

GOVERNANCE COMMITTEE OF THE BOARD OF TRUST MANAGERS - CHARTER

This charter will govern the affairs and duties of the Governance Committee (the "Committee") of the Board of Trust Managers (the "Board") of Crescent Real Estate Equities Company (the "Company").

I. Purpose

The primary objectives of the Committee are to assist the Board by:

- identifying individuals qualified to become trust managers and recommending that the Board select a group of trust manager nominees for each succeeding annual meeting of the Company's shareholders;
- ensuring that the Audit, Executive Compensation and Governance Committees of the Board will have the benefit of qualified and experienced independent trust managers, each of whom satisfies the qualification requirements, if any, of federal and state securities laws and the New York Stock Exchange; and
- developing and recommending to the Board a set of effective corporate governance policies and procedures applicable to the Company, particularly as such policies may be required by federal and state securities laws, the New York Stock Exchange or any other applicable regulatory requirements.

II. Organization

Composition. The Committee will consist of three or more trust managers, at least one of whom will satisfy the applicable independence requirements of The New York Stock Exchange and any other applicable regulatory requirements, and all of whom will satisfy such independence requirements within 24 months following approval of the rules of The New York Stock Exchange requiring formation of a nominating/corporate governance committee.

Election. Committee members will be elected by the Board at the annual organizational meeting of the Board and will serve until their successors are duly elected and qualify. The Committee's chairperson will be designated by the full Board or, if it does not do so, the Committee members will elect a chairperson by vote of a majority of the full Committee.

Evaluation. The Board will review and evaluate the performance of the Committee on at least an annual basis.

Quorum. A majority of the members of the Committee will constitute a quorum for the transaction of business. Any action of the Committee must be authorized

by a majority of the Committee members to be effective.

Minutes. The Committee will keep minutes of its proceedings and will report its actions at the next succeeding meeting of the Board.

Subcommittees. The Committee may form and delegate authority to subcommittees when and as it deems appropriate.

III. **Meetings**

Frequency of Meetings. The Committee will meet at the request of the Board and on such other occasions as a majority of the members of the Committee deem appropriate and advisable.

Chairperson. The chairperson of the Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee will ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting.

IV. **Goals and Responsibilities**

Corporate Governance Policies. The Committee will develop and recommend to the Board a set of corporate governance policies that promote the competent and ethical operation of the Company. Such policies will be designed to enhance corporate integrity, accountability and transparency and, consequently, shareholder value. The Committee will review and reassess the adequacy of these policies at least annually and recommend to the Board any changes that the Committee deems appropriate, and any changes that may be required by the federal and state securities laws, the New York Stock Exchange or any other applicable regulatory requirements.

Composition of Board. The Committee will develop policies on the size and composition of the Board.

Trust Manager Candidates. The Committee will identify candidates for trust manager that have the following skills and characteristics: (i) superior leadership abilities, (ii) independence, (iii) commitment to improving the Company's value for the benefit of its shareholders, (iv) innovative thought, (v) business and management experience, and (vi) a working knowledge of basic finance and accounting principles. Based on the foregoing, the Board will annually recommend a slate of nominees to the Board with respect to nominations for the Board at the annual meeting of the Company's shareholders.

Limitations on Committee Authority. The selection and nomination of any trust managers to be selected by the holders of any class of the Company's preferred shares will not be subject to the selection or nomination process of the

Committee.

Board and Management Evaluations. The Committee will evaluate the performance of the Board and each trust manager on an annual basis. The Committee will oversee the evaluation of Company management.

Approval of Transactions. The Committee shall have the full power and authority to review, approve or disapprove, or to approve subject to conditions established in the discretion of the Committee, any transaction or group or series of related transactions (individually or collectively, a "Transaction") by the Company, Crescent Real Estate Equities Limited Partnership (the "Partnership"), or any direct or indirect subsidiary of the Company or the Partnership (a "Subsidiary"), in which the value of the Transaction is at least \$100 million but less than \$250 million. For purposes hereof, a Transaction shall include (i) any direct or indirect purchase or lease of real property or any interest therein, (ii) any new financing transaction, including without limitation, any loan to, or equity issuance or debt issuance by, the Company, the Partnership or a Subsidiary.

General. The Committee will perform any other activities consistent with this Charter, the Company's bylaws and governing law as the Committee or the Board deems appropriate.

Committee Matters. The Committee will advise the Board on (a) committee member qualifications, (b) committee member appointments and removals, (c) committee structure and operations (including authority to delegate to subcommittees), and (d) committee reporting to the Board. The Committee will maintain an orientation program for new trust managers and a continuing education program for all trust managers. The Committee will also review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.

The Committee will maintain free and open communication with the Company's management.

V. **Committee Resources**

The Committee will have the authority to obtain advice and seek assistance from internal or external legal, accounting and other advisors. The Committee will have the sole authority to retain and terminate any search firm to be used to identify candidates for trust manager, including sole authority to approve such search firm's fees and other retention terms.

VI. **Disclosure of Charter**

This Charter will be made available on the Company's website at www.crescent.com.

