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Federal Capital Partners Announces Purchase of Hyattsville, MD Apartment Community

Washington, D.C. – September 9, 2008 -- Federal Capital Partners (FCP) announced today the acquisition of Toledo Plaza, a 242-unit garden apartment community located in Hyattsville, MD for approximately \$18 million or \$74,000 per unit.

Toledo Plaza consists of 22 three-story residential buildings situated on ten acres located adjacent to The Mall at Prince George's. The property is a short walk to many convenient shopping centers including the University Town Center in the growing Prince George's Plaza Metro Station area.

FCP intends to reposition the property by improving all of the common areas, upgrading the systems and finishes in the community. The \$8.5 million renovation is planned to start immediately.

"Toledo Plaza is another great property that is tailor-made for our capital improvement program. We have repositioned in excess of 7,700 apartment units in the Metro DC area and Toledo Plaza provides a great value-creation opportunity in an established location," stated FCP Partner, Alex Marshall. "The Prince George's Plaza Metro Station area is an important retail hub with excellent amenities. Hyattsville has benefited from the expansion of the University of Maryland and continues to attract investment from the private sector."

The property was purchased by a subsidiary of FCP Fund I, L.P., Federal Capital Partners' recently formed private equity fund. The Fund utilized its \$75 million line of credit to complete the purchase of the property without any financing contingencies. The Fund has approximately \$900 million in purchasing power for real estate assets in the Mid-Atlantic region.

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, DC 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 DC 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.