

VILLAZZO

GLOBAL LUXURY VILLA FUND



VILLAHOTEL CONTENTA - MIAMI
\$19,800 PER NIGHT



VILLAZZO

Villazzo Global Luxury Villa Fund LLP (the “Fund”) is raising \$500 million to acquire and convert ultra luxury residential homes into private hotels to be managed by Villazzo LLC (“Villazzo”).

The Fund aims to generate a 10-20% annual capital gain, plus 2-5% annual investment returns*, if the portfolio is marketed through Villazzo’s Private Hotel portfolio.

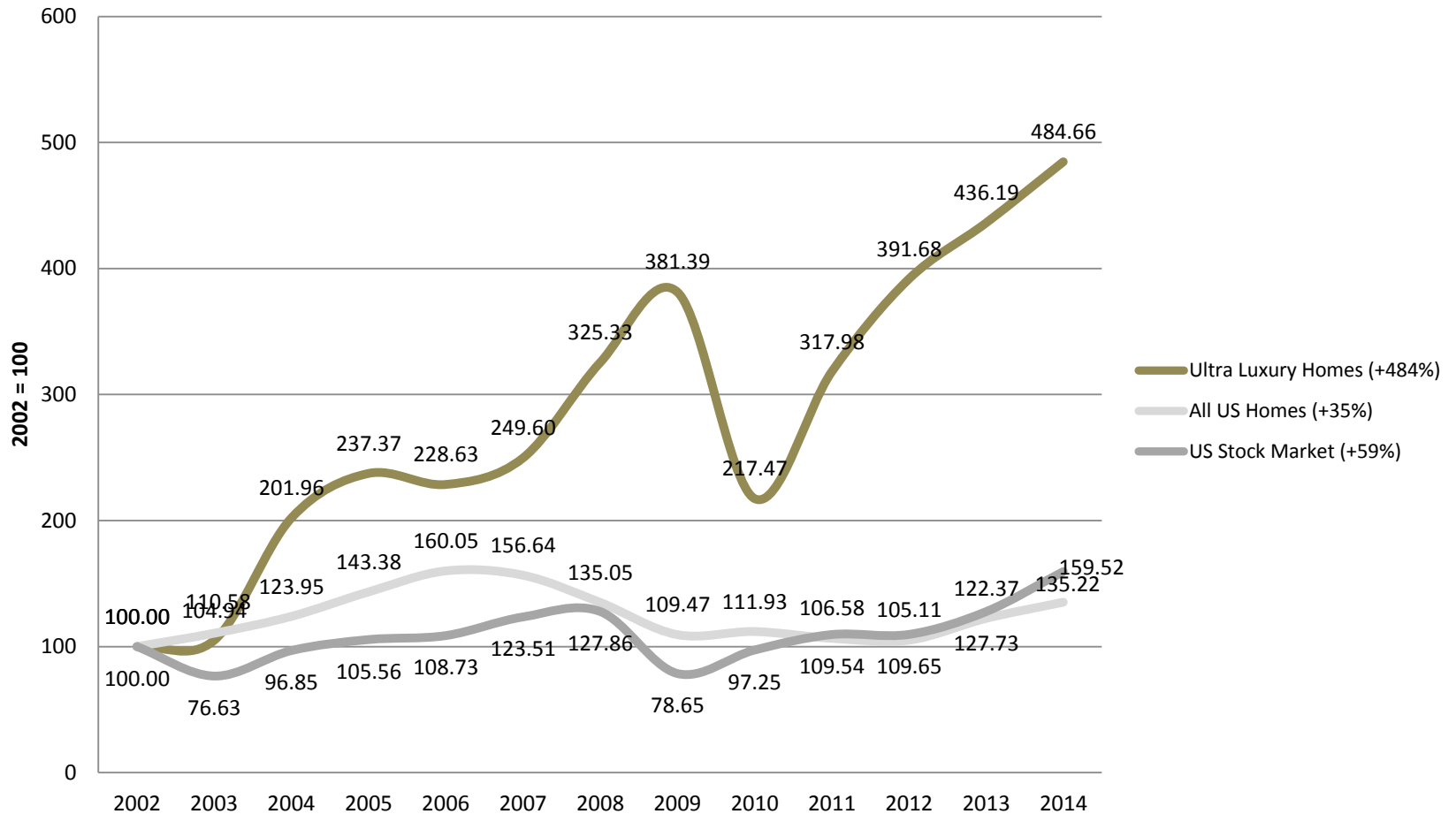
The Fund will acquire approximately ten ultra-luxury homes in jet-set destinations around the world, including Miami Beach, St Tropez, Aspen, St. Barth, Ibiza, Courchevel, the Hamptons, Bali and Capri.

