

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

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|--|---|--------------------------------|
| -----X | : | |
| In re | : | Chapter 11 |
| | : | |
| CRESCENT RESOURCES, LLC, et. al., | : | Case No. 09-11507 (CAG) |
| | : | |
| Debtors. | : | Joint Administration |
| | : | Requested |
| | : | |
| -----X | | |

**MOTION FOR AN ORDER (I) AUTHORIZING THE
DEBTORS TO ABANDON MEMBERSHIP INTERESTS IN SIX MILE CREEK
VENTURES, LLC, (II) TERMINATING THE STAY IN CONNECTION THEREWITH,
AND (III) AUTHORIZING THE DEBTORS TO REJECT THE OPERATING
AGREEMENT AND EXECUTORY CONTRACTS RELATED THERETO**

Crescent Resources, LLC (“Crescent Resources”), its parent Crescent Holdings, LLC (“Crescent Holdings”) and their affiliated debtors as debtors and debtors in possession (collectively, “Crescent” or the “Debtors”),¹ respectfully represent:

Background

1. On the date hereof (the “Commencement Date”), each of the Debtors filed a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are authorized to continue operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. A motion seeking joint administration of the Debtors’ chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) is currently pending before this Court.

¹ A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, is attached hereto as Exhibit A.

Jurisdiction And Venue

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Crescent's Business

3. Crescent, which is headquartered in Charlotte, North Carolina, is a leading real estate development company that focuses on master-planned communities and commercial, industrial, and residential real estate primarily in the southeast, but also in other regions of the United States. In particular, Crescent has properties located in Arizona, Florida, Georgia, North Carolina, South Carolina, Tennessee, Texas, and Virginia. Although Crescent Resources and its predecessors-in-interest have been in existence since 1969, Crescent Holdings was created in 2006. Crescent Holdings' equity interests are held 50% by Duke Energy Corporation ("Duke Energy") and 50% by certain private equity limited partnerships known as Morgan Stanley Real Estate Fund V U.S. and/or its affiliates ("Morgan Stanley"). Throughout its history, Crescent and its predecessors have developed and sold over 20 million square feet of commercial and industrial projects, between 50 and 60 residential communities with a variety of features and amenities, and numerous other master-planned communities.

4. Currently, Crescent Resources has four real estate divisions: residential, commercial, multifamily, and land management. The residential division (the "Residential Division") is Crescent Resources' largest division, comprising 54% of the Debtors' total assets. The Residential Division includes 41 master-planned communities and 4 condominium projects totaling 53,404 acres of developed land. The commercial property division (the "Commercial Division") accounts for 19% of Crescent Resources' total assets. The Commercial Division has

9 active projects, including office, industrial, and retail projects currently under development, as well as 1,822 acres of commercially-zoned undeveloped land. The multifamily division (the “Multifamily Division”) accounts for 6% of Crescent Resources’ total assets. The Multifamily Division includes 4 projects in various stages of development totaling 1,308 units and an additional 195 acres of entitled, but undeveloped land.

5. In the 1960s, Duke Energy acquired approximately 300,000 acres of land in rural areas of North and South Carolina (the “Legacy Land”). Beginning in 1969, Duke Energy contributed the Legacy Land to Crescent Resources’ predecessor-in-interest. Since 2006, the Legacy Land has been managed by Crescent Resources (the “Land Management Division”). As the value of the Legacy Land has increased over time, the Legacy Land has been sold in accordance with a long-term, structured disposition plan, whereby the proceeds from the sales of Legacy Land are invested in commercial property projects in urban areas (the “Legacy Land Sales Plan”). The combined proceeds from the Legacy Land Sales Plan and the Debtors’ other real estate ventures have enabled Crescent to fund and operate its various real estate divisions. The Land Management Division, which manages the Legacy Land, accounts for 21% of Crescent Resources’ total assets.

6. Crescent and its non-debtor affiliates are comprised of various joint ventures and wholly-owned subsidiaries that serve as holding companies, management companies, and project-level operating companies. Crescent Resources operates its business on an integrated basis with centralized administration, leasing, and management functions that enable it to achieve operating efficiencies and revenue enhancements that benefit the overall enterprise. In 2007, Crescent Resources acquired 100% control of LandMar Group, LLC

(“LandMar Group”) and its subsidiaries. The LandMar Group represents a significant part of the Residential Division described above and maintains assets throughout Florida.

