

Press release

Hypo Real Estate Capital Corporation closes \$155.5 Million construction loan to redevelop the Carillon Hotel, Miami Beach, Florida

New York, Dublin, Munich, May 10th 2004 – Hypo Real Estate Capital Corporation (“HRECC”), New York, has announced that it is the sole lender of a \$155.5 million construction loan to South Carillon Joint Venture, L.L.C. (with WSG Development as the sponsor), for a planned 374-unit luxury condo and condo-hotel project. Located at the site of the 16-story landmark Carillon Hotel in Miami Beach, Florida, the project will provide for a full gut renovation of the hotel, which will house 151 condo-hotel units operated by the world renowned Canyon Ranch Spa, as well as 80 condo units. In addition, a new 21-story building will also be constructed containing 143 condo units.

The project comprises 394,000 net sellable square feet and will be named Canyon Ranch Living. A 57,000-square-foot Canyon Ranch Spa Facility, for the exclusive use of the residents, will be integrated into the project. Canyon Ranch has carefully selected the Carillon for only its fifth spa. This project is the first of two planned phases, with the second phase scheduled to commence once the first phase has sold out. WSG Development has invested approximately \$13 million in both phases. Lehman Brothers, as the mezzanine lender, has contributed another \$66.6 million to both phases. Arquitectonica and Rockwell Group are the lead and interior architects for this project, respectively.

The Canyon Ranch Health Resort concept at Carillon will allow residents to enjoy the luxury of a complete spa lifestyle, as well as two Oceanside restaurants, a full service beauty and wellness salon and a 24-hour full service concierge.

The entire spa and amenities facility will include all of the best features of Canyon Ranch's Lenox, Massachusetts, Tucson, Arizona, Queen Mary II, and Las Vegas, Nevada resorts to create one unique and extraordinary living experience. Amenities will include four outdoor heated pools: two oceanfront, one sunset and one roof top; a roof-climbing wall, state-of-the-art cardio theater, weight training area, private personal training and treatment suites, natural juice bar, nutrition and dietary counseling, medical evaluation and supervision, physical therapy rehabilitation, pilates and yoga studios, massage facilities, steam sauna rooms, aerobic studio and fully-staffed locker rooms and lounges.

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About Hypo Real Estate Capital Corporation

Hypo Real Estate Capital Corporation, formerly known as HVB Real Estate Capital, is the New York subsidiary of Hypo Real Estate Bank International and the headquarters for all real estate lending activities in the U.S. Since 1988, the group has established itself as a leading lender in the U.S. commercial real estate market. The firm's businesses include construction lending, fixed and floating rate lending and mezzanine lending throughout the Americas. Hypo Real Estate Capital Corporation continues to be one of the major foreign real estate lenders in the U.S.

About Hypo Real Estate Bank International

Hypo Real Estate Bank International based in Dublin, Ireland, is part of the Hypo Real Estate Group (HREG). The corporate group – which is the result of HVB Group spinning off its commercial real estate activities – comprises the non-operational, listed holding company, Hypo Real Estate Holding AG headquartered in Munich alongside two other operational units: Stuttgart-based Württembergische Hypothekenbank AG (WürttHyp) and Munich-based Hypo Real Estate Bank AG Germany. Hypo Real Estate Group is one of Europe's largest providers of commercial real estate finance.

For further information, visit our Websites at:

- www.hyporealestate.com
- www.hypointernational.com.

WSG Development is a national real estate development and investment firm, founded in 1995 by Philip Wolman and Eric Sheppard, specializing in acquisition, development and construction of commercial and residential real estate in 15 states throughout the U.S. WSG and its partners will have completed 42 real estate developments which include residential condominiums, single-family homes, Class A office buildings, warehouse/manufacturing plants and retail shopping centers. In addition to the company's real estate holdings, WSG's partners have other business interests in the US and around the world.

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