



VALLEY RANCH



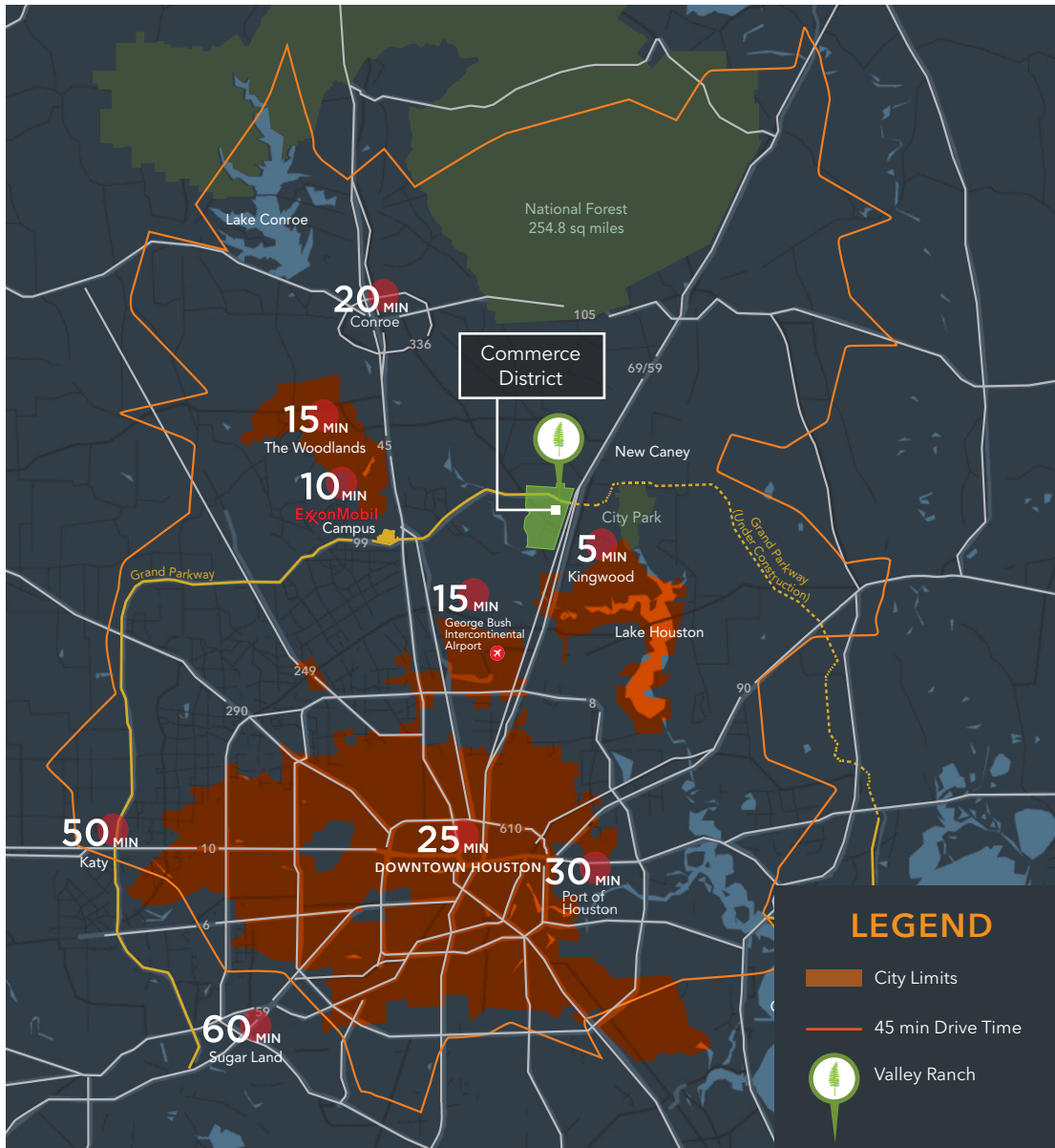
COMMERCE
DISTRICT

VALLEY RANCH COMMERCE DISTRICT

INTERSTATE 69 & GRAND PARKWAY (99) | Montgomery County, Texas



EXECUTIVE SUMMARY



Location. Location. Location.

