



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: July 16, 2010

**CRAIG A. GARGOTTA
UNITED STATES BANKRUPTCY JUDGE**

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

In re	§	Chapter 11
	§	
CRESCENT RESOURCES, LLC, et al.,	§	Case No. 09-11507 (CAG)
	§	
Debtors.	§	
	§	Jointly Administered
	§	

ORDER GRANTING DEBTORS' MOTION PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019 AUTHORIZING AND APPROVING A SETTLEMENT AND COMPROMISE BETWEEN THE DEBTORS AND THE JEA

Upon the motion (the "Motion") of 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") pursuant to sections 105(a) and 363 of the Bankruptcy Code¹ and Bankruptcy Rule 9019 requesting an order authorizing and

¹ Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Motion.

approving the stipulation (the “Settlement”) in substantially the form attached hereto as Exhibit A, settling certain claims with the JEA (f/k/a the Jacksonville Electric Authority) (“JEA”), 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 Notice Parties, 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 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

IT IS HEREBY FOUND AND DETERMINED:

- A. The Court has jurisdiction to consider the Motion and the relief requested therein under 28 U.S.C. §§ 157 and 1334. The Motion is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (B), (M), (N) and (O). Venue is proper in the Court under 28 U.S.C. §§ 1408 and 1409.
- B. The statutory predicates for the relief sought in the Motion are sections 105(a) and 363 of the Bankruptcy Code and Bankruptcy Rules 6004 and 9019.
- C. As evidenced by the certificate of service filed with the Court, and based on the representations of counsel in the Motion, (i) proper, timely, adequate, and sufficient notice of the

Motion and the transactions contemplated therein has been provided; (ii) such notice was good and sufficient and appropriate under the particular circumstances; and (iii) no other or further notice of the Motion, the transactions contemplated therein and the entry of this Order is required.

D. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities.

E. The Settlement was negotiated, proposed, and entered into by and between Crescent Resources and the JEA without collusion, in good faith, and from arm's length bargaining positions.

F. The terms and conditions of the Settlement are fair, reasonable and in the best interest of the Debtors' estates, considering (1) the probability of success in litigation, with due consideration for uncertainty in fact and law; (2) the complexity and likely duration of litigation and any attendant expenses, inconvenience, or delay; (3) all other factors bearing on the wisdom of the compromise.

G. The transactions contemplated under the Settlement represent a sound exercise of the Debtors' business judgment.

H. The relief sought in the Motion, including approval of the Settlement and consummation of the transactions contemplated thereof, is in the best interests of the Debtors, their bankruptcy estates, creditors, and all parties in interest.

I. The findings of fact set forth above and the conclusions of law stated herein shall constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding

of fact later shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law later shall be determined to be a finding of fact, it shall be so deemed.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED in all respects.
2. Pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 9019, the Settlement is authorized and approved.
3. The Debtors are authorized to execute, deliver, implement, and fully perform any and all obligations, instruments and papers, and to take any and all actions reasonably necessary or appropriate to perform any and all of the Debtors' obligations set forth in, or contemplated by, the Settlement.
4. Proofs of Claim 492, 493, and 1729 are hereby disallowed in their entirety.
5. Proof of Claim 1728 is hereby allowed as a General Unsecured Claim against North Bank in the amount of \$4,600,000.00 less any amount (i) awarded pursuant to any settlement agreement or final judgment entered in JEA's favor with respect to the causes of action underlying Proof of Claim 1728 by a court of competent jurisdiction upon resolution of the Admiralty Action and (ii) satisfied from available Insurance Proceeds (the "Allowed Amount"); *provided*, that (i) JEA shall first recover on account of Proof of Claim 1728 from available Insurance Proceeds; (ii) JEA shall not be entitled to recover more than Allowed Amount on account of its General Unsecured Claim, and (iii) JEA shall provide the Defendant Debtors and the Litigation Trustee (as defined in the Plan) with (x) a copy of the Judgment within 10 days of the entry thereof and (y) notice of collection of any Insurance Proceeds, including the amount, within 10 days thereof.

