

January 18, 2011

Mr. Gary Moselle  
6058 Corte Del Cedro  
Carlsbad, CA 92009

Via email and certified mail # 7008 3230 0003 3985 3460

Dear Mr. Moselle:

On January 1, 2011, Bob Jones (Chief Operating Officer/General Manager of Desert Mountain Club, Inc.) contacted you about your website entitled "Avoid the Desert Mountain Scam". He demanded that you immediately remove the material on that website, since it contained many misstatements of fact and reflected disparaging conduct inconsistent with the good order, welfare, and character of the Club. You were told that you should cease and desist from all such activity of this sort, and that failure to do so subjected you to sanctions under the Desert Mountain Club Bylaws and in the courts. You responded by stating that you would not withdraw the inappropriate statements, nor close your website.

On January 10, 2011, Mr. Jones notified you by letter of a disciplinary hearing scheduled for January 18 to address your apparent violations of Sections 6.1, 6.2(ii), 6.2 (iv) and 6.2 (viii) of the Desert Mountain Club Bylaws. One infraction has been the creation and maintaining of the above-referenced website with its inaccurate facts. The second infraction has been your failure to make the required turnover assessment payment, and your failure in timely paying dues, fees, and charges owed the Club.

Your response to the notice of hearing was to simply state that you have resigned from the Club. However, you do not have the right to unilaterally declare the terms, conditions, and timing of any resignation, especially when at odds with the Club Bylaws and your Membership Agreement. Nor does your unilateral resignation remove any of the causes or responsibility for disciplinary or legal action set out above.

The Disciplinary Committee of the Desert Mountain Board met on January 18. You chose not to attend. Instead, hours before the disciplinary hearing you sent the Club a signed form created by you. It is not a Desert Mountain Club form, nor one that the Club recognizes. You should not state otherwise to others. Your "form" is falsely indicating that it is a "Desert Mountain Deferred Equity Golf Membership Surrender Form." Your "form" falsely indicates that a member can simply "elect" an "option" that "terminates [an] obligation to pay dues and assessments." Any distribution of the "false form" will result in the Club seeking immediate damages.

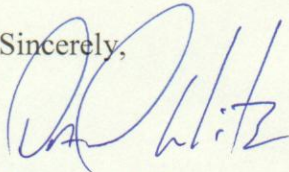
Desert Mountain Club, Inc.

After the Disciplinary Committee meeting held on January 18, 2011 the Committee made its recommendations to the Desert Mountain Board of Directors (the "Board"). That same date the Board held a special meeting and has taken the actions outlined below.

Please be advised that, as of this date, January 18, 2011, you are expelled from Desert Mountain Club. You no longer have any privileges at the Club. In addition, as determined in the discretion of the Board, the Club has determined that your membership has been terminated and all rights to be placed on the Surrender List or receive any refund are rendered null and void. You have already indicated that you are forfeiting any such possible rights. Furthermore, the termination of your membership and refund rights is due to your unequivocal statement that you have no intention of satisfying your financial obligations to the Club at any time.

Notwithstanding the expulsion and termination of your Membership in the Club, as of January 18, 2011, your financial obligation to the Club totals \$21,953.37. Your expulsion and termination from the Club does not extinguish that debt, and indeed it continues with the accruing of interest and late charges thereon. Further, your expulsion and termination does not diminish nor negate any rights and remedies to which Desert Mountain Club, Inc. may be entitled in the courts, including specifically with respect to (a) your misleading and defamatory website and (b) collection efforts in response to your indebtedness.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. White".

David L. White  
President  
Desert Mountain Club, Inc.

*Brathmore*  
WRITING 25% COTTON