The Fund will seek to triple the investment over 10 years by offering:

- Low downside risk
- Extraordinary upside potential
- A stable annual income stream
- Downturn protected investments

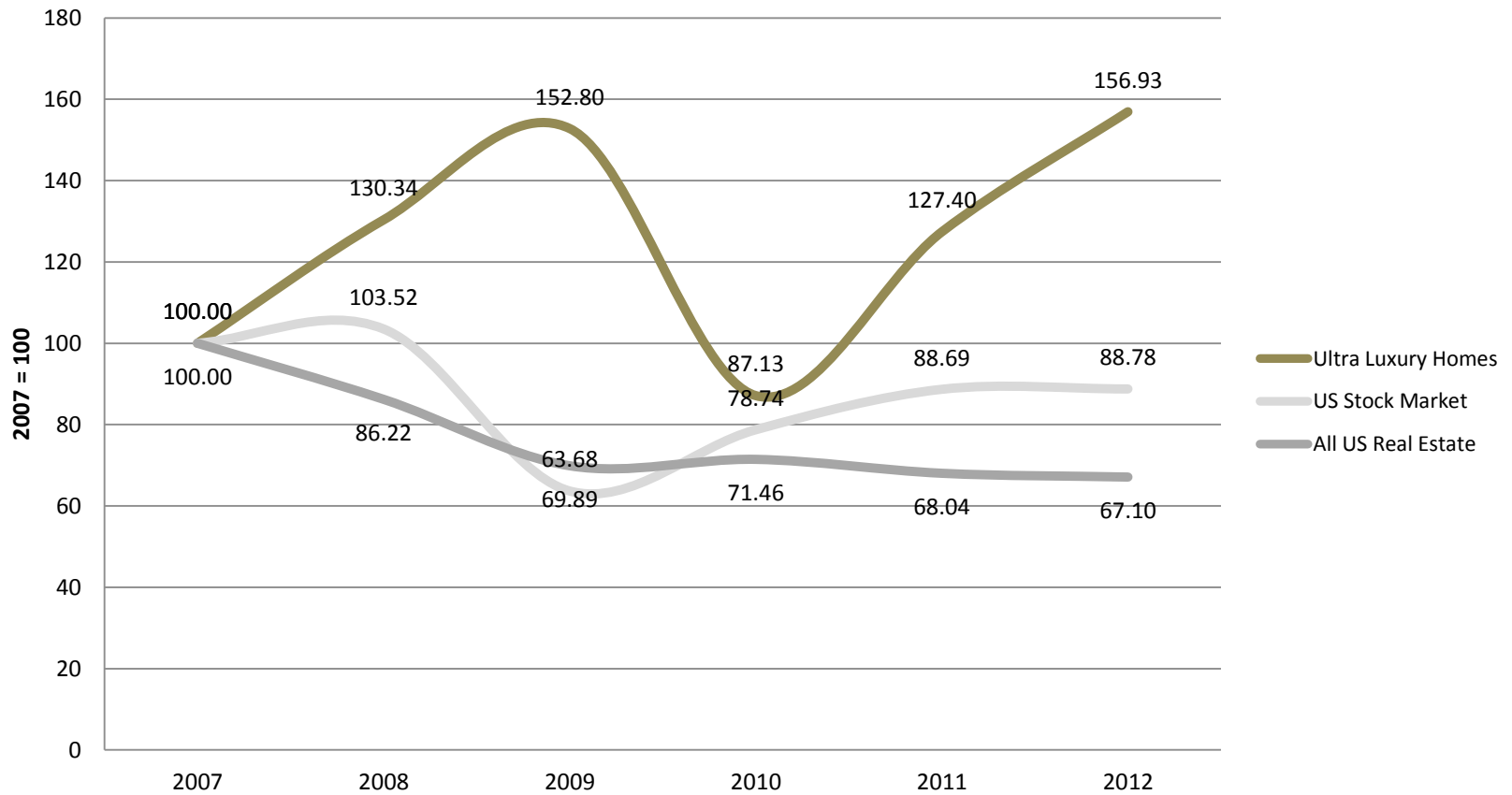


