

## THE IMI ADVANTAGE

### IMI WORLDWIDE PROPERTIES

IMI Worldwide Properties has extensive expertise in all facets of The Cliffs development, realty services, and club operations. This includes acquisitions; land entitlement; master planning; amenity planning, design and construction; club/resort and golf operations; project marketing, sales and re-sales; home design and building; and interior design/furnishing. IMI has proven its ability to market and sale these properties during two previous tenures with The Cliffs. A brief narrative and bios of all IMI key executives with past Cliffs experience have been included in this section.

The Cliffs and IMI have a collectively significant reach to the sphere of influencers within the high-end luxury real estate development market. Capitalizing on a long track record of development, marketing and sales success, IMI views the opportunity for Emigrant to join this partnership and bring a new level of financial and management expertise that will fully complete the team. IMI has already identified other potential Cliffs-related business ventures that could result in substantial economic opportunities in the future.

### IMI AND THE CLIFFS COMMUNITIES: A PARTNERSHIP OF SUCCESS

#### **1993-1995**

The IMI executive leadership team has a long and very successful history of working with The Cliffs Communities. Beginning in 1993 when Dan and Mike Collins, founding partners of IMI, assumed responsibility for all marketing and sales operations at The Cliffs at Glassy, the sole Cliffs Community at the time. IMI worked with Jim Anthony, the original Cliffs developer, to create a marketing campaign that would drive brand awareness, generate qualified prospect flow and expand the geographic reach of the project. In tandem with the marketing efforts, IMI recruited, trained and managed a team of sales professionals that operated as exclusive representatives of the developer's properties. Additionally, IMI worked tirelessly with Jim to plan future real estate offerings and amenity development and operations at Glassy. In late 1993, Anthony had an opportunity to acquire two additional parcels of land in upstate South Carolina: (1) the property that would eventually become The Cliffs Valley and (2) a waterfront parcel on Lake Keowee. The IMI team was instrumental in envisioning the development plan for both communities and executing highly successful sales releases for the waterfront lots and launching The Cliffs Valley "Founders Program Launch" with over 100 homesite and club membership

sales, generating 20 million+ in contracts. IMI's first engagement with The Cliffs Communities lasted 2.5 years and resulted in over \$100 million in land sales, an increase of nearly 150% in the average sales price for homesite sales. Additionally, the increased annual absorption performance helped create a demonstrable platform to secure financing for amenity development and future real estate offerings, and perhaps, most importantly, brought validity to the idea of multiple communities across the Carolinas linked through common club membership.

### **2004-2007**

In the early summer of 2004, IMI began its second tour of duty with The Cliffs Communities. In the previous 8 years, The Cliffs added several additional fully amenitized properties to their portfolio and built an in-house team of talented marketing, sales, development and financial executives. IMI was hired to bring its lead generation, creative, sales process, executive recruiting/training and administrative resources to The Cliffs organization. During this period of explosive growth at The Cliffs and the accompanying robust economy, IMI was able to successfully assist The Cliffs team with expanding the market of prospects, building The Cliffs into an internationally known brand, increasing absorption levels at the established communities and bringing new communities to market with highly successful sales launches. Additionally, IMI was able to deliver a deep pool of the country's top professionals in virtually all aspects of the luxury resort/residential development industry. IMI's second engagement with The Cliffs Communities lasted 3.5 years and resulted in 1,391 developer sales for \$657 million - an average of 360 sales per year at average sales price of \$472,000.

### ***A Vast Level of Cliffs Experience***

Fast forward to 2018 and it seems natural that IMI would be in discussions with the current owners of Arendale/Cliffs to get back involved. Over the 28 years of IMI's history, the company has enjoyed tremendous success with The Cliffs. While the level of experience and knowledge of The Cliffs is significant within the senior partners at IMI, it's the collective Cliff's specific experience of IMI's Executive Management team that creates such a significant advantage. What follows are bios from senior IMI team members that reflect their specific experience working with The Cliffs:

#### ***Mike Collins***

***Founding Partner & Chief Executive Officer at IMI*** – has been deeply involved with IMI's working relationship with The Cliffs during both engagements. In his primary role as Director of The Cliffs Real Estate Sales Division, Mike recruited, hired and trained the sales teams working at The Cliffs at Glassy, The Cliffs Valley and The Cliffs on Lake Keowee. In addition to directing multiple sales organizations, Mike worked alongside Jim Anthony and his senior management team to create a strategic plan for developing, releasing and pricing new homesite and shelter inventory. Beyond specific duties related to planning and selling real estate at The Cliffs, Mike and Dan (see next bio) assisted Jim Anthony by:

(a) working on plans to bring additional communities (Valley & Lake Keowee) online, thus beginning the multiple community model; (b) developing the seed thinking for single membership/multiple club concept; (c) planning, developing and managing the major amenities within each community. Mike has owned real estate and has been a member at The Cliffs since 1995.

