

Reportable Transaction Disclosure Statement

OMB No. 1545-1800

▶ **Attach to your tax return.**

▶ **See separate instructions.**

▶ **Go to www.irs.gov/Form8886 for instructions and the latest information.**

Attachment
Sequence No. **137**

Name(s) shown on return (individuals enter last name, first name, middle initial) **Identifying number**

Number, street, and room or suite no.	City or town	State	ZIP code
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A If you are filing more than one Form 8886 with your tax return, sequentially number each Form 8886 and enter the statement number for this Form 8886 ▶ Statement number _____ of _____

B Enter the form number of the tax return to which this form is attached or related ▶ _____

Enter the year of the tax return identified above ▶ _____

Is this Form 8886 being filed with an amended tax return? ☐ Yes ☐ No

C Check the box(es) that apply. See instructions. ☐ Initial year filer ☐ Protective disclosure

1a Name of reportable transaction

1b Initial year participated in transaction	1c Reportable transaction or tax shelter registration number. See instructions.
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2 Identify the type of reportable transaction. Check all boxes that apply. See instructions.

a <input type="checkbox"/> Listed	c <input type="checkbox"/> Contractual protection	e <input type="checkbox"/> Transaction of interest
b <input type="checkbox"/> Confidential	d <input type="checkbox"/> Loss	

3 If you checked box 2a or 2e, enter the published guidance number for the listed transaction or transaction of interest ▶ _____

4 Enter the number of "same as or substantially similar" transactions reported on this form ▶ _____

5 If you participated in this reportable transaction through a partnership, S corporation, trust, and foreign entity, check the applicable boxes and provide the information below for the entity(ies). See instructions. (Attach additional sheets, if necessary.)

a Type of entity ▶	<input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> S corporation <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> S corporation <input type="checkbox"/> Foreign
b Name ▶		
c Employer identification number (EIN), if known . ▶		
d Date Schedule K-1 received from entity (enter "none" if Schedule K-1 not received) ▶		

6 Enter below the name and address of each individual or entity to whom you paid a fee with regard to the transaction if that individual or entity promoted, solicited, or recommended your participation in the transaction, or provided tax advice related to the transaction. (Attach additional sheets, if necessary.)

a Name	Identifying number (if known)	Fees paid \$
Number, street, and room or suite no.	City or town	State ZIP code
b Name	Identifying number (if known)	Fees paid \$
Number, street, and room or suite no.	City or town	State ZIP code

7 Facts**a** Identify the type of tax benefit generated by the transaction. Check all the boxes that apply. See instructions.

- ☐ Deductions ☐ Exclusions from gross income ☐ Absence of adjustments to basis ☐ Tax credits
☐ Capital loss ☐ Nonrecognition of gain ☐ Deferral
☐ Ordinary loss ☐ Adjustments to basis ☐ Other _____

b Enter the total dollar amount of your tax benefits identified in 7a. See instructions \$ _____**c** Enter the anticipated number of years the transaction provides the tax benefits stated in 7b. See instructions _____**d** Enter your total investment or basis in the transaction. See instructions \$ _____

e Further describe the amount and nature of the expected tax treatment and expected tax benefits generated by the transaction for all affected years. Include facts of each step of the transaction that relate to the expected tax benefits including the amount and nature of your investment. Include in your description your participation in the transaction and all related transactions regardless of the year in which they were entered into. Also, include a description of any tax result protection with respect to the transaction.

8 Identify all individuals and entities involved in the transaction that are tax-exempt, foreign, or related. Check the appropriate box(es). See instructions. Include their name(s), identifying number(s), address(es), and a brief description of their involvement. For each foreign entity, identify its country of incorporation or existence. For each individual or related entity, explain how the individual or entity is related. Attach additional sheets, if necessary.

a Type of individual or entity: ☐ Tax-exempt ☐ Foreign ☐ Related

Name	Identifying number

Address

Description

b Type of individual or entity: ☐ Tax-exempt ☐ Foreign ☐ Related

Name	Identifying number

Address

Description

ATTACHMENT TO FORM 8886

Line 6

[CONTINUATION OF LINE 6 (if needed)]:

