

Ultra-Luxury Ritz-Carlton, South Beach is a Unique Partnership Between Two Families of Developers

Lionstone Group and Flag Luxury Properties Join Forces to Bring New Standard of Hotel Sophistication to Miami Beach

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The Ritz-Carlton, South Beach - the city's first five-star caliber hotel - opened on New Year's Eve 2003 and has injected a new level of style, elegance and service to the Miami Beach hotel scene. Located on the fashionable corner of Lincoln Road and Collins Avenue in the famed Art Deco district, the Ritz Carlton, South Beach was jointly developed and is owned by the Lionstone Group of Miami and New York-based Flag Luxury Properties, LLC.

The Lowenstein family acquired the DiLido in 1971 and operated the hotel under that name for thirty years. In 1997, Alfredo Lowenstein, CEO of the Lionstone Group, and Paul Kanavos, Chairman and CEO of Flag Luxury, created a partnership to transform the DiLido into a completely restored, oceanfront, Art Moderne landmark hotel under the celebrated Ritz-Carlton flag. After a \$200 million restoration, the Ritz-Carlton, South Beach has introduced a new level of luxury to Miami Beach while maintaining the sophistication of the original designs by renowned architect, Morris Lapidus.

The Lionstone Group maintains principal ownership of the Ritz-Carlton South Beach and serves as asset manager for the property. Flag Luxury Properties, LLC developed the Ritz-Carlton, South Beach under the direction of Paul Kanavos who is also the managing partner in the joint venture.

About the Lionstone Group

The Miami-based Lionstone Group is a family-owned organization engaged in residential, commercial and hotel development in South Florida and the Caribbean. Each member of the family plays a significant role in the company's operation including patriarch and CEO Alfredo Lowenstein; matriarch and art dealer Diana Lowenstein who commissioned the distinctive Art Moderne style paintings displayed throughout the Ritz-Carlton, South Beach; and son Diego Lowenstein who serves as the company's COO and oversees daily operations. Also playing key roles are son-in-law Martin Elortegui, who is the company's Vice President of Special Projects; daughter Flavia Lowenstein-Elortegui who oversees interior design elements; daughter Paula Lowenstein-Boano who helps guide the branding and image of Lionstone developments; son-in-law and architect Gabriel Boano; and daughter Carla, who has worked on developing the company's corporate identity.

In addition to the Ritz-Carlton, South Beach, The Lionstone Group portfolio includes the following properties: Breezes Curaçao; Hilton Curaçao; Bushiri Beach Resort, Aruba; Sun-Spree Holiday Inn, Aruba; Seville Beach Resort, Miami Beach; and the Dupont Plaza Hotel, Miami.

About Flag Luxury Properties, LLC

Flag Luxury Properties, LLC headquartered in New York City, owns and develops hotel, residential, and retail projects in North America. Founded in 1946 by Peter J. Kanavos Sr., the Flag Group of Companies has developed over \$4 billion worth of assets, including some of the first Marriott and Holiday Inns hotels; Intercontinental Hotel Athens, Greece; The Sheraton Hotel Brussels, Belgium; and the Trade Fair Hotel, Lagos, Nigeria. Continuing the legacy established by his father, Paul Kanavos Jr., Chairman and CEO, with his wife Dayssi and brother Peter, maintain the family reputation for excellence and dedication with a successful model for identifying, acquiring, branding, and developing world-class luxury real estate assets. Through innovative financing, strategic partnerships and distinctive architectural execution, Flag Luxury is on the cutting edge of today's real estate industry.

In addition to The Ritz-Carlton, South Beach, current projects include The Ritz-Carlton Golf Club & Spa, Jupiter; The Hawaiian Marketplace, Las Vegas; Ferry Point Park Golf and Conference Center, New York City, and Temenos Anguilla, A St. Regis Retreat.