

EXHIBIT 1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

IN RE:) Chapter 11
)
RC SOONER HOLDINGS, LLC., et al.) Case No. 10-10528
)
Debtors.) (Jointly Administered)

**AFFIDAVIT OF MARC McCARTHY IN SUPPORT OF LIMITED
OBJECTION OF FANNIE MAE TO DEBTORS' MOTION
FOR ENTRY OF INTERIM AND FINAL ORDERS (A)
AUTHORIZING DEBTORS' IN PASSION TO USE CASH
COLLATERAL, (B) GRANTING REPLACEMENT LIENS TO
FANNIE MAE, AND (C) GRANTING ADEQUATE
PROTECTION AND MOTION OF FANNY MAE FOR RELIEF
FROM AUTOMATIC STAY PURSUANT TO 11 U.S.C. § 362(d) AND
RULE 4001 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

STATE OF TEXAS)
)ss:
COUNTY OF DALLAS)

I, Marc McCarthy, after first being duly sworn, hereby deposes and states upon my personal knowledge, information, and belief as follows:

1. I am a Senior Asset Manager for Fannie Mae and the person primarily responsible for administration of the Notes, Mortgages and other loan documents pertaining to loans made to certain of the Debtors (the "Apartment Debtors") in the above jointly administered case. The Apartment Debtors consist of: Brixton Square Apartments, LLC; CC Apartments LLC; Fulton Plaza Apartments, LLC; Magnolia Manor Apartments, LLC; Pomeroy Park Apartments, LLC; Salida Apartments, LLC; Savannah South Apartments, LLC and Southern Hills Villa Apartments. Each of the Apartment Debtors owns a residential apartment complex (the "Apartments") located in Tulsa County, Oklahoma.

2. Each of the Apartment Debtors is indebted severally (the “Debt”), to Fannie Mae pursuant to notes (the “Notes”) held by Fannie Mae. The Debt is secured by valid and perfected first mortgages and lien interests (the “Mortgages”) against all assets (the “Collateral”) of each of the respective Apartment Debtors. There is no cross-collateralization of the Debt owed by the respective Apartment Debtors. The Collateral includes, but is not limited to, the Apartments and all rents, cash, negotiable instruments, deposit accounts and other cash equivalents (“Cash Collateral”) of the respective Apartment Debtors.

3. Prior to the Petition Date, the Apartment Debtors each failed to make the monthly payments due under the Notes by August 1, 2009, and September 1, 2009, thereby constituting defaults under the Notes and Mortgages and other loan documents pertaining thereto.

4. By letters to the Apartment Debtors dated September 29, 2009, Fannie Mae gave notice of Apartment Debtors’ monetary default and notified Apartment Debtors that failure to cure the conditions of default by October 9, 2009, would cause the entire unpaid balance of the Notes and all other amounts owed by Apartment Debtors under the Notes, Mortgages and other loan documents to become immediately due and payable without further demand.

5. The Apartment Debtors failed to cure any of the conditions of default by October 9, 2009, and by letters to Apartment Debtors dated October 16, 2009, Fannie Mae accelerated the debt due under the Notes and declared the entire unpaid balances of the Notes and all other amounts owed by Apartment Debtors under the Notes, Mortgages and other loan documents to be immediately due and payable.

6. Pursuant to the respective Mortgages, a transfer of more than fifty percent (50%) ownership interest in the Apartment Debtors without the consent of Fannie Mae is an event of default (“Transfer Default”) constituting a breach of the respective Notes, Mortgages and other

loan documents. On October 29, 2009, each of the RC LLCs¹, also Debtors in the above jointly administered bankruptcy cases, purchased 100% of the interest in the Apartment Debtors. The RC LLCs and the 100% owner of the RC LLCs, RC Sooner Holdings, LLC (“RC Sooner”), the lead Debtor in the above jointly administered cases, made no effort to qualify as borrowers under Fannie Mae guidelines and, apart from acquiring ownership of the Apartment Debtors, have no lender/borrower relationship with Fannie Mae. Fannie Mae is not willing to waive the Transfer Default.

7. The entire RC acquisition structure and closing of the sale of the interests in the Apartment Debtors to the RC Sooner LLCs was done without the knowledge or consent of Fannie Mae, although all of the Apartment Debtors were fully aware that Fannie Mae’s prior consent for any such transfers was required by the Notes, Mortgages and other loan documents and that failure to do so would constitute a breach of the Notes, Mortgages and other loan documents. The Mortgages containing the restrictions on transfers of ownership are all recorded in the public land records in Tulsa County, Oklahoma. A schedule identifying the original Mortgages, the assignments of the Mortgages and the recording information respecting the Mortgages is attached hereto as Exhibit “A”. The Debtors have copies of the Mortgages and assignments, which are voluminous. The documents are not attached hereto for that reason.

