

FUND PROFORMA

Fund Facts

- **2.5x Maximum Deduction multiple**
- **50% Offset of AGI**
- **\$100,000 Minimum Investment**
- **Accredited Investors Only**
- **7% Cumulative Preferred Return**
- **80% of Distributable Income until Return of Capital**
- **Liquidation Starting in Year 6**

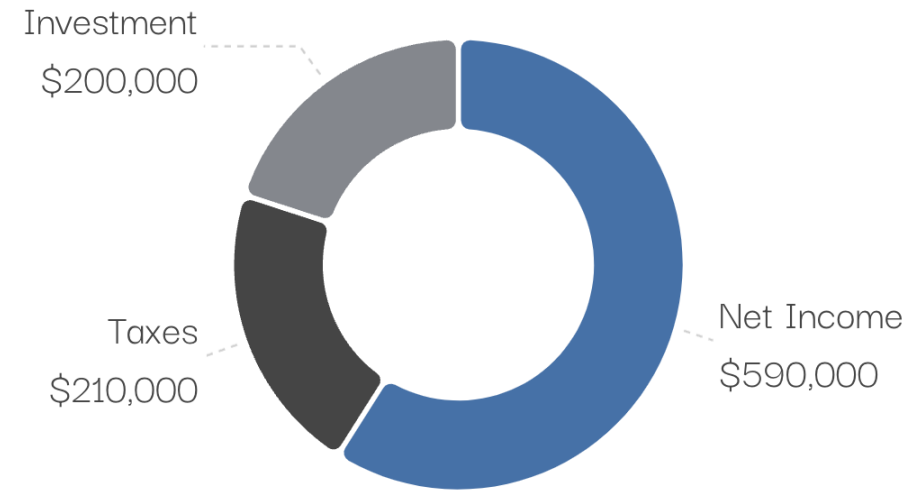
OUR MISSION

ARC is committed to preserving historically significant real estate and businesses in local communities throughout the United States. Our investment strategy leverages federal, state, and local tax incentives to de-risk and enhance returns on our equity investments. By utilizing these incentives and our expertise in investment management, we aim to create value not only for our investors but also for the communities in which we invest.

HOW WE OPERATE

ARC specializes in acquiring historic real estate with substantial development rights. Once identified, the property is placed under a historical preservation easement (HPE). This creates a non-cash charitable tax deduction to our investors which provides a significant return of capital, thus de-risking the investment. ARC then seeks to stabilize & optimize the property cash flows, which may include a redevelopment of the structure. This often includes Federal & State tax incentives to cover up to 50% of the redevelopment costs.

| Hypothetical Investor Cash Flow | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Total |
|-----------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Investment Amount | (\$200,000) | - | - | - | - | - | - | (\$200,000) |
| Federal Tax Incentive Benefits | \$185,000 | - | - | - | - | - | - | 185,000 |
| State Tax Incentive Benefits | 25,000 | - | - | - | - | - | - | 25,000 |
| Cash Distributions | - | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | - | 70,000 |
| Fair Market Value of Investment | - | - | - | - | - | - | 260,000 | 260,000 |
| Net Investor Return | \$10,000 | \$14,000 | \$14,000 | \$14,000 | \$14,000 | \$14,000 | \$260,000 | \$340,000 |
| 2023 Total Investment | \$200,000 | | | | | | | |
| 2023 Total Tax Incentive Benefits | \$210,000 | | | | | | | |
| First Year Cash on Cash Return | 105% | | | | | | | |
| Annual Distribution | 7% | | | | | | | |
| Total Return | 270% | | | | | | | |



*assuming \$1,000,000 AGI and 42% tax rate