Prepetition Debt

7. As of the Commencement Date, certain of the Debtors were parties to the First Amended and Restated Credit Agreement, dated as of June 17, 2008 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Prepetition Credit Agreement”), by and among Crescent Resources, as borrower, Crescent Holdings, the other guarantors identified therein, the lenders party thereto (the “Lenders”), and Bank of America, N.A. (“BOA”), as administrative agent and collateral agent.

8. The Prepetition Credit Agreement provides for (i) a term loan facility (the “Term Loan Facility”) in the principal amount of \$1,225,000,000, (ii) a revolving credit facility (the “Revolving Credit Facility”) in the principal amount of \$300,000,000, which reduces to the principal amount of \$275,000,000 after December 30, 2009, (iii) a swing line facility in the principal amount of \$50,000,000 (which reduces borrowings available under the revolving credit facility), and (iv) a letter of credit facility (the “Letter of Credit Facility”) in the principal amount of \$150,000,000 (which reduces borrowings available under the revolving credit commitment). Obligations arising under the Prepetition Credit Agreement are direct obligations of Crescent Resources. These direct obligations are guaranteed (the “Guaranty”) by (i) Crescent Holdings and (ii) most of the additional Debtors, pursuant to the terms of (A) the Prepetition Credit Agreement, (B) that certain Amended and Restated Joinder Agreement, dated as of June 17, 2008, by and between the entities party thereto and BOA, and (C) that certain Joinder Agreement, dated as of July 25, 2008, by and between the entities party thereto and BOA (the Joinder Agreements in (B) through (C), collectively, the “Joinder Agreements”).

9. Certain of the Debtors (the “Pledgors”) also entered into a pledge agreement, dated as of September 7, 2006 (the “Pledge Agreement”), by and between the Pledgors and BOA pursuant to which they pledged 100% of the capital stock of substantially all their domestic subsidiaries with certain exceptions.² In addition, certain of the Debtors granted mortgages or deeds of trust on their real properties, except for (x) real property constituting qualified Legacy Land to the extent that the value of such real property is less than or equal to \$500,000, or (y) any real property that, as of the closing date, was encumbered with non-recourse, project-level debt or security interests that prohibited the execution, delivery and recording of such mortgage instruments. Crescent Resources also entered into that certain Account, Security, Pledge, Assignment, and Control Agreement, dated as of August 24, 2007, pursuant to which Crescent Resources granted to BOA control over and a security interest in all deposit accounts opened by Crescent Resources with BOA.

10. The aggregate principal amount of indebtedness owing under the Prepetition Credit Agreement as of the Commencement Date is approximately \$1,487,890,752.

Property-Level Debt

11. Approximately 10 of the Debtors also have secured property-level debt in the form of construction loans, mortgage loans, and seller-financed loans. As of the Commencement Date, there is \$89,110,601 in outstanding property-level debt.

² The Pledgors, include: Crescent Resources; Crescent Holdings; CLT Development, LLC; Crescent Potomac Yard, LLC; Crescent Twin Creeks, LLC; Crescent/Arizona, LLC; Palmetto Bluff Development, LLC; Palmetto Bluff Investments, LLC; Twin Creeks Management, LLC; Twin Creeks Property, Ltd.; LandMar Group, LLC; Hawk’s Haven Joint Development, LLC; and Hawk’s Haven Sponsor, LLC.

Financials

12. As of the Commencement Date, Crescent Resources, as a whole, reported approximately \$2.2 billion³ in total assets and approximately \$1.9 billion in total liabilities, including \$297,244,484 outstanding under the Revolving Credit Facility (including outstanding letters of credit) and \$1,197,000,000 outstanding under the Term Loan Facility. For 2008, Crescent Resources reported consolidated revenue of approximately \$373 million. Crescent Resources employs 247 people. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to these chapter 11 cases is contained in the declaration of Kevin H. Lambert, Chief Financial Officer of Crescent Resources filed concurrently herewith (collectively, the "Declaration").

