

**SAMPLE PROJECT
SUPPLEMENTAL SCHEDULE OF OPPORTUNITY ZONE INVESTMENT**

Investment in QOF	\$ 1,000,000	
Capital Gain Portion	\$ 1,000,000	100.0%
STCG or LTCG?	LTCG	
Investment Date	Jun-19	

OZ INVESTORS	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>Sale</u>	
a Projected Distributions from Fund	\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 90,000	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551	\$ 2,000,000	assuming investment doubles in value
Annual Cash Return:				7.0%	8.0%	9.0%	10.0%	10.3%	10.6%	10.9%	11.3%	200.0%	
Cumulative Cash-on-Cash:				-47.1%	-33.6%	-23.9%	-16.7%	-11.6%	-7.8%	-4.9%	-2.6%	11.9%	
Projected Income (Loss) from Fund	\$ -	\$ (3,205)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ 1,068,093
Adjustment for Loss Carryover	\$ -	\$ 3,205	\$ 12,821	\$ 12,821	\$ 12,821	\$ 12,821	\$ 12,821	\$ 12,821	\$ (67,308)	\$ -	\$ -	\$ -	\$ -
Income (Loss) Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (80,128)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ 1,068,093
													25%
b 40% Tax Benefit (Cost)	-	-	-	-	-	-	-	32,051	5,128	5,128	5,128	(313,694)	with capital account writeoff
c 25% OZ Benefit (Cost) *	\$ 250,000	\$ -	\$ (15,000)	\$ (17,500)	\$ (20,000)	\$ (16,372)	\$ (28,205)	\$ (125,527)	\$ -	\$ -	\$ -	\$ -	\$ 313,694
Annual After-Tax Benefit	\$ 250,000	\$ -	\$ 45,000	\$ 52,500	\$ 60,000	\$ 73,628	\$ 71,795	\$ 9,524	\$ 111,218	\$ 114,401	\$ 117,679	\$ 2,000,000	
													IRR: 13.9%

* OZ Benefit (Cost) includes, as applicable:

- benefit of original gain deferral
- cost of inclusion events (i.e. recognition of gain associated with distributions in excess of basis)
- cost of deferred gain recognized in 2026
- step-up associated with 10-year investment

Starting Basis	\$ -	\$ -	\$ (3,205)	\$ (16,026)	\$ (28,846)	\$ (41,667)	\$ -	\$ -	\$ 416,872	\$ 297,961	\$ 175,868	\$ 50,497
Investment	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Gain	\$ (1,000,000)	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 65,487	\$ 112,821	\$ 502,108	\$ -	\$ -	\$ -	\$ -
Step Up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,000	\$ -	\$ 30,585	\$ -	\$ -	\$ -	\$ -
Distributions	\$ -	\$ -	\$ (60,000)	\$ (70,000)	\$ (80,000)	\$ (90,000)	\$ (100,000)	\$ (103,000)	\$ (106,090)	\$ (109,273)	\$ (112,551)	\$ (2,000,000)
Income (Loss)	\$ -	\$ (3,205)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ (12,821)	\$ 1,068,093
Ending Basis	\$ -	\$ (3,205)	\$ (16,026)	\$ (28,846)	\$ (41,667)	\$ -	\$ -	\$ 416,872	\$ 297,961	\$ 175,868	\$ 50,497	\$ (881,410)

year 10 step-up is reflected above