### ***Dan Collins***

***Founding Partner & Chief Marketing Officer at IMI*** – has been deeply involved with IMI’s working relationship with The Cliffs during both engagements. In his primary role as Director of The Cliffs Real Estate Marketing Division, Dan had oversight for the development and implementation of all promotional, lead generation and branding programs for The Cliffs. During this first engagement, Dan managed a mixed media marketing and public relations program designed to introduce The Cliffs to a much broader national audience of prospective clients. Beyond specific duties related to directing the overall marketing program at The Cliffs, Dan and Mike (see above bio) assisted Jim Anthony by: (a) working on plans to bring additional communities (Valley & Lake Keowee) online, thus beginning the multiple community model; (b) developing the seed thinking for single membership/multiple club concept; (c) planning, developing and managing the major amenities within each community.

### ***Ron Rasmussen***

***Partner & Chief Operating Officer at IMI*** - From Feb 1992 – Nov. 1995, Ron led First Union National Banks (FUNB) efforts in the Upstate. Through that role FUNB developed a Private Banking end user financing package to help sell home sites at the Cliffs Communities. This program included a very competitive lot financing package to allow Cliffs buyers easy access to the community and give them a National Bank with a true Private Bank available to them at their fingertips. Over the years FUNB was an active partner with The Cliffs Communities with their end user financing. From 2004 – 2008 IMI was involved day-to-day with The Cliffs sales, marketing and administration. During that timeframe IMI participated in the largest sales The Cliffs ever experienced. Ron was involved with changing and streamlining the sales and marketing document process as well as ensuring that all of the new real estate product was state and nationally registered prior to going to market. The registration process had been a problem for Cliffs sales prior to 2004 and Ron established a process that made sure development and sales were working together to meet timetables so that lots could go to firm contract at launch. Ron was also very involved with the contract and closing process that needed to be streamlined in order for The Cliffs to close the increased level of lots during that important 2004 – 2008 timeframe. Ron has owned real estate and has been a member at The Cliffs since 2000.

### ***Rob Haney***

***Partner and Chief Development Officer at IMI*** – IMI Partner and Chief Development Officer/Founder and Managing Partner Community Concepts. Rob Haney has combined over two decades of residential land and construction development with two decades of real estate brokerage services. Mr. Haney has extensive domain knowledge of residential development, construction management, property

management, and real estate marketing and sales. In 2003, The Cliffs Communities approached Rob and his business partners, then located in the Vail Valley of Colorado, with a desire to bring a new level of architectural design and construction management to its seven communities. After negotiating an exclusive relationship with The Cliffs, Rob's newly formed company, Community Concepts, headquartered its operations in Greenville, SC. From March 2004 – 2007, Rob led Community Concepts as it quickly became the premiere design-build firm within The Cliffs communities. Community Concepts brought new construction strategies to The Cliffs providing detailed residential programming which included comprehensive land planning coordination, architectural visioning, residential construction specifications, budgeting and construction scheduling. Community Concepts received national recognition for its architecturally themed enclave neighborhoods within The Cliffs Walnut Cove and Keowee Falls communities. With its talented staff of Architects, Construction managers and Interior Designers, Communities Concepts also designed and built numerous custom residences within The Cliffs Glassy, Cliffs Valley, Cliffs Mountain Park and Cliffs Vineyards. Prior to selling his interest in Community Concepts in 2007, the company successfully designed and built nearly 100 total residences within The Cliffs communities equaling total sales of \$160MM.

