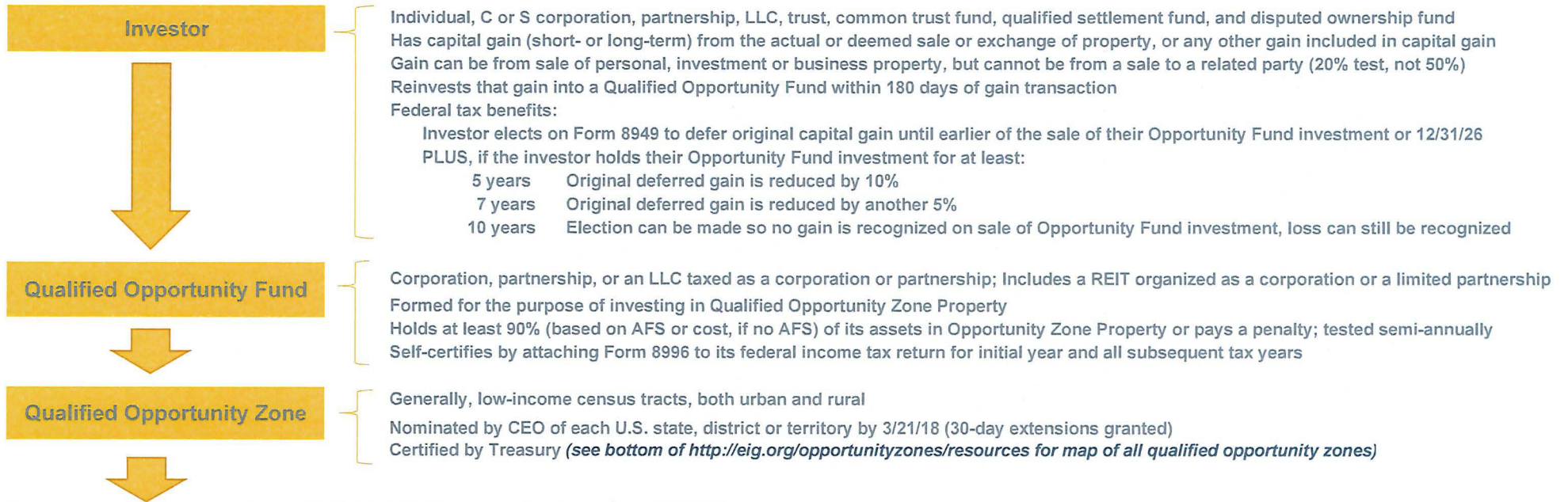


# TCJA's New Opportunity Zone Program - Key Terms and Requirements



Qualified Opportunity Zone Property		
Opportunity Zone Stock	Opportunity Zone Partnership Interest	Opportunity Zone Business Property
New or existing domestic corporation	New or existing partnership/LLC	Acquired by purchase from an unrelated party after 12/31/17 (20% test for related party, not 50%)
Equity interest acquired by Fund after 12/31/17	Equity interest acquired by Fund after 12/31/17	Original use of property in Zone must commence with Fund or Fund must "substantially improve" within 30 mos.
Stock must be original issue and acquired for cash	Interest must be original issue and acquired for cash	Substantially all of the use of the property is in a Qualified Opportunity Zone Business for substantially all of the Fund's holding period
Corporation must be a Qualified Opportunity Zone Business for substantially all of the Fund's holding period	Partnership must be a Qualified Opportunity Zone Business for substantially all of the Fund's holding period	

**Qualified Opportunity Zone Business**

- Owns or leases substantially all (at least 70%) of its tangible property in a Qualified Opportunity Zone
- Generates at least 50% of its total gross income from the active conduct of a trade or business
- A substantial portion of the intangible property of the business must be used in the active conduct of the business
- Less than 5% of the average aggregate unadjusted bases of the property of the business is attributable to nonqualified financial property
  - Working capital exception and safe harbor available
- Cannot be a "sin business" - e.g., golf courses, country clubs, massage parlors, hot tub or suntan facilities, racetracks or gambling facilities, and liquor stores