

PRESS RELEASE
For Immediate Release – April 5, 2007

Federal Capital Partners and Angelo, Gordon Announce \$405 Million Sale and Recapitalization of Apartment Portfolio

For Immediate Release --Washington, D.C. – April 6, 2007 – Federal Capital Partners (FCP), one of the Washington, D.C. area’s leading real estate investment and operating companies, and Angelo, Gordon & Co., a New York-based real estate investment fund, today announced the sale and recapitalization of a five-property, 3,600-unit multifamily portfolio valued at \$405 million. Three of the properties, Seasons of Bel Air in Bel Air, Maryland, Cooper’s Crossing in Landover Hills, Maryland and Henson Creek in Forestville, Maryland, were purchased by a private investment company. The two other properties in the portfolio have been recapitalized and will continue to be redeveloped and repositioned by FCP.

“These well-located apartment communities exemplify the way we work. Through our local knowledge and expertise, we identify under- managed and/or undercapitalized properties and invest capital to improve their marketability and operational efficiency, allowing us to increase rents, improve occupancy and trim expenses,” commented FCP Partner, Lacy I. Rice. Mr. Rice continued, “The three properties that were sold have been repositioned and the operations largely stabilized. The properties that were recapitalized will benefit from our continued renovations as well as rapidly improving submarket dynamics.” Today’s news closely follows FCP’s announcement in early March that Tom Carr, former Chairman and CEO of CarrAmerica, had joined FCP as Partner and also comes on the heels of the company’s \$24.4 million purchase of Park Place Towers, a 447-unit high-rise apartment building in Bladensburg, Maryland.

Summary of Properties Sold

Seasons at Bel Air is a 732-unit garden style apartment community originally built in phases between 1971 and 1982. This community, located near the Aberdeen Proving Grounds – a base likely to see strong job growth as a result of BRAC (Base Realignment and Closure 2005) – has benefited from improved property management and market repositioning along with a \$1.5 million renovation program. Renovations include building entry refurbishment, landscaping, in-unit upgrades and systems improvements.

Cooper’s Crossing is a 727-unit garden style apartment community originally built in 1966. Included in its \$7.5 million renovation was a new clubhouse and leasing center, new swimming pool, upgraded landscaping, kitchen and bath renovations, building entry renovations and plumbing and mechanical system upgrades.

Henson Creek is a 450-unit garden style apartment community, originally built in 1965. Its extensive \$4.5 million renovation included a new community signage package, façade work, redeveloped recreation center and pool along with new windows, paving, and kitchen and bath renovations.

FCP expresses its appreciation to the CB Richard Ellis Washington-Baltimore Multi-Housing Group lead by Bill Roohan, Mike Muldowney and Andy Boyer for its brokerage services in the sales transaction.

About Federal Capital Partners

Founded in 1999 by partners Esko I. Korhonen and Lacy I. Rice, Federal Capital Partners (FCP) is a real estate investment and development company headquartered in Washington, D.C. Since its inception, FCP has acquired an approximately \$1 billion portfolio of real estate assets consisting of Class B and C multi-family, retail and industrial assets and Class A and B office properties. FCP has established a strong reputation in the greater Washington, D.C. metropolitan area real estate markets as an investor with a keen eye for identifying unexploited markets and product sectors. FCP deploys a value-added investment strategy focusing on under-managed or under-capitalized assets in need of repositioning and reinvestment. For further information, please visit www.fcpc.com.

About Angelo, Gordon & Company

Angelo, Gordon & Co. is a privately-held registered investment advisor dedicated to alternative investing. The firm was founded in 1988 and currently manages approximately \$12 billion. Angelo, Gordon began investing in commercial real estate in 1993 and has acquired over \$8 billion of properties. The firm focuses on a value-added approach through the acquisition of sub-performing real estate properties across a broad range of geographical markets and product types.

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