



*American Revitalization Company*

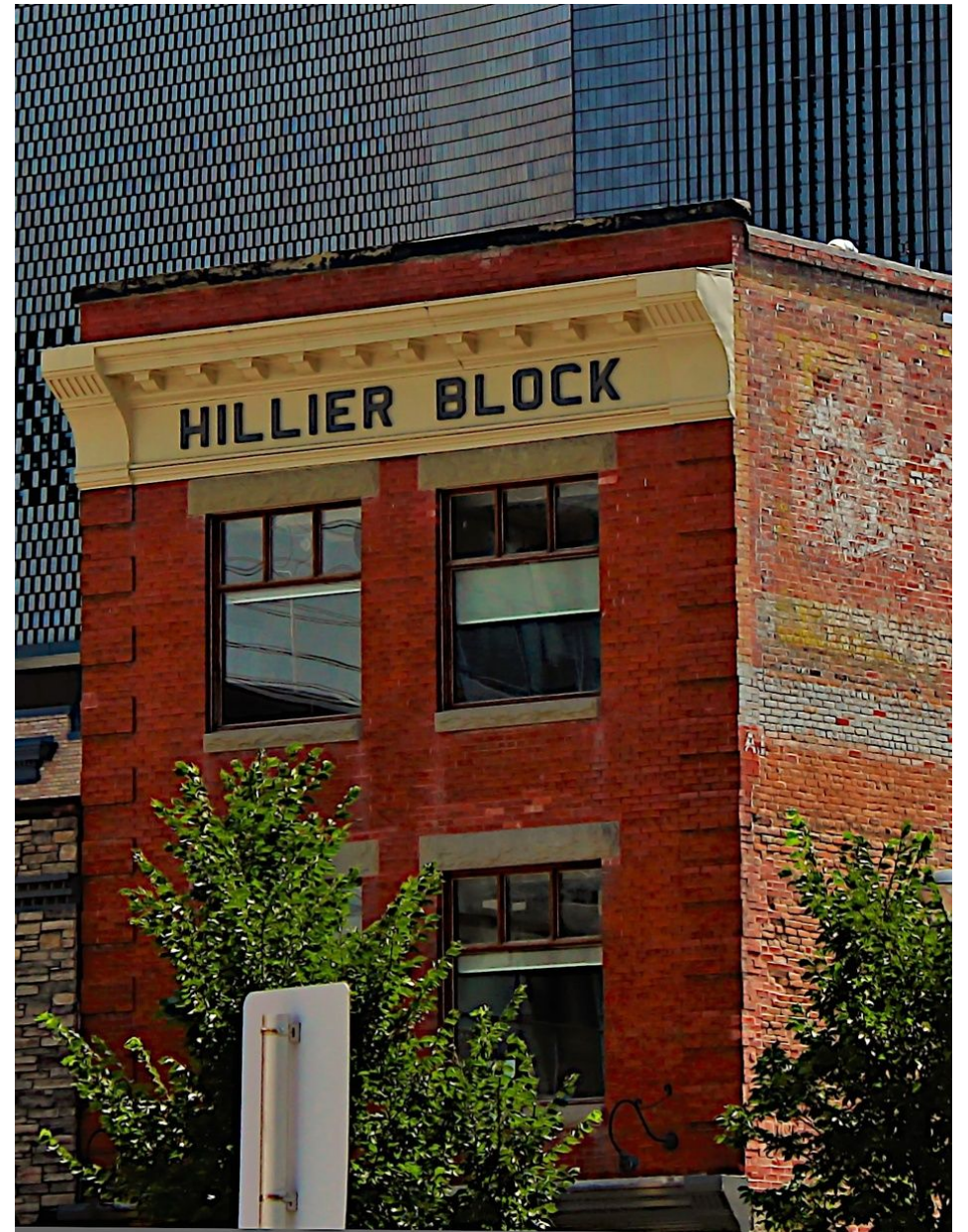
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# The Big Picture

ARC, LLC is a real estate and business development company. ARC, LLC focuses on preserving historic real estate and utilizing tax incentives to de-risk our equity investments substantially.

ARC, LLC targets investments that will generate current income and capital appreciation to our investors while using moderate levels of debt.