MARKET PERFORMANCE INDEX



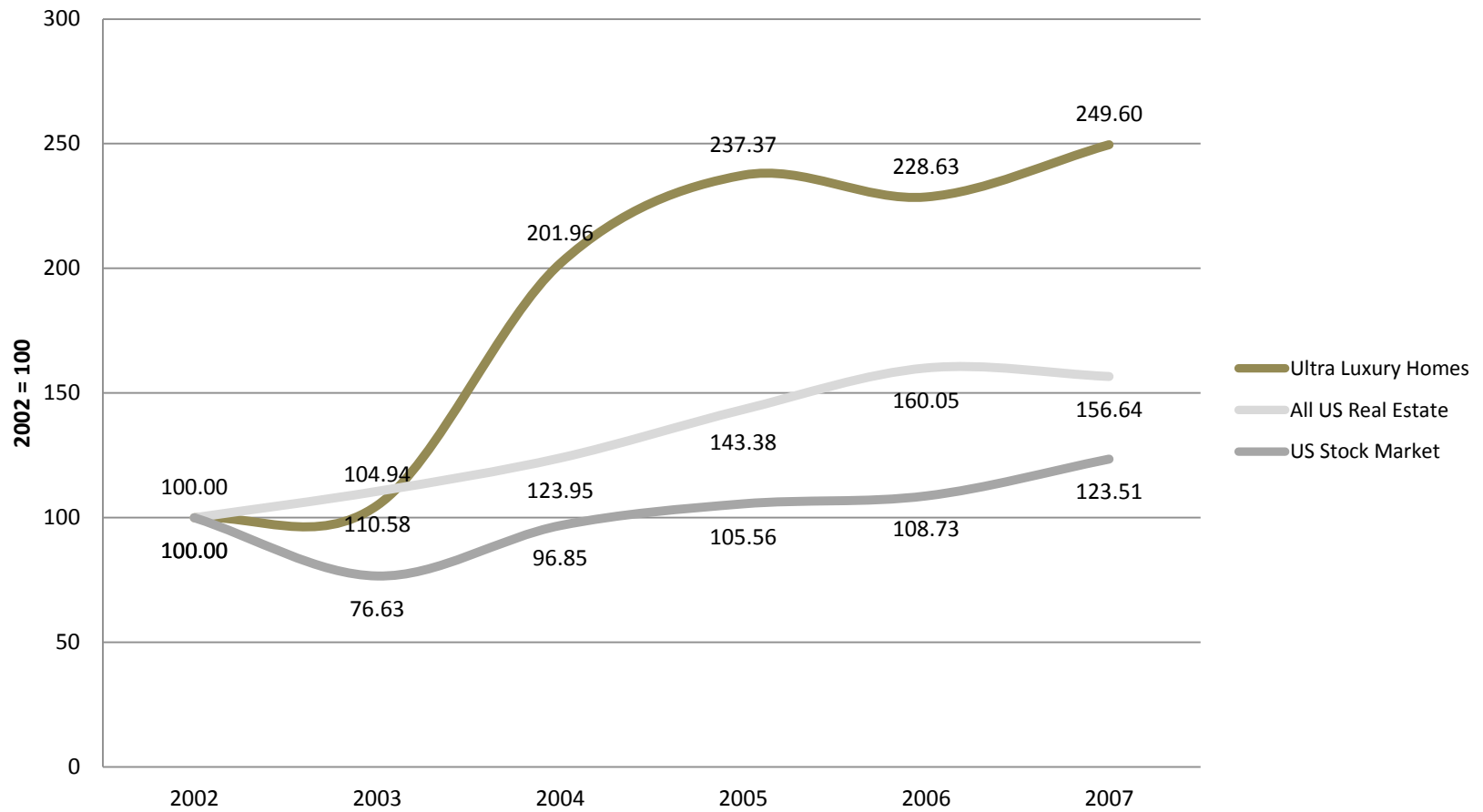
Ultra Luxury Home refers to all homes sold above 8,000 sq ft in Miami Beach, Hamptons, and Aspen as compiled by Data Quick (<http://www.dataquick.com>).