### ***Darrell Whitaker***

***Chief Financial Officer at IMI*** - Darrell held the positions of CFO and COO for The Cliffs Communities during his tenure from 1997–2004. Darrell led the areas of finance, accounting, property management, administration including legal, human resources and insurance as The Cliffs CFO. Upon being named COO in 2000, Darrell took on the additional responsibility of oversight of all Cliffs development and Club operations management. During his tenure The Cliffs grew from two communities and golf clubs to a total of six with an additional golf community in the planning stages. Darrell joined IMI in 2004 to take over the company's accounting, finance, tax and administrative responsibilities. Darrell brings a significant depth of knowledge of The Cliffs financial and operational history.

### ***Scott Ziegler***

***Executive Vice President of Marketing at IMI*** - President Cliffs Corporate Branding & CMO/Partner Leslie Advertising. From Nov 1996 – 2010, Scott led Cliffs Communities brand development, marketing and lead generation growing The Cliffs from a small regional brand to an international brand and one of the most recognized private golf communities in the world with members from 46 states and 10 countries. Scott was instrumental in creating the "One Membership" differentiation and umbrella strategy for all of The Cliffs communities (member of one, member of all). Scott opened communities with golf courses designed by Jack Nicklaus (2), Tom Fazio (2), announced Gary Player's new course design and the move of Mr. Player's North American Design Headquarters to Greenville, SC. Starting in 2004, Scott worked closely with IMI, who was hired to implement a new marketing and sales launch strategy that lifted The Cliffs to record sales revenues. Scott managed all marketing resources to generate 100,000 qualified discovery interest inquiries with an average of 20% conversion to tour and 15% conversion to sale. Charged with communicating Cliffs' culture of wellness long before wellness became fashionable,

Scott expanded The Cliffs target to a larger audience concerned with living well and improving their overall well-being. From the beginning in 1996, Scott's goal was focused on carving a unique 'sense of place' for The Cliffs Communities and the region (The Carolina Preserve) by engaging the prospect in compelling storytelling and imagery. This resulted in national and international awareness and generated an economic impact in western Carolinas estimated by a Clemson Economic Report to measure in the billions. Scott has owned real estate and has been a member at The Cliffs since 1996.

### ***Bruce Fine***

***Executive Vice President of Brokerage Services at IMI*** - Bruce led all real estate sales, management and brokerage activities at The Cliffs at Walnut Cove from 2004 to 2007. During his 3 ½ year tenure the community experienced explosive growth, with sales well in excess of two hundred million dollars. This performance ranked Walnut Cove second in sales out of the seven Cliffs communities during this time period. As Director and Managing Broker, responsibilities included: managing all aspects of both Developer and Resale brokerage operations, owner relations, sales executive recruitment and training, strategic planning for creating and marketing lot and home offerings and day-to-day management of a staff of 23 associates. Bruce worked closely with the development and construction teams to create and execute major community initiatives including amenity designs, feature builder programs and HOA policies.

### ***Bob Baer***

***Director of Finance at IMI*** - (Bob just recently joined the IMI team so his bio reflects his career experience and not specific Cliffs involvement) Bob has been involved with financing of resort property types for over 30 years. He has been the financial advisor to resort residential projects in Mexico and Costa Rica including the Cabo Real project in Los Cabos. He joined DTZ Rockwood in New York in 2002 and was primarily responsible for raising \$640 million in equity for a commingled real estate fund with 11 international pension funds, which invested in the Industrial, hospitality, residential and retail sectors. Prior to Rockwood, Mr. Baer was a Managing Director with AIG Global Real Estate in New York, where he served as a fundraiser and portfolio manager for real estate investments with direct responsibility for Latin America. Prior to joining AIG, Mr. Baer was a Managing Director of Sam Zell's Equity Group Investments and Managing Director of its affiliate, Equity International Properties, a global real estate fund in which he actively sourced real estate investments.. Mr. Baer's credentials include: opening and managing the first SEC authorized US broker dealer for Operadora de Bolsa (now Serfin); serving as US representative for the New York Stock Exchange listed Mexico Fund; serving as advisor to the Mexican government regarding REIT legislation; serving as U.S. representative and financial advisor to the AMPIP (Association of Mexican Private Industrial Park Developers); and direct execution of over \$3 billion of debt and equity transactions.

## IMI'S VISION FOR THE CLIFFS' FUTURE

On the following pages, we outline the opportunity through the current ownership of The Cliffs, IMI's mission statement and IMI's vision for maximizing the value of The Cliffs real estate, club operations, realty company, strategic partnership opportunities, and The Cliffs brand.