6. This Court hereby retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

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EXHIBIT A

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

In re:	§	Chapter 11
	§	
CRESCENT RESOURCES, LLC, et. al.,	§	Case No. 09-11507 (CAG)
	§	
Debtors.	§	(Jointly Administered)
	§	

**STIPULATION BETWEEN THE DEFENDANT
DEBTORS AND JEA REGARDING CERTAIN CLAIMS**

WHEREAS, on June 10, 2009 (the “Commencement Date”), LandMar Group, LLC (“LandMar”), North Bank Developers, LLC (“North Bank”), and Crescent Resources, LLC (“Crescent Resources”) (collectively, the “Defendant Debtors”), as a debtor and debtor in possession, commenced cases under chapter 11 of the Bankruptcy Code;

WHEREAS, prior to the Commencement Date, JEA (f/k/a the “Jacksonville Electric Authority”) (“JEA”) asserted various causes of action against LandMar, North Bank, Misener Marine Construction, Inc. (“Misener”), and Bergmann Associates, Inc. (“Bergmann”) in the United States District Court for the Middle District of Florida, Jacksonville Division, Case No. 3:08-CV-1113J-20 (JRK) (the “Admiralty Action”);

WHEREAS LandMar, North Bank, Misener, and Bergmann each asserted various claims and crossclaims against one another and Crescent Resources in the Admiralty Action;

WHEREAS JEA filed (i) proof of claim 492 (“Proof of Claim 492”) against LandMar in the amount of \$4,476,966.89 plus attorneys’ fess and costs on account of the Admiralty Action; (ii) proof of claim 493 (“Proof of Claim 493”) against North Bank in the amount of \$4,476,966.89 plus attorneys’ fess and costs on account of the Admiralty Action; (iii) proof of claim 1728 (“Proof of Claim 1728”) against North Bank in the amount of \$4,611,966.89 plus attorneys’ fess and costs on account of the Admiralty Action; and (iv) proof of claim 1729

(“Proof of Claim 1729”) against LandMar in the amount of \$4,611,966.89 plus attorneys’ fees and costs on account of the Admiralty Action;

WHEREAS, on November 6, 2009, JEA, the Defendant Debtors, Misener, and Bergmann filed a joint motion for relief from the stay seeking to lift the automatic stay to permit the parties to move forward in resolving certain “insured claims” in the Admiralty Action against the Defendant Debtors (the “Insured Claims”);

WHEREAS on November 20, 2009, the Court entered an order (the “Order”) lifting the stay to permit the resolution of the Insured Claims in the Admiralty Action;

WHEREAS the Order further provided, that to the extent JEA prevailed on any of the claims in the Admiralty Action against the Defendant Debtors, JEA would only be entitled to recover against the Defendant Debtors to the full extent of any and all insurance coverage and proceeds (collectively, the “Insurance Proceeds”) available to the Defendant Debtors and that JEA was deemed to have waived any and all claims against the Debtors and the Debtors’ bankruptcy estates on account of, arising out of, or related to the Admiralty Claims, but that such waiver was expressly subject to the ability and right of JEA to fully recover on the Admiralty Claims against the Insurance Proceeds;

WHEREAS on March 31, 2010, the Debtors filed the *Debtors’ Revised Second Amended joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the “Plan”); and

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between the Defendant Debtors and JEA, as follows:

1. JEA shall vote its ballots on account of Proof of Claim 1729, Proof Claim 1728, and its unsecured scheduled claim against Crescent Multifamily Construction, LLC in favor of the Plan.

2. Proofs of Claim 492, 493, and 1729 shall be disallowed in their entirety.

3. Proof of Claim 1728 shall be allowed as a General Unsecured Claim against North Bank in the amount of \$4,600,000.00 less any amount (i) awarded pursuant to any settlement agreement or final judgment entered in JEA's favor with respect to the causes of action underlying Proof of Claim 1728 by a court of competent jurisdiction upon resolution of the Admiralty Action and (ii) satisfied from available Insurance Proceeds (the "Allowed Amount"); *provided*, that (i) JEA shall first recover on account of Proof of Claim 1728 from available Insurance Proceeds; (ii) JEA shall not be entitled to recover more than Allowed Amount on account of its General Unsecured Claim, and (iii) JEA shall provide the Defendant Debtors and the Litigation Trustee (as defined in the Plan) with (x) a copy of the Judgment within 10 days of the entry thereof and (y) notice of collection of any Insurance Proceeds, including the amount, within 10 days thereof.

DATED: May 18, 2010

Respectfully submitted,

/s/ Berry D. Spears
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**ATTORNEYS FOR JEA (F/K/A THE
"JACKSONVILLE ELECTRIC
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-and-

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