

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED
TAWANA MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

_____)	
In re)	Chapter 11 Case
MIRANT CORPORATION, <u>et al.</u> ,)	Case No. 03-46590(DML)11
)	Jointly Administered
Debtors.)	
_____)	

**ORDER AUTHORIZING PAYMENT OF
PREPETITION WAGES, COMPENSATION AND EMPLOYEE
BENEFITS AND GRANTING RELATED RELIEF**

Upon the Motion, dated July 15, 2003, (the "Motion") of Mirant Corporation and its affiliated debtors (collectively, the "Debtors"), as debtors-in-possession, for an order authorizing the Debtors to pay prepetition wages, compensation and employee benefits and granting related relief; and upon consideration of the Affidavit of Dianne Davenport in Support of the Motion sworn to on the 14th day of July, 2003; and it appearing that the Court has jurisdiction over this matter; and it appearing that due notice of the Motion has been provided as set forth in the Motion, and that no other further notice need be provided; and it further appearing that the relief requested in the Motion is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that, the Motion be, and it hereby is, granted, and it is further

ORDERED that, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Motion; and it is further

ORDERED that, the Debtors are authorized, but not directed, to pay:

1. amounts owed to the Debtors' employees on account of deficiencies in the Special Payroll;

2. amounts awarded under the Incentive Plan as they come due in the ordinary course of business;
3. amounts awarded under the 2002 Trading and Marketing Incentive Plan;
4. amounts awarded under the Special Achievement Award Policy as they come due in the ordinary course of business;
5. amounts awarded under the Construction Incentive Plan as they come due in the ordinary course of business;
6. retention payments under the Retention Agreements as they come due in the ordinary course of business, except for Highly Compensated Employees;
7. the Reimbursable Expenses and make further payments in the ordinary course of business;
8. Employee Benefits and make further payments in the ordinary course of business;
9. directly to third-parties, applicable Deductions, including, but not limited to Employee Deductions;
10. Matching Obligations in respect of the Debtors' 401(k) Plan and make further payments in the ordinary course;
11. Pension Plan Contributions in respect of the Debtors' Pension Plan as they come due in the ordinary course;
12. Profit Sharing Contributions in respect of the Debtors' Profit Sharing Plan as they come due in the ordinary course;
13. payments as they arise in the ordinary course under the Severance Plans except for Highly Compensated Employees;

14. Workers' Compensation premiums and make further payments in the ordinary course;
15. Workers' Compensation Obligations and make further payments in the ordinary course;
16. Relocation Costs and make further payments in the ordinary course;
17. Temporary Relocation Costs and make further payments in the ordinary course;
18. Military Leave Costs and make further payments in the ordinary course;
19. amounts owed in connection with Tuition claims; and
20. any additional obligations up to an aggregate amount of \$150,000, without further order of this Court; provided, however, that the Debtors must give at least five (5) business days' prior written notice served upon the United States Trustee and counsel to any statutory creditors' committee appointed herein, setting forth the nature and amount of the additional obligation sought to be paid. If an objection is interposed within such five day period, the Debtors shall not be permitted to pay such additional amounts without further order of this Court; and it is further

ORDERED, that, on an interim basis pending a final hearing, the Debtors may honor the Retention Agreements (but not the Retention Agreements of Highly Compensated Employees), with respect to amounts becoming due within fifty (50) days after the Petition Date.

ORDERED, that, on an interim basis pending a final hearing, the Debtors may continue to pay Supplemental Benefits under the Supplemental Benefit Plan for all eligible employees, except with respect to Highly Compensated Employees.

ORDERED, that, the Court will hold a final hearing to finally consider the interim relief granted herein with respect to the Retention Agreements and Supplemental Benefit Plans, on the next available hearing date that is twenty (20) days after the appointment of a statutory committee in these cases. Such committee shall file any objection to the entry of a final order within seven (7) days prior to the final hearing. The Debtors shall file responses to any objections within three (3) days before the final hearing.

ORDERED that, the banks at which the Debtors' Payroll Accounts are held are directed to honor all checks, drafts or payment requests (provided that such funds are on deposit to cover such checks) without regard to the date of issue of such checks, drafts or payment requests in the same manner that such checks, drafts and payment requests were honored during the prepetition period; and it is further

ORDERED that, authorizations given to the Debtors in this Order empower but do not direct them to effectuate the payments herein, said Debtors retaining the business judgment to make or not make said payments, and in all instances subject to the condition that funds are available to effect any payment and in no event is any person or persons personally liable or shall become personally liable for any amounts authorized for payment herein; and it is further

ORDERED that, nothing herein shall be deemed an assumption or adoption by the Debtors of any agreements or policies providing for such Prepetition Employee Obligations to the Debtors' employees; and it is further

ORDERED that, this Court shall retain jurisdiction over any and all matters arising from or related to the implementation or interpretation of this Order; and it is further

ORDERED that, to the extent any payments^y made pursuant to this Order exceed^{to} the statutory cap set forth in Bankruptcy Code section 507(a), ~~they~~^{it} shall be subject to recovery ^{all} provided that to the extent any such payments^{is} are made pursuant to a contract that ~~it~~^{is} subsequently assumed pursuant to Order of this Court, such payments shall not be subject to recovery; and it is further ^{all}

ORDERED that the Debtors shall keep accurate records of all payments made pursuant to this Order.

JUL 15 2003


UNITED STATES BANKRUPTCY JUDGE