Located in the Houston MSA, Valley Ranch offers immediate access to a highly skilled employment base, low taxation, low cost of living and a distinctively favorable business climate. The mixed-use development is only 25 minutes from downtown Houston, 15 minutes from George Bush Intercontinental Airport, 10 minutes from Exxon's world headquarters, and is located at the main intersection of Interstate 69 (US Highway 59) and the newly created Grand Parkway (TX 99).

With immediate access and visibility from this high-profile intersection, employees have a large range of opportunities where they can live, work, and play.

There is a population of over 6.6 million living in the greater Houston MSA, with 4.37 million within a 45 minute drive time or less to Valley Ranch.



A Highly Qualified Workforce



EDUCATION

Regional Leader in Education Attainment



JOBS

Ranks in Top 8 for Employment Growth out of the largest counties in Texas



QUALITY OF LIFE

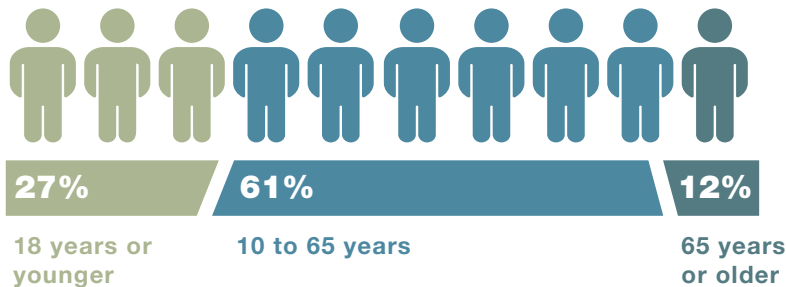
12th Healthiest Residents in Texas and 2nd in the Greater Houston Area



POPULATION & DIVERSITY

4th Fastest Growing County in Texas

Age Distribution



The age distribution of the West Houston population presents the area with a high capacity workforce, and provides the potential for a continuous supply of highly educated individuals. With a concentrated highly- educated workforce, the median household income in the West Houston Area is \$71,123, 15% higher than that of the MSA and 26% that of Texas

Montgomery County

- Ranked extremely high (17 out of 3,110 counties) in employment and productivity index
- a 10-year growth rate of 44.92%, outpacing the average regional growth rate (50 mile radius)