## 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.

# Meet the Team



**Steve Austin**  
Partner



**Taylor Henderson**  
Partner



**Jeff Smith**  
Partner



**Dylan Still**  
Partner

## Meet the Team



**Kris Mapes**  
Chief Administrative Officer



**Zach Murphy**  
President of Capital Markets



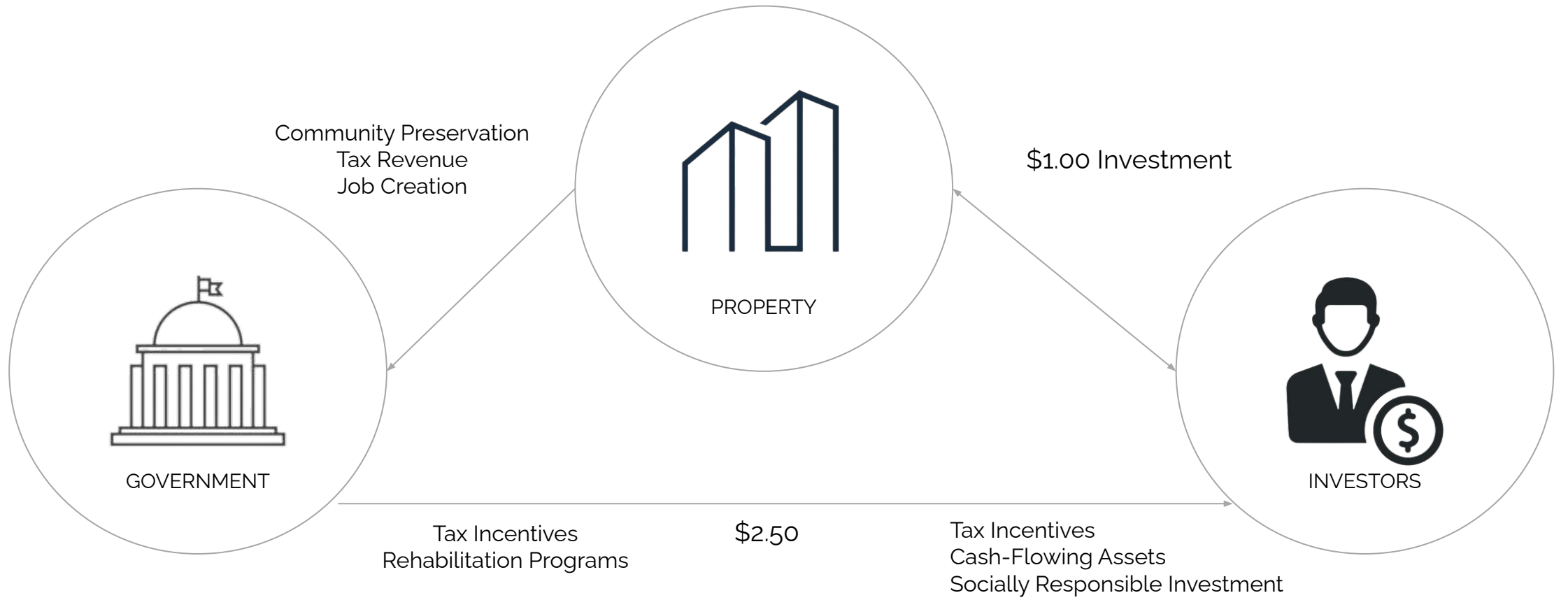
**DJ Lynch**  
Director of Property Acquisition



**Brad Dobbins**  
Chief Operating Officer

# What is an Historic Preservation Easement (HPE)?

- ❖ The term "preservation easement" is commonly used to describe a type of conservation easement – that is, a private, legal arrangement between a property owner and a qualified nonprofit organization or governmental agency for the purpose of protecting a historic property's conservation and preservation values.
- ❖ Historic Preservation Easement (HPE) protects historic structures by restricting changes to the exterior in perpetuity
- ❖ Donating an HPE creates a charitable deduction, defined in IRC §170(h)
- ❖ Easement value is determined by reducing the Hypothetical (Highest and Best Use) Value by the Construction and Building Costs







