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Federal Capital Partners and Angelo, Gordon Announce Sale of The Flour Mill in Washington, DC

For Immediate Release — Washington, D.C. — October 12, 2007 -- Federal Capital Partners (FCP), one of the Washington, D.C. area's leading real estate investment and operating companies and its partner, Angelo, Gordon & Company (AG), today announced the sale of The Flour Mill, a Class A landmark office building located at 1000 Potomac Street, NW, in the Georgetown submarket of Washington, D.C., for an amount in excess of \$50 million.

"FCP purchased The Flour Mill in 2003 and we have made significant improvements to the property, increased occupancy and brought the rents up to market rates," said FCP Partner and Founder, Esko I. Korhonen. Mr. Korhonen continued, "We believe this aggressive investment market created an opportune time to sell the property and capture the significant value we created."

Since FCP purchased The Flour Mill, the company has leased, renewed or expanded 80% of the net rentable space within the building. Additionally, the company made significant capital improvements to the HVAC and electrical systems, renovated the lobby and elevator cabs and upgraded and re-landscaped the outdoor plaza area.

The Flour Mill is a 125,000 square foot, 8-story office building originally built in 1980 and situated between the Potomac River and the C&O Canal, encompassing a full city block in the vibrant Georgetown submarket. The property directly overlooks the Georgetown Waterfront Park, Washington, D.C.'s largest new park, now under construction on the banks of the river. This park will be the vital final link in a 225-mile contiguous green space along the Potomac River from Mt. Vernon, VA to Cumberland, MD.

Federal Capital Partners was represented by Eastdil Secured, Washington, D.C. office.

About Federal Capital Partners

Founded in 1999 by partners Esko I. Korhonen and Lacy I. Rice, Federal Capital Partners is a real estate investment and operating company headquartered in Washington, DC. Thomas A. Carr, former Chairman and CEO of CarrAmerica Realty Corp. (NYSE:CRE) joined FCP as a partner in early 2007. Since its inception, FCP has acquired more than \$1 billion of real estate assets consisting of Class B and C multi-family, retail and industrial assets and Class A and B office properties. FCP deploys a value-added investment strategy focusing on under-managed or under-capitalized assets in need of repositioning and reinvestment. 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. For further information, please visit [606](#).

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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