



FAIRFIELD RESIDENTIAL SECURES \$115 MILLION NEW MONEY INVESTMENT

Investment Supports Go-Forward Operations Post-Emergence from Chapter 11 Protection

Company Files Amended Plan of Reorganization and Disclosure Statement

SAN DIEGO, January 12, 2010 – Fairfield Residential LLC (“Fairfield” or “the Company”) announced today it has secured commitments for \$115 million in new money investments to support operations and future real estate acquisitions following the Company’s emergence from Chapter 11 protection. The financing, which is still subject to approval in the United States Bankruptcy Court for the District of Delaware and a subsequent marketing process, includes commitments from Och-Ziff Real Estate Acquisitions LP (“Och-Ziff”) and the California State Teachers’ Retirement System (“CalSTRS”), a long-standing Fairfield partner.

Under the terms of the proposed agreement, Och-Ziff and CalSTRS initially would invest \$15 million in the reorganized Fairfield and subsequently would invest an additional \$50 million as required for operation of the reorganized Fairfield. Och-Ziff and CalSTRS also would co-invest \$50 million in Fairfield’s future acquisitions of multifamily residential real estate.

“Fairfield’s ability to attract investors of this caliber is a clear show of faith in our business model, our Plan of Reorganization and the strength of our go-forward strategy,” said Christopher Hashioka, chief executive officer and president. “We are particularly pleased to continue our long-standing relationship with CalSTRS, even as we begin this new relationship with Och-Ziff. We believe these agreements are a significant milestone in our Company’s financial reorganization, and we thank both institutions for their confidence in our business and what we believe is our long-term potential. We look forward to building on this momentum to complete the reorganization on an expedited basis and maximize value for all of our stakeholders.”

Fairfield filed its amended Plan of Reorganization and Disclosure Statement on January 11, 2010, with the Bankruptcy Court, and a hearing to approve the Disclosure Statement is set for February 23, 2010. The Company previously filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code on December 13, 2009, having previously reached an agreement with its significant lender groups that, if approved by the Bankruptcy Court, will enable continuity of its property management, asset management, construction services and general partner functions for the benefit of its creditors and other stakeholders.

Fairfield’s case number is 09-14378. 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 Company’s Chapter 11 proceedings is available at <http://www.kccllc.net/fairfield>.

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

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housing, tax credit affordable housing properties, and redeveloped apartment homes in urban and suburban infill neighborhoods.

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