

EXHIBIT A

\$500,000 ESCROW AGREEMENT

THIS \$500,000 ESCROW AGREEMENT (the "Agreement"), dated as of June __, 2001, between and among Crescent Real Estate Equities Company, Crescent Real Estate Equities, Ltd., Crescent Real Estate Equities Limited Partnership (collectively, "Crescent"), Crescent Operating, Inc., ("COPI") and Texas Capital Bank ("Escrow Agent"), is entered into in connection with that certain Stipulation of Settlement dated as of June __, 2001 (the "Stipulation") by and among the Class Representatives, Crescent, COPI, Charter, and Creditors' Committee. Unless otherwise indicated, all capitalized terms herein shall have the same meaning assigned to them in the Stipulation.

Preliminary Statement

The Stipulation constitutes (i) a settlement of certain claims under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq.; (ii) a settlement of certain disputes between Crescent and the Creditors' Committee; (iii) a release by Charter and the Creditors' Committee against COPI and its agents for director and officer claims and all other claims; (iv) the opportunity for creditors of Charter to resolve potential preference claims against them through the offset and resolution of their claims against Charter; and (v) complete releases of claims among the parties to the Stipulation, all as more fully described therein.

Pursuant to the Stipulation, Crescent or COPI shall, among other things, pay the amount of \$500,000 into the escrow account established pursuant to this Agreement to be held and separately maintained by Escrow Agent together with all interest accrued thereon (the "Segregated Funds"). Until the Approval Date, the Segregated Funds, together with any accounts in which they are maintained, shall be owned by Crescent and/or COPI as described

herein and controlled by Escrow Agent. The Segregated Funds are to be disbursed pursuant to the terms of this Agreement. Crescent and COPI wish to specify the terms and conditions on which the Segregated Funds will be held, invested and, as appropriate, disbursed.

In consideration of the mutual undertakings and covenants contained in this Agreement, the parties hereto covenant and agree as follows:

1. Paying Party. Pursuant to Section II subsection PPP of the Stipulation, Crescent or COPI is required to pay \$500,000 into an escrow account on the date of execution of the Stipulation by all parties thereto. The party that makes the \$500,000 payment shall be referred to herein as the "Paying Party."

2. Escrow Agent. The Paying Party hereby engages Texas Capital Bank to serve as the Escrow Agent with respect to the Segregated Funds, and Escrow Agent hereby accepts such engagement. The Paying Party reserves the right, in its sole and absolute discretion, at any time and from time to time, to substitute a new escrow agent in place of Escrow Agent upon written notice in accordance with Section 14 of this Agreement. Escrow Agent shall be entitled to charge fees for serving as Escrow Agent in accordance with the fee schedule previously submitted. The Escrow Agent shall be authorized to withdraw from the Segregated Funds its fees for serving as Escrow Agent.

3. Segregated Funds; Ownership and Control. The parties agree and acknowledge that the Paying Party is the sole and absolute owner of the Segregated Funds and any accounts in which they are held unless and until the Stipulation Becomes Final (as described in Section II of the Stipulation). The Paying Party shall own such funds for the benefit of the Pre-Petition Settlement Class Members pending the Approval Date (as described in Section II subsection PPP of the Stipulation), and Escrow Agent shall have the power to control the Segregated Funds and

the accounts in which they are held, subject only to the terms of this Agreement and the Stipulation.

4. **Investment.** Escrow Agent shall separately account for the Segregated Funds (the "Segregated Funds Account") but may invest the Segregated Funds in any one or more of the following types of investments as designated by the Paying Party: (i) prime commercial paper, banker's acceptance or certificates of deposit in one or more commercial banks the deposits in which are insured by an agency of the United States, in each case having a maturity of not more than 90 days; (ii) obligations of the United States Government having a maturity of not more than 90 days; (iii) one or more mutual funds which invest their assets primarily in investments of the type described in clauses (i) and (ii); or (iv) one or more interest-bearing accounts in a commercial bank the deposits in which are insured by an agency of the United States. The Paying Party and Escrow Agent shall not be responsible for any loss, diminution in value or failure to achieve a greater profit as a result of such investments, or the failure of any bank to follow the Paying Party's or Escrow Agent's written instructions, nor shall the Paying Party or Escrow Agent be responsible for any loss due to the failure of any bank in which the funds may be deposited.

5. **Payment of Segregated Funds.** Escrow Agent shall make no disbursements of the Segregated Funds, except for disbursements permitted pursuant to this Section 5 of this Agreement. Upon written notice from the Paying Party that the Stipulation has been terminated, Escrow Agent shall disburse the Segregated Funds to the Paying Party. The Paying Party shall give written notice to the Escrow Agent that the Approval Date has occurred within five (5) days thereafter. Upon written notice from the Paying Party that the Approval Date has occurred, Escrow Agent shall disburse the Segregated Funds to the WARN Escrow Account. The

disbursement to the WARN Escrow Account shall be delivered to Douglas Ernst, Esq., Troutman & Sanders, LLP, Bank of America Plaza, 800 Peachtree Street, N.E., Suite 5200, Atlanta, GA 30308.