MARKET PERFORMANCE INDEX BEAR CYCLE (2007-2012)



Ultra Luxury Home refers to all homes sold above 8,000 sq ft in Miami Beach, Hamptons, and Aspen as compiled by Data Quick (<http://www.dataquick.com>).

MARKET PERFORMANCE INDEX BULL CYCLE (2002-2007)



Ultra Luxury Home refers to all homes sold above 8,000 sq ft in Miami Beach, Hamptons, and Aspen as compiled by Data Quick (<http://www.dataquick.com>).

LUXURY REAL ESTATE MARKET



From our own personal experience managing our investment portfolio, luxury residential real estate has consistently outperformed in both bull and bear markets.

Factors influencing positive performance:

- Demand is increasing- the rich keep getting richer
 - Growth in the ultra high net worth category (29% growth since 2006 according to Ledbury Research); many are from emerging markets.
- This market does not experience much distress sales - i.e. there are minimal foreclosures since most acquisitions are cash purchases and aren't subject to panic sales.
- Limited supply - land is scarce and it is difficult to build new waterfront luxury estates in places like Miami Beach or St Tropez.

FIRST FUND OF ITS KIND



Obstacles to investing in residential luxury real estate:

- High carrying costs and lack of long term renters hinder positive cash flows.
- Lack of companies managing ultra-luxury private villas in multiple destinations as hotels.
- Lack of fund managers with global experience in buying and selling luxury residences.

How Villazzo overcomes these obstacles:

- Achieves positive cash flow on these properties through short term vacation rentals.
- Proven track record in managing luxury real estate in three destinations for over 10 years.
- Villazzo's experienced principals have bought and sold luxury real estate in jet-set destinations for over 10 years.

FIRST FUND OF ITS KIND



- Villazzo was founded in 2002.
- Currently manages approximately 30 ultra luxury villas in St Tropez, Aspen and Miami Beach.
- Values of homes range from \$2 million to \$40 million.
- Unlike a vacation club, Villazzo operates on a traditional hotel model where guests pay for their stay without any membership dues.
- Villazzo provides guests with ultimate luxury, service and consistency where guests will enjoy only the finest amenities and accommodations at pristine estates.
- Prices per night start at approximately \$2,000 and go to over \$30,000 per night. These prices do not include additional services (Spa at Home, Restaurant at Home, Security).
- On multiple occasions, Villazzo has had one single booking exceeding \$500,000.

OUR TARGET DESTINATIONS ARE WHERE THE ULTRA HIGH NET WORTH VACATION



Existing Destinations:

- 1) Miami
- 2) St Tropez
- 3) Aspen

Future Destinations:

- | | |
|---------------|-----------|
| 4) St Barth | 8) Bali |
| 5) Ibiza | 9) Hawaii |
| 6) Courchevel | 10) Capri |
| 7) Hamptons | |

INVESTMENT STRATEGY



VILLAHOTEL NATHALIE - SAINT-TROPEZ | \$15,500 PER NIGHT

- Acquire 10 luxury homes with high appreciation potential in 10 jet-set destinations
- Maximize income through short-term rentals through Villazzo Private Hotels concept
- Market properties to “impulse buyers” who pay above market prices
- Manage properties to five star hotel standards so they are kept in pristine shape and are very appealing to a buyer
- Re-decorate homes as necessary with reasonable budgets and great design
- Sell each property “turn-key” as soon as an above-market price can be obtained, then re-invest into a property that can be bought below market
- Leverage Villazzo’s 10+ years of experience marketing, renting, and operating luxury homes
- Positive annual returns during holding period

MANAGEMENT FEES AND EXPECTED RETURNS



VILLAHOTEL AMELIA – ASPEN | \$9,000 PER NIGHT

Fees:

- The properties will be placed into the Villazzo Private Hotels portfolio and subject to current market fees.
- The fund will be structured as a typical hedge fund with a yearly management fee of 2% and a success fee of 20% of the capital gain.

