

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

U. S. BANKRUPTCY COURT  
 NORTHERN DISTRICT OF TEXAS

**ENTERED**

JAWANA C. 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)
Debtors.	)	Jointly Administered

**FINAL ORDER PURSUANT TO SECTIONS 105(a), 362 AND 541  
 OF THE BANKRUPTCY CODE ESTABLISHING PROCEDURES FOR  
 (I) REQUIRING NOTICE IN ADVANCE OF CERTAIN TRANSACTIONS  
 REGARDING CLAIMS AGAINST AND EQUITY INTERESTS IN MIRANT  
 CORPORATION AND ITS AFFILIATED DEBTORS, AS DEBTORS IN POSSESSION,  
 AND (II) THE IMPOSITION OF SANCTIONS FOR VIOLATING THE  
NOTIFICATION PROCEDURES**

Upon the motion dated July 21, 2003 (the "Motion") of Mirant Corporation ("Mirant") and its affiliated debtors, as debtors-in-possession (collectively, the "Debtors"), for emergency, interim and final orders pursuant to sections 105(a), 362 and 541 of title 11 of the United States Code (the "Bankruptcy Code") establishing procedures for (i) providing advance notice of certain transactions involving claims against and equity interests in Mirant, and (ii) imposing sanctions for non-compliance; due and proper notice has been given; and upon due deliberation and sufficient cause appearing therefor, it is hereby

**FOUND THAT:**

A. The Debtors' consolidated net operating loss ("NOL") carryforwards and certain other tax attributes are property of the Debtors' estates and are protected by the automatic stay prescribed in section 362 of the Bankruptcy Code.

B. Unmonitored trading and accumulation of claims or shares by creditors in claims against, and stockholders with interests in, the Debtors prior to the Debtors' emergence

from chapter 11 could severely limit the Debtors' ability to utilize their NOL carryforwards and certain other tax attributes for U.S. federal income tax purposes, as set forth in the Motion.

C. The procedures set forth herein to notify holders of claims against and interests in the Debtors that (i) certain notice procedures must be satisfied with respect to the consummation of a sale or other transfer of certain claims against the Debtors and (ii) acquirers and transferors of claims against or interest in the Debtors that fail to comply with the notice procedures established by this Court may be subject to monetary sanctions and/or entry of an order rendering the non-complying transaction null and void, are necessary and proper in order to preserve the Debtors' NOL carryforwards and certain other tax attributes and are therefore in the best interests of the Debtors, their estates, and their creditors. Compliance with this Order shall not be considered as making evident to the Debtors the source and nature of, or any other information with respect to, a claim (other than as explicitly set forth in such notice required under this Order) and shall not constitute participation in formulating a plan of reorganization of the Debtors.

D. The relief requested in the Motion is authorized on a final basis under sections 105(a), 362 and 541 of the Bankruptcy Code. This Order shall supercede the Second Interim Order entered by this Court relating to the Motion on August 21, 2003.

THEREFORE, IT IS ORDERED THAT:

1. The Motion is Granted. The Motion is granted on a final basis.
2. Imposition of Sanctions for Failure to Comply with Court-ordered

Procedures. Until further order of this Court to the contrary or unless otherwise waived pursuant to Paragraph 12, any purchase, sale or other transfer in violation of the procedures set forth in this Order shall subject the acquirer and transferor to sanctions as set forth herein.

3. Applicability of the Automatic Stay. Until further order of this Court to the contrary, any purchase, sale or other transfer in violation of the procedures set forth in this Order shall constitute an act in violation of the automatic stay prescribed in sections 362 and 105(a) of the Bankruptcy Code.

4. Specified Claims Holders. Except as provided in Paragraphs 5, 6 and 7 below, any person or entity within the meaning of Section 382 (“Entity”) that (i) has agreed to purchase, acquire or otherwise obtain ownership<sup>1</sup> of Specified Claims<sup>2</sup>, and (ii) immediately prior to, or as a result of the contemplated consummation of, any action described in (i) above, constitutes or would constitute a “Substantial Claimholder” (as defined below), **must**, at least ten (10) days before any such transaction may be consummated (the “Waiting Period”), serve on the Debtors and their attorneys with a copy to the Committees (as defined below), by facsimile or overnight mail, a notice in the form attached hereto as Exhibit A (the “Proposed Transaction Notice”). Such notice shall be served to (i) Mirant Corporation, 1155 Perimeter Center West, Atlanta, Georgia 30338, Facsimile No. 678-579-7734, Attn: J. William Holden III, (ii) White &

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<sup>1</sup> “Ownership” shall be determined in accordance with applicable rules under Section 382, and thus, shall include, but not be limited to, direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and Entities would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), ownership by members of such person’s family and persons acting in concert, and in certain cases, the creation or issuance of an option (in any form). Any variation of the term “ownership” (e.g., own) shall have the same meaning.

<sup>2</sup> “Specified Claims” means general unsecured claims, including claims incurred in the ordinary course of business, against the Debtors (including all debt securities issued by Mirant or its debtor subsidiaries), and all preferred securities issued by Mirant (which are treated for federal income tax purposes as indebtedness of the Debtors) and any other securities issued by the Debtors which are treated for federal income tax purposes as indebtedness of the Debtors. “Specified Claims” shall not include any pass-through certificates or series thereof issued in connection with lease obligations of Mirant Mid-Atlantic, LLC but shall include an equity interest in an Entity that is a Substantial Claimholder if the Specified Claims held by such Entity represent more than 25% of the fair market value of its total gross assets (excluding cash or cash equivalents), to the extent of the entire amount of Specified Claims held by such Entity.

Case LLP, 200 South Biscayne Blvd., Miami, Florida 33131, Facsimile No. 305-358-5744, Attn: Mark Fuhr, (iii) the Official Committee of Unsecured Creditors of Mirant Corp., c/o Simpson Thacher & Bartlett LLP, Attn: Mark Thompson, Esq., 425 Lexington Avenue, New York, New York 10017, Facsimile No. 212-455-2502 and (iv) the Official Committee of Unsecured Creditors of Mirant America's Generation, LLC. c/o Cadwalader, Wickersham & Taft LLP, Attn: Bruce Zirinsky, Esq., 100 Maiden Lane, New York, New York 10038, Facsimile No. 212-504-5545. The Debtors shall follow the procedures set forth below with respect to any Proposed Transaction Notice received. A "Substantial Claimholder" is any Entity that owns an aggregate amount of Specified Claims that equals or exceeds \$250 million (where such amount of Specified Claims includes principal and allowable accrued interest); provided, however, that if Debtors issue Sell Down Notices pursuant to Paragraph 5 of this Order, then a Substantial Claimholder shall thereafter mean any Entity that owns an aggregate amount of Specified Claims that equals or exceeds the Section 382(1)(5) Amount on which such notices are premised if such amount exceeds \$250 million. Notwithstanding the foregoing, the Debtors, in cooperation with the Official Committee of Unsecured Creditors of Mirant Corp. and the Official Committee of Unsecured Creditors of Mirant America's Generation, LLC (collectively, the "Committees"), shall undertake to review the definition of Substantial Claimholder pursuant to this Order and, if appropriate, to increase the amount of Specified Claims required for any Entity to become a Substantial Claimholder on a prospective basis (i) at the time the initial draft of a Chapter 11 Plan of Reorganization of or on behalf of the Debtors (the "Plan") is filed with this Court, and (ii) the date the Disclosure Statement with respect to the Plan is approved by this Court. In no event shall the definition of Substantial Claimholder be amended so as to decrease retroactively the amount of Specified Claims required to be a Substantial Claimholder.

5. Electing Claimholders. (a) An Entity that elects to be bound by the terms of the notice set forth in Exhibit F (“Electing Claimholder”) may continue to freely trade and make a market in all debt claims against Mirant or its debtor subsidiaries (“Mirant Debt”) without having to provide notice thereof to the Debtors either prior to the consummation of any such transactions pursuant to Paragraph 4 or after such consummation pursuant to Paragraph 10, and without regard to the fact that such Electing Claimholder is or may become a Substantial Claimholder.