6. Exculpation of Escrow Agent. Escrow Agent shall have no duties or responsibilities with respect to the Segregated Funds or the Segregated Funds Account except for those set forth herein (and required by applicable law), which the parties agree are ministerial in nature.

7. No Additional Duties. The Paying Party and Escrow Agent shall have no duties with respect to the Segregated Funds or the Segregated Funds Account except those that are expressly set forth herein, and they shall not be bound by any notice of a claim for payment, or demand with respect thereto, or any waiver, modification, amendment, termination or rescission of this Agreement, unless in writing and fully executed.

8. Modification. No modification of this Agreement shall be valid unless the same is in writing and is signed by all parties.

9. Inconsistent Claims. In the event that Escrow Agent should at any time be confronted with inconsistent claims or demands by the parties, or in the event that Escrow Agent, in good faith, believes that a claim by any or all of the parties to any or all of the Segregated Funds is unjustified, Escrow Agent shall have the right, but not the obligation, to interplead the disputed portion of the Segregated Funds in any court of competent jurisdiction, and request that such court determine such respective rights of the parties with respect to this Agreement, and upon doing so, Escrow Agent automatically shall be released from any obligations or liability as consequence of any such claims or demands.

10. Jury Waiver. In the event of a lawsuit arising under or otherwise in connection with this Agreement, the parties agree to waive any right to trial by jury.

11. Fees. The Escrow Agent's fees and, should a third-party charge fees for investing the Segregated Funds in accordance with Section 4 hereof, such third party's fees, shall be paid from the accrued interest in the Segregated Funds Account, if available, otherwise, shall be paid from the principal in the account so long as such fees are at reasonable market rates.

12. Miscellaneous. Escrow Agent may execute any of its powers or responsibilities hereunder and exercise any rights hereunder either directly or by or through its agents or attorneys. Nothing in this Agreement shall be deemed to impose upon Escrow Agent any duty to qualify to do business or to act as fiduciary or otherwise in any jurisdiction other than Delaware. Escrow Agent shall not be responsible for and shall not be under a duty to examine or pass upon the validity, binding effect, execution or sufficiency of this Agreement or of any agreement amendatory or supplemental hereto.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. Notices. Any notices to be given hereunder shall be sufficiently given if in writing and delivered personally, sent by telecopy, or mailed by registered or certified mail, return receipt requested, postage prepaid, to the following addresses or to such other address as the parties may from time to time designate in writing delivered in accordance with this Section 14:

If to Crescent:
David Dean
Crescent Real Estate
777 Main Street, Suite 2100

Fort Worth, Texas 76102
Facsimile (817) 321-2002

With a copy to:

Thomas J. Catliota, Esq.
Shaw Pittman
2300 N Street, N.W.
Washington, D.C. 20037
Facsimile (202) 663-8007

If to COPI:

Jeffrey L. Stevens
Crescent Operating, Inc.
n777 Taylor Street
Suite 1050
Forth Worth, TX 76102
(817) 339-2220

With a copy to:

Michael Sheehan
501 Cherry Street, Suite 1600
Fort Worth, TX 76102-6816
Facsimile (817) 347-1799

If to Escrow Agent:

Dave Folz
Executive Vice President
Texas Capital Bank
2100 McKinney, Suite 900
Dallas, Texas 75201
Facsimile (214) 932-6625

Any notices to be given hereunder shall be deemed received (a) on the date delivered, if delivered personally, (b) on the date sent, if sent by telecopy, or (c) on the third business day after the date such notice was sent, if sent by registered or certified mail.

15. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

16. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware.

17. Stipulation. This Agreement is intended solely to supplement and implement the provisions of the Stipulation and is not intended to modify, amend or vary any of the rights or obligations of any party under the Stipulation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

By _____
Dave Folz
Executive Vice President
Texas Capital Bank
2100 McKinney, Suite 900
Dallas, Texas 75201

THOMPSON & KNIGHT LLP

By _____
Michael Sheehan
501 Cherry Street, Suite 1600
Fort Worth, TX 76102-6816
Counsel for Crescent Operating Inc.

and

SHAW PITTMAN, LLP

By _____

Thomas Catliota

Andrew Love

2300 N Street, N.W.

Washington, DC 20037-1128

Attorneys for Defendants

Crescent Real Estate Equities Company,

Crescent Real Estate Equities Limited Partnership

and Crescent Real Estate Equities Limited