DESERT MOUNTAIN

April 30, 2010

Dear Desert Mountain Member:

On behalf of Crescent Real Estate Holdings and Desert Mountain Properties, we want to take this opportunity to provide the membership with an important update regarding the turnover of the Desert Mountain Club.

We are pleased to report that we have completed the first major step in what we trust will be a successful turnover of the Club to you, the members. Today we delivered a detailed timeline to the Advisory Board outlining the turnover process and a budgeted allocation of funds for the Advisory Board to spend on your behalf in its role in the process. As agreed with the Advisory Board earlier this year, the timeline and budget are the appropriate first steps in ensuring a coordinated and timely process and will help us work toward a successful closing by March 1, 2011. We are also meeting with the Advisory Board this Tuesday to review the materials and begin moving the process forward.

We are aware that Crescent/DMP and the process to date have been characterized by some in a negative light. While it is not productive to debate all the issues in this letter, we do think it is important to clarify our objectives and intentions. Quite simply, our main objective is to coordinate a smooth and successful turnover of the Club and sale of Parcel 19 to the membership by the contractual date of March 1, 2011 as specified in your membership documents and the Club bylaws. We are committed to handling the process in a professional manner and resolving any differences through good faith negotiations with the Advisory Board. We do not foresee any issues that cannot be reasonably negotiated or solved if all parties work toward the mutual goal of a fair and timely turnover.

We will communicate directly to the membership throughout the process as needed. If you have any questions or concerns, please feel free to communicate them to Bob Jones at the Club, as we have asked Bob to organize this effort on our behalf. Bob will ensure that we receive all questions and comments and we will do our best to address items raised by the membership either directly or through broader communications. You should, of course, continue to communicate to your Advisory Board if you prefer.

We recognize and respect the significant investment you have made in the Desert Mountain community and we look forward to preserving and enhancing that investment through a successful Club turnover process.

Respectfully,

Crescent Real Estate Holdings, LLC
John Goff
Jason Anderson
Tom Nezworski

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