

PRESS RELEASE
For Immediate Release – September 1, 2006

Federal Capital Partners Sells Garden Apartment Community for \$73.3 Million

Federal Capital Partners (FCP) announced today the sale of Ashford at Woodlake Apartments for \$73.3 million. Ashford at Woodlake is a 534-unit garden apartment community located on Castle Boulevard in Silver Spring, MD. FCP had purchased Woodlake in February 2004 for \$44.8 million through a joint venture with Angelo, Gordon & Co.

FCP and Angelo, Gordon are retaining a 3.2-acre portion of the original property. FCP recently obtained approvals from Montgomery County to build on this surplus land 59 luxury town homes, with pricing expected to begin at \$500,000 per unit.

FCP spent approximately \$5 million over the past two years to reposition the 30-year-old Woodlake property. Renovations include a fully modernized clubhouse and leasing center, upgrades to mechanical systems, extensive landscaping improvements, hallway and entryway enhancements, and comprehensive in-unit renovations (which include new kitchens and baths, paneled doors and other upgrades). Within six months of purchasing the property, FCP boosted occupancy from 88% to 95%, where it has remained.

FCP had purchased Ashford at Woodlake based on its belief that the north Silver Spring submarket would enjoy a tremendous renaissance. Since 2004, several key market developments have occurred. Five of the six commercial properties on Castle Boulevard have been renovated -- including Saul Centers' Briggs Chaney Shopping Center. The nearby Briggs Chaney interchange at Route 29 was completed. Funding has been approved for the Montgomery County Inter-County Connector, which will be just one mile from Woodlake. Nearby employers at Fort Meade, the FDA and Verizon have continued to experience strong job growth.

“Federal Capital Partners is committed to creating quality workforce housing in the Washington area,” stated FCP Partner Alex Marshall. “We see trends and opportunities others may miss because we are focused only on the DC and Baltimore markets. Being a local operator also allows us to spend a great deal of time at our properties, where we precisely focus our capital dollars and uncover ways to improve operating performance.”

FCP is a real estate investment and development company headquartered in Washington, DC. FCP owns a diversified portfolio of multi-family, office, industrial and retail properties in the Washington-Baltimore region, representing over 6 million square feet valued in excess of \$825 million.

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