(b) In order to make an election pursuant to this Paragraph 5, an Entity must file with the Court or deliver to the Debtors, their attorneys and the Committees a notice set forth in Exhibit F (the “Electing Notice”), which filing or delivery shall constitute acceptance by the filing Entity and the Debtors of the terms and conditions set forth in such notice and this Order. Such Electing Notice may be filed with this Court, in which case it shall be effective immediately after such filing, or may be executed and sent to Debtors (at the address provided in Paragraph 4) via registered mail, return receipt requested, in which case it will be effective the day after such notice has been sent; provided that such Electing Notice may first be sent to the Debtors by facsimile (at the number provided in Paragraph 4), in which case such notice will be effective upon receipt, so long as such facsimile is followed by a copy sent by registered mail, return receipt requested, within ten (10) days.

(c) Prior to issuing a Sell Down Notice (as defined in the Electing Notice), Debtors shall consult with the Committees regarding the availability of Section 382(l)(5) of the Internal Revenue Code and in the course thereof shall share with the Committees projections the Debtors have prepared in conjunction with a “Big Four” accounting firm (of the Debtors choosing) showing that the contemplated Plan is premised on the following factors: (i) tax

attributes will be available to be carried forward to reduce future federal income tax liabilities of the Debtors; (ii) such Plan requires the application of section 382(1)(5) of the Internal Revenue Code, (iii) the sale of Specified Claims is necessary to meet the ownership requirements of section 382(1)(5); and (iv) utilization of section 382(1)(5) of the Internal Revenue Code will be more beneficial to Debtors and their estates than making an election under section 382(1)(6) of the Internal Revenue Code (such Plan, a “Section 382(1)(5) Plan). After such consultation and after Debtors have substantially formulated the economic terms of a Section 382(1)(5) Plan, Debtors shall request such information from Electing Claimholders as is necessary to determine the appropriate Threshold Amount and, if necessary, shall thereafter request this Court to approve the issuance of Sell Down Notices on the basis that each transfer required pursuant to a Sell Down Notice (including the amount thereof) is necessary or appropriate to satisfy the requirements of Section 382(1)(5) of the Internal Revenue Code. If this Court approves the Debtors’ issuance of a Sell Down Notice, then such notice may be issued by the Debtors to the relevant Electing Claimholder, provided, however, that a Sell Down Notice may only be issued if Debtors anticipate filing a Section 382(1)(5) Plan with this Court within 30 days after this Court so approves such Sell Down Notice.

(d) In connection with the Court’s approval of the issuance of a Sell Down Notice pursuant to Paragraph 5(c), the amount of claims to be transferred pursuant to the Sell Down Notice shall be reduced or eliminated if and to the extent this Court determines that such reduction or elimination will not impede the successful implementation of the Section 382(1)(5) Plan. If this Court determines that a transfer of Specified Claims is required pursuant to this Paragraph to achieve the purposes of the Section 382(1)(5) Plan, such transfer shall first be made on a pro rata basis by any Entities that acquired Specified Claims in violation of this Order, and,

to the extent any additional transfers are necessary, on a pro rata basis by any Entities that are Electing Claimholders.

6. Excepted Transfers. An Entity shall not be subject to the provisions contained in Paragraph 4 of this Order in connection with the following transfers (each, an “Excepted Transfer”), but shall provide written notice of the Excepted Transfer in the manner set forth in Paragraph 10 of this Order:

(a) Any transfer described in Treasury Regulation section 1.382-9(d)(5)(ii) (including certain related-party transfers and subrogation rights), provided the transfer is not for a principal purpose of obtaining stock in the reorganized Debtors or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulation section 1.382-9(d)(5)(iii);

(b) Any transfer of Specified Claims (other than “ordinary course” claims, within the meaning of Treasury Regulation section 1.382-9(d)(2)(iv), that have been owned at all times by the same holder) that were acquired by the holder after January 20, 2002 (such claims, “Newly Traded Specified Claims”), if (i) both the transferor and the transferee were Substantial Claimholders immediately before the transfer; or (ii) the transferor was a Substantial Claimholder immediately before the transfer and the transferee becomes a Substantial Claimholder as a result of the transfer, but the transferor ceases to be a Substantial Claimholder as a result of the transfer and the aggregate amount of Newly Traded Specified Claims owned by the transferor immediately after the transfer equals or exceeds the aggregate amount of Newly Traded Specified Claims owned by the transferee immediately before the transfer; and

(c) Any acquisition of Specified Claims if the aggregate amount of

Newly Traded Specified Claims owned by the transferee immediately after such acquisition is not greater than (x) the aggregate amount of Newly Traded Specified Claims owned by the transferee on July 21, 2003; minus (y) the aggregate amount of Newly Traded Specified Claims that have been transferred by the transferee in transactions qualifying under Paragraph 6(b) since July 21, 2003; plus (z) the aggregate amount of Newly Traded Specified Claims that have been acquired by the transferee in transactions qualifying under Paragraph 6(b) since July 21, 2003.

7. Special Rules. (a) Transfers A transfer of a Specified Claim or Specified Share shall be considered to be an acquisition or disposition thereof for purposes of this Order only if such transfer constitutes a transfer of tax ownership for federal income tax purposes (“Tax Ownership”).

(b) Debtor-in-Possession Financing. Sales, acquisitions or other transfers of interests in loans or other financial accommodations made to or for the benefit of the Debtors pursuant to debtor-in-possession financing agreements shall not be subject to this Order.

(c) Agents, Account Managers, Brokers, Custodians, Investment Managers, Prime Brokers, Nominees, Clearinghouses and Trustees. Sales, acquisitions or other transfers of claims against or equity securities of a Debtor by an Entity acting as a broker, account manager, agent, custodian, nominee, prime broker, clearinghouse or trustee (other than a trustee qualified under section 401(a) of the Internal Revenue Code) (each, an “Agent”) on behalf of another Entity shall not be subject to this Order with respect to that Agent, provided, however, that such Agent shall be subject to this Order to the extent such Agent acquires Tax Ownership of a claim against or equity security of a Debtor; provided, further, that the account, customer, fund, principal or trust shall not be excluded from this Order by reason of this Paragraph, although such Agent shall have no affirmative duty to inquire whether the account,

customer, investment fund, principal or trust is subject to any restrictions or requirements under this Order.

(d) Indenture Trustees. The trustee of any trust, any indenture trustee, owner trustee, pass-through trustee, subordination agent, registrar, paying agent or transfer agent (collectively, an “Indenture Trustee”), in each case for any bonds, debentures, pass-through certificates, equipment trust certificates, enhanced pass-through certificates, property or other debt securities (collectively, “Debt Securities”) (i) issued by the Debtor(s), (ii) issued by any governmental or quasi-governmental authority for the benefit of the Debtor(s), (iii) secured by assets of the Debtor(s) or agreements with respect to such assets, or (iv) secured by assets leased to the Debtor(s), is not a “Substantial Claimholder” in such capacity as defined above, and shall not be subject to this Order or have or incur any liability for noncompliance with this Order to the extent such Indenture Trustee follows its standard practice or acts in accordance with its prepetition respective governing documents with respect to any transfer of any such Debt Securities or ownership interests in assets leased to the Debtors; provided, however, that an Indenture Trustee shall be subject to this Order to the extent it has Tax Ownership of Debt Securities; provided, further, that the transferee of such claims and equity and the beneficial owners of such trust shall not be excluded from this Order solely by reason of this Paragraph. Nothing in this Order shall be interpreted to prevent the Indenture Trustee from exercising its remedies (whether arising under contract, applicable law, rule or regulation), including the exercise by the Indenture Trustee of its foreclosure rights, if such remedies are not otherwise prohibited by law.

