

PARK VIEW

THE BRIDGE STRATEGY: ADDRESSING THE GAP IN OZ LEGISLATION



Providing a Bridge Over the OZ Funding Dead Zone

The Challenge

The new permanent opportunity zone legislation introduces expanded tax incentives beginning January 1, 2027. However, existing QOF rules create a timing problem: capital gains must be reinvested within 180 days of realization, meaning gains realized before July 2026 will fall outside the eligibility window before the enhanced incentives take effect.

This creates an unintended "Dead Zone" where investors face an artificial choice: invest now under current rules or wait for better incentives. Many will likely delay investing, restricting capital flows to the communities that need investment most—running counter to the legislation's intent.



The Solution

The existing regulatory framework already provides a viable bridge. The final OZ regulations treat gain from selling a QOF investment as newly realized capital gain, creating a fresh 180-day reinvestment window. This allows investors to maintain continuous deferral while positioning capital to capture the 2027 enhancements.

As a QOF with publicly traded shares, Park View OZ is uniquely positioned to implement this strategy.

This guide explains a practical approach using existing regulations to maintain deferral benefits, preserve eligibility, and position capital for the 2027 incentive window.

1. Understanding the Timing Challenge

The 180-Day Rule: Under current rules, capital gains must be invested into a Qualified Opportunity Fund (QOF) within 180 days of being realized.

Why Timing Matters:

- Gains realized before July 2026 will have their 180-day window close before the enhanced OZ incentives take effect.
- Many investors may be inclined to pause OZ investments until 2027, reducing the flow of capital to the OZ communities that the legislation intended to help.

Impact:

- Investors may feel forced to choose between acting now or waiting for better incentives later.
- OZ communities may experience a temporary slowdown in investment during this transition period.

2. A Regulatory Pathway to Maintain Eligibility

The OZ regulations allow an investor who has already deferred a gain through a QOF to sell that QOF investment and have the resulting gain treated as newly realized. This action creates a new 180-day window to continue the deferral by investing into the same or another QOF.

This bridge strategy can help investors keep their current capital gains eligible for the enhanced incentive period beginning in 2027.



Why It Works:

- Selling a QOF investment triggers the realization of the original capital gain with a new realization date.
- The new realization date opens a new 180-day QOF investment window, starting on the date of the sale.
- Investors may use this new window to reinvest after January 1, 2027, when the enhanced incentives apply.

Because Park View OZ (PVOZ) is publicly traded, investors have the flexibility to enter or exit the fund without lockups, accreditation requirements, or high investment minimums. All of which is a significant advantage when implementing timing-based strategies.

3. How the Bridge Strategy Can Be Used

Below are simplified examples illustrating how the timing can work:

Example #1 with the Bridge Strategy:

A taxpayer invests a late 2025 capital gain in early 2026, holding their QOF investment until late 2026. Their original deferral period ends with the sale of the QOF, and the QOF re-investment (and re-deferral) window is open for 180 days from that date. However, the taxpayer must sell the QOF and not simply let the statutory deferral expire on December 31, 2026.



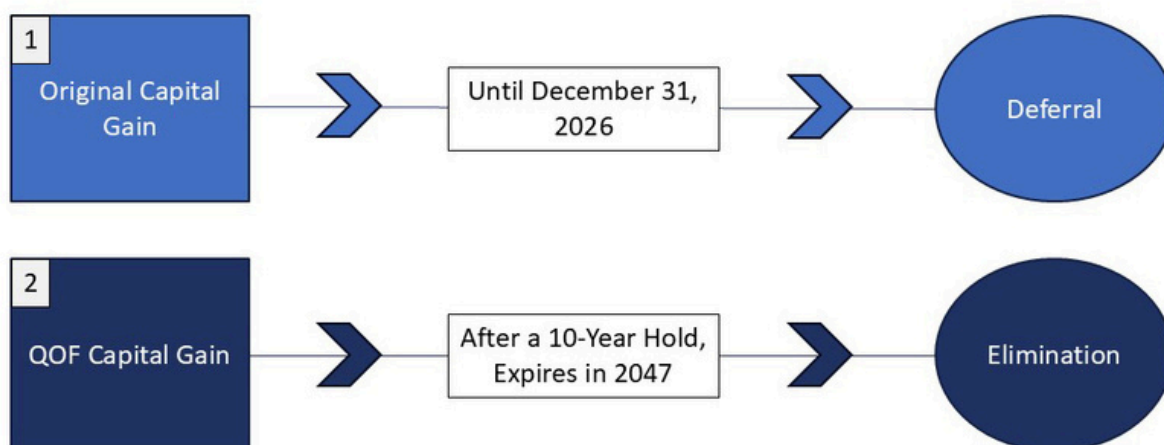
The potential resulting benefits include a 5-year deferral from the 2027 reinvestment date, 10% elimination of the original deferred gain after a 5-year hold, and 100% elimination of QOF appreciation for up to 30 years after a 10-year hold is achieved.



