

Crescent Resources, LLC
ESP Associates Build to Suit Project Update
June, 2006

I. Proposed Project

In October 2005, Crescent received approval to develop a 26,500 square foot building in Lakemont Business Park for ESP Associates. ESP agreed to purchase the project for costs plus a 10% profit.

When we received board approval, project costs were expected to be \$3,093,228. Due to construction increases, costs are now projected to be \$4,000,000. The purchase price will be based on 10% of the new project costs and Crescent's profit is now expected to be \$386,000.