<u>Name</u>	<u>EIN</u>	<u>Address</u>	<u>Fees Paid</u>
<u>Name</u>	<u>EIN</u>	<u>Address</u>	<u>Fees Paid</u>

Line 7:

[CONTINUATION OF LINE 7e]:

Casper Grove, an Alabama limited liability company (“Casper Grove”) was formed on April 7, 2020 on behalf of H. Danny Brewer, an individual resident of the State of Alabama (“H.D. Brewer”) and Robbie P. Brewer, an individual resident of the State of Alabama, and Green Rock Management, LLC, an Alabama limited liability company (“GRM” and together with H.D. Brewer and R. Brewer, the “Original Owners”). Casper Grove obtained title to the Property by virtue of a tax-free contribution, pursuant to Section 721(a) of the Code from H.D. Brewer and R. Brewer in exchange for the issuance of a 49.5% membership interest each in the company. H.D. Brewer and R. Brewer’s capital contributions are evidenced by (i) a Membership Interest Issuance and Contribution Agreement, dated April 13, 2020, by and between H.D. Brewer and Casper Grove, (ii) a Membership Interest Issuance and Contribution Agreement, dated April 13, 2020, by and between R. Brewer and Casper Grove, and (iii) a Warranty Deed of Contribution, dated April 24, 2020, and recorded on May 1, 2020, in Deed Book 2020, at Page 1101331 in the official records of the Office of the Probate Judge of Jackson County, Alabama. Prior to contributing the Property to Casper Grove, H.D. Brewer and R. Brewer obtained title to the Property pursuant to that certain Warranty Deed – Joint Tenants with Right of Survivorship from Ricky L. Eakin, an individual resident of the State of Alabama, dated March 11, 1999, and recorded on March 11, 1999, in Deed Book 99, Page 4829, in the official records of the Office of the Probate Judge of Jackson County, Alabama, thereby vesting full title in and to the Property to H.D. Brewer and R. Brewer no later than 1999.

Prior to Casper Grove’s “qualified conservation contribution” in the form of a conservation easement encumbering the Property, Casper Grove Partners, LLC, a Delaware limited liability company (“CGP”) conducted a private securities offering of its membership interests to certain qualified outside investors with a maximum offering amount of \$7,800,000 (the “Offering”) in order to raise sufficient capital to acquire up a 98% membership interest in Casper Grove from H.D. Brewer and R. Brewer (the “Sellers”), pursuant to a Membership Interest Purchase and Contribution Agreement, dated May 6, 2020, by and among the Sellers, Casper Grove and CGP (the “Purchase Agreement”). CGP provided a private placement

memorandum to its investor-members (the “PPM”) illustrating CGP’s primary business purpose, which was to acquire the membership interest in Casper Grove and to participate, as a member thereof, in Casper Grove’s primary business purpose to develop approximately 123.43 acres of real property that Casper Grove owns in Jackson County, Alabama (the “Property”) as a crushed stone mining and processing operation to quarry over 13.2 million U.S. tons of recoverable reserves of limestone over the projected 20-year life of the proposed mine for purposes of sale for road construction and residential and commercial development projects (collectively, the “Development Activities”). Alternatively, pursuant to a formal written vote, CGP’s members had the option to decide whether CGP and Casper Grove would forego the Development Activities and have Casper Grove either (i) conserve the Property in perpetuity by encumbering it with a perpetual conservation easement charitably donated to a “qualified organization” and, thus making a “qualified conservation contribution” pursuant to Sections 170(b) and 170(h) of the Internal Revenue Code of 1986, as amended (the “Code”) (a “Conservation Easement”), or (ii) hold the Property for potential appreciation in value for an indeterminate period of time, until the manager of CGP and Casper Grove determines whether the Development Activities or potentially other income-producing options for the Property would be in the best interests of the members of both CGP and Casper Grove in the future.

Burgex, Inc., d/b/a Burgex Mining Consultants was engaged on behalf of CGP and Casper Grove to examine the viability of a crushed stone mining and processing facility and separately commissioned a mining operations feasibility and market absorption report with respect to the Property and the stone mining industry, to support the Development Activities.

