

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

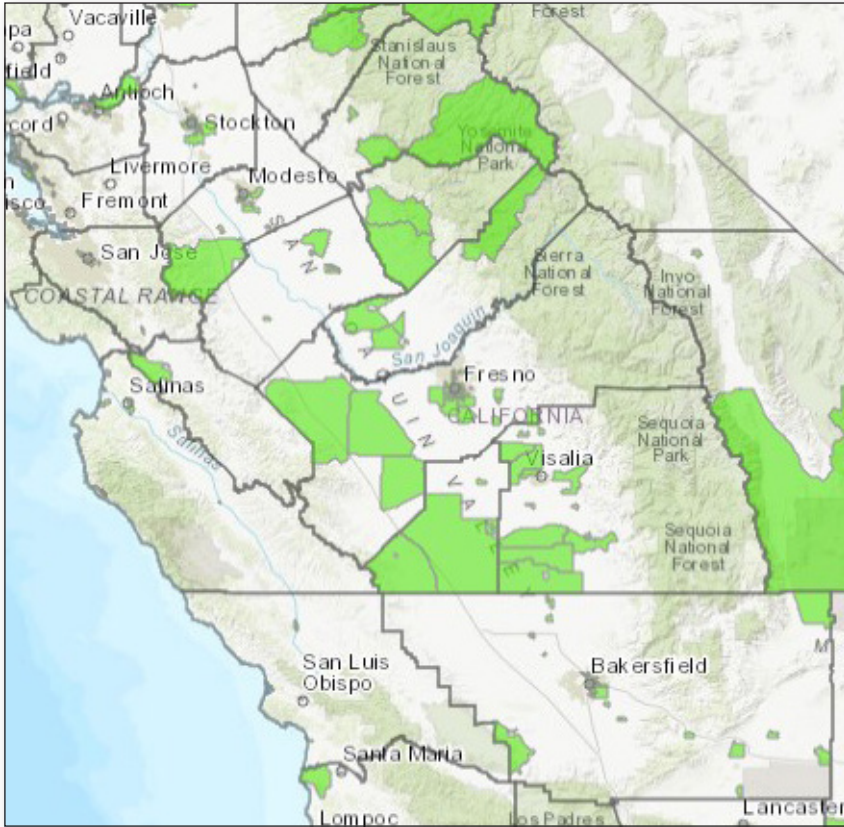
Factor	1031	OZ
Time to reinvest	45 day designation 180 days to close	<ul style="list-style-type: none"> • 180 days • 180 days from EOY • 30 months
Availability for state taxation	Yes- CA	No- CA
Cash to reinvest	Net sales price	Gain only
Like kind	Yes	No
Personal property	No	Yes
Deferral period on tax	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:

Jennifer Faughn
 California Central Valley EDC
 888-998-2345
jfaughn@centralcalifornia.org

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

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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