

# **EXHIBIT E**

## **RELEASE AGREEMENT**

WHEREAS, beginning on February 16, 2000, Chapter 11 bankruptcy cases were commenced in the District of Delaware by Charter Behavioral Health Systems, LLC and certain subsidiaries, Case Nos. 00-989 through 00-1089, 00-1555, and 00-2231 through 00-2237 (collectively, the "Bankruptcy Case"). Charter Behavioral Health Systems, LLC and its subsidiaries and affiliates, including but not limited to those that are debtors and debtors in possession, are referred to herein as "Charter;" and

WHEREAS, certain former employees terminated by Charter allege violations of the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq. (the "WARN Act") by Charter, Crescent Real Estate Equities Company, Crescent Real Estate Equities, Ltd., Crescent Real Estate Equities Limited Partnership (collectively "Crescent"), and Crescent Operating, Inc. ("COPI"); and

WHEREAS, in connection with alleged violations of the WARN Act, certain former employees (the "Class Representatives") filed in the United States Bankruptcy Court for the District of Delaware on behalf of themselves and other former employees proofs of claim (the "Class Proofs of Claim") and an adversary complaint Case No. A--00-562 (the "WARN Adversary Proceeding") under the WARN Act against Charter in the Bankruptcy Case; and

WHEREAS, the Class Representatives by counsel have prosecuted the Class Proofs of Claim and the WARN Adversary Proceeding; and

WHEREAS, the Class Representatives by counsel initiated and pursued settlement negotiations with Charter, Crescent, COPI, and the Official Committee of Unsecured Creditors

appointed by the U.S. Trustee's Office in Charters' bankruptcy cases (the "Creditors' Committee") that have resulted in that certain Stipulation of Settlement dated August 7, 2001 (the "Stipulation") by and among the Class Representatives, Crescent, COPI, Charter, and the Creditors' Committee; and

WHEREAS, Charter denied and objected to and continues to deny and object to the Class Proofs of Claim and the WARN Adversary Proceeding and has denied any wrongdoing or liability of any kind under the WARN Act and has raised numerous defenses; and

WHEREAS, the Class Representatives filed in the United States District Court for the District of Delaware on behalf of former Charter employees, a complaint asserting class claims under the WARN Act in Civil Action No. 00-674 against Crescent and COPI (the "Sweeney Action"); and

WHEREAS, Crescent and COPI have denied and continue to deny Class Representatives' claims in the Sweeney Action and have denied any wrongdoing or liability of any kind under the WARN Act, and have raised numerous defenses; and

WHEREAS, additional cases raising claims by or on behalf of former Charter employees under the WARN Act have been brought (the "Related Cases"); and

WHEREAS, the Creditors' Committee and potentially others have suggested that officers, directors and agents claims and other claims may exist on behalf of Charter or its creditors against COPI and Crescent and their officers, directors and agents; and

WHEREAS, the Creditors' Committee has filed an appeal of the Bankruptcy Court's order granting Crescent a release of all claims by Charter pursuant to Federal Rule of Bankruptcy

Procedure 9019 (the "9019 Appeal"); and

WHEREAS the Creditors' Committee has filed an adversary proceeding, Case No. 00-694 against Crescent alleging certain improprieties with respect to a \$10 million loan Crescent made to Charter in December 1999 (the "Section 510(c) Adversary Proceeding"); and

WHEREAS, the parties to this Release Agreement have conducted an appropriate examination of the law and the facts including discovery relating to the matters raised by the Class Proofs of Claim, the WARN Adversary Proceeding, the Sweeney Action, the 9019 Appeal, the Section 510(c) Adversary Proceeding, and the other claims that are the subject of the releases herein; and

WHEREAS, the parties to this Release Agreement have engaged in arm's-length negotiations for a period of approximately six months regarding the settlement of all claims among them; and

WHEREAS, based upon an appropriate analysis of the facts and the law applicable to all of the claims being released herein and the existence of potentially viable defenses, taking into account the time, risk and expense of prosecuting and defending multiple and protracted litigation, including the risks and uncertainties associated with protracted trials and appeals, as contrasted with the fair and cost-effective method of settling claims of the parties hereto, each party hereto has concluded that the Stipulation and settlement embodied therein is fair and reasonable and in its best interest; and

WHEREAS, with respect to the Class Proofs of Claim, all cases filed in any court or jurisdiction that raise claims by or on behalf of former Charter employees under the WARN Act,

the Sweeney Action, and the WARN Adversary Proceeding, the parties hereto intend by this agreement to resolve all past, present and future WARN Act Claims as between the parties hereto, and in order to do so Crescent and COPI are willing to provide substantial benefits to the parties to the Stipulation; and

WHEREAS, with respect to the 9019 Appeal, the Section 510(c) Adversary Proceeding, and any other claims against Crescent and COPI, the parties intend by this agreement to resolve and release all past, present, and future claims, and in order to do so Crescent and COPI are willing to provide substantial benefits to the parties to the Stipulation;

