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Federal Capital Partners Acquires 432-Unit High-Rise Apartment Complex in Rockville, MD

Washington, D.C. – March 18, 2008 -- Federal Capital Partners (FCP), in partnership with Angelo, Gordon & Co., announced today the acquisition of The Monterey, a 432-unit high-rise apartment community located in Rockville, MD.

The property is prominently located at the intersection of Rockville Pike and Montrose Road, a short walk from the White Flint Metro and various retail centers. The 16-story complex was built in 1967 and substantially renovated in 2000 by Home Properties. Additional renovations were performed during a proposed condominium conversion by the subsequent owner that was stopped in 2007.

FCP will re-establish The Monterey as the premier Class-A apartment community on Rockville Pike. In the next twelve months, FCP will complete condo-level renovations begun by the former owner. The renovations will include granite countertops, wood flooring, stainless appliances and other luxury finishes. Common area upgrades will include meeting rooms, a library, a professional fitness area, an entertainment center and other Class-A amenities.

The property is currently 45% occupied. The remaining 55% of the apartments are in various stages of renovation. FCP will complete renovation of these units and begin delivering rent-ready, condo-finished units in three months. FCP expects to invest approximately \$17 million to complete the project.

“The Monterey is an outstanding asset in a proven location. Access to capital and experience repositioning high-rise apartments allowed us to structure a deal that appealed to the senior lender, the mezzanine lender, and contractors left stranded by a failed condo conversion” said Lacy I. Rice, an FCP Partner. “It helped that none of the apartments ever sold as condominiums and that a substantial part of the property was renovated to Class-A condo standards.”

The complex financial transaction included the purchase of the first deed of trust from an affiliate of I-Star Financial and the deed of trust from an affiliate of CBRE Realty Finance.

For more information, please visit our web site at www.fcpdc.com or contact Lacy Rice at (202) 386-7161.