

Tuscany National Resort & Club



Cortona, Italy

Executive Summary

PROJECT OVERVIEW

The Property is situated on approximately 200 acres with the Resort buildings in a central core of about 12 acres. The resort's core is like an island surrounded by the golf course, the vineyards, and the Tuscan landscape.

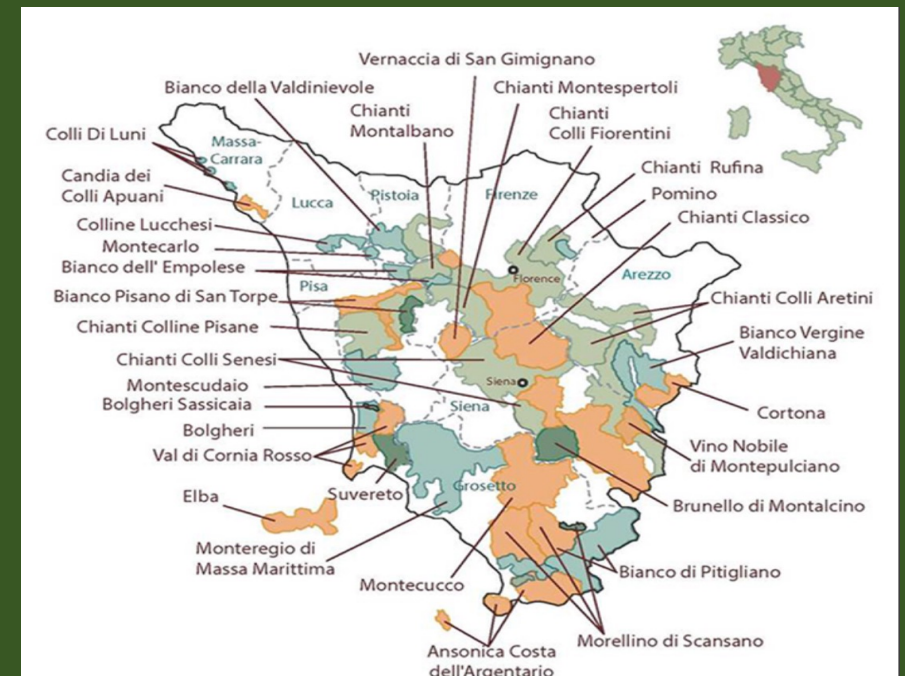
Tuscany National Resort will be the first golf resort in Cortona. Park Street Tuscany, LLC (“Purchaser”) was formed by Park Street Development Group, LLC (“PSDG”) and Buena Vista Hospitality Group, Inc. (“BVHG”). BVHG and PSDG are referred to herein as the (“Sponsors”). The Sponsors have entered into an agreement to purchase 80% of the shares of Cortona Resort & Country Club S.r.l., a limited liability company formed under the laws of Italy (“Seller”). The Seller owns a partially completed golf/spa resort in the Tuscany Region of Italy near the City of Cortona, referred to herein as the “Property”. The Sponsors will complete the development and open and operate the Property. The Sponsors have determined the resort’s original name of Cortona Golf & Spa Resort, will be changed to Tuscany National Resort & Club.





LOCATION

Cortona is a 3,000-year-old city located in the Tuscany region of Italy. It is situated in the province of Arezzo, central Italy. Cortona is known for its historical and cultural significance and its picturesque hilltop location with stunning views of the surrounding countryside. Tourism to the Tuscany region numbers approximately 15 million visitors annually while generating about 50 million room nights of hotel occupancy. Cortona has a rich history in the region and is a popular destination for tourists interested in experiencing the charm of Tuscany.





BACKGROUND

A prominent Italian family, The Romiti family, developed the property. The family patriarch, Cesare Romiti, is a former CEO and Chairman of Fiat/Ferrari. The family purchased the land and started the planning approval process in 2009. Construction began in 2012. Due to constraints within the family, construction was halted in 2015/2016. In 2017 BVHG was introduced to the Romiti family by its Italian partner, Francesco Morawetz, who Cesare Romiti recruited to help find a solution for a development venture that no one in the family was equipped to guide. At the point of BVHG's introduction, the family had invested approximately €44.8 million between debt and equity with an approximate €13 million to be invested to complete and open the Property for a total required capitalization of nearly €58 million.

