

June 10, 2021

## Dear Insert Shareholder

Our First Quarter 2021 Board of Directors meeting was held two weeks ago, and the fact that it was in-person was only one reason to celebrate. It was our first meeting as an expanded Board of seven, as we welcomed Carlos Imery and Emily Wickey as Independent Directors. *Thank you*, to all the Shareholders who voted in favor of supporting the Board's recommendation to elect these two outstanding professionals. Our Chair, Marin, put together a thoughtful agenda, I was proud to be part of a great group discussion and listen to everyone strategizing about the future of ARC. After the meeting I reflected how fortunate I am professionally to have the support of the Board, and how fortunate we all are as Shareholders for the bright future of our Company.

The Q1-2021 financials are summarized in the enclosed Income Statement and Balance Sheet. As mentioned previously, I will forgo diving into the financials in every quarterly letter. The year has started off with a flurry of acquisition and disposition activity which we highlighted in the March mailing and continue here. From an income/expense perspective, we remain on budget through the first three months of 2021.

We closed on a 2-acre parcel in Sunapee, NH in February, and break ground this week on a new 9,100 Square Foot Dollar General (DG) at the corner of Route 11 and 103. We have once again selected New England Construction to serve as general contractor on this project. They have previously built Sandwich, Lancaster and Wells for us, and continue to deliver value and consistency, quickly becoming a valued partner in our development program as we scale doing more projects.



The Sunapee DG will be completed in early Fall 2020, and open for business shortly thereafter. The 15-year, absolute net lease (meaning, no landlord obligations including roof, etc.) will be a great addition to our portfolio or opportunity to capitalize on the very low cap rate environment for good quality, net lease assets. Our new board members are helping management implement the best strategy for these sought-after net lease deals. A second and equally encouraging project is forming in Weare, NH where we have also signed a 15-year lease with DG for a new store.



In more exciting news, we close next week on a \$3.2M acquisition of 661 Boston Post Road in Marlborough, MA. This 9,000 square foot building is home to three long-term tenants: H&R Block, Champion Cleaners and New England Dental. The 2-acre parcel comes with a stabilized existing rent roll, and the advantage of excess land. We identified this upside, and have a signed LOI and pending lease with Starbucks to build them a new, free-standing drive-thru prototype. We have also proposed a 5,000 square foot addition on the existing improvements (grey and red structure on right below), and are in negotiations with a drive-thru bank user for the to be built end-cap. This deal did not come without its challenges, including negotiations with Target corporate to modifiy Operation and Use Agreements, along with suspected environmental challenges. Fortunately both of these obstacles have been resolved, and we will enjoy new cash flow from the existing tenants for the second half of 2021. The site has been poorly managed over the years; however, as we permit and break ground in late 2021 on the new buildings we will elevate the asset in the marketplace, with façade, site and tenancy improvements! Concept & aerial:





We hope you share in our excitement for some of the projects we have in our pipeline, and the opportunities we see on the horizon. The strategy behind our rebranding last year was to reposition the business within our larger commercial real estate network. As more deals formulate and expanded tenant relationships blossom, we see signs that this plan is coming to fruition.

Continuing with the Board's focus of a consistent dividend, it was voted at the First Quarter meeting to approve a \$1.30 per share dividend, enclosed herein. Our Company's strong financials allow Management to remain nimble with our acquisition and development programs, while also permitting the Board to deliver continued value through dividends and share price appreciation.

In closing, there is one remaining week at camp this summer, June 25 to July 2 – please e-mail <a href="mailto:sclarke@arc1932.com">sclarke@arc1932.com</a> if you're looking for a last minute getaway. Have a great summer!

Eamon D. Moran

President