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## CONFIDENTIAL EXECUTIVE SUMMARY

### IMI - ARENDALE/ CLIFFS OPPORTUNITY

#### THE OPPORTUNITY

IMI Worldwide Properties (“IMI”) would like to present Emigrant Bank and its affiliates (“Emigrant”) with a unique opportunity to enter into a partnership with IMI and Arendale/The Cliffs Communities (“Arendale/Cliffs”) - including the full complement of their real estate, club, golf, lake and wellness amenities. Arendale/Cliffs is the leading developer of a signature collection of highly acclaimed resort/residential communities in the Carolinas. IMI, which is headquartered in Greenville, SC with offices in New York, is recognized as a leading firm in the luxury resort/real estate industry. IMI believes that the opportunity to partner with Emigrant on the Arendale/Cliffs project, with their financial and management resources, will provide a high-profile platform for fully leveraging and maximizing national and international awareness of all three brands (Emigrant, Arendale/Cliffs and IMI).

Arendale/Cliffs ownership has made the decision to restructure their ownership through a sale or joint venture. IMI sees this as a unique opportunity to expand Arendale/Cliffs into new, fully aligned business verticals and facilitate new partnerships. Emigrant has the opportunity to further develop its current relationship with IMI and to bring its broad range of resources and affiliate companies to help develop and monetize the extensive future opportunities within the Arendale/Cliffs Communities.

IMI is looking for a long-term partner that will: (a) facilitate a purchase or joint venture of Arendale/Cliffs assets; (b) provide consistent, available capital through direct investment or the provision of syndicated financing over a 5-6 year period; and (c) provide strategic guidance as IMI leads Arendale/Cliffs into new business verticals and enhances the value of Emigrant, Arendale/Cliffs, and IMI brands. IMI desires to find a partner committed to creating a financial structure that provides long-term available capital and a willingness to work on an investment recoupment plan that allows for long term success, which would include some type of debt fund, convertible loans or other similar structures that Emigrant has used with other transactions.

## CLIFFS HISTORY AND OVERVIEW

Arendale/Cliffs is a privately-held, full service real estate development company based in Travelers Rest, SC, which is approximately 20 miles north of Greenville, SC and 50 miles southeast of Asheville, NC. The Cliffs specializes in luxury residential private club communities and resorts in the foothills of North and South Carolina and is acclaimed as one of the premier residential resort communities in America. The Cliffs is universally recognized as a premier player in high end real estate development, with seven (7) active communities in various stages of development. The highly regarded private club component created by The Cliffs to jointly cover all active communities, features world-class amenities, high levels of service and club programming, championship golf designed by Nicklaus, Fazio and Player and a variety of best-in-class wellness & fitness offerings. The Cliffs has just over 4,200 owners across its communities and currently has 3,000 active club members. The ownership and membership group profile as being very wealthy and originating from all across the U.S. and international destinations. Several owners/members have homes located in more than one of the The Cliffs Communities.

The Cliffs Communities was originally conceived by developer, Jim Anthony (the “Original Developer”), in the late 1980’s. Jim began assembling large tracts of timberland in the western Carolinas with vast natural beauty that were suitable for the exceptional community development he envisioned. As the number of The Cliffs Communities expanded, the multi-club/one membership concept was introduced, allowing property owners / club members in one community to access club and membership privileges at all The Cliffs Communities.

The Cliffs experienced remarkable sales success with revenues averaging nearly \$150 million annually over the four year period from 2004 to 2007. When the market turned in the following years, the adverse effects of the recession caused the Original Developer to use a succession of asset sales and new debt instruments to generate capital to support the business in the downturn. Under the weight of substantial financial burdens, the Original Developer lost control of the business, splitting ownership of the club and the real estate operations as a result of their distinct financial structures.

In December 2010, the primary lender for the real estate operations, Synovus Bank (“Synovus”), sold its secured debt, at that time a non-performing loan, to a private investment fund. Synovus provided financing for the transaction under a Loan Purchase Financing Agreement. Via deeds in lieu of foreclosure, the Original Developer subsequently relinquished ownership of the real estate inventory including unsold lots and undeveloped land, to the private investment fund. The Cliffs real estate inventory was later contributed to Silver Sun Partners (“SSP”) when it was formed in April 2012 as a business venture capitalized by the same private investment fund, Arendale Holdings Corp. and a third private investor. The club operations were forced into bankruptcy (Chapter 11) in February 2012. A few months later, the United States Bankruptcy Court approved the “Reorganization Plan” with SSP as Plan Sponsor. In conjunction with the Reorganization Plan, SSP acquired The Cliffs club assets in August

2012. At that point, the Original Developer had no further interests in The Cliffs business operations. More importantly, the real estate and club operations were, once again, under common ownership.