BVHG & PSDG have frequented the property on seven occasions, meeting with the family to procure a financial and operating solution. During this time, the family was focused on finding an investment partner to come into their venture on a pari passu basis and providing the balance of the funds to complete the Property. BVHG concluded that finding an investor in this situation was highly unlikely since the projected economics needed to support the value conclusions required to make everyone invested whole at the end of the day. BVHG proposed that any new money coming to the venture would need to be in a preferred position for the return on and the return of the new capital. In 2020, Cesare Romiti's death combined with the economic realities of COVID settling into Italy, the family and BVHG reached an agreement on a venture as is described in the next section that follows and in turn, partnered with Park Street Development Group to form Park Street Tuscany, LLC as the purchasing Sponsor.

PROJECT DESCRIPTION



The property is 85% complete with this summary of the present condition.

Gary Player Signature Golf Course. Nine holes have been constructed, and Nine holes remain to be built and grown in.

Golf course maintenance facility - This building is approximately 50% complete.

Golf Clubhouse - This building remains to be designed and constructed.

Main hotel building with forty guest rooms and suites, full-service Spa, outdoor swimming pool, restaurant, rooftop lounge, meeting rooms, back-of-the-house areas, lobby, and surface parking. The main hotel building is essentially complete and equipped.

Casa Medici building (adjacent to the main hotel building but not connected) – Casa Medici is an existing building on the site that could be converted to a private lounge with seven additional suites, this building is approximately 50% complete.

13 two-bedroom, two-bath “Borgo” apartment units averaging 86sq m/926sf each. These units are 99% complete and equipped.

Seven three-bedroom, three-bath single-family villas averaging 163sq. m/1755sf each. These units are 99% complete and equipped.

Four three-bedroom, three three-bath duplex villas averaging 125sq. m/1354sf each. These units are 99% complete and equipped.

A five-bedroom, five-bath villa, Villa Scarpocchi, of 360 square m/3875sf. Villa Scarpocchi is 99% complete but remains to be equipped.

Internal roads, sidewalks, and gardens. Final paving, planting, and site lighting remain to be finished. This work is approximately 80% complete...



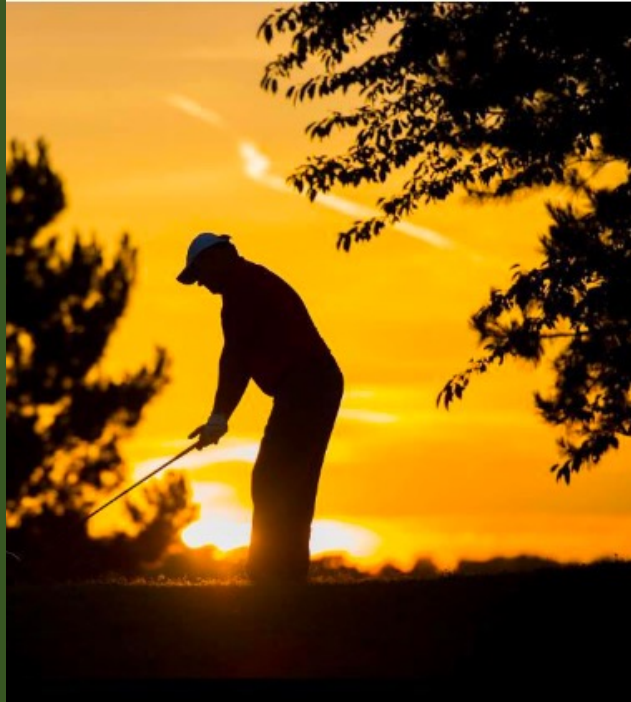






COMPLETION SCHEDULE

The following provides a high-level summary of the tasks and timing to complete the build-out of the Property. The main hotel building, internal circulation, Borgo, single-family, and duplex units will take approximately six months to finish and open. The golf course building and existing nine holes will take about six months to finish and prepare for play. Villa Medici will require approximately one year to complete, equip, and put into operation. The remaining nine holes of golf will need one year to build, plant grass, and put into play. The golf clubhouse will require six months of design, construction permitting, and a further nine months to construct and open.



