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Federal Capital Partners Announces the Closing of its \$230 Million FCP Fund I, LP

Washington, D.C. – October 8, 2008 -- Federal Capital Partners (FCP) announced today the closing of their \$230 million real estate private equity fund, FCP Fund I, LP. The fully discretionary fund is targeted to equity and debt investments in residential and commercial properties and land throughout the Mid-Atlantic region. FCP expects to use modest leverage in the fund, which will allow approximately \$800 to \$900 million of total investments. Concurrent with closing the fund, FCP has established a line of credit funded by a consortium of banks led by JP Morgan.

“We are extremely pleased with our ability to raise capital in a difficult financial environment and appreciative of the support shown by a very sophisticated group of investors,” said FCP Co-Founder and Partner, Esko Korhonen. Mr. Korhonen continued, “While FCP’s investment strategy in the past has been focused on acquiring under-managed and under-capitalized assets in need of repositioning and reinvestment, this Fund format gives us tremendous flexibility to also work with existing owners and lenders who may need debt or joint venture capital in this challenging climate.”

Since January of 2008, FCP has acquired three properties for an aggregate initial investment and committed renovation capital of approximately \$200 million, including The Monterey, a 432 unit Class A apartment renovation in Bethesda, MD, Park Berkshire, a 598 unit value-add multifamily project in Forestville, MD, and Toledo Plaza, a 242 unit value-add project in Hyattsville, MD.

About Federal Capital Partners

Founded in 1999 by two former Carlyle Group Principals, Esko Korhonen and Lacy Rice, FCP is a real estate investment and operating company headquartered in Washington, DC. Msrs. Korhonen and Rice, together with Partner Alex Marshall, were joined by Tom Carr, former Chairman and CEO of CarrAmerica Realty (NYSE:CRE) in 2007. The four principals together have over 80 years of real estate investment experience. Since its inception, FCP has acquired more than \$1.2 billion of real estate assets consisting of multifamily, office, retail and industrial properties, primarily in the greater Washington, DC, and Baltimore, MD region. FCP has established a strong reputation as an investor with a keen eye for identifying under-exploited submarkets and product sectors. For further information, please visit www.fcpdc.com.

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