In December 2013, Arendale acquired the equity interests of all other investors in SSP through the formation of a new entity, Arendale Holdings 2, LLC. Since then, Arendale has had sole ownership of The Cliffs real estate and club operations, (with the exception of remaining real estate operations at Keowee Falls) and has provided additional capital to reposition and re-energize the business. Arendale/Cliffs investment in The Cliffs Communities has skillfully directed the financial structure and equally important, has positioned The Cliffs Communities to emerge as a primary destination for the next wave of retirement / second home buyers. Two noteworthy, recently completed initiatives are the golf course at Mountain Park and the development of new lakefront home site inventory at The Landing (a separately gated addition at The Cliffs at Keowee Springs).

Arendale's principal shareholder is Reinet Fund S.C.A. F.I.S. ("Reinet"), which is solely owned by Johann Rupert, and holds investments valued at approximately \$5 billion. Reinet is a wholly-owned subsidiary of Reinet Investments S.C.A., a publicly – traded securitization vehicle incorporated under the laws of Luxembourg and listed on the Luxembourg Stock Exchange. In 2008, Reinet was spun-off from Compagnie Financière Richemont SA, the Swiss-listed luxury goods group.

## EMIGRANT AS A STRATEGIC PARTNER

IMI believes that there are multiple synergies, benefits and opportunities to be gained through a partnership that includes Emigrant, Arendale/Cliffs and IMI. While providing a source of capital, as previously outlined is the starting point, the larger, long term initiative should be focused on creating a partnership where each of the partners is able to enhance and expand their respective brands by offering expertise, products, and services that are currently underserved within The Cliffs Communities. These areas include: (a) expanding golf opportunities within the The Cliffs Communities; (b) client service opportunities including wealth management/private banking, net worth preservation, financing of client purchases; (c) insurance provision, both homeowner and title insurance; and (d) brand development and expansion expertise specifically relating to new residential offerings to include residence clubs, traditional and active senior living. Emigrant is uniquely positioned to provide an unparalleled offering of capital, strategic partnerships, brand assistance and affiliate offerings. Finally, Emigrant's long time business relationship with IMI Worldwide Properties provides Emigrant with a move-in-ready executive management team able to fully direct The Cliffs Communities business with virtually no learning curve – a benefit that very few potential strategic partners have at their disposal.

***Golf Opportunities***

With over 100,000 rounds played in 2017, golf is alive and well at The Cliffs Communities. Club life at The Cliffs is vibrant, upscale and compelling with a membership of approximately 3,000 affluent, socially and physically active owners. Cliffs members join their clubs for the exclusivity, privacy and variety of golf that includes links, lake and mountain courses. Membership is multi-generational, with members and their families enjoying outstanding golf, fitness, water, nature and of course exciting social events and activities. All of the golf at The Cliffs is championship caliber with several of the courses and clubs consistently ranked in the well-known lists of best private golf and clubs. Throughout its history, The Cliffs Communities have worked with top golf course designers: Jack Nicklaus (2 courses); Tom Fazio (2 courses); and Gary Players (1 course) and have developed a team of professionals to ensure facilities meet their member's high expectations.

In addition to offering the finest courses, The Cliffs has incorporated a Golf Performance Center to offer its members access to state-of-the-art teaching and training technology including analysis of golf swings, physical fitness and general overall health and wellness. The Cliffs is committed to continue to deliver exceptional and new amenity and living experiences. One potential area of thinking is in leveraging the existing relationship with The Nicklaus Companies to uncover opportunities to perhaps co-brand residential property offerings around the Nicklaus golf courses. Additionally, IMI believes there could be potential to capitalize on Emigrant's affiliated golf interests as a way of creating unique, one-of-a-kind features for The Cliffs membership program.

***Client Opportunities***

The Cliffs members and owners are comprised of highly affluent individuals. There are high net worth entrepreneurs, professionals, athletes, generational wealth recipients and C-suite executives. Real estate buyers at The Cliffs are purchasing second homes and retirement homes valued from \$450,000 upwards of \$7 million. Typically, the client base places a high value on brand identification and are willing to spend top dollar in return. The Cliffs strives to create communities of members who enjoy being with each other and club programming targets ways in which its members and their families have significant social interaction as well as a broad range of services on hand to satisfy all member needs.

Finding a partner that has the desire and experience to provide a full range of financial services to The Cliffs members, thereby enhancing and expanding services and "customer touch points" with members is a high priority for IMI. Emigrant's broad range of financial service offerings are a natural fit within The Cliffs, including potentially locating a branded ***Cliffs Bank*** branch at each Cliffs location. This would offer Emigrant and its affiliates access to a unique high-end customer list.