(e) Money Loans. An Entity's use of Specified Claims or Specified Shares<sup>3</sup> as collateral for a money loan shall not cause such Entity to be subject to this Order with respect to such money loan; provided, however, that any transfer of collateral pursuant to the collection of such money loan shall not be excluded from this Order solely by reason of this Paragraph.

(f) Riskless Principals. Market trades in Specified Claims or Specified Shares in which a person acts as a "riskless principal" between customers by buying and selling the same aggregate amounts of securities on the same trade date for effect on the same settlement date shall not be subject to this Order with respect to such trades; provided, however, that (i) a person acting as a riskless principal shall be subject to this Order to the extent such person acquires Tax Ownership of such securities after the date on which this Court has approved the issuance of the first Sell Down Notice, unless (1) such Entity acting as a riskless principal is an Electing Claimholder, (2) the trades are in Specified Claims and (3) such Entity is not an Electing Claimholder whose participation in formulating the Debtors' Plan makes evident to the Debtors that any such Specified Claims owned by such Electing Claimholder do not constitute "qualified indebtedness" within the meaning of Treasury Regulation section 1.382-9(d)(2) and (ii) regardless of Tax Ownership, in the case of Specified Shares, acting as a riskless principal shall not be subject to this Order to the extent such person's purchase and sale of the same aggregate amount of such shares on the same trade date for effect at the same settlement date is disregarded under Section 382 of the Internal Revenue Code and the Treasury Regulations thereunder for purposes of determining whether such person is a 5-percent shareholder; provided, further, that such trades shall not be excluded from this Order with respect

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<sup>3</sup> "Specified Shares" means each class of common stock of Mirant Corporation.

to the Entity's counterparties solely by reason of this Paragraph, although such person acting as riskless principal shall have no affirmative duty to inquire whether the counterparties are subject to any restrictions or requirements under this Order.

(g) Derivatives. Trading by an Entity in its capacity as a dealer in derivative contracts in respect of derivatives on Specified Claims or Specified Shares shall not be subject to this Order with respect to such trades, so long as (i) those derivative contracts provide for cash settlement only, (ii) such Entity undertakes to maintain its books of derivative contracts on such Specified Claims or Specified Shares (including for this purpose cash short sales and cash long positions currently owned by such Entity that are from time to time designated as appertaining to those derivative books) in approximately the same net long or short position as was the case on July 21, 2003 and (iii) such Entity's position in respect of such derivative contracts does not constitute Tax Ownership (including, without limitation, constructive ownership within the meaning of Section 1260 of the Internal Revenue Code) of Specified Claims or Specified Shares; provided, however, that nothing herein shall cause the actual acquisition or disposition of Specified Claims or Specified Shares to be exempt from this Order, even if such actual acquisition or disposition is in connection with or related to a derivatives contract. Nothing in this Order shall limit the scope of sections 362, 546, 548, 555, 556, 559 and 560 of the Bankruptcy Code with respect to the financial and related contracts and agreements referenced therein.

(h) Short Sales and On-Lending. The borrowing of Specified Claims or Specified Shares by an Entity for the purpose of effecting short sales or for on-lending, whether for the Entity's own account or for a customer account, shall not be subject to this Order with respect to such Entity or customer, nor shall such short sales or on-lending, so long as

(i) such borrowing does not occur prior to the day when such Specified Claims or Specified Shares are used to complete and settle the short sale or on-lending and (ii) such Entity does not have Tax Ownership of such Specified Claims or Specified Shares by virtue of such borrowing after the date on which this Court has approved the issuance of the first Sell Down Notice; provided, however, that clause (ii) above shall not apply if such Entity (1) is an Electing Claimholder, (2) borrows Specified Claims and (3) is not an Electing Claimholder whose participation in formulating the Debtors' Plan makes evident to the Debtors that any such Specified Claims owned by such Electing Claimholder do not constitute "qualified indebtedness" within the meaning of Treasury Regulation section 1.382-9(d)(2); provided, further, that neither the initial lender of such Specified Claims or Specified Shares nor the purchaser or secondary borrower of such Specified Claims or Specified Shares shall be excluded from this Order with respect to such transactions solely by reason of this Paragraph, although an Entity shall have no affirmative duty to inquire whether such initial lender, purchaser or secondary borrower is subject to any restrictions or requirements under this Order. The unwinding of such short sale by the short-seller shall also not be subject to this Order, so long as the Specified Claims or Specified Shares used to close the borrowing are acquired on the date such Specified Claims or Specified Shares are returned to the lender.

(i) Netting Agreements. Where an Entity is a party to an enforceable netting agreement with respect to transactions in Specified Claims or Specified Shares, the Entity shall be treated for purposes of this Order as having an obligation to purchase, sell, borrow, lend, or otherwise receive or deliver on any applicable day only the net amount of Specified Claims or Specified Shares that are to be purchased, sold, borrowed, lent, or otherwise received or delivered on such day pursuant to such agreement; provided, however, that (i) such Entity shall

be treated for purposes of this Order as having an obligation to purchase, sell, borrow, lend, or otherwise receive or deliver on any applicable day the gross amount of Specified Claims or Specified Shares to the extent such Entity has had Tax Ownership of such Specified Claims or Specified Shares after the date on which this Court has approved the issuance of the first Sell Down Notice, unless (1) such Entity is an Electing Claimholder, (2) the netting agreement relates to Specified Claims and (3) such Entity is not an Electing Claimholder whose participation in formulating the Debtors' Plan makes evident to the Debtors that any such Specified Claims owned by such Electing Claimholder do not constitute "qualified indebtedness" within the meaning of Treasury Regulation section 1.382-9(d)(2) and (ii) regardless of Tax Ownership, in the case of Specified Shares, intra-day netting of positions in Specified Shares shall be permitted (and thus, the net amount of such trading and not the gross amount shall be taken into account for purposes of this Order) to the extent gross transfers of stock are netted under Section 382 of the Internal Revenue Code and Treasury Regulations thereunder for purposes of determining whether that Entity is a 5-percent shareholder.

(j) Transfer of Ownership Interest in Substantial Claimholder. Sales, acquisitions or other transfers of an equity interest in a Substantial Claimholder (the "Transferred Person") shall not be subject to this Order with respect to that particular sale, acquisition or other transfer provided that the aggregate amount of the Specified Claims held by the Transferred Person represents less than 25% of the fair market value of the total gross assets (excluding cash or cash equivalents) of the Transferred Person.

(k) Participations. The holder of a participation interest in a Specified Claim or Specified Share, and not the originator of such participation interest, shall be treated as the owner of such Specified Claim or Specified Share to the extent of the participation interest,

(i) so long as the participation interest is documented under standard commercial terms and without recourse to the originator and (ii) to the extent that such holder and not such originator has Tax Ownership of the Specified Claim or Specified Share.

8. Specified Equity Holders. Except as set forth in Paragraph 7, any Entity (i) who owns less than 4.75% of any class of Specified Shares who has agreed to purchase, acquire, or otherwise obtain ownership of an amount of any class of Specified Shares which, when added to such Entity's total ownership of such class of Specified Shares, if any, would equal or exceed 4.75% of such class of Specified Shares, or (ii) in the case of an Entity who owns at least 4.75% of any class of Specified Shares who proposes to purchase, acquire, or otherwise obtain ownership of any additional Specified Shares, must, at least ten (10) days before any such transaction, serve on the Debtors and their attorneys the Proposed Transaction Notice. The Debtors shall follow the procedures set forth below with respect to any Proposed Transaction Notice.

9. Procedures Upon Receipt of a Proposed Transaction Notice. The Debtors shall have ten (10) days after receipt of a Proposed Transaction Notice to obtain injunctive or other relief prohibiting the transaction. If no order enjoining the transfer is entered within such ten (10) day period, then such transaction may proceed solely as set forth in the notice. Further transactions within the scope of this Paragraph must be the subject of additional notices as set forth herein with an additional ten (10) day waiting period. If the Debtors do not object to the proposed transfer, the Debtors will use their reasonable best efforts to advise such Entity in writing as soon as practicable prior to the tenth (10<sup>th</sup>) day that they do not object, and the Entity may proceed with the transaction. The Debtors and the Committees shall keep all Proposed

Transaction Notices strictly confidential and shall not disclose the contents thereof except to their advisors.