8. Had any of the Debtors contacted Fannie Mae prior to the closing of the transfers or ownership of the Apartment Debtors, they would have learned:

- A. That the Notes were in default and had been accelerated and that notice of default and notice of acceleration of the Debt has been given to the Apartment Debtors.
- B. The existence of the restrictions on transfers of ownership,

¹ The RC LLCs are RC Brixton Square Owner, LLC; RC Cedar Crest Owner, LLC; RC Fulton Plaza Owner, LLC; RC Magnolia Owner, LLC; RC Pomeroy Park Owner, LLC; RC Salida Owner, LLC; RC Savannah South Owner, LLC; and RC Southern Hills Owner, LLC.

C. The requirements to obtain Fannie Mae's consent to a proposed transfer of ownership, and

D. The requirements to qualify as a borrower from Fannie Mae.

9. The unpaid balances due, owing and payable under the respective Notes and the name of each principal obligor on the respective Notes are set forth in Exhibit "B" hereto.

10. On February 2 and February 8, 2010, Fannie Mae filed foreclosure actions (the "Foreclosure Actions") against each of the Apartment Debtors and other non-debtor persons and entities who are also liable on the Debt, in State Court in Tulsa County, Oklahoma. The Foreclosure Actions are listed on Exhibit "C" hereto.

11. A hearing for the appointment for a receiver respecting each of the Apartments was set in each Foreclosure Action for February 23, 2010. The filing of the bankruptcy cases of the Apartment Debtors on February 22, 2010, stayed the Foreclosure Actions, and the receivership hearings respecting the Apartment Debtors were stricken.

12. The Debt respecting each of the Apartment Debtors exceeds the value of the Collateral respecting each of the Apartment Debtors. Cross-collateralization of the Debt among the Debtors, or any of them, would not provide any additional collateral or adequate protection for use of Fannie Mae's Cash Collateral.

13. Deposits into the Bank of the West, which are the subject of pending litigation, were derived from Fannie Mae's Cash Collateral, and the proceeds of such litigation do not provide any additional collateral or adequate protection for use of Fannie Mae's Cash Collateral.

14. Fannie Mae will not consent to a reduction of any of the Debt (other than by payment thereof), and does not believe that the Apartments can ever generate enough cash flow to service the Debt under any circumstances.

FURTHER AFFIANT SAYETH NOT.

Marc McCarthy
MARC McCARTHY

VERIFICATION

STATE OF TEXAS)
) ss:
COUNTY OF DALLAS)

I, Marc McCarthy, of lawful age, being first duly sworn upon oath, depose and state that I have read the above and foregoing Affidavit and that the statements and facts therein contained are true and correct to the best of my knowledge and belief.

Marc McCarthy
MARC McCARTHY

SUBSCRIBED and SWORN to before me this 26th day March, 2010.

Lisa R. Newton
Notary Public

My Commission Expires: 1-22-12

My Commission Number: _____

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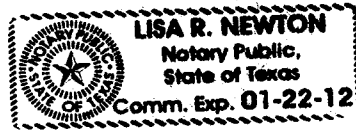


EXHIBIT "A"

1. Brixton Square Apartments

Mortgage from Brixton Square Apartments, LLC to Royal Bank of Canada
Recorded in Tulsa County, OK – Doc. #2008113457
Dated 11/06/2008 – Page(s) 45

Corrected Assignment of Mortgage to Fannie Mae
Recorded in Tulsa County, OK – Doc. #2008116056
Recorded 11/13/2008 – Page(s) 4

2. Cedar Crest Apartments

Mortgage from CC Apartments, LLC to Royal Bank of Canada
Recorded in Tulsa County, OK – Doc. #2008113467
Dated 11/05/2008 – Page(s) 44

Assignment of Mortgage to Fannie Mae
Recorded in Tulsa County, OK – Doc. #2008115003
Dated 11/10/2008 – Page(s) 3

3. Fulton Plaza Apartments

Mortgage from Fulton Plaza Apartments, LLC to Royal Bank of Canada
Recorded in Tulsa County, OK – Doc. #2008067490
Dated 06/30/2008 – Page(s) 49

Assignment of Mortgage to Fannie Mae
Recorded in Tulsa County, OK – Doc. #2008067491
Dated 06/30/2008 – Page(s) 3

4. Magnolia Manor Apartments

Mortgage from Magnolia Manor Apartments, LLC to Royal Bank of Canada
Recorded in Tulsa County, OK – Doc. #2008067498
Dated 06/30/2008 – Page(s) 49

Assignment of Mortgage to Fannie Mae
Recorded in Tulsa County, OK – Doc. #20080637499
Dated 06/30/2008 – Page(s) 3

5. Pomeroy Park Apartments

Mortgage from Pomeroy Park Apartments, LLC to Keycorp Real Estate Capital Markets, Inc.