Cliffs clients often wish to finance their purchases by leveraging their assets as collateral. IMI has proposed creating a Cliffs financing opportunity for customers that become clients of Emigrant’s New York Private Bank & Trust (“NYPB&T”) or, alternatively, using other Emigrant affiliates such as Emigrant Bank Fine Art Finance to provide financing for its client’s home purchases. Additionally, Emigrant’s ability to provide trust services to Cliffs owners and members through NYPB&T is a natural fit within the Arendale/Cliffs platform.

### ***Insurance Offerings***

The Cliffs currently has no standing relationship with any one property or title insurance partner. In similar fashion to client wealth & trust services mentioned above, IMI believes there is an opportunity to provide insurance services for The Cliffs Communities and its members / owners. Products would certainly include homeowner and title insurance but could certainly expand to other products designed to meet the needs of this diverse clientele. The ability to provide insurance products to Cliffs clients provides access to a very large pool of potential new clients creates an immediate and sustainable revenue opportunity for Emigrant and its in-house insurance companies and their partners.

### ***Brand Development and Expansion***

The Cliffs has invested millions of dollars to create a highly defined and identifiable brand in the private luxury resort/residential real estate market. This brand is known and symbolic for solid sponsorship, world-class facilities, amenities, great execution of operational sales and marketing to a devoted and loyal customer base. IMI’s newest business objective is the development of and leveraging these brands. IMI is very focused on specifically how to best leverage these brands and develop and expand The Cliffs into new verticals.

As examples, together we could develop a Cliffs branded condo/hotel and an active senior living community. With respect to a branded condo/hotel concept, several existing developments within The Cliffs provide for the ability to accommodate this type of project. The intent is to create a “Cliffs National Membership” for current and new members that would allow lodging and access to all Cliffs properties (similar to the Bear’s Club) prior to their home being built. Additionally, IMI feels that a residence club / shared ownership lodging component can be added to the National Membership that would appeal to an expanded market of customers.

IMI envisions developing an active senior living community to provide aging clients with the ability to maintain access to the high level of service that The Cliffs provides at all of its developments, while simultaneously having access to a full complement of social, educational, cultural, and wellness programs. The Cliffs Communities is naturally positioned to offer these services to its clients willing to pay to maintain the lifestyles and amenities that The Cliffs is historically known for.

## CLIFFS EXISTING DEVELOPMENTS

The Cliffs Communities is a distinctive collection of seven private master-planned communities situated in the heart of the Blue Ridge Mountains and set among 1,000,000+ acres of protected National Forest and state park land. All seven Cliffs Communities are located within a 70-mile radius of each other near Greenville, South Carolina and Asheville, North Carolina. The Cliffs portfolio includes highly amenitized, private-gated communities with a diverse offering of properties featuring exceptional mountain and / or lake view locations. Within the gates of Arendale/Cliffs Communities, owners and club members enjoy luxurious, best-in-class amenities currently including seven clubs, seven nationally-acclaimed golf courses, six wellness centers, 17 dining venues, a marina, a beach club, tennis complexes, an equestrian center, hiking trails and an organic farm. More such amenities are in the planning stages.

The following is a brief description of each Cliffs community, in chronological order, according to market introduction date,

### ***The Cliffs at Glassy***

Introduced in 1991 as the first of The Cliffs communities, The Cliffs at Glassy is situated in a beautiful mountain setting on the Cherokee Foothills Scenic Highway (South Carolina Highway 11) in the northwest corner of South Carolina. Amenities at The Cliffs at Glassy include an 18-hole Tom Jackson golf course (recognized in 1995 by Golf Digest as the fourth most scenic golf course in America), natural areas, hiking trails, a wellness center, the charming Glassy Chapel (dramatically perched at the mountain's edge and recognized as one of the most beautiful wedding spots in America) and a 22,000 square-foot clubhouse, all of which are located in a 3,500-acre Cliffs community bordered by 12,000 acres of Greenville watershed property and protected forests.

### ***The Cliffs Valley***

Established in 1994, The Cliffs Valley is located on US 25, three miles north of Cherokee Foothills Scenic Parkway, and is situated along the southernmost edge of the Blue Ridge Mountains upon a scenic terrain of rolling hills. The community is comprised of approximately 3,500 acres that straddle the North and South Carolina state lines and best known for its 18-hole, parkland-style golf course designed by broadcaster, golf historian and well-respected golf course designer, Ben Wright. The Cliffs Valley has served as the home course for the PGA Web.com Tour BMW Charity Pro-am. With a 15,000 square-foot wellness center (including indoor and outdoor pools and eight tennis courts) and a 28,000 square-foot clubhouse, The Club at Cliffs Valley enhances an already exceptional golf course and premiere private club living experience.

