ST COMMERCIAL CAPITAL · QUALIFIED OPPORTUNITY FUNDS · QOZ 2.0

Fund & Investments · Full Lifecycle

From fund formation through a build-to-suit development, to the recognition and permanent forgiveness of investors' deferred and appreciation gain.

● Fund & property milestone ● Investor-specific milestone — timed from each investor's own contribution

--- Steps that may overlap in time

1

Sponsor Forms the Fund

ST Commercial Capital, as sponsor, organizes and sets up a Qualified Opportunity Fund (QOF) to acquire and develop real estate inside a designated Qualified Opportunity Zone under the QOZ 2.0 rules.

2

Fund Ties Up a QOZ Property

The fund identifies and secures control of a property inside a Qualified Opportunity Zone — typically through an option, purchase contract, or letter of intent — ahead of full underwriting and design.

3

Development & Capital Formation

CONCURRENT WORKSTREAMS — 3A–3E MAY OVERLAP WITH ONE ANOTHER

3a **Diligence, Design & Lease-Up**
The fund completes due diligence on the property, designs the site for its intended tenant(s), and signs a long-term build-to-suit (or renovate-to-suit) lease with the tenant(s).

3b **Financing & Entitlements**
Debt financing is arranged — subsidized by New Markets Tax Credits (NMTC) where applicable — and the necessary entitlements are obtained.

3c **Investors Commit Capital**
Investors holding a realized capital gain they wish to defer join the fund and make a binding commitment to invest.

3d **Contingencies Cleared, Major Contracts Signed**
Remaining contingencies are removed, and the general contractor agreement, financing agreements, and architect agreement are executed.

3e **Capital Contributed, Fund Closes, Construction Begins** INVESTOR CLOCK STARTS
Investors contribute their committed investment funds; the fund closes on financing and the property purchase; construction begins. Each investor's deferral and holding period is measured from this contribution date.

4

Stabilization

Construction is completed, the tenant(s) take occupancy, and rent payments begin — the property reaches stabilized operations.

5
YEAR 5

Year 5 — Partial Gain Forgiveness

Five years after each investor's respective contribution of investment funds, 10% (or 30% for a qualified rural QOZ investment) of that investor's originally deferred gain is permanently forgiven; the remaining deferred gain is recognized.

6
YEAR 10

Year 10 — Appreciation Gain Forgiven

Ten years after each investor's respective contribution of investment funds, all appreciation gain on that investor's investment is forgiven.

7

Governance & Exit Window

7A AND 7B MAY OVERLAP WITH ONE ANOTHER

7a **Periodic Vote to Sell & Dissolve**
Once every investor has passed their 10-year mark, and every three years thereafter, the fund's investors vote on whether to sell the property, distribute net proceeds, and dissolve the fund.

7b **Year 30 — Forgiveness Window Closes** YEAR 30
Thirty years after each investor's respective contribution of investment funds, forgiveness of appreciation gain on that investor's investment ceases.

For illustrative purposes only. This graphic summarizes a generalized sequence of events for a Qualified Opportunity Fund investing in build-to-suit real estate under the QOZ 2.0 rules; actual timing and mechanics depend on each fund's and each investor's specific facts and circumstances. This is not tax, legal, or investment advice — consult your own qualified advisors before making an investment or tax-deferral decision.