OVERALL MASTERPLAN



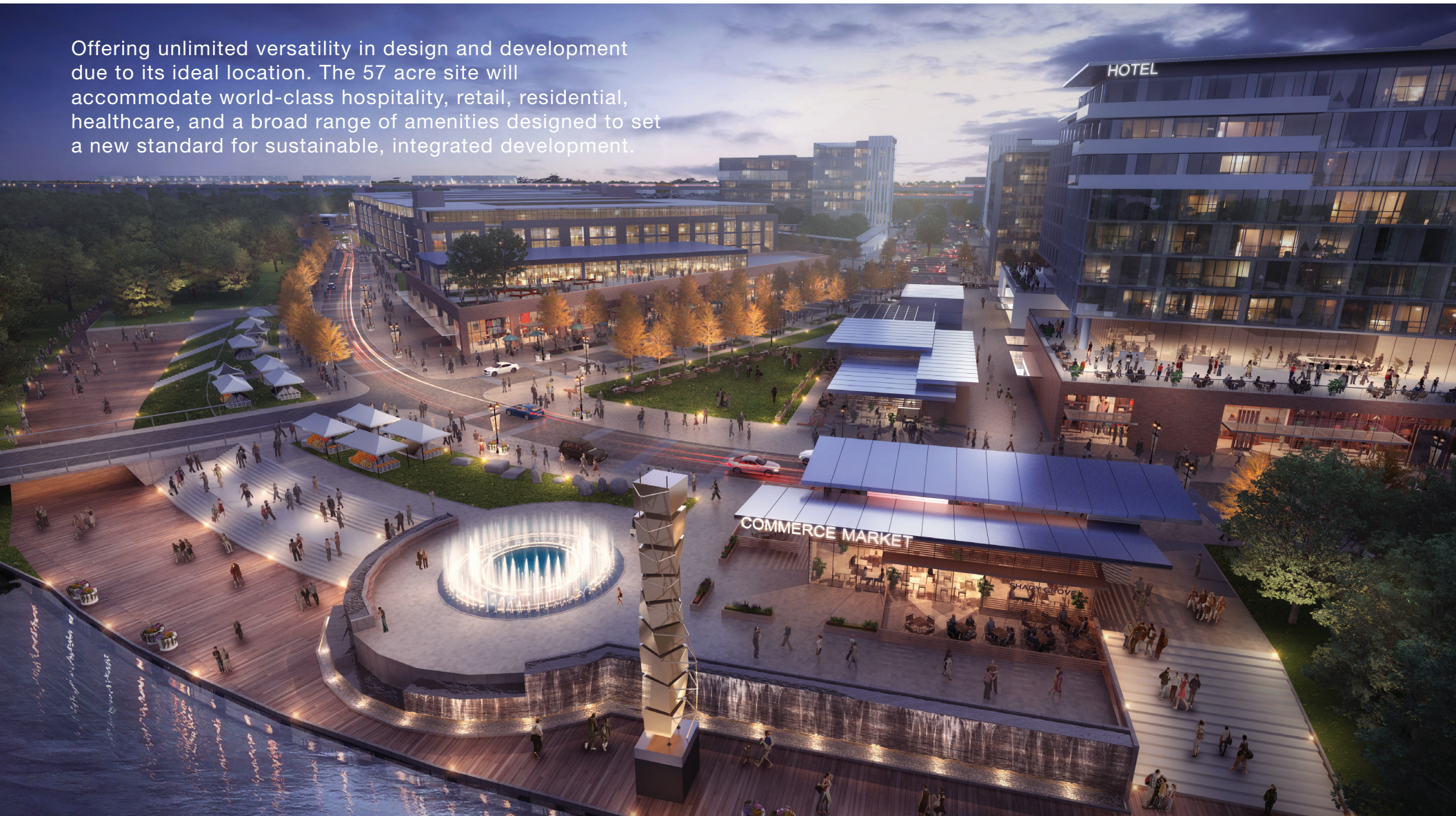
Valley Ranch is a 1400 acre master-planned development that includes all aspects of a modern, connected community.

There are 57 acres available for commercial development wrapped adjacent to a 240-acre nature preserve which includes numerous lakes, White Oak Creek and miles of trails, conveniently connecting amenities through the development. The site offers unlimited versatility in design and development due to its ideal location and ample land located at the intersection of Interstate 69 and The Grand Parkway (99) in Montgomery County.