Casper Grove also engaged Heritage Preservation Trust, Inc., a South Carolina non-profit corporation and 501(c)(3) tax exempt entity (the “Land Trust”) to assess and prepare (or have prepared at its direction) a baseline documentation report to substantiate the conservation values associated with the Property and the “conservation purposes” (as defined in Section 170(h)(4) of the Code and Treasury Regulation § 1.170A-14(d)) that would be served, if the Property were protected from development. Based on that assessment, the Land Trust provided a conservation easement document that would protect the conservation values of the Property in perpetuity upon its execution by Casper Grove.

Casper Grove, by and through its legal counsel, engaged the services of each of Global Valuation & Consulting, Inc. (“Global Valuation”) and Kenny and Associates, Inc. (“Kenny”) to perform separate independent valuation services and prepare preliminary draft qualified appraisal reports to assess the value of a potential crushed stone mining and processing operation on the Property, and alternatively, at CGP’s members’ option, the effect of the potential Conservation Easement with respect to the Property. Global Valuation provided a preliminary valuation of the fair market value of the Property as developed in accordance with the Development Activities, after taking into account all relevant factors, and concluded that fair market value would be approximately \$40,647,809 (as of April 27, 2020). Global Valuation also valued the “after value” of the Property, as encumbered by a potential conservation easement, at \$210,000. Simultaneously, Kenny provided a preliminary valuation of the fair market value of the Property as developed in accordance with the Development Activities, after taking into account all relevant factors, and concluded that the fair market value would be \$40,650,000. Kenny also valued the “after value” of the Property, as encumbered by a potential conservation easement, at \$210,000.

Casper Grove also engaged Global Valuation to prepare the final “qualified appraisal report,” which Global Valuation completed on February 1, 2021, (the “Final Qualified Appraisal”) and concluded that the updated fair market value was \$40,648,000, as of the date of the “qualified conservation contribution” (November 13, 2020), which was based, in part, on adjustments to the rounding methodology used in the value calculation. Global Valuation also concluded in the Final Qualified Appraisal that the “after value” of the Property, as encumbered by the Conservation Easement, would be \$210,000.

The gross proceeds of the Offering were \$7,113,000. Following the closing of the Offering, CGP, Casper Grove and the Sellers consummated the Purchase Agreement and CGP acquired the 98% membership interest in Casper Grove from the Sellers on October 30, 2020.

Thereafter, in accordance with the Limited Liability Company Agreement of Casper Grove Partners, LLC, the members of CGP voted on which of the three (3) business purposes CGP should cause Casper Grove to pursue: (i) holding the Property for a long-term investment strategy in reliance of future appreciation in value, (ii) developing the Property in accordance with the Development Activities, or (iii) encumbering the Property with the Conservation Easement to be charitably donated to the Land Trust, in lieu of the development of the Property pursuant to the Development Activities. At least a majority of the members of CGP voted to protect the conservation values of the Property by encumbering the Property with the Conservation Easement in favor of the Land Trust. In accordance with the results of the CGP’s member vote, which was recorded November 10, 2020, Green Rock Management, LLC (“GRM”), as manager of Casper Grove, caused Casper Grove to encumber the Property by placing a conservation easement (the “Conservation Easement”) thereon in favor of the Land Trust. The Deed of Conservation Easement was recorded on November 13, 2020 in Deed Book 2020, at Page 1105915 in the official records of the Office of the Probate Judge of Jackson County, Alabama.

Casper Grove will reflect the charitable contribution deduction with respect to the Conservation Easement (the “Deduction”) on its IRS Form 1065 (U.S. Return of Partnership Income) for the year 2020 and on the various Schedule K-1 forms provided to its members, using the difference between the residual value of the Property after being encumbered by the Conservation Easement (\$210,000) and the fair market value of the Property as of November 13, 2020 prior to such encumbrance (\$40,648,000), which Deduction is \$40,438,000, all of which is reflected in the Final Qualified Appraisal. The Deduction was allocated between CGP and the other members of Casper Grove as “separately” stated items by virtue of Code Section 702(a)(4). Casper Grove’s return also includes a fully-executed Form 8283 and a copy of Global Valuation’s Final Qualified Appraisal. We anticipate that CGP, as a member of Casper Grove, will reflect its pro rata share of the Deduction on its IRS Form 1065 for the year 2020 and on the various Schedule K-1 forms it provided to its members, who we anticipate will claim their allocable share of the Deduction (by virtue of CGP being a “pass through entity” for purposes of federal income taxes) on their individual Federal income tax returns for the year 2020, subject to applicable percentage limitations and carryforward rules.

