any future tax year during the deferral period, they can trigger all or a portion of their deferred gain by selling the appropriate portion of their QOF. This matching of gains and losses in the same year delivers tax efficiency while keeping capital working for you longer. If there is not a loss, you still get the deferral benefit and the potential to stay invested long enough to eliminate any gain from the QOF.

Long-Term Wealth Creation - When an investor has a capital gain they can choose to pay the tax or they may want to defer the realization of gain by investing in a QOF. If they defer the gain and then suffer a future loss, in any future tax year during the deferral period, they can trigger all or a portion of their deferred gain by selling the appropriate portion of their QOF. This matching of gains and losses in the same year delivers tax efficiency while keeping capital working for you longer. If there is not a loss, you still get the deferral benefit and the potential to stay invested long enough to eliminate any gain from the QOF.

Exit Strategy

We offer unrestricted shares of stock, so our shareholders can sell their shares through a brokerage account to exit when they wish or stay in the fund as long as they want. We encourage investors to view this as a long-term investment, but we understand the benefits of liquidity. The fund's trading symbol is PVOZ.

How to Invest

Our subscription agreement can be filled out and signed electronically in minutes. Additionally, our shares are available through many brokerage accounts under the trading symbol PVOZ. Shares acquired through the subscription agreement and the open market are identical. You will also find our presentation materials and our offering documents on our website's documents page, which we encourage you to read before investing.

Park View OZ REIT Team

CEO, Michael Kelley

Mr. Kelley has 30 years of experience in business and financial markets. Prior to founding Park View Investments, he worked with clients structuring capital transactions to fund real estate development and operating companies at Niagara International Capital. He quickly recognized the potential of opportunity zones to change the course of capital flows. Through his writings and presentations, Mr. Kelley has become a leading voice on opportunity zones and how investors and community leaders can benefit from them. He is active in the entrepreneurial community having served as a mentor, board member, and pitch competition judge. Previously, he focused on investing in emerging markets for a family office and worked at several investment banks raising capital in a wide variety of industries. Mr. Kelley has a B.A. in Economics from the University of Massachusetts.

CFO, Elizabeth Tyminski

Ms. Tyminski brings 25+ years of experience in management, human resources, and leadership. She is adept at identifying challenges, defining solutions, and implementing new processes and procedures to drive results. Currently, she is running a non-profit that promotes the engineering profession in the built environment. She formerly served as vice president of the Association of Junior Leagues International, which is a 140,000-member organization. She is a highly active volunteer for her alma mater, Smith College and was also president of the Boston Smith College Club. Elizabeth is an MBA recipient from Boston College where she graduated first in her class.

Advisory Board Members

Kenneth Mabbs

Mr. Mabbs started his career as an investment banker with Bear Stearns, focusing primarily on technology-oriented companies. He left to become the director of investment banking of First Albany Corporation/Gleacher Company. With their initial sponsorship, he raised a fund called FA Technology Ventures where he was a managing partner for twenty years. FA Technology Ventures was typically the lead investor in early-stage technology companies and took an active role in helping guide their investment's management through a board of directors position. FA Technology Ventures' performance was in the top quartile of its peer group nationally. The company was also a lead investor in a number of iconoclastic companies such as iRobot, eInk, Softricity, BinOptics, CreditSights, and A123 Systems. Mr. Mabbs currently is a managing partner of QKA Ventures, the successor partnership of FA Technology Ventures.

Warren Isabelle, CFA

Mr. Isabelle is a founder and former managing member of Ironwood Investment Management. He began his career at The Hartford Insurance Group in 1983 and joined The Pioneer Group in 1984 as a chemical analyst. In July 1990, Mr. Isabelle opened the Pioneer Capital Growth mutual fund and opened the Pioneer Small Company Fund in 1994. He managed both funds until January 1997 in addition to taking on duties as director of research and head of domestic equities. He was then hired by the Evergreen Funds as chief investment officer for equities before establishing Ironwood. Since January 2004, Mr. Isabelle has served as a member of the Public Board and vice-chairman of the Investment Committee of the University of Massachusetts Foundation. He is a chartered financial analyst and a member of the CFA Institute. Mr. Isabelle received a Bachelor of Science degree in chemistry from Lowell Technological Institute, a Master of Science degree in Polymer Science and Engineering from the University of Massachusetts, and a Masters in Business Administration from the Wharton School, University of Pennsylvania.

You can visit our website (www.parkviewozreit.com) to see our full investor presentation and access our electronic investor subscription agreement. Opportunity Zone investments are complex, so before investing we encourage you to read our offering statement available at the address link below and to consult with a tax professional.

Park View OZ REIT's SEC filings may be found at: https://www.sec.gov/cgi-bin/browse-edgar?CIK=1824204