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**MADISON ACQUIRES LOAN FOR W SOUTH BEACH HOTEL & RESIDENCES
UNDER CONSTRUCTION IN SOUTH BEACH, FLA.**

Oceanfront Hotel and Condominium Project on Track for Spring 2009 Completion

DENVER, Oct. 9, 2008 – Madison Capital Management, LLC and its affiliates (“Madison”), an alternative investment management firm specializing in niche distressed, real estate, natural resources and special situation financial assets, announced it closed on a \$45 million B Note loan acquisition from Hypo Real Estate Capital Corporation. The loan is secured by a luxury oceanfront hotel and condominium project in South Beach, Fla. W South Beach Hotel & Residences is currently under construction at 2201 Collins Ave. and is scheduled to be completed in the spring of 2009.

W South Beach Hotel & Residences, the first W project made up entirely of residences, will operate as a hotel as unit holders include their residences in a voluntary rental program. The project features 408 residences priced from the \$700,000s to more than \$5 million and includes studios, one- to three-bedroom, penthouse and bungalow units. Guests and owners will enjoy W South Beach Hotel & Residences’ two signature gourmet restaurants including renowned Chinese eatery Mr. Chow, a beautiful outdoor infinity-edge swimming pool, spacious Bliss Spa® and secret gardens with picturesque fountains. The property also will include relaxing private pool cabanas with flat-screen televisions, expansive balconies with stunning views of the Atlantic Ocean and modern fitness center. The development team of W South Beach Hotel & Residences includes Tri Star Capital, RFR Holdings, Investcorp, The Related Companies and Starwood Properties. Starwood’s W Hotels Worldwide will manage the property.

“Madison is pleased to be a part of the distinguished financing team associated with this dynamic project,” said Bryan Gordon, chairman and managing director of Madison. “The W South Beach Hotel & Residences will be a vibrant and exciting destination resort which will further entice visitors from the United States and around the world to visit the greater Miami area.”

Another recent transaction by Madison included the acquisition of a \$7.9 million participated senior secured construction loan for The Towers of Channelside in Tampa, Fla. Completed in the summer of 2007, the 29-story towers are located in the city’s Channelside District and feature 257 residential units ranging from 1,136 to 4,849 square feet of living space, approximately 35,000 square feet of retail space and a magnificent resort-style outdoor swimming pool.

About Madison Capital Management

Founded in 1996, Madison Capital Management is a recognized leader in the United States and worldwide in the direct acquisition of fractionalized distressed, real estate, natural resources and special situations financial assets. The firm has offices in New York, Denver and Kansas City, and through Madison Capital Management (Europe), LLC, in Luxembourg. Utilizing an event-driven and value-oriented investment approach, Madison has invested more than \$925 million in capital and currently manages more than \$550 million in assets. For more information, visit madisoncap.com.

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