## THE OPPORTUNITY

Johann Rupert is a South African businessman, entrepreneur, philanthropist, and sportsman. Mr. Rupert began his career in New York City working for Chase Manhattan and Lazard Freres before returning to South Africa. In 1984 he joined his father's tobacco, fashion, wine, and spirits company, the Rembrandt Group. Four years later Mr. Rupert founded Compagnie Financiere Richemont, of which he is still Chairman and CEO.

## REINET INVESTMENTS S.C.A.

Johann Rupert's father created generational wealth and opportunity primarily through the tobacco industry. Johann Rupert took control of the various businesses and created companies that would become Richemont, RemGro and dozens of subsidiaries making luxury goods the bell cow of the family's business dynasty. In 2007, Johann Rupert made the decision to divest all his companies from the tobacco trade.

## ARENDALE AND THE CLIFFS

Arendale Holdings Corp., a diversified real estate investment and development company, invests in real estate and hospitality assets. It develops residential, commercial, hospitality, resort, and golf course projects. Reinet Investments S.C.A. is and has been the principal shareholder in Arendale Holdings since its founding. In 2012 and 2013, Arendale Holdings acquired The Cliffs Communities, a collection of seven master-planned, highly amenitized residential communities that were an ideal fit for Arendale's development model. Over the last five years, Arendale, working in conjunction with The Cliffs Board of Governors, has focused its resources on reengineering the Company's financial structure, reestablishing a solid relationship with the owners/members, developing new real estate opportunities while constructing and updating amenities in The Cliffs Communities.

There are four members of the Cliff Board of Governors Fred Ridley (Chairman), Hugh Connerty, Jr., Dr. Elaine Wedral, and John Mikula.

***Fred Ridley***

Mr. Ridley is the Chairman of the Augusta National Golf Course and the Masters, has previously served as President of the USGA, and is the Chairman of The Cliffs Land Partners. He is a partner with Foley & Lardner LLP, and national chair of Foley's Real Estate Practice, and co-chair of the Hospitality, Resort & Golf Industry Team. Mr. Ridley has over 25 years of experience in representing developers of high-end, single-family and multifamily real estate projects.

Arendale has reached out to IMI to execute on future opportunities for growth and development at The Cliffs Communities.

***About IMI:***

IMI has been a leader in the luxury resort real estate industry for more than 28 years. Working closely with financial institutions, land owners, premier real estate developers and through our key strategic alliances, we have helped create some of the most iconic luxury real estate communities in North America and the Caribbean. Through our real estate, club and realty programs, IMI capitalizes on emerging real estate trends to introduce affluent buyers to outstanding ownership opportunities. <http://www.imiliving.com>

## IMI'S MISSION STATEMENT

IMI Worldwide Properties will profoundly enhance the value created by the firm foundation of The Cliffs Communities (7 Communities, 3,000 Club Members, 4,237 Homesites sold, 1,632 Completed Homes, 123 Homes under construction, 1,172 Properties to be sold, 1,506 Acres of additional land in 7 communities, 1,900 prized acres at High Carolina in Asheville NC, and \$50 million invested in The Cliffs Brand) to make The Cliffs among the world's most successful and respected clubs and real estate community brands.

We will accomplish this mission statement by bringing IMI's 28 years of cumulative integrated experience, acumen and operations to bear on real estate development, club management and marketing and sales; by modernizing the club structure and increasing its overall value; by meeting the new market demands of today's real estate buyer and club member; by adding 1,200 new owners and dues paying members; by offering a new suite of unique owner financial service opportunities in each of the 7 Communities provided through Emigrant; and by leveraging The Cliffs brand and developing and expanding into new vertical offerings to members and owners.

The result of IMI's involvement will be maximizing revenue streams and creating short and long term value for our investors and The Cliffs owners.

## IMI'S VISION

### ***Real Estate Vision***

IMI's Real Estate vision is to maximize the real estate sales value of the available land inventory by better serving the design and construction needs of the buyers that want more product choices, planning and design support.

We will accomplish this vision by developing a state-of-the-art Design Center (creating additional revenue sources like architectural design, plans, construction and interior design) that will support the development and building of new "move-in ready" shelter product (2,500 - 4,500 square feet) on company-owned real estate or previously sold properties that allows the buyer to customize personal finishes (this will significantly improve sales velocity and adding net new members and monetizing existing land owners); by growing the diversification of shelter product offerings including addressing the downsizing preference of many buyers and offering homes in the 1,800 - 2,600 square foot range and simultaneously offering transient-friendly "lock and leave" homes and real estate product, including Residence Clubs, targeting the lifestyle of younger families primary and secondary home needs.