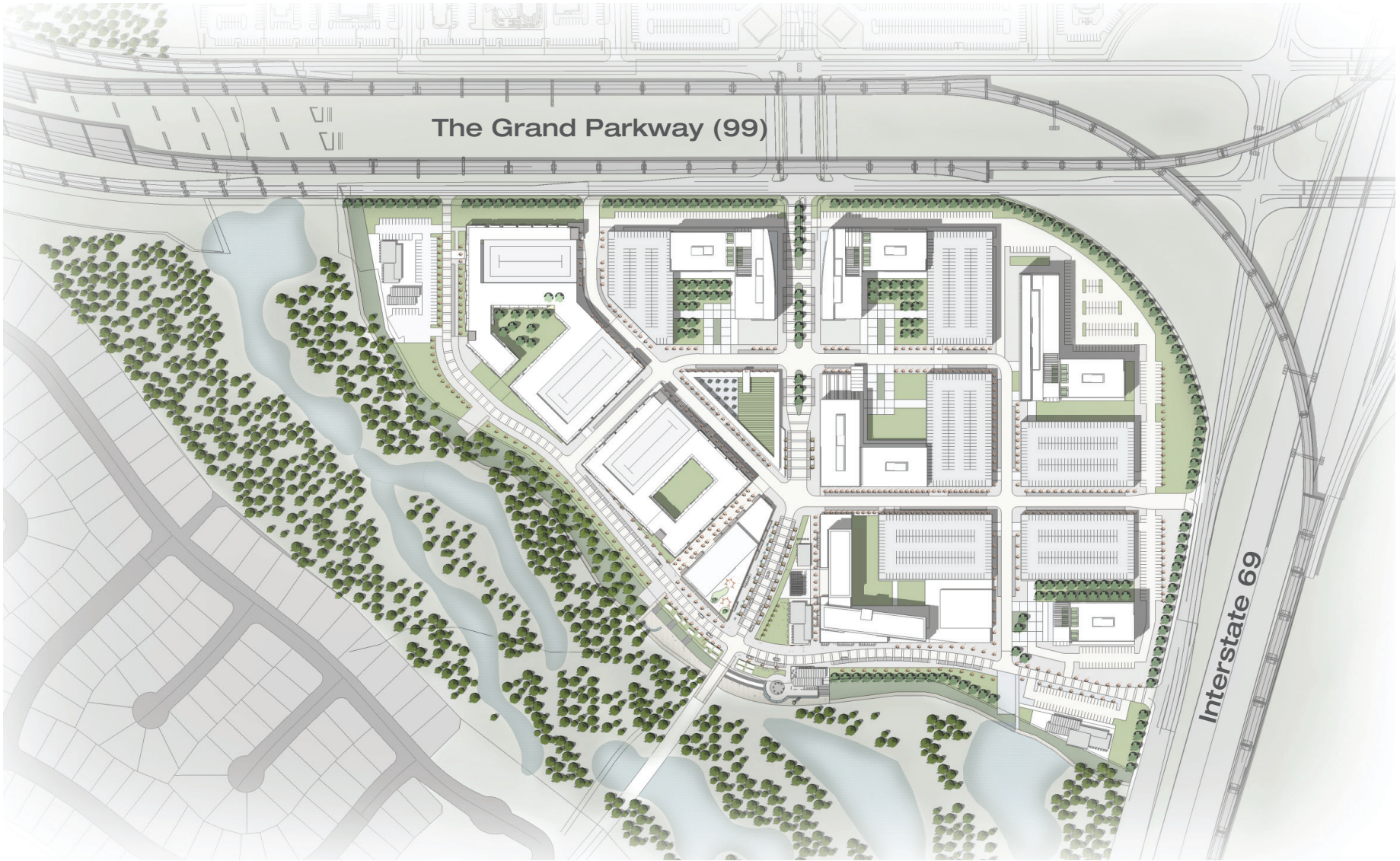
COMMERCE DISTRICT



Offering unlimited versatility in design and development due to its ideal location. The 57 acre site will accommodate world-class hospitality, retail, residential, healthcare, and a broad range of amenities designed to set a new standard for sustainable, integrated development.



OVERALL SITE PLAN



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Due West at Interstate 69 and The Grand Parkway (99)

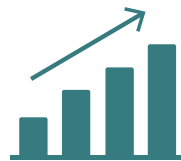


On December 20, 2017, Congress passed the Tax Cuts and Jobs Act (TCJA) in effort to reduce taxes, stimulate the economy, and spur job growth, Through this act, the Opportunity Zone program was created. The new provision allows investors to roll their capital gain tax liabilities from various asset sales into new investments on a tax-deferred basis through **Qualified Opportunity Funds**.

With a goal of promoting long-term economic growth, Qualified Opportunity Funds make investments in low-income communities that qualify as **Opportunity Zones**. Tax payers then become eligible to receive significant tax benefits in three ways:



Capital Gains Deferral



Step-Up in Basis

(partial forgiveness)



Capital Gains Exclusion

(forgiveness of additional gains)

According to Washington DC based public policy organization Economic Innovation Group, U.S. investors currently hold approximately **\$6.1 trillion** in unrealized capital gains.



Capital Gains Deferral

The TCJA allows a tax payer 180 days in which to reinvest capital gains into a Qualified Opportunity Fund.

Reinvesting capital gains allows tax payers to defer capital gains tax until the “Recognition Date,” the earlier of the date the Opportunity Zone property is disposed of, or December 3, 2026.

At the Recognition Date, the tax payer must pay capital gains tax on the initial investment based on the current basis within the QOZ Fund.

Step-Up Basis

At the time of investment in the OZ Fund, the deferred gain basis begins at zero.

