

and it appearing that the Court has jurisdiction over this matter; and it appearing that due notice of the Motion has been provided, and that no other or further notice need be provided, upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore,

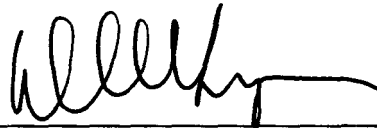
It is hereby

ORDERED, that the Motion is hereby GRANTED; and it is further

ORDERED that the Debtors' entry into the Settlement Agreement, which is attached as Exhibit A, is hereby approved by the Court; and it is further

ORDERED that the portion of the 505 Action in relation to the Property, as defined in the Settlement Agreement, is hereby dismissed.

August
Dated: ~~July~~ 11, 2004



Hon. D. Michael Lynn,
United States Bankruptcy Judge

SETTLEMENT AGREEMENT

This agreement, dated as of this 7th day of July, 2004 (the "Agreement"), is entered into by and between Mirant New York, Inc. ("Mirant NY"), the Town of Ramapo (the "Town"), the Ramapo Central School District on behalf of itself and the Suffern Free Library (the "School District"), the Assessor of the Town of Ramapo (the "Assessor"), the Board of Assessment Review of the Town of Ramapo (the "Board"), and Rockland County (the "County" and collectively with the Town, the School District, the Assessor and the Board, the "Tax Authorities").

WHEREAS, Mirant NY is the record owner of certain parcels of real property (and the improvements thereon) located in the Town and identified on the assessment rolls of the Town as Parcels SBL# 47.15-1-6, SBL# 600.119-10, SBL# 600.119-20 (on the 2000, 2001, 2002, and 2003 assessment rolls) and is generally known as the Hillburn Generating Station (collectively, the "Mirant Property");

WHEREAS, Orange & Rockland Utilities, Inc. ("O&R") is the owner of a substation and related improvements (also known as the 69 KV yard) described in a certain Grant of Operating easement dated June 30, 1999 and recorded as Document No. 1999-00034987 on a parcel of real property located in the Town and identified on the assessment rolls of the Town as Parcels SBL #600.119-20 (the "O&R Property" and together with the Mirant Property, the "Property");

WHEREAS, Mirant NY is the petitioner in actions bearing Index Nos. 4356/00, 4700/01, 5121/02, 5331/03 (the "Actions") brought pursuant to Article 7 of New York Real Property Tax Law (the "RPTL") pending in the Supreme Court for the State of New York, Rockland County (the "Court") seeking review of the assessments made with respect to the Property for the tax years 2000, 2001, 2002 and 2003;

WHEREAS, on July 14, 2003, Mirant NY commenced a case (the "Chapter 11 Case") under chapter 11, title 11 United States Code (11 U.S.C. § 101 et seq.) (the "Bankruptcy Code") by filing a voluntary petition for relief with the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the "Bankruptcy Court");

WHEREAS, Mirant NY has commenced an action (the "505 Action") in the Bankruptcy Court under section 505 of the Bankruptcy Code to seek a determination of, inter alia, the taxes it owes with respect to the Property for the 2000, 2001, 2002 and 2003 assessment years;

WHEREAS, the School District and the County have filed proofs of claim with the Bankruptcy Court bearing claim nos. 7623, 7625, 7626, 7108, and 7118 in part with respect to obligations purportedly or potentially owed by Mirant NY in respect of the Property (the "Proofs of Claim");

WHEREAS, the Town, the School District, the Assessor, and the Board contend that they have not appeared in the Chapter 11 Case and continue to reserve all objections they might have to the jurisdiction of the Bankruptcy Court, subject to section 15 below;

WHEREAS, in order to avoid the cost, delay and uncertainty of litigation, Mirant NY and the Tax Authorities (collectively, the "Parties") now wish to settle and compromise all issues and disputes between them with respect to the Actions, the 505 Action and the Proofs of Claim, as each relates to the Property only, on the terms set forth herein.

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. Assessments. Subject to the provisions of RPTL § 727 (which are incorporated herein by reference), the assessments for the Property for the tax year 2003, 2002, 2001 and 2000 assessment rolls shall be reduced as follows:

(a) Tax Year 2003 Assessment Rolls:

<u>Parcel</u>	<u>Original Assessment</u>	<u>Revised Assessment</u>	<u>Difference</u>
SBL# 47.15-1-6	\$4,552,273	\$ 800,000	\$3,752,273
SBL# 600.119-10	\$ 404,647	\$ 40,000	\$ 364,647
SBL# 600.119-20	\$5,159,243	\$5,159,243	0

(b) Tax Year 2002 Assessment Rolls:

<u>Parcel</u>	<u>Original Assessment</u>	<u>Revised Assessment</u>	<u>Difference</u>
SBL# 47.15-1-6	\$4,552,273	\$ 4,097,040	\$455,233
SBL# 600.119-10	\$ 404,647	\$ 364,182	\$ 40,465
SBL# 600.119-20	\$5,159,243	\$5,159,243	0

(c) Tax Year 2001 Assessment Rolls:

<u>Parcel</u>	<u>Original Assessment</u>	<u>Revised Assessment</u>	<u>Difference</u>
SBL# 47.15-1-6	\$4,552,273	\$ 4,097,040	\$455,233
SBL# 600.119-10	\$ 404,647	\$ 364,182	\$ 40,465
SBL# 600.119-20	\$5,159,243	\$5,159,243	0

(d) Tax Year 2000 Assessment Rolls:

<u>Parcel</u>	<u>Original Assessment</u>	<u>Revised Assessment</u>	<u>Difference</u>
SBL# 47.15-1-6	\$4,552,273	\$ 4,097,040	\$455,233
SBL# 600.119-10	\$ 404,647	\$ 364,182	\$ 40,465
SBL# 600.119-20	\$5,159,243	\$5,159,243	0

2. Revision of Assessment and Tax Rolls. The Town shall cause the officer or officers of the Tax Authorities having custody of the 2000, 2001, 2002 and 2003 tax rolls generated from the respective annual assessment roll of the Town to make or cause to be made, upon the proper books and records and upon the 2000, 2001, 2002 and 2003 tax rolls, the entries, changes and corrections necessary to conform the assessments of the Property to such corrected and reduced assessments for the 2000, 2001, 2002 and 2003 assessment years as set forth herein.

3. Prospective Effect. Subject to the provisions of RPTL § 727, the revised assessments set forth in section 1(a) hereof shall constitute the final assessments for the Mirant Property for each of the tax years 2004, 2005, and 2006 assessment rolls and, during such period, the Parties shall not seek to modify such assessments under any circumstance. Subject to the provisions of RPTL § 727, Mirant NY agrees that it will not institute a tax assessment review proceeding, Section 505 proceeding, or any other challenge to change the assessment during the years 2004, 2005, and 2006.

4. Payment of Refunds. Subject to section 6, in satisfaction of all claims of any person or entity to tax refunds (including any related claim or right to interest or costs) with respect to the Mirant Property as set forth in the Actions, the County shall make the following payments to Mirant NY:

(a)	Tax Year 2000 - -	School District: \$39,995.89 County: \$12,700.77
(b)	Tax Year 2001 - -	School District: \$41,800.23 County: \$14,140.78
(c)	Tax Year 2002 - -	School District: \$45,260.70 County: \$14,706.86

The County payment in this section 4 shall cover and include the Town portion of any refund.

5. Payment of Taxes Levied from the 2003 Assessment Rolls.

(a) The Tax Authorities will withdraw any and all demands or bills for taxes (and any penalties, interest or costs relating thereto) concerning the tax year 2003 assessment rolls in respect of the Property. The Town shall cause the Assessor to correct the tax year 2003 assessment records and prospective assessment rolls to reflect (i) the terms of this Agreement, and (ii) that all property of any nature that is owned by O&R, in any capacity, is included in the assessment with respect to the O&R Property (SBL# 600.119-20).

(b) The County shall in respect of taxes levied from the 2003 assessment rolls (i) reissue to Mirant NY tax bills generated from the tax year 2003 assessment rolls for the parcel SBL# 600.119-10 in the amount of \$5,324.64 and for the parcel SBL# 47.15-1-6 in the amount of \$106,492.80 and (ii) cause the tax bills generated from the tax year 2003 assessment rolls for the O&R Property to be sent directly to O&R, Attention: Tax Department, One Blue Hill Plaza, Pearl River, New York 10965.

(c) Any and all penalties, interest and costs of any kind, including the tax re-levy, that may otherwise be owed with respect to the tax bills on the Property generated from the tax year 2003 assessment rolls in connection with section 5(a) shall be eliminated and treated as chargebacks to the applicable Tax Authority pursuant to RPTL § 726.

(d) Payment by Mirant NY of the amounts referenced in section 5(b)(i) may be set off in accordance with section 6.

6. Setoff. The Parties shall set off the amounts owing pursuant to sections 4 and 5, and, in accordance with such sections, the County shall make one net payment to Mirant NY in immediately available funds in the amount of \$56,787.79, within thirty (30) days of the execution and delivery of this Agreement.

7. Prospective Taxes for the O&R Property. All bills for taxes with respect to the O&R Property for the tax year 2003-04 and thereafter shall be sent directly to O&R, who shall be responsible for payment. The Mirant Entities (as defined herein) shall have no liability whatsoever to any person or entity with respect to any and all such taxes (or any related penalties, interest or costs) on account of SBL# 600.119-20. The provisions of RPTL § 727 shall not apply to the O&R property (SBL #600.119-20) as a result of this Agreement.

8. Admissibility. This Agreement, as well as all facts and circumstances with respect to the negotiation and execution hereof, shall not be admissible in any action or proceeding before any court of law or administrative body for any purpose, except in an action or proceeding (a) which is brought before the Bankruptcy Court for approval of this Agreement, or (b) which is brought for the enforcement of the provisions hereof. Notwithstanding, nothing herein shall prohibit any party from attempting to offer into evidence any tax rolls, any assessment rolls, and/or any notice of change of assessment, or prevent a party from opposing admission of such records on any ground other than this section 8. In addition, the waiver of the penalties and interest by the County pursuant to section 5(c) of this Agreement shall not be admissible or have any precedential effect or value or be admitted into evidence in any other tax proceeding and/or bankruptcy court proceeding involving Mirant NY, O&R, or any other affiliate or related party thereto, on the one hand, and one or more of the Tax Authorities, on the other.

9. Authorizations. The Parties and the persons entering into and signing this Agreement on their behalf have the necessary authority to do so. The Parties have duly agreed to this settlement, taken the necessary action to do so and were duly authorized and empowered the persons signing this Agreement to do so; provided, that Mirant NY's entry into this Agreement and performance of its obligations hereunder is subject to obtaining entry by the Bankruptcy Court of the Approval Order (as defined in section 10 below).

10. Bankruptcy Court Approval. Within five (5) business days of the full execution and delivery of this Agreement by all Parties, Mirant NY shall file a motion with the Bankruptcy Court seeking entry of an order (the "Approval Order") approving the compromise and settlements contained herein pursuant to Bankruptcy Rule 9019 (the "Approval Motion"), on substantially the same terms set forth in the form order attached hereto as Exhibit A. Each of the Parties hereto shall

use its reasonable efforts to obtain timely entry by the Bankruptcy Court of a final order approving this Agreement and authorizing Mirant NY to enter into and perform its obligations hereunder.

11. Motions to Disqualify

(a) Any claim of conflict of interest of counsel for the Town in the Actions, the 505 Actions and the Chapter 11 Case as defined herein is hereby waived.

(b) The application for attorneys fees against the Town, Segel, Goldman, Mazzota, & Siegel, P.C. and Paul Feigenbaum, currently pending in the Bankruptcy Court is hereby withdrawn and discontinued, with prejudice.

(c) The Parties shall execute and deliver all certificates and agreements necessary to effect the terms, covenants and conditions of this section 11, including but not limited to obtaining an order on consent from the Bankruptcy Court.

12. Effective Date. This Agreement shall become binding and effective on the first business day after the tenth day (excluding legal holidays) after the entry of the Approval Order.

13. Dismissal of the Actions and Limited Releases. Upon the occurrence of the Effective Date, (a) the Parties shall obtain timely entry of a certain stipulation of settlement and order of Thomas A. Dickerson of the Supreme Court in substantially the form attached hereto as Exhibit B, (b) those portions of the Proofs of Claim concerning the Property shall be deemed to be withdrawn and of no effect without the need for the Parties to take any further action, (c) the Mirant Entities (defined as including Mirant NY and its parents, subsidiaries, affiliates, successors, predecessors, assigns (past, present, and future), directors, officers, agents, attorneys, insurers, employees, stockholders, representatives, trustees, and all persons acting by, through, under, or in concert with the Mirant Entities) ABSOLUTELY, IRREVOCABLY, UNCONDITIONALLY, FULLY AND FOREVER, ACQUIT, RELEASE, AND DISCHARGE the Tax Authority Entities (defined as

including the Town, School District, Assessor, Board, County and successors, predecessors, assigns (past, present, and future), directors, officers, agents, attorneys, insurers, employees, representatives, trustees, and all persons acting by, through, under, or in concert with the Tax Authority Entities) from any and all claims, causes of action, demands, obligations, charges, complaints, controversies, damages, liabilities, costs, expenses, judgments, guarantees, agreements, or defaults of every and any nature, whether now apparent or yet to be discovered or which may subsequently develop, arising out of or in any way related to, in whole or in part, all matters that (x) concern the Mirant Property and (y) allegedly form the basis of the Actions, the 505 Action and the Proofs of Claim, including without limitation (A) any claims regarding a conflict of interest and any damages arising therefrom as set forth in section 11 and (B) all claims asserted in the Actions, the 505 Action and the Proofs of Claim and any claims that could have been asserted therein, whether known or unknown, and (d) the Tax Authority Entities **ABSOLUTELY, IRREVOCABLY, UNCONDITIONALLY, FULLY AND FOREVER, ACQUIT, RELEASE, AND DISCHARGE** the Mirant Entities from any and all Proofs of Claim, liens, security interests, claims, causes of action, demands, obligations, charges, complaints, controversies, damages, liabilities, costs, expenses, judgments, guarantees, agreements, or defaults of every and any nature, whether now apparent or yet to be discovered or which may subsequently develop, arising out of or in any way related to, in whole or in part, (x) any tax, penalty, interest, or charge concerning the Property levied from any assessment rolls prior to the 2004 assessment rolls, and (y) the failure by the Mirant Entities to make timely payment of the real estate taxes imposed on the Mirant Property under the 2003 assessment rolls of the Town. The provisions of this subsections (c) and (d) shall not apply, however, with respect to any claims arising under this Agreement.

14. Entire Agreement; Amendment. This Agreement shall be governed by the laws of the State of New York. This Agreement constitutes the entire agreement by the Parties relating to the subject matter hereof and supersedes all prior agreements, arrangements and understandings between the Parties. This Agreement may only be modified or amended by a writing signed by all of the Parties.

15. Consent to Jurisdiction. The Parties irrevocably consent to the jurisdiction of the Bankruptcy Court to hear and determine any dispute concerning the enforcement of this Agreement. The parties reserve all other jurisdictional arguments.

16. Counterparts. This Agreement may be executed in multiple duplicate counterparts, each of which shall be deemed an original for all purposes and all of which together shall constitute one and the same instrument. For purposes of this Agreement, a fax signature will be deemed original signature and the party signing by facsimile transmission will be bound. This Agreement shall not be effective until it has been fully executed by all parties hereto. Copies of this document may be used for enforcement of the obligations set forth herein.

THE TOWN OF RAMAPO (on behalf of itself and the
Assessor of the Town of Ramapo and the Board of
Assessment Review for the Town of Ramapo)

By: _____
Its: _____
Dated: _____

RAMAPO CENTRAL SCHOOL DISTRICT

By: _____
Its: _____
Dated: _____

ROCKLAND COUNTY

By: *David M. ...* Principal (Asst. County Atty.)
Its: *of counsel to Patricia Zugibe, County Attorney*
Dated: *7-7-04*

MIRANT NEW YORK, INC.

By: *Lu Davis*
Its: *Vice President*
Dated: *7/7/04*

THE TOWN OF RAMAPO (on behalf of itself and the Assessor of the Town of Ramapo and the Board of Assessment Review for the Town of Ramapo)

By: _____
Its: _____
Dated: _____

RAMAPO CENTRAL SCHOOL DISTRICT

By: *Robert M. Long*
Its: Superintendent of Schools
Dated: 7/6/04

ROCKLAND COUNTY

By: _____
Its: _____
Dated: _____

MIRANT NEW YORK, INC.

By: _____
Its: _____
Dated: _____

THE TOWN OF RAMAPO (on behalf of itself and the Assessor of the Town of Ramapo and the Board of Assessment Review for the Town of Ramapo)

By: [Signature]
Its: Town Supervisor
Dated: 7/7/04

RAMAPO CENTRAL SCHOOL DISTRICT

By: _____
Its: _____
Dated: _____

ROCKLAND COUNTY

By: _____
Its: _____
Dated: _____

MIRANT NEW YORK, INC.

By: _____
Its: _____
Dated: _____

EXHIBIT A

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
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**

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

**ORDER GRANTING DEBTORS' MOTION PURSUANT TO RULE 9019 OF
THE FEDERAL RULES OF BANKRUPTCY PROCEDURE FOR
ORDER APPROVING TAX SETTLEMENT AGREEMENT**

Upon the Motion (the "Motion"), dated July 12, 2004, filed by Mirant Corporation ("Mirant") and its affiliated debtors, as debtors and debtors in possession (collectively, the "Debtors"), pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure for entry of an order approving a settlement agreement, dated July __, 2004 (the "Settlement Agreement"), between Mirant New York, Inc. ("Mirant NY") and the Town of Ramapo (the "Town"), the Ramapo Central School District on behalf of itself and the Suffern Free Library (the "School District"), the Assessor of the Town of Ramapo (the "Assessor"), the Board of Assessment Review of the Town of Ramapo (the "Board"), and Rockland County (the "County" and collectively with the Town, School District, the Assessor and the Board, the "Tax Authorities");

and it appearing that the Court has jurisdiction over this matter; and it appearing that due notice of the Motion has been provided, and that no other or further notice need be provided, upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore,

It is hereby

ORDERED, that the Motion is hereby GRANTED; and it is further

ORDERED that the Debtors' entry into the Settlement Agreement, which is attached as Exhibit A, is hereby approved by the Court; and it is further

ORDERED that the portion of the 505 Action in relation to the Property, as defined in the Settlement Agreement, is hereby dismissed.

Dated: July ____, 2004

Hon. D. Michael Lynn,
United States Bankruptcy Judge

EXHIBIT B

STATE OF NEW YORK
SUPREME COURT COUNTY OF ROCKLAND

In the Matter of the Application of

MIRANT NEW YORK, INC. and
SOUTHERN ENERGY NEW YORK-GEN, LLC,

Petitioner,

- against -

THE ASSESSOR OF THE TOWN OF
RAMAPO, THE BOARD OF ASSESSMENT
REVIEW OF THE TOWN OF RAMAPO AND
THE TOWN OF RAMAPO,

Respondents.

For a Review of Tax Assessments under Article 7
of the Real Property Tax Law.

STIPULATION OF
SETTLEMENT AND
ORDER

Index No. 4356/00
4700/01
5121/02
5331/03

Petitioner, Mirant New York, Inc., f/k/a Southern Energy New York-Gen, LLC (the "Petitioner") having brought the above-entitled proceeding pursuant to Real Property Tax Law Article 7 to review the assessments made by the Respondents for the years 2000, 2001, 2002 and 2003 on premises of the Petitioner described on the 2000, 2001, 2002 and 2003 assessment rolls of the Town of Ramapo as follows (collectively, the "Property"):

<u>Parcel</u>	<u>Original Assessment</u>
SBL# 47.15-1-6	\$4,552,273
SBL# 600.119-10	\$ 404,647
SBL# 600.119-20	\$5,159,243

IT IS HEREBY STIPULATED, ORDERED AND AGREED, by and between the undersigned, being the attorneys of record for each of the respective parties, and the County of Rockland, as intervenor (collectively, the "Parties"), that these proceedings are hereby settled

upon the terms hereinafter set forth, without costs to either party as against the other, and the parties and the attorneys of record further stipulate and consent that, subject to the provisions of paragraph 15 herein, an order be entered in and that same be filed with the Office of the County Clerk of Rockland, without further notice as follows:

1. The assessments for the Property for the year 2003 assessment roll shall be reduced as follows:

<u>Parcel</u>	<u>Original Assessment</u>	<u>Revised Assessment</u>	<u>Difference</u>
SBL# 47.15-1-6	\$4,552,273	\$ 800,000	\$3,752,273
SBL# 600.119-10	\$ 404,647	\$ 40,000	\$ 364,647
SBL# 600.119-20	\$5,159,243	\$ 5,159,243	\$ 0

2. The assessments for the Property for the year 2002 assessment roll shall be reduced as follows:

<u>Parcel</u>	<u>Original Assessment</u>	<u>Revised Assessment</u>	<u>Difference</u>
SBL# 47.15-1-6	\$4,552,273	\$ 4,097,040	\$455,233
SBL# 600.119-10	\$ 404,647	\$ 364,182	\$ 40,465
SBL# 600.119-20	\$5,159,243	\$ 5,159,243	\$ 0

3. The assessments for the Property for the year 2001 assessment roll shall be reduced as follows:

<u>Parcel</u>	<u>Original Assessment</u>	<u>Revised Assessment</u>	<u>Difference</u>
SBL# 47.15-1-6	\$4,552,273	\$ 4,097,040	\$455,233
SBL# 600.119-10	\$ 404,647	\$ 364,182	\$ 40,465
SBL# 600.119-20	\$5,159,243	\$ 5,159,243	\$ 0

4. The assessments for the Property for the year 2000 assessment roll shall be reduced as follows:

<u>Parcel</u>	<u>Original Assessment</u>	<u>Revised Assessment</u>	<u>Difference</u>
SBL# 47.15-1-6	\$4,552,273	\$ 4,097,040	\$455,233
SBL# 600.119-10	\$ 404,647	\$ 364,182	\$ 40,465
SBL# 600.119-20	\$5,159,243	\$ 5,159,243	\$ 0

5. The officer or officers having custody of the aforesaid 2000, 2001, 2002 and 2003 assessment rolls of the Town of Ramapo shall make or cause to be made upon the proper books and records and upon the 2000, 2001, 2002 and 2003 assessment rolls of said Town, the entries, changes and corrections necessary to conform said assessments of the Property to such corrected and reduced assessments for the 2000, 2001, 2002 and 2003 assessment years as set forth herein.

6. The terms, covenants and conditions of Real Property Tax Law § 727 are deemed specifically incorporated herein by this reference. Notwithstanding the foregoing, the provisions of Real Property Tax Law Section 727 shall not be applicable to the parcel known as SBL #600.119-20 for any assessment roll of the Town subsequent to the 2003 assessment rolls of the Town.

7. Except as provided pursuant to RPTL § 727 and Section 6 as it relates to SBL #600.19-20 only, Petitioner agrees not to challenge the Property assessments set forth in paragraphs 1 for each of the final assessment rolls for the assessment years 2004, 2005 and 2006 provided that respondents shall enter the agreed upon assessments set forth in paragraphs 1 for the parcels known as SBL #47.15.-1-6 and SBL # 600.119-10 for the 2004, 2005 and 2006 assessment rolls as the final assessment for respective parcels for each such assessment year.

8. Subject to the provisions of paragraph 15, this Stipulation of Settlement and Order shall be the final order which shall direct the officials of the Town of Ramapo and the officials

of the County of Rockland and Ramapo Central School District having custody of said assessment roll, or any copy thereof, to correct said assessments on the said original assessment set forth in paragraphs 1-4 and all taxes heretofore levied on the said assessment, but not yet paid by Petitioner, shall be reduced by the said officials having said assessment rolls in their charge, and upon payment by the Petitioner of the taxes so reduced, receipt in full for the said taxes on the said reduced assessment shall be given by said officials to whom payment is lawfully made. Any taxes paid by the Petitioners levied on said respective assessment roll, before reduction, shall be proportionately refunded by the County of Rockland and the Ramapo Central School District, respectively, to the said Couch White, LLP, attorneys for Petitioners, without interest or costs, provided any such refund is made within thirty (30) days of the entry of the Order to be signed in connection with this Stipulation of Settlement and Order. The amount of the refunds for the 2000 through 2002 assessment rolls shall be as follows:

- a) Assessment Year 2000 RCSD \$39,995.89 Rockland County \$12,700.77
- b) Assessment Year 2001 RCSD \$41,800.23 Rockland County \$14,140.78
- c) Assessment Year 2002 RCSD \$45,260.70 Rockland County \$14,706.86

Notwithstanding anything herein to the contrary, the County agrees that it will set off the refund amounts owed under this Paragraph 8 herein against the sums due and owing under Paragraph 12 for a net total payment due from the County to the Petitioner in the amount of \$56,787.79, which shall be paid within thirty (30) days from the service of this Order on Rockland County.

9. The officer or offices having custody of the aforesaid Assessment Rolls of the Town of Ramapo, the County of Rockland, and the Ramapo Central School District, shall make

or cause to be made upon the proper books and records and upon the 2000, 2001, 2002 and 2003 assessment rolls of said Town and the respective tax rolls, the entries, changes and corrections necessary to conform said assessment described in paragraphs 1-4 above to such corrected and reduced valuations.

10. Except in connection with any enforcement proceeding made pursuant to this Stipulation of Settlement and Order, it is specifically stipulated and agreed by and between the parties that this Stipulation of Settlement and Order, or any portion thereof, as well as all facts and circumstances with respect to the negotiation and execution of this Stipulation of Settlement and Order, shall be inadmissible in any subsequent action or proceeding before any court of law or administrative body for any purpose except in an action or proceeding for the enforcement of the provisions herein. Further, the parties acknowledge and agree that the waiver of the penalties and interest by Rockland County set forth under this Stipulation of Settlement and Order shall not be admissible or have any precedential effect or value or be admitted into evidence in any other tax proceeding and/or bankruptcy court proceeding with Petitioner, Orange and Rockland Utilities, Inc. or any other affiliate or related party thereto.

11. (a) Any claim of conflict of interest of counsel for respondents in the above proceeding is hereby waived.

(b) The Petitioner's application for attorneys fees against the Respondent, Segel, Goldman, Mazzotta & Siegel, P. C. and Paul A. Feigenbaum currently pending in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division is hereby withdrawn and discontinued, with prejudice.

(c) The Petitioner and the Respondent shall execute and deliver the agreements necessary to obtain an order on consent from the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division to effect the terms, covenants and conditions of this paragraph 11. The Parties acknowledge and agree that the execution and delivery of this Stipulation of Settlement and Order by Segel, Goldman, Mazzotta & Siegel, P.C. does not violate the Order of the Bankruptcy Court for the Northern District of Texas, Fort Worth Division dated February 27, 2004.

12. (a) The Respondent, Town of Ramapo shall cause the Assessor of the Town of Ramapo to correct the 2003 and 2004 assessment rolls and prospective assessment rolls to reflect that the substation and all related Orange & Rockland Utilities property located on the Property shall be contained in the assessment for SBL #600.119-20, since the Town of Ramapo is recognizing Orange & Rockland Utilities, Inc., as the beneficial owner thereof. The County of Rockland shall cause the tax bills generated from the 2003 assessment rolls for the parcel SBL 600.119-20 and thereafter to be sent directly to Orange and Rockland Utilities, Inc., Attention: Tax Department, One Blue Hill Plaza, Pearl River, New York 10965. The penalties (including the tax relevy) and interest accrued on each of the respective tax bills for the parcels known as SBL #47.15-1-6 and SBL# 600.119-10 from 2003 assessment rolls from October 1, 2003 to the present for the 2003-2004 Ramapo Central School District tax bill, and from February 1, 2004 to the present with respect to the 2004 Town of Ramapo and County of Rockland tax bill shall be eliminated for each of the respective tax parcels and treated as a chargeback to all taxing jurisdictions, on a proportionate basis, pursuant to Real Property Tax Law Section 726. With regard to parcel SBL # 600.119-20, the penalties (including the tax relevy) and interest accrued

on each of the respective tax bills from the 2003 assessment rolls from October 1, 2003 to the present for the 2003-2004 Ramapo Central School District tax bill, and from February 1, 2004 to the present with respect to the 2004 Town of Ramapo and County of Rockland tax bill shall be eliminated for each of the respective tax parcels and treated as a chargeback to all taxing jurisdictions, on a proportionate basis, pursuant to Real Property Tax Law 726, provided that timely payment of the sums due and owing under this Stipulation of Settlement and Order for each tax parcel is made in full by the Petitioner or Orange and Rockland Utilities, Inc. to the County of Rockland within thirty (30) days from the service of the Order on Orange and Rockland Utilities, Inc.(Attention: Tax Department, One Blue Hill Plaza, Pearl River, New York 10965). The amount owed by Petitioner shall be as follows:

SBL# 47.15-1-6	\$ 5,324.64	Mirant New York, Inc.
SBL# 600.-119-10	\$106,492.80	Mirant New York, Inc.

The amounts owed under this Paragraph 12(a) shall be set off against the refund amounts due under Paragraph 8 for a net payment due from the County of Rockland to the Petitioner as described in Paragraph 8 herein.

(b) The Town shall cause the tax bills generated from the 2004 assessment rolls and each annual assessment roll thereafter for the parcel SBL #600.119-20 to be sent directly to Orange and Rockland Utilities, Inc., who shall be responsible for the payment

(c) The Town has not asserted any counterclaims against the Petitioner in the above captioned proceedings.

(d) Orange and Rockland Utilities, Inc. shall be responsible for the payment of the tax bill due and owing on SBL #600.119-20 for the assessment year 2003.

13. The parties and attorneys represent that the persons entering into and signing this Stipulation of Settlement and Order have the necessary authority to do so, that said parties have duly agreed to this settlement, taken the necessary action to do so and were duly authorized and empowered the persons signing this Stipulation of Settlement and Order to do so.

14. The Parties shall submit this Stipulation of Settlement and Order to the Rockland County Supreme Court.

15. The terms of this Stipulation of Settlement and Order are subject to the approval of the Bankruptcy Court of the Northern District of Texas, Fort Worth Division. The terms of this Stipulation of Settlement and Order are subject to the execution of a Settlement Agreement between the Petitioner, the Town of Ramapo, the County of Rockland and the Ramapo Central School District that is to be filed in the Petitioner's bankruptcy proceeding. The Parties shall instruct their respective bankruptcy court attorneys to execute the Settlement Agreement upon the completion of the negotiation, and to bring the motion for approval of the Settlement Agreement in Bankruptcy Court of the Northern District of Texas, Fort Worth Division within ten (10) days from the date that this Stipulation of Settlement and Order is "so ordered" by Judge Thomas A. Dickerson.

Dated: July __, 2004

SEGEL, GOLDMAN, MAZZOTTA & SIEGEL, P.C.
Attorneys for the Respondents

By: _____

Paul J. Goldman, Esq., Of Counsel
9 Washington Square
Albany, New York 12205
(518) 452-0941

Dated: July __, 2004

COUCH WHITE, LLP
Attorneys for the Petitioner

By: _____

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540 Broadway, P.O. Box 22222
Albany, New York 12201-2222
(518) 426-4600

Dated: July __, 2004

COUNTY OF ROCKLAND, as Intervenor
Patricia Zugibe, County Attorney

By: _____

Fina Del Principio, Principal Assistant County
Attorney

SO ORDERED

Dated: July __, 2004

Hon. Thomas A. Dickerson
Justice, Supreme Court