IMI's Construction Division has vast experience in designing and building in The Cliffs Communities. This experience allows our company to create additional vertical streams of revenue while accelerating sales and memberships at The Cliffs.

### ***Club Operations Vision***

IMI's Club Operations vision is to take what is today a break-even club, with 3,000 members, and modernize it over a 5-6 year window by maximizing the membership value and the future dues revenue stream.

We will accomplish this vision by adding at least 500 new members in a 5-6 year window; by introducing increased efficiency and decreased Club costs and expenses (IMI has identified \$1 million in club cost efficiencies that move to the bottom line in the first year); by creating new categories of membership and new target audiences (national, urban and local); by developing new, innovative and experience-tested amenities valued by buyers and existing members (and that as appropriate would also feature the sale of new Residence Club product); by creating new membership sales and new real estate shelter product offerings to new target buyers not previously served (targeting the millennial market and active senior living); and by addressing unmet member needs with an Enhanced Service Offering Vision.

Through IMI’s vast club and real estate experience and our network of resources, we will revolutionize the club by spending less money while delivering a better club product and opening new markets, new memberships and new streams of revenue and profit in the process.

### ***Realty Company Vision***

IMI’s vision is to apply “The IMI Advantage”, a fully integrated suite of services and management that will create seamless operations and will maximize efficiency and sales results, every day at The Cliffs.

We will accomplish this vision through our unique alignment and integration of real estate, clubs, and development that allows the focus of the mission and vision of the Realty Company to be singularly laser-clear and “owned” by every member of the team working together to achieve the goals set forth.

Our Executive Team and the members of the real estate, club and development team will be fully engaged in all club and real estate operations on a daily basis and are expected to be highly involved by meeting with, listening to and learning from the members. We will be responding to opportunities to improve and to serve unmet needs of the owners, members and future members. Further, our vision is to be so engaged and forward-thinking that we are addressing and acting on even unarticulated needs of the owners, members and future members and putting 28 years of real estate experience to work for The Cliffs.

It is that strategy of “focus and follow-through for success” that has guided IMI for 28 years and more than \$8 Billion of sales (\$800 Million which has been at The Cliffs Communities). We are uniquely positioned to accelerate project build-out and sales absorption by providing momentum at the very beginning and at the same time we are positioned to modernize The Cliffs Clubs and realty offerings in a way that only a company that is located in the market and has had instrumental roles in the history of The Cliffs in branding, marketing, sales, construction, management, club and financial can do.

### ***Strategic Partner Opportunities Vision***

IMI’s vision is to offer The Cliffs’ owners, members and future members a suite of unique financial service opportunities that heretofore have not been available and pair the broad range of resources and capabilities of Emigrant together with the needs of a large community of high net worth families, bringing even more value and synergy to The Cliffs membership.

We will accomplish this vision in cooperation with Emigrant offering The Cliffs’ membership an Emigrant branded “Cliffs Bank” branch at each of the 7 Cliffs Communities offering Trust Services, Mortgage Financing, Homeowner and Title Insurance, Fine Art Financing, Wealth Management,

and other services that align with the concept that within every club is a financial network that can connect members with a financial expert who can assist them in a broad range of financial or investment services.

### ***Leveraging The Cliffs Brand Vision***

IMI's vision is to leverage The Cliffs brand and develop and expand into new verticals.

We will accomplish this vision by executing a business plan for the development of future real estate offerings and/or communities on 3,500 additional acres (including cost effective tax and eco-strategies like Conservation Easements); by developing a branded condo/hotel; by providing aging members and owners an active senior living community with the ability to remain connected to friends, staff, programming, services and wellness amenities offered by The Cliffs and simultaneously give them access to medical care programs and a home that fits their needs; by offering Cliffs membership connected to luxury urban real estate in Greenville and Asheville providing the best of urban and resort living within immediate proximity; and by exploring the viability of extending The Cliffs Communities brand in key markets.

The investment in The Cliffs Brand has been significant and is estimated to be at least \$50 million.

We feel like an active involvement with IMI and partnership with Emigrant can maximize revenue and profit.