



FAIRFIELD RESIDENTIAL AND CERTAIN SUBSIDIARIES FILE FOR CHAPTER 11 PROTECTION

Company Reaches Agreement With Lender Groups on Framework of Plan to Maximize Asset Value and Create Go-Forward Operating Platform

“Business as Usual” Operations to Continue Throughout Reorganization

SAN DIEGO, December 13, 2009 – Fairfield Residential LLC (“Fairfield” or “the Company”) today announced that the Company and certain of its subsidiaries have filed voluntary petitions in United States Bankruptcy Court for the District of Delaware for reorganization under Chapter 11 of the United States Bankruptcy Code.

As part of the filing, Fairfield and its significant lender groups have agreed to the framework of a consensual Plan of Reorganization that will enable continuity of Fairfield’s property management, asset management, construction services and general partner functions for the benefit of its creditors and other stakeholders. The Plan maintains Fairfield’s existing infrastructure in a new operating company, which will include key personnel, and which will allow the Company to facilitate debt and equity solutions, provide additional stability to its joint ventures and manage its properties. Under the Plan, certain of Fairfield’s assets not assigned to the new operating company will be assigned to a liquidating trust that will serve to maximize creditor recoveries. The Plan also provides that the new operating company may obtain new capital, and the Company has secured interest from a number of parties to provide this financing.

“Although the relatively strong demand for multifamily rental units during this recession has allowed our businesses to continue to perform well, the unprecedented collapse of the U.S. real estate and capital markets has made it difficult, if not impossible, for Fairfield to continue without restructuring its financial obligations,” stated Christopher Hashioka, chief executive officer and president. “Through our productive discussions over the past year, we have reached agreements with our lender groups that will allow us to continue to provide property management services, complete our construction projects and preserve value for our creditors, and we thank our lenders for their support. Ultimately, we believe our Plan will enable us to emerge from this process and maximize value for all of our stakeholders by creating a stronger go-forward operating platform and continuing to be an active player in the multifamily sector.”

Fairfield expects that Chapter 11 protection will enable the Company to conduct its business operations in the ordinary course. To that end, the Company is seeking approval from the court for a variety of First Day and other initial motions, including requests to make wage and benefit payments to employees, construction-related requests intended to eliminate any disruption to the lenders and subcontractors on these numerous projects, and requests to continue to honor funding commitments on joint venture projects.

In addition to Fairfield Residential LLC, fourteen additional subsidiaries were included in the bankruptcy filing. Fairfield’s individual property entities were not part of the bankruptcy proceedings, and will continue business in the ordinary course.

Additional information on the filing can be found at the Claims Agent’s website at <http://www.kccllc.net/fairfield>.

FAIRFIELD

RESIDENTIAL LLC

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.

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