Following the member vote of CGP regarding business operations, the members of CGP held a vote to determine whether to purchase a liability insurance policy to insure the risks of an adverse determination regarding the U.S. Return of Partnership (Form 1065) of CGP and/or of

Casper Grove for the 2020 tax year. A majority of the members of CGP voted in favor of obtaining the liability policy, and CGP subsequently applied for such policy by submitting a policy application to Volante Specialty Risk, LLC, a Delaware limited liability company. While the policy has not been bound or finalized, such policy may fall within the definition of “tax result protection.”

The investor members of CGP invested in CGP because of the economic benefits that the investment provided. All members of CGP have the opportunity to derive a substantial profit (i) from the full development of the Property (if the members of CGP so chose), or (ii) to realize both tax savings and personal gratification derived from protecting natural features of the Property for future generations to enjoy (if the Conservation Easement donation was pursued) and a potential cash return utilizing the approximately \$1.7 million in “investment reserves” set aside to engage in other business activities and make additional investments.

Line 8:

[Additional Sheets]:

Casper Grove Partners, LLC
EIN 85-0842853
☒ Related Entity
2015 3rd Avenue North
Birmingham, AL 35203

Casper Grove Partners, LLC (“CGP”) is a member of Casper Grove. CGP purchased a 98% membership interest in Casper Grove from H.D. Brewer and R. Brewer. CGP conducted a private placement securities offering of its membership interests to certain qualified outside investors (the “Offering”) in order to, among other things, raise sufficient capital to acquire such 98% membership interest and to participate, as a member thereof, in Casper Grove’s primary business purpose to develop the Property as a crushed stone mining and processing operation (the “Development Activities”). Green Rock Management, LLC (“GRM”) is the sole manager of both Casper Grove and CGP, such that they are affiliated parties. The taxpayer is a member of CGP.

Green Rock Management, LLC
EIN 82-4437082
☒ Related Entity
2015 3rd Avenue North
Birmingham, AL 35203

Green Rock Management, LLC (“GRM”) is the sole Manager of CGP. In its role as Manager of CGP, GRM provided management services to CGP and its members in connection with the Offering, the Purchase Agreement and the Development Activities. Following the acquisition of a 98% membership interest in Casper Grove, GRM also became the sole Manager of Casper Grove. As the Manager of both CGP and Casper Grove, GRM will provide management services to both entities on a going-forward basis, including serving as their “partnership representatives”. GRM was paid a Due Diligence, Structuring and Project Management Fee, as well as a

Management Fee, in connection with and as compensation for providing such management and other services to CGP and Casper Grove.

Green Rock, LLC

☒ Related Entity

EIN 82-3168990

2015 3rd Avenue North

Birmingham, AL 35203

Green Rock, LLC ("Green Rock") is the sole member of GRM and, in such capacity as such sole member, received distributions from GRM. Green Rock was also engaged as the developer for the Development Activities. Green Rock was paid an acquisition fee in connection with and as compensation for providing services related to the Development Activities.

H. Danny Brewer

SSN XXX-XX-4973

☒ Related Individual/Party

18905 Alabama Hwy 35

Scottsboro, Alabama 35768

H. Danny Brewer ("H.D. Brewer") was one of the initial members of Casper Grove and, in connection with such membership, contributed all of his rights, title and interest in and to the Property to Casper Grove in exchange for a 49.5% membership interest therein. As stated above, H.D. Brewer sold a portion of his membership interest in Casper Grove to CGP. As of the date hereof, H.D. Brewer is still a member of Casper Grove.

Robbie P. Brewer

SSN XXX-XX-8836

☒ Related Individual/Party

18905 Alabama Hwy 35

Scottsboro, Alabama 35768

Robbie P. Brewer ("R. Brewer") was one of the initial members of Casper Grove and, in connection with such membership, contributed all of his rights, title and interest in and to the Property to Casper Grove in exchange for a 49.5% membership interest therein. As stated above, R. Brewer sold a portion of his membership interest in Casper Grove to CGP. As of the date hereof, R. Brewer is still a member of Casper Grove.