***The Cliffs at Keowee Vineyards***

The Cliffs at Keowee Vineyards debuted in 1997 and is located in the upper section of Lake Keowee just north of the Cherokee Foothills Scenic Parkway bridge. It is the oldest and most mature of the three Cliffs Communities that border the Lake Keowee shoreline. Unlike many other lakes in the southeast where water levels can fluctuate significantly, Lake Keowee's water level is maintained to close tolerances, allowing more constant boating conditions. The Club at Keowee Vineyards includes an 18-hole Tom Fazio-designed golf course, with eight holes on the lake. Additional amenities include tennis courts, a clubhouse and restaurant, wellness center, hiking trails, a private marina, a marina market and equestrian center. A lakeside dining amenity is in the planning stage.

***The Cliffs at Walnut Cove***

The Cliffs at Walnut Cove is located on the southern periphery of Asheville, NC approximately 13 miles south of downtown and five miles southwest of Biltmore Estate. Situated adjacent to the Pisgah National Forest, this 1,300-acre development was introduced in 2002. The community has a bowl-shaped topography surrounded by a stunning mountain landscape that is heavily wooded. At the center of the community, the Jack Nicklaus Signature golf course runs past creeks and natural wetlands. Home sites surround the course and continue up the mountains, forming a picturesque setting and offering spectacular views rarely duplicated anywhere in the country. In addition to the golf course, club amenities include the clubhouse, restaurant/event facility, tennis courts and a wellness center with both an indoor lap pool and an outdoor pool.

***The Cliffs at Keowee Falls***

The Cliffs at Keowee Falls is accessed directly from Cherokee Foothills Scenic Parkway on the western side of Lake Keowee. This 2,500-acre development, which came to market in 2003, features a Jack Nicklaus Signature golf course with a clubhouse and restaurant that sit gracefully above it. Other amenities of the Club at Keowee Falls include hiking trails and a wellness center (not owned, but operated by The Cliffs Clubs). The Company does not have any remaining real estate for sale in this community, but a third-party investor controls the remaining residential land.

***The Cliffs at Keowee Springs***

Introduced in 2004, The Cliffs at Keowee Springs is located on the east side of Lake Keowee and lies only 15 miles from Clemson, SC. The Cliffs at Keowee Springs contains a Tom Fazio-designed 18-hole golf course, the "Porch" clubhouse/wellness center, The Bistro grill and a beach club with outdoor waterpark and private marina. Additional planned amenities for The Cliffs at Keowee Springs include a full-scale clubhouse/restaurant, tennis courts and hiking trails.

***The Cliffs at Mountain Park***

Situated amidst several thousand acres of rolling terrain at the edge of the Blue Ridge Mountains in the Western Carolinas, between Asheville and Greenville, The Cliffs at Mountain Park is located on Cherokee Foothills Scenic Parkway immediately east of US 25. This community began in 2006 and is highlighted by a Gary Player-designed golf course which was named one of GOLF Magazine's Best New Courses of 2013. Other features include the "Cabin" clubhouse/restaurant facility which is one of the most popular dining venues in all of the communities, the "Barn" (a party and private-event venue), a wellness and fitness center and a lake pavilion situated along the banks of the North Saluda River with mountain ridgelines as the backdrop. Additional land is available for planned future amenities.

***The Landing Cliffs at Keowee Springs II***

Representing a prime real estate offering along the shores of Lake Keowee, where lakefront lots are becoming an increasingly scarce commodity, The Landing is the latest development of Arendale/Cliffs Communities. It is a gated enclave, separate from the original sections of Keowee Springs, within a five-minute ride by boat. Proposed amenities include a fitness studio, resort-style outdoor pool and restaurant, marina and general store. Development of the initial 33 home sites began in 2016. Upon completion, The Landing will comprise approximately 194 home sites, of which more than 150 will be situated on the waterfront.

***The Cliffs at High Carolina***

High Carolina is located approximately 10 miles east of Asheville, NC. With elevations up to 4,400 feet, this property offers panoramic views that extend several miles toward the picturesque Blue Ridge Mountains. Originally intended to encompass 2,700+ acres with a golf course designed by Tiger Woods, the Original Developer was in the preliminary stages of site work for this community when progress was halted due to the effects of the Recession. Approximately 800 acres of the initial assemblage was seller-financed but the seller regained this portion of the property in a foreclosure action. It is the Company's belief that this parcel may be recombined with the remaining Company-owned property. Portions of the Company's remaining 1,900+ acres were cleared, and roadwork was begun, but the majority of the development work was not completed. While the vast majority of the property is situated on the surrounding hillsides and features dramatic mountain views, a 17-acre commercial parcel is located at a lower-elevation, near the southeast corner of the Swannanoa interchange along Interstate 40, which provides an immediate opportunity for the development of a hotel and/or other commercial use.