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Federal Capital Partners Announces Purchase of a Senior Secured Loan

Washington, D.C. – March 3, 2009-- Federal Capital Partners (FCP) announced today the acquisition of an approximately \$28 million senior secured mortgage loan on an existing residential project in Arlington, VA. The performing loan was purchased by a subsidiary of FCP Fund I, L.P. FCP will provide servicing for the loan.

“We are seeing more transactions that require new financing due to the intensifying credit crunch in the real estate markets. This loan represents a great opportunity to participate in a strong project at attractive returns,” stated FCP Partner, Lacy Rice. “Our unique ability to provide debt or equity combined with our operational expertise, allows us to help sponsors or lenders restructure complex assets.”

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 development company headquartered in Washington, DC. Thomas A. Carr, former Chairman and CEO of CarrAmerica Realty Corp. joined FCP as a partner in early 2007. Since its inception, FCP has acquired more than \$1.2 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.

FCP Fund I, L.P. is a \$230 million co-mingled real estate private equity fund formed to invest in multiple real estate sectors in the Mid-Atlantic region, with a focus on the metro Washington D.C. area. The Fund is able to provide both debt and equity capital as needed for real estate investments in the market. For further information, please visit www.fcpdc.com.

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