The Six Mile Creek Joint Venture

13. LandMar Group, a Debtor in these chapter 11 cases, is party to a joint venture known as Six Mile Creek Ventures, LLC ("Six Mile Creek"). Pursuant to the terms of the Limited Liability Company Operating Agreement of Six Mile Creek Ventures, LLC, dated as of May 19, 2005 (the "Operating Agreement"), LandMar Group owns 40% of the membership interests therein, Intervest Construction of Jax, Inc. ("Intervest"), a non-Debtor, owns 40% of the membership interests therein, and W.R. Howell ("Howell"), and together with Intervest, the "Non-Debtor Members", a non-Debtor, owns 20% of the membership interests therein.

14. Six Mile Creek owns a master planned community located on approximately 1,286 acres of land in St. John's County, Florida, known as the World Golf Village (Whisper Creek) ("World Golf Village"). As of the Commencement Date, of the 2,278 residential units planned for the development, approximately 218 have been completed.

³ Based on the Debtors unaudited financial statements as of December 31, 2008.

Six Mile Creek's Secured Obligations

15. On or about May 23, 2007, Six Mile Creek and Bank of America, N.A., a national banking association, successor by merger to LaSalle Bank National Association, a national banking association ("LaSalle"), in its capacity as administrative agent for the banks and certain lenders (collectively, the "Property Level Lenders"), entered into that certain Construction Loan Agreement (the "Loan Agreement"), dated as of May 23, 2007, pursuant to which the Property Level Lenders agreed to provide up to \$63,000,000 (the "Loan") to fund the development of World Golf Village. The Loan is secured (the "Secured Obligations") by, *inter alia*, a first priority mortgage lien on all of Six Mile Creek's real property, including the World Golf Village (the "Collateral"). The Loan is also secured by a Limited Guaranty of Payment and Completion dated as of May 23, 2007, given by LandMar Group, to and for the benefit of LaSalle, as agent (the "LandMar Guaranty").

16. Subsequent to the parties' entry into the Loan Agreement, the Property Level Lenders obtained an appraisal indicating that the value of the Collateral was substantially lower than the value of the Collateral at the time the parties entered into the Loan Agreement. Therefore, the Property Level Lenders demanded a curtailment payment of \$11,000,000 and an additional payment in the amount of \$3,000,000 into the interest reserve account being held for the benefit of Six Mile Creek and maintained by Six Mile Creek pursuant to the terms of the Loan Agreement. Six Mile Creek and the Property Level Lenders agreed on a curtailment payment in the amount of \$4,265,000, which was funded entirely by the Non-Debtor Members.

17. On or about September 17, 2008, Property Level Lenders declared a default under the Loan for the failure by Six Mile Creek to make certain mandatory payments due under the terms of the Loan Agreement. Six Mile Creek subsequently entered into

discussions with the Property Level Lenders to modify the terms of the Loan; however, to date, such discussions have been unsuccessful.

18. The Debtors have determined that (i) the Secured Obligations exceed the value in the World Golf Village, (ii) the cost of maintaining and developing the World Golf Village outweighs any benefit that may accrue from such a course of action, (iii) the Loan is allegedly in default, which coupled with LandMar Group's obligations under the LandMar Guaranty, outweighs any benefit to the Debtors' estates, and (iv) the cost of developing World Golf Village is a burden to the Debtors' estates. Consequently, the Debtors have determined that LandMar Group's membership interests in Six Mile Creek provide no benefit to the Debtors estates; and, therefore, and LandMar Group's membership interests therein should be abandoned to the Non-Debtor Members.

The Executory Contracts

19. In the ordinary course of business, and prior to the Commencement Date, the Debtors entered into various executory contracts (the "Agreements"), identified on Exhibit B annexed hereto, in connection with the development of World Golf Village.

20. The Debtors, in the exercise of their business judgment, have determined that the Agreements are no longer of any benefit to the Debtors' estates because the Debtors have determined that maintaining World Golf Village does not benefit the Debtors' estates. Below is a brief description of the Agreements:

- (i) Golf Membership Agreement – LandMar Group assumed the obligations of SJ Land Associates, LLC ("SJL") under that certain Golf Membership Purchase Agreement, dated April 1, 2005, between Honours Golf – WGV, LLC ("Honours Golf") and SJL (the "Honours Agreement"). Pursuant to the terms of the Honours Agreement, Honours Golf agreed to sell and LandMar Group agreed to purchase 150 golf memberships at a purchase price equal to \$15,000 per membership. On May 31, 2005, LandMar Group assigned its rights and obligations under the Honours Agreement to Six Mile Creek.

- (ii) Guaranty Agreement – The Loan is also secured by a Limited Guaranty of Payment and Completion dated as of May 23, 2007, given by LandMar Group, to and for the benefit of LaSalle, as agent (defined above as the “LandMar Guaranty”).
- (iii) Operating Agreement – LandMar Group is party to a joint venture known as Six Mile Creek. Pursuant to the terms of the Limited Liability Company Operating Agreement of Six Mile Creek Ventures, LLC, dated as of May 19, 2005 (defined above as the “Operating Agreement”), LandMar Group owns 40% of membership interests therein, Intervest, a non-Debtor, owns 40% of membership interests therein, and Howell, a non-Debtor, owns 20% of membership interests therein.

Relief Requested

21. The Debtors respectfully request that the Court enter an order (i) authorizing the Debtors to abandon their right, title, and interest in their membership interests in Six Mile Creek (the “Abandoned Collateral”) pursuant to section 554(a) of the Bankruptcy Code to the Non-Debtor Members; (ii) terminating the automatic stay to permit the Non-Debtor Members and any other party asserting an interest in the Abandoned Collateral, to enforce such interest under applicable non-bankruptcy law; and (iii) authorizing the Debtors to reject the Agreements pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rules 6006(f) and 9014.

Ample Authority Exists to Authorize the Debtors to Abandon the Collateral

22. Section 554(a) of the Bankruptcy Code provides, “[a]fter notice and a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” 11 U.S.C. § 554(a). The right to abandon property is, except for certain exceptions inapplicable in the present case, unfettered. *In re Midlantic Nat’l Bank*, 474 U.S. 494, 502 (1986).

23. “The normal use of § 554 is to give up an interest in real estate that is burdened by a debt so large that the equity value is negligible or negative.” *In re Resource Tech.*

Corp., 430 F.3d 884, 887 (7th Cir. 2005). “It is now almost universally recognized that where the estate has no equity in a property, abandonment is virtually always appropriate because no unsecured creditor could benefit from the administration.” *In re Feinstein Family P’ship*, 247 B.R. 502, 507 (Bankr. M.D. Fla. 2000) (citations omitted).

24. This is the precisely the case here: it is undisputed that the Abandoned Collateral is burdened by obligations so large that the Debtors have no “equity value” in the Abandoned Collateral. Moreover, Six Mile Creek is allegedly in default under the Loan, which is guaranteed by LandMar Group. In addition, continued maintenance of the Abandoned Collateral is burdensome to the Debtors’ estates. Six Mile Creek has attempted to negotiate a restructuring of the Loan with the Property Level Lenders; however, Six Mile Creek has been unsuccessful. Likewise, the Debtors have attempted to negotiate a transfer of their membership interests in Six Mile Creek to the Non-Debtor Members, but have been unsuccessful. Consequently, attempting to market their interests in Six Mile Creek for sale during the course of these chapter 11 cases would be costly for the estates, likely would not yield a purchaser, and could conceivably cost more than the value that the Debtors could realize for their estates by selling such interests. Therefore, abandonment of the Debtors’ membership interests in Six Mile Creek is in the best interest of the estates because the Debtors will no longer be forced to incur or pay costs, such as development costs and taxes, insurance, and other expenses necessary to maintain the such interests.

25. The Abandoned Collateral will be abandoned to the Non-Debtor Members, allowing the Non-Debtor Members, and possibly other secured creditors that hold or may claim interests in the Abandoned Collateral, to foreclose their interests in the collateral and liquidate their claims, which will facilitate a reorganization of the Debtors’ businesses.

Terminating the Automatic Stay is Warranted

26. Pursuant to section 362(d) of the Bankruptcy Code, the Court can, after notice and a hearing, terminate the automatic stay if (i) a debtor does not have equity in the property and (ii) the property is not necessary for effective reorganization. 11 U.S.C. § 362(d)(2). As noted above, the Debtors have no equity in the Abandoned Collateral. In addition, the Abandoned Collateral is not necessary for an effective reorganization because maintaining the collateral is burdensome to the Debtors' estates. Therefore, the automatic stay should be terminated so as to permit the Non-Debtor Members and any other party asserting an interest in the Abandoned Collateral, to, if applicable, enforce their interests under applicable non-bankruptcy law.

Rejection of the Agreements is Supported by the Debtors' Business Judgment and Should be Approved by the Court

27. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also Stewart Title Guar. Co. v. Old Republic Nat'l Title Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1996). "This provision allows a [debtor] to relieve the bankruptcy estate of burdensome agreements which have not been completely performed." *Id.* (quoting *In re Murexco Petroleum, Inc.* 15 F.3d 60, 62 (5th Cir. 1994)).

28. Courts defer to a debtor's business judgment in rejecting an executory contract or unexpired lease, and upon finding that a debtor has exercised its sound business judgment, approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. 513, 523 (1984) (recognizing the "business judgment" standard used to approve rejection of executory contracts); *In re Food City, Inc.*, 94 B.R. 91, 93 (Bankr. W.D.

Tex. 1988) (same); *In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under § 365(a) in the exercise of its “business judgment”); *Summit Land Co. v. Allen (In re Summit Land Co.)*, 13 B.R. 310, 315 (Bankr. D. Utah 1981) (absent extraordinary circumstances, court approval of a debtor’s decision to assume or reject an executory contract “should be granted as a matter of course”).

29. The rejection of the Agreements is a sound exercise of the Debtors’ business judgment. Because the Debtors are seeking to abandon their membership interests in Six Mile Creek, and the Debtors will have no future operations on World Golf Village through the Agreements are of no benefit to the Debtors’ estates and are in fact burdensome to maintain. In addition, because the Debtors have been unable to negotiate a transfer of their membership interests in Six Mile Creek to the Non-Debtor Members, attempting to market the Agreements for assignment during the course of these chapter 11 cases would be costly for the estates, likely would not yield an assignee, and could conceivably cost more than the value that the Debtors could realize by assuming and assigning the Agreements, if possible at all. Therefore, the Debtor, have determined that the Agreements are unnecessary and should, in the Debtors’ business judgment, be rejected.⁴ In light of the foregoing, the Debtors respectfully request that the Court approve rejection of the Agreements under section 365(a) of the Bankruptcy Code in the manner requested herein.

Rejection Damages

30. The Debtors request that the Court direct that claims (if any) for damages arising as a result of the rejection of the Agreements must be filed by such date as is fixed by the Court as the claims bar date in these chapter 11 cases.

⁴ While the LandMar Group submit that it no longer has any obligations under the Honours Agreement, LandMar seeks to reject the same out of an abundance of caution.

Reservation of Rights

31. Nothing in this Motion should be construed as a waiver of any of the Debtors' rights, claims or counterclaims with respect to any of the Agreements rejected hereby, nor an acknowledgment that any particular agreement constitutes an executory contract or lease under section 365 of the Bankruptcy Code.

Notice

32. No trustee, examiner or statutory creditors' committee has been appointed in these chapter 11 cases. Notice of this Motion has been provided to: (i) the United States Trustee for the Western District of Texas; (ii) the Debtors' thirty (30) largest creditors (on a consolidated basis); (iii) counsel to BOA, as agent to the Debtors' Lenders; (iv) counsel to the Debtors' proposed postpetition lenders; and (v) counterparties to the Agreements (collectively, the "Notice Parties"). The Debtors submit that no other or further notice need be provided.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and enter an order substantially in the form of the proposed order annexed hereto as Exhibit D and such other and further relief as it deems just and proper.

Dated: June 10, 2009
Austin, Texas

/s/ Eric J. Taube
Eric J. Taube (19679350)
HOHMANN, TAUBE & SUMMERS, L.L.P
100 Congress Avenue, Suite 1800
Austin, Texas 78701
Telephone: (512) 472-5997
Facsimile: (512) 472-5248

-and-

Martin A. Sosland (18855645)
Lydia T. Protopapas (00797267)
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

-and-

Marcia L. Goldstein (*pro hac vice* pending)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

PROPOSED ATTORNEYS FOR
DEBTORS AND DEBTORS IN
POSSESSION

Exhibit A

| No. | Name of Debtor: | Taxpayer Id. No. |
|------------|--|-------------------------|
| 1. | Crescent 210 Barton Springs, LLC | 20-4614379 |
| 2. | Cornerstone Plaza, LLC | No EIN applicable |
| 3. | Crescent Holdings, LLC | 20-5543626 |
| 4. | Crescent Resources, LLC | 57-0443582 |
| 5. | 1780, LLC | 20-4402277 |
| 6. | 223 Developers, LLC | 20-5924927 |
| 7. | Ballantyne Properties, LLC | 56-1921507 |
| 8. | Bartram Crescent Development, LLC | 20-8954449 |
| 9. | Black Forest on Lake James, LLC | 20-0151855 |
| 10. | Bridgewater Lakeland Developers, LLC | 20-2250831 |
| 11. | Brooksville East Developers, LLC | No EIN applicable |
| 12. | Camp Lake James, LLC | 20-4402407 |
| 13. | Carolina Centers, LLC (N.C. entity) | 56-1853470 |
| 14. | Carolina Centers, LLC (Del. entity) | 56-1124729 |
| 15. | Chaparral Pines Investors, L.L.C. | 86-0781077 |
| 16. | Chaparral Pines Management, L.L.C. | 86-1026788 |
| 17. | Chapel Cove at Glengate, LLC | 26-0837243 |
| 18. | Citall Development, LLC | 20-4153633 |
| 19. | Clean Water of NC, LLC | 57-0443582 |
| 20. | CLT Development, LLC | 56-1393851 |
| 21. | Club Capital, LLC | 56-2107989 |
| 22. | Club Enterprises, LLC | 56-1943831 |
| 23. | Club Villas Developers, LLC | 26-2905087 |
| 24. | Colbert Lane Commercial, LLC | 72-1552983 |
| 25. | Crescent Communities N.C., LLC | 56-2030306 |
| 26. | Crescent Communities Realty, LLC | 02-0532410 |
| 27. | Crescent Communities SC, LLC | 56-2030305 |
| 28. | Crescent Lakeway, LLC | 20-4613926 |
| 29. | Crescent Lakeway Management, LLC | 20-4614072 |
| 30. | Crescent Land & Timber, LLC | 56-1799013 |
| 31. | Crescent Multifamily Construction, LLC | 26-1242507 |
| 32. | Crescent Potomac Greens, LLC | No EIN applicable |
| 33. | Crescent Potomac Plaza, LLC | No EIN applicable |
| 34. | Crescent Potomac Properties, LLC | No EIN applicable |
| 35. | Crescent Potomac Yard Development, LLC | No EIN applicable |
| 36. | Crescent Potomac Yard, LLC | No EIN applicable |
| 37. | Crescent Realty Advisors, LLC | No EIN applicable |
| 38. | Crescent Realty, LLC | 26-0034004 |
| 39. | Crescent River, LLC | 56-2226365 |
| 40. | Crescent Rough Hollow, LLC | 20-4614882 |
| 41. | Crescent Seminole, LLC | 58-2558302 |
| 42. | Crescent Southeast Club, LLC | 56-2255725 |
| 43. | Crescent Twin Creeks, LLC | 56-2230190 |

| No. | Name of Debtor: | Taxpayer Id. No. |
|------------|--|-------------------------|
| 44. | Crescent Yacht Club, LLC | 30-0100942 |
| 45. | Crescent/Arizona, LLC | 57-0443582 |
| 46. | Crescent/Florida, LLC | No EIN applicable |
| 47. | Crescent/Georgia, LLC | No EIN applicable |
| 48. | Crescent/RGI Capital, LLC | 83-0356151 |
| 49. | Falls Cove Development, LLC | 20-8132241 |
| 50. | FP Real Estate One, L.L.C. | 86-0846646 |
| 51. | Grand Haven Developers, LLC | 59-3641286 |
| 52. | Grand Woods Developers, LLC | 20-4845005 |
| 53. | Green Fields Investments, LLC | 57-0443582 |
| 54. | Gulf Shores Waterway Development, LLC | 20-5566844 |
| 55. | Hammock Bay Crescent, LLC | No EIN applicable |
| 56. | Hampton Lakes, LLC | 56-2153538 |
| 57. | Hampton Ridge Developers, LLC | 59-3692235 |
| 58. | Hawk's Haven Developers, LLC | 20-1091192 |
| 59. | Hawk's Haven Golf Course Community Developers, LLC | 20-1203562 |
| 60. | Hawk's Haven Joint Development, LLC | 20-2040337 |
| 61. | Hawk's Haven Sponsor, LLC | 20-2040376 |
| 62. | Headwaters Development Limited Partnership | 80-0059149 |
| 63. | Hidden Lake Crescent, LLC | 20-3694587 |
| 64. | Joint Facilities Management, LLC | 20-4347638 |
| 65. | Lake George Developers, LLC | 20-4844965 |
| 66. | LandMar Group, LLC | 56-2153538 |
| 67. | LandMar Management, LLC | 56-2153540 |
| 68. | Lighthouse Harbor Developers, LLC | 20-5741128 |
| 69. | May River Forest, LLC | 57-1159262 |
| 70. | May River Golf Club, LLC | 04-3750952 |
| 71. | McNinch-Hill Investments, LLC | 56-2183378 |
| 72. | Milford Estates, LLC | 57-0443582 |
| 73. | New Riverside, LLC | 20-2071349 |
| 74. | Nine Corporate Centre Holding Company, LLC | No EIN applicable |
| 75. | North Bank Developers, LLC | 20-2687731 |
| 76. | North Hampton, LLC | 56-2153544 |
| 77. | North River, LLC | 20-3017701 |
| 78. | Old Wildlife Club, LLC | 20-4402072 |
| 79. | Oldfield, LLC | 56-2211481 |
| 80. | Osprey Development, LLC | 59-3759515 |
| 81. | Palmetto Bluff Club, LLC | 20-1154599 |
| 82. | Palmetto Bluff Development, LLC | 56-2211383 |
| 83. | Palmetto Bluff Investments, LLC | No EIN applicable |
| 84. | Palmetto Bluff Lodge, LLC | 13-4250969 |
| 85. | Palmetto Bluff Real Estate Company, LLC | 22-3864124 |

| No. | Name of Debtor: | Taxpayer Id. No. |
|------------|--------------------------------------|-------------------------|
| 86. | Palmetto Bluff Uplands, LLC | No EIN applicable |
| 87. | Panama City Development, LLC | 20-2572207 |
| 88. | Park/Marsh, LLC | 26-2813331 |
| 89. | Parkside Development, LLC | 20-2854819 |
| 90. | Piedmont Row Development, LLC | 20-2960566 |
| 91. | Portland Group, LLC | 02-1251461 |
| 92. | Rim Golf Investors, L.L.C. | 86-0894027 |
| 93. | River Paradise, LLC | 20-2890831 |
| 94. | Roberts Road, LLC | 20-2568601 |
| 95. | Sailview Properties, LLC | 56-2053836 |
| 96. | Seddon Place Development, LLC | 20-4771566 |
| 97. | Springfield Crescent, LLC | 20-2966970 |
| 98. | StoneWater Bay Properties, LLC | 56-2183379 |
| 99. | Stratford on Howard Development, LLC | 20-4147491 |
| 100. | Sugarloaf Country Club, LLC | 58-2221688 |
| 101. | Sugarloaf Properties, LLC | 58-2202808 |
| 102. | Sugarloaf Realty, LLC | 58-2208817 |
| 103. | The Farms, LLC | 20-0354921 |
| 104. | The Oldfield Realty Company, LLC | 56-2211481 |
| 105. | The Parks at Meadowview, LLC | 20-3855366 |
| 106. | The Parks of Berkeley, LLC | 20-2641670 |
| 107. | The Point on Norman, LLC | 56-2053958 |
| 108. | The Ranch at the Rim, LLC | 26-2813378 |
| 109. | The Reserve, LLC | 20-0742753 |
| 110. | The Retreat on Haw River, LLC | 26-0674124 |
| 111. | The River Club Realty, LLC | 02-0595750 |
| 112. | The River Country Club, LLC | 02-0595742 |
| 113. | The Sanctuary at Lake Wylie, LLC | 57-0443582 |
| 114. | Trout Creek Developers, LLC | 82-0560536 |
| 115. | Tussahaw Development, LLC | 20-3330184 |
| 116. | Twin Creeks Holdings, Ltd. | 74-2967903 |
| 117. | Twin Creeks Management, LLC | 56-2230188 |
| 118. | Twin Creeks Operating Co., L.P. | 20-1262789 |
| 119. | Twin Creeks Property, Ltd. | 04-3592531 |
| 120. | Two Lake Pony Farm, LLC | 56-2144680 |
| 121. | Winding River, LLC | 20-2040280 |