Recorded in Tulsa County, OK – Doc. #2008124481
Dated 12/12/2008 – Page(s) 47

Assignment of Mortgage to Fannie Mae

Recorded in Tulsa County, OK – Doc. #20081244483
Dated 12/12/2008 – Page(s) 3

6. Salida Apartments

Mortgage from Salida Apartments, LLC to Royal Bank of Canada

Recorded in Tulsa County, OK – Doc. #2008121725
Dated 12/04/2008 – Page(s) 45

Assignment of Mortgage to Fannie Mae

Recorded in Tulsa County, OK – Doc. #2008121744
Dated 12/04/2008 – Page(s) 3

7. Savannah South Apartments

Mortgage from Savannah South Apartments, LLC to Royal Bank of Canada

Recorded in Tulsa County, OK – Doc. #2008079458
Dated 07/31/2008 – Page(s) 49

Assignment of Mortgage to Fannie Mae

Recorded in Tulsa County, OK – Doc. #2008079459
Dated 07/31/2008 – Page(s) 3

8. Southern Hills Villa Apartments

Mortgage from Southern Hills Villa Apartments, LLC to Keycorp Real Estate Capital Markets, Inc.

Recorded in Tulsa County, OK – Doc. #2009002241
Dated 01/09/2009 – Page(s) 47

Assignment of Mortgage to Fannie Mae

Recorded in Tulsa County, OK – Doc. #2009002242
Dated 01/09/2009 – Page(s) 4

EXHIBIT "B"

BORROWER	NOTE BALANCE AS OF FEBRUARY 22, 2010 (does not include accrued and unpaid interest and other fees and charges)
Brixton Square Apartments, LLC 4655 S. Darlington Ave. Tulsa, OK 74135	\$ 3,009,830.72
CC Apartments, LLC 401 South Cedar Street Owasso, OK 74055	\$ 1,584,121.41
Fulton Plaza Apartments, LLC 4646 S. Fulton Ave. Tulsa, OK 74135	\$ 2,212,149.82
Magnolia Manor Apartments, LLC 4747 S. Darlington Ave. Tulsa, OK 74135	\$ 3,003,169.30
Pomeroy Park Apartments, LLC 6805 S. Lewis Ave. Tulsa, OK 74136	\$ 7,934,531.52
Salida Apartments, LLC 10149 E. 32 nd Street Tulsa, OK 74146	\$ 3,672,152.77
Savannah South Apartments, LLC 4631 S. Braden Ave. Tulsa, OK 74135	\$ 2,161,473.82
Southern Hills Villa Apartments, LLC 6609 S. Lewis Ave. Tulsa, OK 74136	\$ 3,293,426.04

EXHIBIT "C"

9. *Fannie Mae v. Brixton Square Apartments, LLC, et al.*; Case No. CJ-2010-00658; In the District Court in and for Tulsa County, State of Oklahoma
10. *Fannie Mae v. CC Apartments, LLC, et al.*; Case No. CJ-2010-006662; In the District Court in and for Tulsa County, State of Oklahoma
11. *Fannie Mae v. Fulton Plaza Apartments, LLC, et al.*; Case No. CJ-2010-00659; In the District Court in and for Tulsa County, State of Oklahoma
12. *Fannie Mae v. Magnolia Manor Apartments, LLC, et al.*; Case No. CJ-2010-00660; In the District Court in and for Tulsa County, State of Oklahoma
13. *Fannie Mae v. Pomeroy Park Apartments, LLC, et al.*; Case No. CJ-2010-00798, In the District Court in and for Tulsa County, State of Oklahoma
14. *Fannie Mae v. Salida Apartments, LLC, et al.*, Case No. CJ-2010-00796; In the District Court in and for Tulsa County, State of Oklahoma
15. *Fannie Mae v. Savannah South Apartments, LLC, et al.*; Case No. CJ-2010-00661; In the District Court in and for Tulsa County, State of Oklahoma
16. *Fannie Mae v. Southern Hills Villa Apartments, LLC, et al.*; Case No. CJ-2010-00797; In the District Court in and for Tulsa County, State of Oklahoma

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