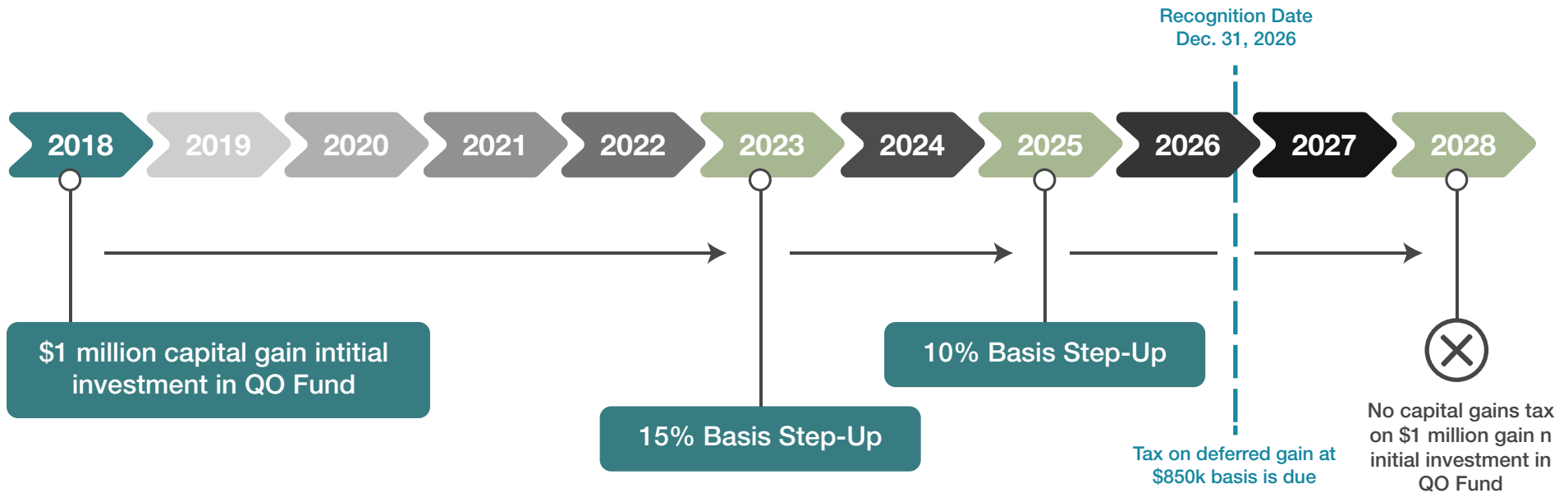
- After 5 years, the basis increases by 0%
- After 7 years, the basis increases by an additional 5%

Capital Gains Exclusion

If a taxpayer holds the investment in the Qualified Opportunity Fund for 10 years, then the taxpayer will not pay capital gains tax on the appreciation of the investment from the time of initial investment in the Qualified Opportunity Fund through the sale of the investment.

In other words, a taxpayer can elect to step up the basis in the QOZ Fund to fair market value and not pay any capital gains tax received while invested in the QOZ Fund if the investment is held for 10 years.

EXAMPLE OF OPPORTUNITY FUND INVESTING



Qualified Opportunity Zone Business investments in “business property” that can be in the form of real estate or an operating company or business that conducts its business within the zone.

COMPARISON OF TAX DEFERRED INVESTMENTS



Comparison	1031 Exchange	Opportunity Zone
Use of Property	Must be like-kind	Does not need to be like-kind
Nature of Property	Must be real property	Can be real or personal property
Identification of Reinvestment	45 days	No requirement
Closing of Reinvestment	180 days	180 days
Proceeds to Invest	Entire proceeds from sale	Only the gain on sale
Partnership Interests	Not allowed	Allowed
Stock in Corporations	Not allowed	Allowed
Recognition of Deferred Gains	Upon sale of replacement property unless further deferred to new like-kind property	“Recognition Date” — earlier of sale of investment in QOZ Fund or December 31, 2026
Tax Basis Step-Up	None	10% if 5 years before December 31, 2026 15% if 7 years before December 31, 2026

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FOR ADDITIONAL INFORMATION:

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