NOW, THEREFORE, in consideration of the premises, mutual agreements, and for good and valuable consideration provided herein and in the Stipulation, the receipt of which is hereby acknowledged, Charter, Crescent, COPI, and the Creditors' Committee hereby agree as follows:

1. Charter and the Creditors' Committee, on behalf of themselves, their constituents, and the bankruptcy estates of Charter, hereby fully release, remise, acquit, waive and forever discharge Crescent, COPI, their respective subsidiaries, affiliated or related companies or entities, the partners, members or shareholders of such entities, and the officers, directors, employees, consultants, attorneys, and agents of each of the foregoing, as applicable (collectively, the "Released Parties"), effective on the Approval Date (as such term is defined in the Stipulation), on the terms and conditions set forth below, from any and all claims including: liabilities, losses, claims, demands, accounts, debts, dues, sums of money, claims for professionals' (including but not limited to attorneys) fees or costs, claims arising under the bankruptcy code (including but not limited to actions under 11 U.S.C. §§ 547 and 548), state law fraudulent conveyance claims, reckoning, costs, bonds, bills, expenses, rights of recoupment,

indemnification, contribution, obligations, covenants, contracts, controversies, agreements, promises, variances, torts (including claims of any type of conduct or misconduct of the Released Parties whether negligent, intentional, or otherwise), omissions, representations, breaches of contract, breaches of obligations to perform, actions, causes of action, suits, damages (whether actual, compensatory, punitive, or exemplary), judgments, executions, counterclaims, or setoffs that Charter or the Creditors' Committee ever had or may now have against the Released Parties of any nature whatsoever, whether presently existing or which may hereafter arise, whether in law or in equity, whether sounding in contract, tort or any other basis, whether matured or unmatured, whether liquidated or unliquidated, whether contingent or not contingent, and whether known or unknown, and whether having arisen in whole or in part from the beginning of time through the execution of this Release Agreement (the foregoing are the "Released Claims"). Without limiting the foregoing, the Released Claims include, but are not limited to, all claims arising in connection with or related to the WARN Adversary Proceeding, the Related Cases, the Sweeney Action, the Class Proofs of Claim, any claim that the Released Parties violated the terms of the WARN Act, the 9019 Appeal, and the Section 510(c) Adversary Proceeding.

2. Creditors' Committee shall dismiss with prejudice the 9019 Appeal and the Section 510(c) Adversary Proceeding.

3. All amounts paid to Crescent during these proceedings are indefeasible and not subject to any claim for return, avoidance, recoupment, or any other action under the Bankruptcy Code or applicable bankruptcy or non-bankruptcy law.

4. The releases provided for herein are conditioned upon the Stipulation Becoming Final, as that term is described in the Stipulation.

5. This Release Agreement shall be interpreted, construed and enforced in accordance with the provisions of the bankruptcy code and, where not inconsistent, the laws of the State of Delaware, without regard to the conflict of laws rules of the State of Delaware.

6. Notwithstanding anything to the contrary contained herein, nothing in this agreement nor the Stipulation shall modify or be deemed to modify that certain Release Agreement between Charter and Crescent dated as of August 30, 2000 (the "9019 Release"). This Release and the Stipulation shall be interpreted as being consistent with and not contradicting any of the terms of the 9019 Release.

As of this \_\_\_\_ day of June, 2001.

**Charter Behavioral Health Systems, LLC and  
Charter Subsidiaries and Affiliated Companies**

By: \_\_\_\_\_  
TROUTMAN & SANDERS LLP  
Ezra Cohen  
Douglas Ernst  
Harris Winsberg  
Bank of America Plaza  
600 Peachtree Street, N.E., Suite 5200  
Atlanta, GA 30308-2216  
(404) 885-3334  
Attorneys for Debtors

• [ADDITIONAL SIGNATURES TO FOLLOW]

Official Committee of Unsecured Creditors

By: \_\_\_\_\_

JENNER & BLOCK LLP  
Ronald R. Peterson  
One IBM Plaza  
Chicago, IL 60611  
(312) 222-9350  
Attorneys for the Official Committee of Unsecured Creditors

Crescent Real Estate Equities, Ltd.,  
Crescent Real Estate Equities Company, and  
Crescent Real Estate Equities Limited Partnership

By: \_\_\_\_\_

SHAW PITTMAN  
Thomas J. Catliota  
Andrew J. Love  
2300 N Street, N.W.  
Washington, DC 20037  
(202) 663-8278  
Attorneys for Defendants  
Crescent Real Estate Equities Company,  
Crescent Real Estate Equities Limited Partnership and  
Crescent Real Estate Equities Limited

Crescent Operating, Inc.

By: \_\_\_\_\_

THOMPSON & KNIGHT LLP  
Michael Sheehan  
501 Cherry Street, Suite 1600  
Fort Worth, TX 76102-6816  
(817) 347-1700  
Attorneys for Defendant Crescent Operating, Inc.