INVESTMENT STRATEGY

- Acquiring, Repositioning, and Actively Managing a Project in Tuscany, Italy
- Acquisition & Construction Completion: This process WILL include upgrading and optimizing the property to enhance its appeal and value.
- Generating Current Income: We prioritize generating current income through property operations and villa rental revenue.
- Long-Term Growth: We seek long-term growth by leveraging the property's potential in a high-demand market.



KEY BENEFITS

- Cost Advantage: Acquiring the project substantially below replacement cost, offering an attractive investment proposition.
- Above-Average Returns: The strategy targets above-average annual cash-on-cash returns for investors.
- Appreciating Asset: Investing in real estate in a location with high barriers to additional competition, anticipating property value appreciation.
- Investor Perks: Token holders will enjoy resort room/villa rates at a 20% discount for themselves and accompanied guests.

INVESTMENT STRUCTURE & PROJECTED RETURNS

The Sponsors have structured a capital stack that includes \$7.9 million in restructured debt from Banco Popolare Sondrio, \$6.1 million in new debt from the Italian agency Credito Sportivo (for use in the completion of the golf course and clubhouse), and an investment of \$20,000,000 of preferred equity from the investors. The debt will represent approximately 40% of the capital stack. The preferred equity will be used as follows:

- \$817,500 for the cash payment to the Sellers for the 80% of shares in Cortona Resort & Country Club S.r.l (there is additionally a deferred payment of \$5,722,500 to the Sellers which is subordinate to the return of our preferred equity plus an annual 10% cumulative return on the preferred equity).
- \$4,905,000 to purchase at a deep discount an existing \$13,080,000 loan on the Property from Banca Intesa.
- The balance of \$14,277,500 is for organizational costs, completion of the resort buildings and golf course, reopening, contingencies, and working capital.
- The Sponsors are projecting the investment will generate approximately \$36,700,000 of net pre-tax proceeds to the investors over an anticipated seven-year ownership period. If these results are achieved, the investment will generate an average annual cash-on-cash return of about 23% and a return multiple of 1.85 times the original investment of \$20 million.

SENIOR LEADERSHIP

Scott Brown

Chief Executive Officer

Park Street Development Group

Scott brings over 25 years of business, finance, and real estate development experience as Founder and Chief Executive Officer of Park Street Hospitality, a real estate development company. With a strong passion for real estate development, Scott entered the industry in 2005 when he founded Park Street (formerly ABA Hospitality) after a successful career in finance. During that time, Scott established relationships with all the major hotel brands and many leading private equity firms. Scott has built, owned, and operated several hotels and resorts in the United States. Mr. Brown was a regular speaker at Meet the Money, the national hotel finance and investment conference in Los Angeles. Scott and his team have developed and built over 20 hotels. Based in the Bay Area with offices in Newport Beach and Aspen, Colorado, Park Street is building a portfolio of hotel and multifamily lifestyle properties that it owns, finances, and develops in iconic destinations. Before real estate development, Mr. Brown began his professional career at Merrill Lynch in San Francisco and quickly became a top producer, overseeing over \$2B in assets. After a successful 10-year career, in 2005, Scott left to follow his passion for real estate development and founded the company now called Park Street Development Group.

Mike Frost

Chief Executive Officer

Buena Vista Hospitality Group

Mike founded Buena Vista Hospitality Group in 1986. Under his leadership, BVHG has become one of the leading hospitality and golf management companies worldwide. Mr. Frost and the partners of Buena Vista Hospitality Group have provided development services, as well as pre-opening, marketing and consulting services for over fifty projects. These projects range from luxurious convention and meeting destination resorts, urban commercial resorts, hotel condominiums, beachfront resorts, spas, and golf resorts to residential golf communities. Prior to forming BVHG, Mr. Frost was one of the Principals of Shimberg, Kennedy and Frost (SFK) where he headed the company's hotel group, acquiring, managing and developing properties. Mr. Frost negotiated a land lease arrangement with the Walt Disney World Company which culminated in the development of the Buena Vista Palace in a joint venture with Equitable Life Assurance. Mr. Frost was previously in the investment banking business with DuPont Glore Forgan. He holds a degree in Economics from Northwestern University. Mr. Frost is a licensed Real Estate Broker. He has served in boards of the University of Tampa, the Gulf Ridge Council of the Boy Scouts of America and the Tampa/Hillsborough Convention and Visitors Association as well as the Florida Aquarium.

