



FAIRFIELD RESIDENTIAL CONTINUES THROUGH EXPEDITED CHAPTER 11 PROCESS

Creditors' Committee Formed to Complete Negotiation of Plan of Reorganization

Approval of First Day Motions Allows Company to Continue Employee Wages and Benefits, Tax Claims and Existing Cash Management Systems

SAN DIEGO, December 23, 2009 – Fairfield Residential LLC announced that on December 23, 2009, the Trustee of the U.S. Bankruptcy Court for the District of Delaware appointed members to the official committee of unsecured creditors to complete negotiation of Fairfield's Plan of Reorganization. Members of the committee include Wells Fargo Bank, National Association; Connecticut General Life Insurance Company; Regions Bank; Bank of America, N.A.; Compass Bank; RBC Capital Markets; and Landmark Electric.

"We look forward to working with the creditors' committee to complete a Plan of Reorganization that allows us to emerge from Chapter 11 protection expeditiously," stated Christopher Hashioka, chief executive officer and president. "Importantly, many of the members of the committee served previously on the unofficial steering committee formed in advance of the filing and already possess an in-depth knowledge of our Company and the financial challenges we must overcome. By building on the strong working relationships and the framework of a consensual Plan of Reorganization that would enable us to continue our property management, asset management, and general partner functions, we believe we will reach an agreement that maximizes value for our creditors and stakeholders.

On December 15, the Court granted a variety of First Day Motions that enable Fairfield to continue to conduct its business operations in the ordinary course. Included among these motions were authorizations to continue paying prepetition employee wages, benefits and business expenses; payment of certain prepetition taxes; and continued use of existing cash management systems.

"Establishing the creditors' committee and securing court approval of our First Day Motions were critical first steps in Fairfield's reorganization process," stated Mr. Hashioka. "Together, they will allow us to continue operations as usual, maintain the strong momentum we established in our pre-filing negotiations with lenders, and emerge from Chapter 11."

Paul, Hastings, Janofsky & Walker LLP; Imperial Capital, LLC; FTI Consulting Inc, and MJC Associates LLC are advising Fairfield in its restructuring. Additional information about the filing can be found on the Company's corporate website, www.fairfieldresidential.com, or at the Claims Agent's website, <http://www.kccllc.net/fairfield>. Fairfield's case number is 09-14378.

About Fairfield Residential LLC

Fairfield Residential LLC is among the largest multifamily real estate operating companies in the U.S. The company is privately held and provides acquisition, entitlement, development, construction, redevelopment, property management, asset management and disposition services to its clients.

Fairfield specializes in mixed-use, transit-oriented attached housing communities and offers a diversified product line including new construction of luxury apartment homes, university student housing, tax credit affordable housing properties, and redeveloped apartment homes in urban and suburban infill neighborhoods.

FAIRFIELD

RESIDENTIAL LLC

Media Contact:

Leigh Parrish for Fairfield Residential LLC
(858) 626-8286

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