10. Notice of Ownership of Specified Claims. Each Entity (other than an Electing Claimholder) that is a Substantial Claimholder as of the date this Order is entered, or becomes a Substantial Claimholder at any time thereafter must, within fifteen (15) days of this Court's entry of this Order or, as the case may be, within fifteen (15) days after such Entity became a Substantial Claimholder, serve on the Debtors, their attorneys and the Committees (at the addresses provided in Paragraph 4) a notice containing a good faith reasonable best efforts listing of the ownership information substantially in the form attached hereto as Exhibit B. Any Entity that already provided such notice under either the Emergency Order, the Interim Order or the Second Interim Order shall not need to provide further notice pursuant to this Paragraph.

11. Procedures for Non-Compliance With Order. (a) In the event any Entity fails to comply with the terms and procedures set forth in this Order and any other Court orders implementing the relief requested herein (a "Non-Complying Entity"), the following sanctions procedures apply: (i) the Debtors shall deliver to the Non-Complying Entity a Notice of Non-Compliance in the form of Exhibit C attached hereto which shall set forth (among other things) the sanctions requested by the Debtors against the Non-Complying Entity, which may include monetary sanctions, or the reversal of the non-compliant transaction; (ii) within five (5) days after service of the Notice of Non-Compliance, the Non-Complying Entity shall file with the Court and serve upon the Debtors a response (the "Response") to said notice, and obtain a hearing date so that the Notice of Non-Compliance and any Response is heard not later than ten (10) days after service of the Notice of Non-Compliance (the Response shall state the date and time of the hearing date obtained by the Non-Complying Entity); provided, however, that in the

case of an Electing Claimholder that is a Non-Complying Entity, such sanctions shall not include the reversal of any transaction (other than a transaction in Specified Shares) made by such Electing Claimholder; (iii) (1) if a Response is timely filed and served, the Court may hear the matter within ten (10) days after service of the Notice of Non-Compliance, (2) if a response is not timely filed and served as required, then the Court may enter an order granting the sanctions requested by the Debtors in the Notice of Non-Compliance. A Non-Complying Entity shall not be subject to sanctions for transactions concluded prior to, or without knowledge of, the entry of the Emergency Order relating to the Motion on July 21, 2003 except to the extent that such transactions violate §362 of the Bankruptcy Code or other applicable law.

(b) In the event that an Electing Claimholder fails to comply with its obligation to dispose of Specified Claims under a Sell Down Notice, then such Electing Claimholder shall not be entitled to receive any consideration consisting of equity of the Debtors that is attributable to the Excess Amount of Specified Claims in the reorganization of the Debtors (or consideration in lieu thereof), but shall be entitled to receive any other consideration to which such Electing Claimholder may be entitled by virtue of holding such claims.

12. Discretionary Waiver by Debtors. The Debtors, with the consent of the Committees or pursuant to an order of this Court, shall be permitted to waive any restrictions, sanctions, remedies or notification procedures imposed by this Order; provided, however, that any such waiver shall be filed with this Court.

13. Service. The Debtors shall serve a notice of the entry of this Order, substantially in the form attached hereto as Exhibit D describing the authorized procedures on (i) Office of the United States Trustee for the Northern District of Texas, (ii) the holders of the fifty largest unsecured claims on a consolidated basis against the Debtors, (iii) any indenture trustee(s)

or transfer agent(s) for the Specified Claims or Specified Shares, as applicable, (iv) those persons who have formally appeared and request service in these cases pursuant to Bankruptcy Rule 2002, (v) counsel for the ad hoc committees of bondholders of the Debtors and the agents for the bank lenders to the Debtors, (vi) the Internal Revenue Service and (vii) such other parties as the Debtors deem appropriate, including, but not limited to, such notice by publication as the Debtors deem appropriate.<sup>4</sup> The Debtors shall also post such notice on the Debtors' website. Upon receipt of such notice, the counsel for the ad hoc committees of bondholders of the Debtors and the agents for the bank lenders to the Debtors shall send such notice to their respective committee members and lender groups and, if requested by the Debtors, any indenture trustees and transfer agents shall send such notice to all holders of the Specified Claims or Specified Shares, as applicable, registered with such indenture trustee or transfer agent. Any such registered holder shall, in turn, provide such notice to any holder for whose account such registered holder holds Specified Claims or Specified Shares, as applicable. Any such holder shall, in turn, provide such notice to any person or entity for whom such holder holds the Specified Claims or Specified Shares, as applicable.

14. Continued Compliance with Other Applicable Rules or Laws. The requirements set forth in this Order are in addition to the requirements of Rule 3001(e) of the Federal Rules of Bankruptcy Procedure and applicable securities, corporate, and other laws, and do not excuse compliance therewith.

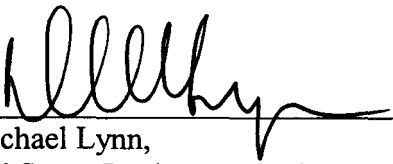
15. Scope of Relief Granted. The relief granted in this Order is intended solely to permit the Debtors to protect, preserve and maximize the value of their NOL carryforwards and certain other tax attributes. Accordingly, except to the extent this Order

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<sup>4</sup> The Notice in substantially the form attached hereto as Exhibit E is approved for publication.

expressly conditions trading in claims against and interests in the Debtors, nothing in this Order or in the Motion shall or shall be deemed to prejudice, impair or otherwise alter or affect the rights of any holders of claims against or interests in the Debtors, including in connection with the treatment of any such claims or interests under any plan of reorganization. Nothing in this Order shall be deemed a waiver of the rights of any holder of a claim against, or interest in, the Debtors to oppose any attempt by the Debtors to prohibit any transaction. Moreover, promptly upon receiving the ownership information to be provided by holders pursuant to this Order and from time to time following any updates thereto or other material change in underlying facts or circumstances, the Debtors shall use reasonable efforts to determine, in good faith, whether there exists a reasonable possibility that section 382(1)(5) of the Internal Revenue Code will be available in connection with the formulation and implementation of the Debtors' plan of reorganization, and upon a determination that no such reasonable possibility exists, the Debtors shall promptly inform this Court of such determination, and seek the entry of an order by this Court amending this Order to vacate the appropriate portions of this Order. Finally, the relief provided in this Order is in addition to, and not in lieu of, any and all other rights and remedies available to the Debtors.

Dated: September 17, 2003

  
\_\_\_\_\_  
D. Michael Lynn,  
United States Bankruptcy Judge

**EXHIBIT A**

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

_____	)	
In re	)	Chapter 11 Case
	)	
MIRANT CORPORATION, <u>et al.</u> ,	)	Case No. 03-46590 (DML)
	)	Jointly Administered
Debtors.	)	
_____	)	Hearing Date and Time: To Be Set

**NOTICE OF INTENT TO PURCHASE, ACQUIRE, OTHERWISE  
ACCUMULATE, SELL, TRADE, OR OTHERWISE TRANSFER  
SPECIFIED CLAIMS AGAINST THE DEBTORS' ESTATES**

PLEASE TAKE NOTICE that [Acquirer] intends to acquire \$[\_\_\_\_\_] of Specified Claims (the "Proposed Transaction"). Specifically, [Acquirer] desires to acquire from [Transferor] \$\_\_\_\_\_ of the following Specified Claims:

<b><u>Debtor</u></b>	<b><u>Description of Specified Claim</u></b>	<b><u>Amount of Specified Claim</u></b>

Claims: [Acquirer] owns, directly or indirectly, \$ \_\_\_\_\_ of the following Specified

<u>Debtor</u>	<u>Description of Specified Claim</u>	<u>Amount of Specified Claim</u>	<u>Date Specified Claim Acquired</u>

Claims. After the Proposed Transaction, [Acquirer] will own \$ \_\_\_\_\_ of Specified

[Transferor] owns, directly or indirectly, \$ \_\_\_\_\_ of Specified Claims. After the Proposed Transaction, [Transferor] will own \$ \_\_\_\_\_ of Specified Claims.