SENIOR LEADERSHIP (Cont.)

Courtney Brown

Web3 Marketing & Strategy

Park Street Development Group

Courtney is recognized as a pioneer and thought leader within the Real Estate FinTech industry. Her career began in traditional real estate in 2008 and she holds broker licenses within several US states. She has experience in transacting with a diverse range of asset classes with institutional clients as well as retail. Her desire for innovation in the market led her to the world of tech startups where she quickly rose to leadership and management. During her time within fintech she was an integral part of the team that successfully sold single family homes on the blockchain utilizing web3 technology, the first of its kind. She is deeply embedded within the web3 ecosystem and is passionate about its adoption and success.

Armando Branchini - Advisor, Italy, Tuscany National

Having worked for about 40 years in the Fashion and Luxury business, always in top positions, Armando has a deep understanding of international trade, business models, business rules, mega and micro trends, and innovations. Armando Branchini has a very positive reputation worldwide among the key people of the Fashion and Luxury industry. Armando Branchini has supported Maurizio Gucci in the relaunch of Gucci, defining the new strategic brand management.

Armando has been consulting companies like SanPellegrino, Illycaffè, Brioni, Gucci, Bottega Veneta, Gianni Versace, Ermenegildo Zegna, Ralph Lauren, Cross, and Helena Rubinstein. Armando Branchini has been a member of the Board of Directors or the Advisory Board of Brioni, Gucci, Natuzzi, and SanPellegrino and is currently a member of the Board of Cantine Ferrari. Armando was one of the three founders of the Fashion Week in Milan.

In 1992, Armando Branchini co-created Fondazione Altagamma, the body representing the Italian Luxury companies and brands. Armando is the Honorary Executive Director of Altagamma after being Vice Chairman for seven years till Dec. 31st, 2019, and after being Secretary General and Executive Director from 1992 through 2012.

In 2010, Armando co-founded ECCIA – European Cultural and Creative Industries Alliance, based in Brussels, Belgium, and representing about 500 European Luxury companies. Armando was appointed Founding Chairman of ECCIA in 2011-13 and then a Board Member till recently. Michael Ward, CEO of Harrods; Guillaume de Seynes, Vice Chairman of Hermès; Carlos Falcò, Chairman of Marques de Grignon; Andreas Kaufmann, Chairman of Leica Camera; and Matteo Lunelli, CEO of Cantine Ferrari have been Armando's successors at the head of ECCIA. In September 2019, Armando was appointed Strategic Advisor of EY Parthenon in the Fashion, Luxury and Retail European Practice



TUSCANY NATIONAL
RESORT & CLUB

CONTACT

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(Parqstreet is the marketing arm for Park Street Tuscany, LLC)

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LEGAL DISCLOSURE

INVESTMENT IN THE COMPANY INVOLVES A HIGH DEGREE OF RISK THAT PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER BEFORE PURCHASING TOKENS. THERE CAN BE NO ASSURANCE THAT THE COMPANY'S INVESTMENT OBJECTIVES WILL BE ACHIEVED OR THAT INVESTORS WILL RECEIVE A COMPLETE ANY RETURN OF THEIR CAPITAL. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING SET FORTH IN A SEPARATE PRIVATE PLACEMENT MEMORANDUM (THE "MEMORANDUM") THAT INCLUDES IMPORTANT RISK FACTORS AND TAX CONSIDERATIONS RELATING TO THE OFFERING. NO INTERESTS MAY BE SOLD WITHOUT DELIVERY OF THE MEMORANDUM AND ACCOMPANYING DOCUMENTS EACH INVESTOR SHOULD MAKE ITS OWN INQUIRIES AND CONSULT ITS OWN ADVISORS AS TO THE COMPANY AND THIS OFFERING AND ALL LEGAL, TAX AND RELATED MATTERS. THE TOKENS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, THE SECURITIES LAWS OF ANY STATE OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, NOR IS SUCH REGISTRATION CONTEMPLATED. THE TOKENS ARE BEING OFFERED AND SOLD ONLY TO "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT) IN COMPLIANCE WITH RULE 506(C) OF REGULATION D UNDER THE SECURITIES ACT. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION.