

CRESCENT RESOURCES
LLC

CRESCENT RESTRUCTURING FAQ

General Questions

1. Why did Crescent decide to reorganize under Chapter 11?

- The real estate industry has experienced unprecedented economic challenges, which has reduced demand and placed downward pressure on pricing.
- In light of these conditions and the existing capital structure, we determined that the most prudent and appropriate action was to take steps, now, to right-size our capital structure.
- The Chapter 11 process provides us with an opportunity to formulate and implement a restructuring plan with our key stakeholders while providing us with access to additional financing to fund our continuing operations.
- Our goal is to emerge from Chapter 11 with a strong financial foundation for the company and our stakeholders so that we will be better positioned to serve our customers and partners over the longer term.

2. Is Crescent going out of business?

- No. This is simply a financial restructuring that will reduce our debt level and improve our capital structure.
- Our ongoing operations will continue without any significant interruption during this process. We intend to maintain the high level of service and amenities our residents and customers have come to expect from Crescent.

3. How long will this process last?

- We are committed to taking the appropriate steps to reach an agreement on a new capital structure so we can emerge from Chapter 11 protection quickly.

4. Which of the Crescent's projects affected by the filing?

- The Chapter 11 filing affects Crescent Resources, LLC, and certain of our affiliated legal entities. A detailed list is available at www.crescent-resourcesinfo.com.
- Several of our projects or properties are not directly included in the filing and include real-estate projects we are developing with partners and project-specific lenders.

5. What will change about the business? How will you continue to operate while you are in Chapter 11?

- Our ongoing operations will continue without any significant interruption during this process. We intend to maintain the high level of service and amenities our residents and customers have come to expect from Crescent.
- We have attractive assets and a solid underlying business model, and we expect to emerge from this process with a right-sized capital structure and business that is in line with current economic conditions.
- Our DIP financing of \$110 million provides us with the ability to fund our ongoing operations.
 - The decision to commit new financing by several of our existing lenders demonstrates their continuing confidence in the future of our company.
- We are seeking Court approval to maintain key agreements with employees, customers, vendors and partners of continuing operations.
- By right-sizing the organization and capital structure, we will be much better positioned to serve our customers and partners over the long term.

6. What is your strategic plan for emerging from Chapter 11?

- Our goal is to right-size the capital structure and to preserve Crescent's proven and solid business model and attractive assets.
- Our goal is to position Crescent to serve its customers and partners over the long term.

7. What does this mean for vendors?

- Please visit the claims agent website at www.crescent-resourcesinfo.com for vendor related information.