This Notice is being (x) delivered to (i) Mirant Corporation, 1155 Perimeter Center West, Atlanta, Georgia 30338, Facsimile No. 678-579-7734, Attn: J. William Holden III, (ii) White & Case LLP, 200 South Biscayne Blvd., Miami, Florida 33131, Facsimile No. 305-358-5744, Attn: Mark Fuhr, (iii) the Official Committee of Unsecured Creditors of Mirant Corp. c/o Simpson Thacher & Bartlett LLP, Attn: Mark Thompson, Esq., 425 Lexington Avenue, New York, New York 10017, Facsimile No. 212-455-2502, and (iv) the Official Committee of Unsecured Creditors of Mirant America’s Generation, LLC. c/o Cadwalader, Wickersham & Taft LLP, Attn: Bruce Zirinsky, Esq., 100 Maiden Lane, New York, New York 10038, Facsimile No. 212-504-5545, or (y) filed with this Court pursuant to that final order pursuant to 11 U.S.C. §§ 105(a), 362 and 541 of title 11 of the United States Code establishing procedures for (i) providing advance notice of certain transactions involving claims against and equity interests in Mirant Corporation, and (ii) the imposition of sanctions for non-compliance(the “Notification Procedures Order”).

The Debtors shall have ten (10) days from receipt of this Notice to object to the transaction(s) described herein and obtain injunctive or other appropriate relief with respect thereto. If the Debtors file an objection and obtain such injunctive relief, then the Bankruptcy Court shall resolve the objection. If the Acquirer and Transferor consummate the transaction prior to the Bankruptcy Court resolving the objection (or in contradiction to any order entered by the Bankruptcy Court enjoining the transaction) Debtors may seek sanctions against the Acquirer and Transferor in accordance with the Notification Procedures Order which sanctions may include monetary sanctions, or the reversal of the transaction that fails to comply with the Notification Procedures Order.

Any further transactions contemplated by [Acquirer/Transferor] that may result in [Acquirer/Transferor] acquiring or transferring additional Specified Claims will require an additional notice with the Bankruptcy Court to be served in the same manner as this Notice.

For purposes of this Notice, “ownership” shall be determined in accordance with applicable rules under Section 382, and thus, shall include, but not limited to, direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and Entities would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), ownership by members of such person’s family

and persons acting in concert, and in certain cases, the creation or issuance of an option (in any form). Any variation of the term "ownerships" (e.g., own) shall have the same meaning.

For purposes of this Notice, Specified Claims shall mean general unsecured claims, including claims incurred in the ordinary course of business, against the Debtors (including all debt securities issued by Mirant or its debtor subsidiaries), and all preferred securities issued by Mirant (which are treated for federal income tax purposes as indebtedness of the Debtors).

This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

Dated: [city, state]  
\_\_\_\_\_ 200\_\_

---

[Name of Acquirer]  
[Address of Acquirer]  
[Telephone of Acquirer]  
[Facsimile of Acquirer]

Dated: [city, state]  
\_\_\_\_\_ 200\_\_

---

[Name of Transferor]  
[Address of Transferor]  
[Telephone of Transferor]  
[Facsimile of Transferor]



and persons acting in concert, and in certain cases, the creation or issuance of an option (in any form). Any variation of the term "ownerships" (e.g., own) shall have the same meaning.

For purposes of this Notice, Specified Claims shall mean general unsecured claims, including claims incurred in the ordinary course of business, against the Debtors (including all debt securities issued by Mirant Corporation and its affiliated debtors, as debtors in possession), and all preferred securities issued by Mirant Corporation and its affiliated debtors, as debtors in possession (which are treated for federal income tax purposes as indebtedness of the Debtors).

This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

[Name of Claimholder]

[Address of Claimholder] [Telephone of Claimholder] [Facsimile of Claimholder]

Dated: [city, state]

\_\_\_\_\_ 200\_\_

**EXHIBIT C**

Thomas E Lauria  
State Bar No. 11998025  
WHITE & CASE LLP  
Wachovia Financial Center  
200 South Biscayne Blvd.  
Miami, FL 33131  
Telephone: (305) 371-2700  
Facsimile: (305) 358-5744

Robin Phelan  
State Bar No. 15903000  
Judith Elkin  
State Bar No. 06522200  
HAYNES AND BOONE, LLP  
901 Main Street  
Suite 3100  
Dallas, TX 75202  
Telephone: (214) 651-5000  
Facsimile: (214) 651-5940

ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION

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

_____ )	
In re )	Chapter 11 Case
)	
MIRANT CORPORATION, <u>et al.</u> , )	Case No. 03-46590 (DML)
)	Jointly Administered
Debtors. )	
_____ )	Hearing Date and Time: To Be Set

**NOTICE OF NON-COMPLIANCE WITH ORDER ESTABLISHING  
(i) NOTIFICATION PROCEDURES AND (ii) ESTABLISHING PROCEDURES  
TO IMPOSE SANCTIONS FOR VIOLATING THE COURT APPROVED  
NOTIFICATION PROCEDURES REGARDING TRANSFERS OF CLAIMS  
AGAINST AND INTERESTS IN THE DEBTORS**

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PLEASE TAKE NOTICE that this Notice is served upon [NAME OF NON-COMPLYING PERSON OR ENTITY] pursuant to paragraph \_\_\_\_ of the order (the "Order") entered \_\_\_\_\_, by the United States Bankruptcy Court for the Northern District of Texas in these chapter 11 cases on the motion filed by the Debtors herein pursuant to 11 U.S.C. §§ 105(a), 362 and 541 of title 11 of the United States Code (i) establishing notification procedures that must be satisfied before certain sales or transfers occur, and (ii) establishing procedures to impose sanctions against parties that fail to comply with court established notification procedures.

Unless otherwise defined herein, capitalized terms used herein have the same meaning ascribed to them in the Order.

You are in violation of the Order for the following reasons: [INSERT VIOLATIONS OF THE ORDER]

The Debtors hereby notify you that unless you act in accordance herewith and the Order, the Bankruptcy Court will enter an order that provides for the following sanctions against you: [INSERT REQUESTED SANCTIONS]

The Order requires that within five (5) days after service of this Notice, you shall file with the Court and serve upon Debtors' counsel at the address above a response (the "Response") to this Notice. You are further required to obtain a hearing date from the Bankruptcy Court with respect to this Notice so that a hearing regarding this Notice and your Response is heard not later than ten (10) days after service of this Notice. The hearing date and time obtained by you shall be set forth in the Response. If you timely serve and file a Response, the Court may hear the matter within ten (10) days after service of this Notice. If you fail to timely file and serve a Response to this Notice, then the Court may enter an order granting the sanctions requested herein without further proceedings, which may include monetary sanctions or the reversal of the non-complying transaction.