# 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

# Properties



*Photo provided by CoStar*

Historic Hargett Building  
111 W Hargett, Raleigh, NC

Built  
**1951**

Sq Ft  
**32,023**

Allowable Sq Ft  
**209,060+**

Purchase Price  
**\$7.23MM**

# Properties



Buckeye Building  
2335 Morris Ave, Birmingham, AL

Built  
**1910**

Current Sq Ft  
**8,200**

Allowable Sq Ft  
**150,000+**

Purchase Price  
**\$1.25MM**

# Properties



Mr. Burch Building  
2420 1st Ave N, Birmingham, AL

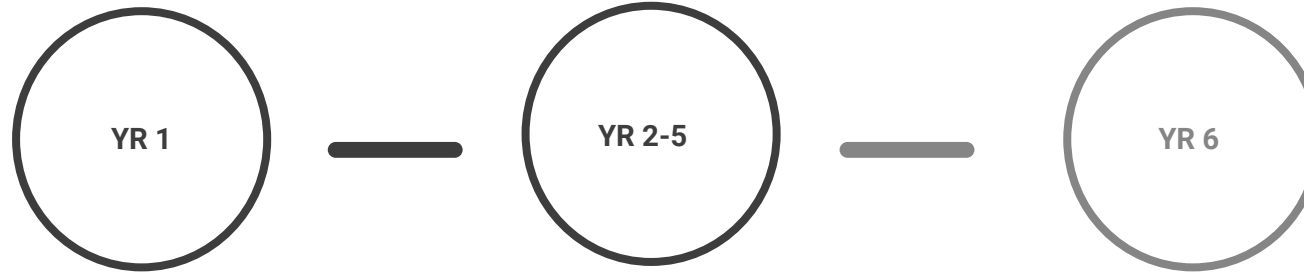
Built  
**1925**

Current Sq Ft  
**14,268**

Allowable Sq Ft  
**230,000+**

Purchase Price  
**\$1.5MM**

# Fund Timeline



## Tax Benefit

- Fund Closes
- Purchase Buildings
- Tax Benefit to Investors

## Cash Flow

- 7% APY Hurdle Rate with 80% over

## Liquidation

- All real estate will be sold at Fair Market Value
- All businesses will be liquidated through ESOP transaction with employees

# Investment Profile

## Historic Real Estate Requirements:

- Meaningful Social and Economic Impact on Urban Areas
- Preserve and Rehabilitate Important Historic Real Estate
- Preservation-Related Tax Incentive Benefits
- Offer Attractive Cash Flow and Residual Value

# Investment Profile

## Business Acquisition Characteristics:

- Primary Industry - Industrial Manufacturing
  - \$1-5m of EBITDA
  - 20+ years in business
  - Assets equivalent to 1-3x purchase price
  - Key employer in local market
  - Eligible for Research & Development tax credits and/or Employee Retention Credits

# Pro Forma

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
<b>Net Investor Return</b>	<b>\$10,000</b>	<b>\$14,000</b>	<b>\$14,000</b>	<b>\$14,000</b>	<b>\$14,000</b>	<b>\$14,000</b>	<b>\$260,000</b>	<b>\$340,000</b>
2023 Total Investment	<b>\$200,000</b>							
2023 Total Tax Incentive Benefits	<b>\$210,000</b>							
First Year Cash on Cash Return	<b>105%</b>							
Annual Distribution	<b>7%</b>							
Total Return	<b>270%</b>							

\*assuming an Adjusted Gross Income of \$1,000,000

\*based on marginal tax bracket of 42% combined Federal & State

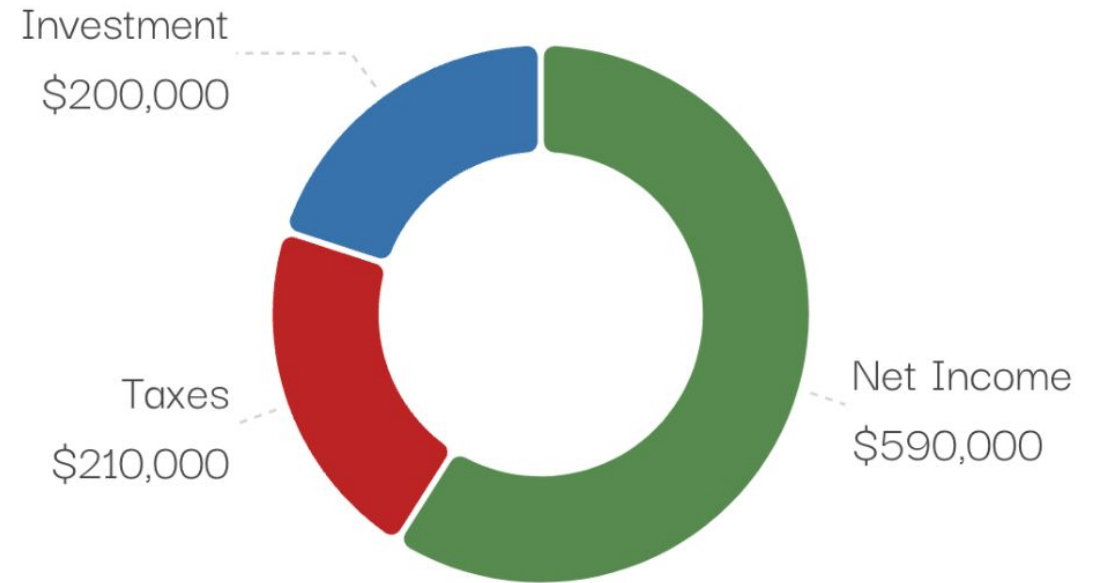


# Net Income: Pre/Post Investment

**Prior to Investment**



**After Investment**



\*assuming an Adjusted Gross Income of \$1,000,000

\*based on marginal tax bracket of 42% combined Federal & State



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