Returns:

- We expect the properties to generate a positive cash flow between 2%-5% per year net of fees.
- We expect the properties to appreciate 10-20% per year.
- Total expected return net of fees is to triple the original investment over 10 years.



CHRISTIAN JAGODZINSKI, FOUNDER AND CHIEF EXECUTIVE OFFICER - After selling a company he founded, Telebook Inc., to Amazon.com in 1998, Christian moved to Miami Beach and began acquiring prime residential properties while also establishing Villazzo LLC. In his first transaction, Christian acquired a single-family luxury home for \$2.45 million, and sold the same property 3 years later for \$4.5 million. In 2002, he bought the Portofino Towers Penthouse for \$3.5 million, selling it for \$5.2 million in 2005. In 2007, Christian acquired a boutique property in Antigua/Guatemala for \$1.4 million, and sold it for \$1.8 million in 2009, despite the catastrophic economic situation in that year.

Furthermore, in 2002 Christian founded Villazzo in order to create a new segment in the growing villa vacation rental marketplace. Headquartered in Miami Beach with offices in St. Tropez and Aspen, Villazzo has successfully combined five-star hotel services with villa vacation rentals, creating a unique luxury vacation experience. It is the only company of its kind world-wide. Villazzo has been featured in the *New York Times*, *Forbes*, *Business Week*, *The Independent*, the *Miami Herald*, *Conde Nast Traveler*, *Travel and Leisure*, *Town and Country*, MSNBC, and many other publications worldwide. Christian is fluent in English, French, German, and Spanish.



JEANNETTE BRANDT, CHIEF OPERATING OFFICER- Jeannette is an ambitious business executive with proven abilities in strategic planning and managing many projects successfully. She has overseen Desdemona's real estate holdings for over 8 years and as VP of Villazzo has managed all of Villazzo hotel properties, developments, and construction projects. She has been instrumental for the success of some of the largest real estate developers in Miami such as Related, Trump, and Terra Group and has been a key executive with the opening and delivery of several large scale luxury condominium towers. She holds a Master's Degree in Business and is fluent in German and English. Her success is directly related to her ability in delivering outstanding results to demanding international clients.



JARRET KAPLAN, CHIEF FINANCIAL OFFICER - Jarret is an American attorney with a BS in Accounting and MS in Taxation. He received his Juris Doctorate from Florida International University College of Law in Miami, and has worked for Gidney & Co., C.P.A. and Mallah Furman C.P.A., specializing in a wide range of tax issues. He currently operates his own practice at Jarret W. Kaplan, P.A. and is a Florida licensed Certified Public Accountant, a Member of the Florida Bar, and was admitted to practice before the United States Tax Court in 2007. Jarret currently oversees all tax-related issues pertaining to Desdemona.



MARCO A. LAURETI, VICE PRESIDENT - Marco has over 20 years experience as real estate investment banker with a high concentration in Structured Finance, Loan Sale Advisory, and Real Estate Development. He has participated in real estate investments, loan portfolio acquisitions, and structured finance deals. His fluency in Spanish, Portuguese, and Italian has allowed him to develop close relationships with overseas private and institutional investors that seek Real Estate investments globally. Marco graduated from University of Miami with a Bachelor's in Business Administration degree in International Finance, Marketing, and Business Law.

SUMMARY OF TERMS

Minimum LP Commitment: \$5 million, subject to waiver by the General Partner

Fund Size: Target \$500 million in aggregate capital commitments (maximum of \$600 million)

Target Returns: The Fund aims to triple the original investment over 10 years

GP Commitment: 1% of aggregate capital commitments

Commitment Period: 3 years from final closing date

Term: 10 years, subject to two one-year extensions at the General Partner's discretion

Preferred Return: 3% per annum, compounded annually

Carried Interest: 20% of net profits

Management Fees: 2.0% of aggregate Capital Commitments during the Commitment Period;
2.0% of net invested capital following Commitment Period

Auditor Kaufmann, Rossin & Co

Fund Counsel Carlton Fields Jordan Burt



VILLAZZO

ON BEHALF OF THE HOTEL VILLAZZO S.p.A.
VILLAZZO HOTEL
CONTENTA

VILLAZZO
DRY CLEANING BAG

VILLAZZO
GUEST SERVICES