Dated: Fort Worth, Texas  
\_\_\_\_\_, 2003

HAYNES AND BOONE, LLP  
901 Main Street  
Suite 3100  
Dallas, TX 75202  
(214) 651-5000

By \_\_\_\_\_

Robin Phelan  
State Bar No. 15903000  
Judith Elkin  
State Bar No. 06522200  
Ian Peck  
State Bar No. 24013306

-and-

Thomas E Lauria  
State Bar No. 11998025  
Craig H. Averch  
State Bar No. 01451020

WHITE & CASE LLP  
Wachovia Financial Center  
200 South Biscayne Blvd.  
Miami, Florida 33131  
(305) 371-2700

ATTORNEYS FOR THE DEBTORS AND  
DEBTORS-IN-POSSESSION

**EXHIBIT D**

Thomas E Lauria  
State Bar No. 11998025  
WHITE & CASE LLP  
Wachovia Financial Center  
200 South Biscayne Blvd.  
Miami, FL 33131  
Telephone: (305) 371-2700  
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Judith Elkin  
State Bar No. 06522200  
HAYNES AND BOONE, LLP  
901 Main Street  
Suite 3100  
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Telephone: (214) 651-5000  
Facsimile: (214) 651-5940

ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION

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

In re	)	Chapter 11 Case
MIRANT CORPORATION, <u>et al.</u> ,	)	Case No. 03-46590 (DML)
Debtors.	)	Jointly Administered
	)	Hearing Date and Time: To Be Set

**NOTICE OF FINAL ORDER ESTABLISHING PROCEDURES FOR FOR (I)  
REQUIRING NOTICE IN ADVANCE OF CERTAIN TRANSACTIONS REGARDING  
CLAIMS AGAINST AND EQUITY INTERESTS IN MIRANT CORPORATION AND  
ITS AFFILIATED DEBTORS, AS DEBTORS IN POSSESSION, AND (II) THE  
IMPOSITION OF SANCTIONS FOR VIOLATING THE NOTIFICATION  
PROCEDURES**

TO ALL PERSONS OR ENTITIES WITH CLAIMS AGAINST OR INTERESTS IN ANY OF  
THE DEBTOR ENTITIES LISTED IN THE ATTACHED SCHEDULE A:

PLEASE TAKE NOTICE that commencing on July 14, 2003 and concluding in  
the early morning hours of July 15, 2003, and on August 18, 2003 (the "Petition Date") each of  
the debtor entities listed in the annexed Schedule A (collectively, the "Debtors") had commenced  
cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Section  
362(a) of the Bankruptcy Code operates as a stay of any act to obtain possession of property of  
the Debtors' estates or of property from the Debtors' estates or to exercise control over property  
of the Debtors' estates.

PLEASE TAKE FURTHER NOTICE that on September 17, 2003, the United  
States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court") having

jurisdiction over these chapter 11 cases entered a final order (i) finding that the Debtors' net operating loss ("NOL") carryforwards are property of the Debtors' estates and are protected by section 362(a) of the Bankruptcy Code; (ii) finding that certain notification, sanctions and other procedures are necessary with respect to the sale, transfer or exchange of certain claims against and interests in the Debtors in order for the Debtors to preserve and utilize their NOL carryforwards for U.S. federal income tax purposes, and (iii) approving the procedures set forth below in order to preserve the Debtors' NOL carryforwards pursuant to sections 105, 362(a) and 541 of the Bankruptcy Code (the "Order"). **Any sale or other transfer in violation of the procedures set forth below (a "Prohibited Transaction") may subject you to monetary sanctions in an amount necessary to remedy the violation of the Court's order and the Debtors may request that the Bankruptcy Court enter an order rendering any Prohibited Transaction null and void as an act in violation of the automatic stay under sections 362 and 105(a) of the Bankruptcy Code.**

**PLEASE TAKE FURTHER NOTICE THAT** any person or entity within the meaning of Section 382 ("Entity") that (i) has agreed to purchase, acquire or otherwise obtain ownership<sup>1</sup> of Specified Claims, and (ii) immediately prior to, or as a result of the contemplated consummation of, any action described in (i) above, owns or would own \$250 million, or such higher amount as determined under the Order, of Specified Claims, **must**, at least ten (10) days before any such transaction may be consummated (the "Waiting Period"), serve on the Debtors and their attorneys with a copy to the Committees, by facsimile or overnight mail, a notice in the form attached hereto as Exhibit A (the "Proposed Transaction Notice").

For purposes of this Notice, "Specified Claims" shall mean general unsecured claims, including claims incurred in the ordinary course of business, against the Debtors (including all debt securities issued by Mirant or its debtor subsidiaries), and all preferred securities issued by Mirant (which are treated for federal income tax purposes as indebtedness of the Debtors) and any other securities issued by the Debtors which are treated for federal income tax purposes as indebtedness of the Debtors. "Specified Claims" shall not include any pass-through certificates or series thereof issued in connection with lease obligations of Mirant Mid-Atlantic, LLC but shall include an equity interest in an Entity that is a Substantial Claimholder if the Specified Claims held by such Entity represent more than 25% of the fair market value of its total gross assets (excluding cash or cash equivalents), to the extent of the entire amount of Specified Claims held by such Entity.

**PLEASE TAKE FURTHER NOTICE THAT** notice of transactions between certain claimholders may not need to be made if the transferee is an Electing Claimholder (as described below) or if transactions satisfy the criteria set forth in the Paragraphs 6 or 7 of the

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<sup>1</sup> "Ownership" shall be determined in accordance with applicable rules under Section 382, and thus, shall include, but not be limited to, direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and Entities would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), ownership by members of such person's family and persons acting in concert, and in certain cases, the creation or issuance of an option (in any form). Any variation of the term "ownership" (e.g., own) shall have the same meaning.

Order. Such criteria address situations specifically covered in the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder as well as certain transactions involving the following situations or persons, including: debtor-in-possession financing, agents, account managers, brokers, custodians, investment managers, prime brokers, nominees, clearinghouses, trustees, indenture trustees, money loans, riskless principals, derivatives, short sales and on-lending, netting agreements, transfers of ownership in substantial claimholders and participations.

**PLEASE TAKE FURTHER NOTICE THAT** an Entity that elects to be bound by the terms of the notice set forth in Exhibit F (“Electing Claimholder”) may continue to freely trade and make a market in all debt claims against Mirant or its debtor subsidiaries without having to provide notice thereof to the Debtors either prior to the consummation of any such transactions pursuant to Paragraph 4 of the Order or after such consummation pursuant to Paragraph 10 of the Order, provided that such Electing Claimholder agrees to eventually dispose of an amount of claims determined under, and by a date determined by, the terms of the Order (including Exhibit F).

**PLEASE TAKE FURTHER NOTICE THAT**, subject to some exceptions, an Entity (i) who owns less than 4.75% of any class of Specified Shares who has agreed to purchase, acquire, or otherwise obtain ownership of an amount of any class of Specified Shares which, when added to such Entity’s total ownership of such class of Specified Shares, if any, would equal or exceed 4.75% of such class of Specified Shares, or (ii) in the case of an Entity who owns at least 4.75% of any class of Specified Shares who proposes to purchase, acquire, or otherwise obtain ownership of any additional Specified Shares, must, at least ten (10) days before any such transaction, serve on the Debtors and their attorneys the Proposed Transaction Notice.

For purposes of this Notice, “Specified Shares” means each class of common stock of Mirant Corporation.

**PLEASE TAKE FURTHER NOTICE THAT** the Debtors shall have ten (10) days after receipt of a Proposed Transaction Notice to obtain injunctive or other relief prohibiting the transaction. If no order enjoining the transfer is entered within such ten (10) day period, then such transaction may proceed solely as set forth in the notice. Further transactions within the scope of this Paragraph must be the subject of additional notices as set forth in the Order with an additional ten (10) day waiting period. If the Debtors do not object to the proposed transfer, the Debtors will use their reasonable best efforts to advise such Entity in writing as soon as practicable prior to the tenth (10th) day that they do not object, and the Entity may proceed with the transaction.

**PLEASE TAKE FURTHER NOTICE THAT** each Entity (other than an Electing Claimholder) that (i) as of the date this Order is entered, owns, or (ii) at any time thereafter, will own, at least \$250 million, or such higher amount as determined under the Order, of Specified Claims must, within fifteen (15) days of this Court’s entry of this Order or, as the case may be, within fifteen (15) days after such Entity became an owner of at least \$250 million, or such higher amount as determined under the Order, of Specified Claims, serve on the Debtors,

their attorneys and the Committees a notice containing a good faith reasonable best efforts listing of the ownership information substantially in the form attached hereto as Exhibit B. Any Entity that already provided such notice under either the Emergency Order, the Interim Order or the Second Interim Order shall not need to provide further notice pursuant to this Paragraph.

**FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS NOTICE WILL CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PRESCRIBED BY SECTION 362 OF THE BANKRUPTCY CODE.**

**ANY PROHIBITED SALE, TRADE, OR OTHER TRANSFER OF THE SPECIFIED SHARES OR SPECIFIED CLAIMS IN VIOLATION OF THE EMERGENCY, INTERIM, SECOND INTERIM OR FINAL ORDER MAY BE PUNISHED BY CONTEMPT OR OTHER SANCTION IMPOSED BY THE BANKRUPTCY COURT, INCLUDING MONETARY SANCTIONS OR THE REVERSAL OF THE NON-COMPLIANT TRANSACTION. FURTHERMORE, FAILURE TO FOLLOW THE NOTIFICATION PROCEDURES SET FORTH IN THE ORDER MAY BE PUNISHED BY CONTEMPT OR OTHER SANCTIONS IMPOSED BY THE BANKRUPTCY COURT.**

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this Notice are in addition to the requirements of Rule 3001(e) of the Federal Rules of Bankruptcy Procedure and applicable securities, corporate, and other laws and do not excuse compliance therewith.

Dated: Fort Worth, Texas  
September 17, 2003

HAYNES AND BOONE, LLP  
901 Main Street  
Suite 3100  
Dallas, TX 75202  
(214) 651-5000

By           /s/ Robin E. Phelan  
Robin E. Phelan  
State Bar No. 1590300  
Judith Elkin  
State Bar No. 06622200  
-and-  
Thomas E Lauria  
State Bar No. 11998025  
Craig H. Averch  
State Bar No. 01451020  
WHITE & CASE LLP  
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200 South Biscayne Blvd.  
Miami, Florida 33131  
(305) 371-2700

ATTORNEYS FOR THE DEBTORS  
AND DEBTORS-IN-POSSESSION

**Schedule 1**

	<b>Entity Name</b>
1.	Hudson Valley Gas Corporation
2.	Mint Farm Generation, LLC
3.	Mirant Americas Development Capital, LLC
4.	Mirant Americas Development, Inc.
5.	Mirant Americas Energy Marketing Investments, Inc.
6.	Mirant Americas Energy Marketing, LP
7.	Mirant Americas Gas Marketing I, LLC
8.	Mirant Americas Gas Marketing II, LLC
9.	Mirant Americas Gas Marketing III, LLC
10.	Mirant Americas Gas Marketing IV, LLC
11.	Mirant Americas Gas Marketing IX, LLC
12.	Mirant Americas Gas Marketing V, LLC
13.	Mirant Americas Gas Marketing VI, LLC
14.	Mirant Americas Gas Marketing VII, LLC
15.	Mirant Americas Gas Marketing VIII, LLC
16.	Mirant Americas Gas Marketing X, LLC
17.	Mirant Americas Gas Marketing XI, LLC
18.	Mirant Americas Gas Marketing XII, LLC
19.	Mirant Americas Gas Marketing XIII, LLC
20.	Mirant Americas Gas Marketing XIV, LLC
21.	Mirant Americas Gas Marketing XV, LLC
22.	Mirant Americas Generation, LLC
23.	Mirant Americas Procurement, Inc.
24.	Mirant Americas Production Company
25.	Mirant Americas Retail Energy Marketing, LP
26.	Mirant Americas, Inc.
27.	Mirant Bowline, LLC
28.	Mirant California Investments, Inc.
29.	Mirant California, LLC
30.	Mirant Canal, LLC
31.	Mirant Capital Management, LLC
32.	Mirant Capital, Inc.
33.	Mirant Central Texas, LP
34.	Mirant Chalk Point Development, LLC
35.	Mirant Chalk Point, LLC

	Entity Name
36.	Mirant Corporation
37.	Mirant D.C. O&M, LLC
38.	Mirant Danville, LLC
39.	Mirant Delta, LLC
40.	Mirant Dickerson Development, L.L.C.
41.	Mirant Fund 2001, LLC
42.	Mirant Gastonia, LLC
43.	Mirant Intellectual Asset Management and Marketing, LLC
44.	Mirant Kendall, LLC
45.	Mirant Las Vegas, LLC
46.	Mirant Lovett, LLC
47.	Mirant MD Ash Management, LLC
48.	Mirant Michigan Investments, Inc.
49.	Mirant Mid-Atlantic Services, LLC
50.	Mirant Mid-Atlantic, LLC
51.	Mirant New England, Inc.
52.	Mirant New York, Inc.
53.	Mirant NY-Gen, LLC
54.	Mirant Parker, LLC
55.	Mirant Peaker, LLC
56.	Mirant Piney Point, LLC
57.	Mirant Portage County, LLC
58.	Mirant Potomac River, LLC
59.	Mirant Potrero, LLC
60.	Mirant Services, LLC
61.	Mirant Special Procurement, Inc.
62.	Mirant Sugar Creek Holdings, Inc.
63.	Mirant Sugar Creek Ventures, Inc.
64.	Mirant Sugar Creek, LLC
65.	Mirant Texas Investments, Inc.
66.	Mirant Texas Management, Inc.
67.	Mirant Texas, LP
68.	Mirant Wichita Falls Investments, Inc.
69.	Mirant Wichita Falls Management, Inc.
70.	Mirant Wichita Falls, LP
71.	Mirant Wyandotte, LLC

	Entity Name
72.	Mirant Zeeland, LLC
73.	MLW Development, LLC
74.	Shady Hills Power Company, LLC
75.	West Georgia Generating Company, LLC
76.	Mirant EcoElectrica Investments I, Ltd.
77.	Puerto Rico Power Investments, Ltd.

**EXHIBIT E**

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

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

**NOTICE OF ENTRY OF FINAL ORDER PURSUANT TO SECTIONS 105(a), 362 AND 541 OF THE BANKRUPTCY CODE ESTABLISHING PROCEDURES FOR (I) REQUIRING NOTICE IN ADVANCE OF CERTAIN TRANSACTIONS REGARDING CLAIMS AGAINST AND EQUITY INTERESTS IN MIRANT CORPORATION AND ITS AFFILIATED DEBTORS, AS DEBTORS IN POSSESSION, AND (II) THE IMPOSITION OF SANCTIONS FOR VIOLATING THE NOTIFICATION PROCEDURES**

PLEASE TAKE NOTICE that on September 17, 2003, the United States Bankruptcy Court for the Northern District of Texas Fort Worth Division (Lynn, D.M.) entered the Final Order Pursuant to Sections 105(a), 362 and 541 of the Bankruptcy Code Establishing Procedures for (i) Requiring Notice in Advance of Certain Transactions Regarding Claims Against and Equity Interests in Mirant Corporation and its Affiliated Debtors, as Debtors in Possession, and (ii) the Imposition of Sanctions for Violating the Notification Procedures.

The Debtors' motion and the exhibits to the Final Order are available at [www.bsillc.com](http://www.bsillc.com) or upon written request to the undersigned attorneys for the Debtors.

