

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

U.S. BANKRUPTCY COURT
 NORTHERN DISTRICT OF TEXAS

ENTERED

AWANA 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. 03-46591(DML)
Debtors.)	Jointly Administered

**ORDER GRANTING DEBTORS' MOTION PURSUANT TO FEDERAL RULE OF
 BANKRUPTCY PROCEDURE 9019 FOR APPROVAL OF SETTLEMENT
 AGREEMENT AND RELEASE BETWEEN MIRANT AMERICAS ENERGY
MARKETING, LP AND AVISTA ENERGY, INC.**

Upon the motion, dated November 21, 2003 (the "Motion"), of Mirant Corporation ("Mirant") and its affiliated debtors, as debtors-in-possession (collectively, the "Debtors"), for an order approving the "Settlement Agreement and Release" (the "Settlement Agreement") between Mirant Americas Energy Marketing, LP ("MAEM") and Avista Energy, Inc. ("Avista"); 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 therefor,

It is hereby:

ORDERED, that the Motion is hereby GRANTED;¹ it is further

ORDERED, that the Settlement Agreement attached to the Motion is approved and MAEM is authorized to perform as required thereunder; it is further

¹ Unless otherwise defined herein, capitalized terms have the same meaning ascribed to them in the Motion.

ORDERED, that not later than two (2) business days after entry of this Order, Avista shall pay, by wire transfer, to MAEM the sum of \$6,738,000 (the "Payment"); it is further

ORDERED, that not later than two (2) business days after the Payment is received by MAEM, MAEM shall surrender to Avista, or cause the cancellation of, the Letter of Credit; it is further

ORDERED, that, upon the making of the Payment and the cancellation of the Letter of Credit, (i) the Agreements (which specifically do not include the Excluded Agreements) shall be automatically and without further action by either party, terminated and neither Avista nor MAEM shall have any further obligations with respect thereto; and (ii) the releases set forth in the Settlement Agreement shall be automatically effective; it is further

ORDERED, that MAEM shall not submit a draw upon the Letter of Credit unless the Payment is not received as required pursuant to the terms of the Settlement Agreement.

Dated: December 18, 2003



D. Michael Lynn,
United States Bankruptcy Judge