Example #2 Without the Bridge Strategy:

The taxpayer may decide to stay invested in the original QOF, enabling them to eliminate 100% of any QOF capital gains sooner, which would be 10 years from the date of the original QOF investment. The elimination benefit would remain available through 2047. The deferral period would end on December 31, 2026, and the tax would be due in the spring of 2027.

These examples highlight how this approach can maintain flexibility while allowing participation in the upcoming incentive expansion.



4. Considerations and Trade-Offs of the Bridge Strategy

- Each time the taxpayer switches from one QOF to another, it resets their hold period to zero.
- Making a short-term QOF investment exposes investors to the risks of price volatility.
- The new permanent opportunity zone legislation is brand new, so there is no case law or other signals from the IRS indicating that they agree or disagree with our interpretation of the regulations. We could have better clarity by the time we approach the transition to the enhanced incentives in 2027.

Current OZ Program

OZ 2.0

Timing of eligible investments	QOF investments from capital gains realized on or prior to December 31, 2026.	QOF investments made after January 1, 2027.
Capital eligible for QOF tax incentives	Capital is eligible up to the amount of capital gains realized within the last 180 days.	Capital is eligible up to the amount of capital gains realized within the last 180 days.
Deferral benefit on the original capital gain	Until December 31, 2026.	5 years from the date of the QOF investment. Eliminates 10% of the tax liability if the QOF is held for the full 5-year period.
Capital gain elimination benefit on the QOF investment	Eliminates 100% of capital gains. This benefit expires December 31, 2047.	Eliminates 100% of capital gains. This benefit expires 30 years from the date of purchase.

5. Putting the Strategy Into Practice

For investors interested in aligning gains with the 2027 incentive window, flexibility is key. Most QOFs require long-term lockups, making it difficult to execute timing strategies.

Park View OZ (PVOZ) offers several important advantages:

- **No investor accreditation requirements:** This eliminates a potentially intrusive vetting process that has historically excluded the majority of U.S. households from participating.
- **Low investment minimums:** Investors can purchase as little as one share on the open market, which is helpful since only recent capital gains qualify.
- **No complicated partnership (K-1) tax forms:** Investors receive the same straightforward tax documents as they would for any public stock.
- **No capital lockup or forced liquidation:** Our shares are freely tradable. It is your money, so you control the holding period. Hold for one year or 30 years. Enjoy the flexibility to implement the strategy that fits your unique financial planning needs.

Park View OZ is structured to deliver the full benefits of Opportunity Zone investing by giving our investors the control they need to maximize these powerful incentives.



Conclusion

The “Dead Zone” problem is real, but it doesn’t have to stall OZ investments. We believe the regulatory framework already provides a pathway for investors to bridge the gap between today’s opportunity zone incentives and the enhanced benefits that will become available in 2027. While this strategy comes with inherent risks, it could help maintain capital flows to opportunity zone communities, help investors build tax-efficient financial plans, and allow this legislation to fulfill its mission by delivering continued capital flows to opportunity zone communities during this critical transition period.

Investors considering this approach should consult with qualified tax advisors and explore investment structures that offer the flexibility needed to execute this timing strategy effectively. Given that most QOFs require 10-year hold commitments, Park View OZ’s publicly traded stock (Symbol: PVOZ) allows the holding period flexibility essential for implementing this bridge strategy, regardless of which QOF investors ultimately choose for their long-term holdings.



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You may visit our website at www.parkviewozreit.com to view our full investor presentation and access our electronic investor [subscription agreement](#).

Opportunity Zone investments involve specific requirements and considerations, so we encourage all prospective investors to review our [offering circular](#) and consult with a qualified tax professional before making any investment decision.

Park View OZ's SEC filings are available at:

<https://www.sec.gov/cgi-bin/browse-edgar?CIK=1824204>

This information reflects our understanding of recently enacted tax OZ 2.0 legislation. Guidance and interpretations may evolve, and the information below may change as additional IRS guidance becomes available. Materials provided by Park View OZ or our affiliates have been prepared for informational purposes only and are not intended to provide or be relied on for tax, legal, or financial advice. You should consult your own tax and legal advisors before engaging in any transaction.