Dated: Fort Worth, Texas  
September 17, 2003

HAYNES AND BOONE, LLP  
901 Main Street  
Suite 3100  
Dallas, TX 75202  
(214) 651-5000

By /s/ Robin Phelan  
Robin Phelan  
State Bar No. 15903000  
Judith Elkin  
State Bar No. 06522200  
Ian Peck  
State Bar No. 24013306

-and-

Thomas E Lauria  
State Bar No. 11998025  
Craig H. Averch  
State Bar No. 01451020  
WHITE & CASE LLP  
Wachovia Financial Center  
200 South Biscayne Blvd.  
Miami, Florida 33131  
(305) 371-2700

ATTORNEYS FOR THE DEBTORS AND  
DEBTORS-IN-POSSESSION

**EXHIBIT F**

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

_____	)	
In re	)	Chapter 11 Case
	)	
MIRANT CORPORATION, <u>et al.</u> ,	)	Case No. 03-46590 (DML)
	)	Jointly Administered
Debtors.	)	
_____	)	Hearing Date and Time: To Be Set

**NOTICE OF ELECTION AND CONSENT UNDER PARAGRAPH 5 OF THE FINAL ORDER PURSUANT TO SECTIONS 105(a), 362 AND 541 OF THE BANKRUPTCY CODE ESTABLISHING PROCEDURES FOR (I) REQUIRING NOTICE IN ADVANCE OF CERTAIN TRANSACTIONS REGARDING CLAIMS AGAINST AND EQUITY INTERESTS IN MIRANT CORPORATION AND ITS AFFILIATED DEBTORS, AS DEBTORS IN POSSESSION, AND (II) THE IMPOSITION OF SANCTIONS FOR VIOLATING THE NOTIFICATION PROCEDURES**

PLEASE TAKE NOTICE that [Name of Claimholder] herewith elects to become an Electing Claimholder under Paragraph 5 of the final order pursuant to sections 105(a), 362 and 541 of the bankruptcy code establishing procedures for (I) requiring notice in advance of certain transactions regarding claims against and equity interests in Mirant Corporation and its affiliated debtors, as debtors in possession, and (II) the imposition of sanctions for violating the notification procedures, dated September 17, 2003 (the "Order") and agrees to be bound by the following terms:

In the event that the Debtors deliver notice that an Electing Claimholder must sell or otherwise transfer all or a portion of its beneficial ownership of the excess of (x) the amount of Specified Claims owned by the Electing Claimholder over (y) the Threshold Amount (as defined below) (such excess amount of (x) over (y), the "Excess Amount") to unrelated Entities each of which does not own immediately prior to such transfer and will not own after the contemplated consummation of such transfer, an amount of claims in excess of the Section 382(l)(5) Amount (as defined below) (the "Sell Down Notice"), then the Electing Claimholder shall sell or otherwise transfer the portion of the Excess Amount specified in the Sell Down Notice, prior to the later of the date of the confirmation of the Plan or the date that is 60 days after receiving such notice from the Debtors.

The Electing Claimholder agrees to (i) inform any Entity to which the Electing Claimholder proposes to transfer a Specified Claim (a "Transferee Entity") of the existence of the Order, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which the transfer will take place, unless the Electing Claimholder has received from such Transferee Entity prior to the consummation of such transfer a letter stating that the

Transferee Entity is aware of the Order and (ii) not sell or otherwise transfer Specified Claims to any Transferee Entity if such Electing Claimholder knows that (1) such Transferee Entity is or would become as a result of such sale or transfer a Substantial Claimholder, (2) the Transferee Entity is not an Electing Claimholder, and (3) the Transferee Entity has not complied with the notice requirements set forth in Paragraph 4 of the Order; provided, however that such Electing Claimholder does not have any affirmative duty to inquire whether (1) such Transferee Entity is or would become as a result of such sale or transfer a Substantial Claimholder, (2) the Transferee Entity is not an Electing Claimholder, and (3) the Transferee Entity has not complied with the notice requirements set forth in Paragraphs 4 of the Order.

Until the date that the Electing Claimholder has sold the portion of the Excess Amount specified in the Sell Down Notice, the Electing Claimholder (either directly or through its advisors) will not attempt to and shall not be permitted to participate (which shall include, without limitation, making any suggestions or proposals to the Debtors or its advisors about the Plan prior to the filing of the first draft and making any comments to the Debtors or its advisors on the first draft or any subsequent draft that is filed) in formulating the Debtors' Plan, but only to the extent that such participation would make evident to the Debtors that any portion of Mirant Debt owned by such Electing Claimholder does not constitute "qualified indebtedness" within the meaning of Treasury Regulation section 1.382-9(d)(2).

The Electing Claimholder understands that a violation of its obligations under this election may, pursuant to Paragraph 11(b) of the Order, preclude the Electing Claimholder from receiving any consideration consisting of equity of the Debtors that is attributable to the Excess Amount (as defined above) of Specified Claims in the reorganization of the Debtors (or consideration in lieu thereof), but shall be entitled to receive any other consideration to which such holder may be entitled by virtue of holding such claims.

The Electing Claimholder agrees to provide a written statement to Debtors within ten (10) days after confirmation of the Plan that it has complied with the terms and conditions set forth in this Notice.

This Notice is being (x) delivered to (i) Mirant Corporation, 1155 Perimeter Center West, Atlanta, Georgia 30338, Facsimile No. 678-579-7734, Attn: J. William Holden III, (ii) White & Case LLP, 200 South Biscayne Blvd., Miami, Florida 33131, Facsimile No. 305-358-5744, Attn: Mark Fuhr, (iii) the Official Committee of Unsecured Creditors of Mirant Corp.. c/o Simpson Thacher & Bartlett LLP, Attn: Mark Thompson, Esq., 425 Lexington Avenue, New York, New York 10017, Facsimile No. 212-455-2502, and (iv) the Official Committee of Unsecured Creditors of Mirant America's Generation, LLC. c/o Cadwalader, Wickersham & Taft LLP, Attn: Bruce Zirinsky, Esq., 100 Maiden Lane, New York, New York 10038, Facsimile No. 212-504-5545, or (y) filed with this Court pursuant to that final order pursuant to 11 U.S.C. §§ 105(a), 362 and 541 of title 11 of the United States Code establishing procedures for (i) providing advance notice of certain transactions involving claims against and equity interests in Mirant Corporation, and (ii) the imposition of sanctions for non-compliance.

For purposes of this Notice, "ownership" shall be determined in accordance with applicable rules under Section 382, and thus, shall include, but not be limited to, direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and Entities would be considered to beneficially own a ratable share of all interests owned by a pass-through entity), ownership by members of such person's family and persons acting in concert, and in certain cases, the creation or issuance of an option (in any form). Any variation of the term "ownership" (e.g., own) shall have the same

meaning.

For purposes of this Notice, Specified Claims shall mean general unsecured claims, including claims incurred in the ordinary course of business, against the Debtors (including all debt securities issued by Mirant or its debtor subsidiaries), and all preferred securities issued by Mirant (which are treated for federal income tax purposes as indebtedness of the Debtors) and any other securities issued by the Debtors which are treated for federal income tax purposes as indebtedness of the Debtors. "Specified Claims" shall not include any pass-through certificates or series thereof issued in connection with lease obligations of Mirant Mid-Atlantic, LLC but shall include any equity interest in an Entity that is a Substantial Claimholder if the Specified Claims held by such Entity represent more than 25% of the fair market value of its total gross assets (excluding cash or cash equivalents), to the extent of the entire amount of Specified Claims held by such Entity.

For purposes of this Notice, the Section 382(1)(5) Amount shall mean the amount set forth in the Sell Down Notice reflecting the amount of Specified Claims held by an Electing Claimholder that is reasonably anticipated by Debtors to be converted to 4.75% of the reorganized Debtors' equity pursuant to and on the effective date of the final version of a Section 382(1)(5) Plan filed with and approved by the Court (it being understood that classes of Specified Claims may be weighted in their amount based on the anticipated different treatment of different classes of claims under the Plan).

For purposes of this Notice, Threshold Amount shall mean the greater of (i) \$250 million, (ii) the amount of Specified Claims held by the Electing Claimholder on July 21, 2003, and (iii) the Section 382(1)(5) Amount.

For purposes of this Notice, Substantial Claimholder shall mean any Entity that owns an aggregate amount of Specified Claims that equals or exceeds \$250 million (where such amount of Specified Claims includes principal and allowable accrued interest) or such revised amount determined pursuant to Paragraph 4 of the Order.

All terms in this notice shall be construed to have the same meaning as such terms have in the Order.

This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule 3001(e) of the Federal Rules of Bankruptcy Procedure.

[Name of Claimholder]

[Address of Claimholder] [Telephone of Claimholder] [Facsimile of Claimholder]

Dated: [city, state]

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