

PRESS RELEASE
For Immediate Release – June 16, 2006

Federal Capital Partners Acquires Two Complexes for \$158 Million

Federal Capital Partners (FCP) announced today the acquisition of Circle Towers Apartments and Shirlington Gateway for a total consideration of \$158 million.

Circle Towers is a 16-acre, mixed-use complex located just off of Fairfax Circle in Fairfax, VA, at the intersection of Route 50 and Lee Highway – three blocks from the Vienna Metro and immediately across from the recently approved “Metro West” mixed-use development. Circle Towers includes a 40,000-square-foot office building, 17,000 square feet of retail space, 52 townhouse apartments, and 554 high-rise apartments.

FCP plans to invest over \$12 million in Circle Towers to reposition both the apartments and the office space. "We have renovated and repositioned over six million square feet of office and residential properties throughout the Washington, DC metropolitan area over the past five years," stated Alex Marshall, a Principal at FCP. "Circle Towers is solidly in our strike zone – a well located, high-rise, mixed-use community that, through extensive renovations, will become a premier property in the prospering Fairfax/Vienna market."

FCP also closed this week on Shirlington Gateway, a landmark glass-and-steel, 12-story, 207,000-square-foot office building, located directly on I-395 in Alexandria, VA. The building is 97% leased to a leading group of government contractors, associations, and professional services firms. As part of the transaction, FCP was able to assume an existing low-interest (4.98%) loan.

“FCP targets buildings with value-add opportunities which are located in improving sub-markets and can be purchased at a discount to replacement cost. By renovating Shirlington Gateway, FCP will capitalize on improving market fundamentals, Shirlington’s urban village amenities and unparalleled access to the Pentagon, Fort Belvoir, Reagan National Airport and the District,” stated Esko Korhonen, an FCP partner.

FCP is a real estate investment and development company headquartered in Washington DC. Since 2001, FCP has acquired a diversified mix of multi-family, office and industrial properties in the Washington-Baltimore region, representing over 6 million square feet valued in excess of \$850 million.

For more information, please visit our Web site at www.fcpcdc.com or contact Esko Korhonen at (202) 333-6030.