Exhibit C

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

| | | |
|---|---|-------------------------|
| ----- | X | |
| In re | : | Chapter 11 |
| | : | |
| CRESCENT RESOURCES, LLC, <i>et. al.</i> , | : | Case No. 09-11507 (CAG) |
| | : | |
| Debtors. | : | Joint Administration |
| | : | Requested |
| | : | |
| ----- | X | |

**ORDER (I) AUTHORIZING THE
DEBTORS TO ABANDON MEMBERSHIP INTERESTS IN SIX MILE CREEK
VENTURES, LLC, (II) TERMINATING THE STAY IN CONNECTION THEREWITH,
AND (III) AUTHORIZING THE DEBTORS TO REJECT THE OPERATING
AGREEMENT AND EXECUTORY CONTRACTS RELATED THERETO**

Upon the Motion (the "Motion") of Crescent Resources, LLC ("Crescent Resources") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "Debtors"), for an order (i) authorizing the Debtors to

abandon their right, title, and interest in the Collateral,¹ including their right, title, and interest in Six Mile Creek Ventures, LLC (“Six Mile Creek”) (collectively, the “Abandoned Collateral”) to the Non-Debtor Members, pursuant to section 554(a) of the Bankruptcy Code; (ii) terminating the automatic stay to permit the City, and any other party asserting an interest in the Abandoned Collateral, to enforce such interest under applicable non-bankruptcy law; and (iii) authorizing the Debtors to reject the Agreements pursuant to section 365(a) of the Bankruptcy Code and Bankruptcy Rules 6006(f) and 9014, as set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and the appearances of all interested parties having been noted in the record of the Hearing; and upon the Declaration of Kevin H. Lambert in Support of the Debtors’ Chapter 11 Petitions and First Day Motions, the record of the Hearing, and all of the proceedings had before the Court; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is GRANTED; and it is further

¹ All capitalized terms shall have the meanings ascribed to them in the Motion unless otherwise defined herein.

ORDERED that the Debtors are authorized to abandon the Abandoned Collateral to the Non-Debtor Members, pursuant to section 554(a) of the Bankruptcy Code; and it is further

ORDERED that the automatic stay is terminated so that the Non-Debtor Members, and any other party asserting an interest in the Abandoned Collateral, may assert such interests under applicable nonbankruptcy law; and it is further

ORDERED that, pursuant to section 365(a) of the Bankruptcy Code, the rejection of the executory contracts listed on Exhibit A annex hereto, is hereby approved and is effective as of the date of this Order; and it is further

ORDERED that all rights and defenses of the Debtors are preserved, including all rights and defenses of the Debtors with respect to any claim for damages arising as a result of an Agreement, including, but not limited to any right to assert an offset, recoupment, counterclaim or deduction. In addition, nothing in this Order or the Motion shall limit the Debtors' ability to subsequently assert that the any particular Agreement is not an executory contract and that any contract was terminated prior to the date hereof; and it is further

ORDERED that any proof of claim for damages arising from the rejection of the Agreements must be filed by the bar date established by the Court with respect to the filing of proofs of claims; and it is further

ORDERED that the Debtors shall serve a copy of this order on all affected secured parties and the counterparties to the Agreements within three (3) days of the entry of this Order; and it is further

ORDERED that the Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order.

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