RECORDATION NO. 24641-A FILED

OCT 23 '03 3:45 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

October 23, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Order Approving Settlement Agreement, dated October 23, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the documents, among others, previously filed with the Board under Recordation Numbers 21715-B and 24641.

The name and address of the party subject to the Bankruptcy Court order are:

Merco Joint Venture, LLC
c/o Eagle Land Management, Inc.
1265 Drummer Lane
Wayne, PA 19087

A description of the railroad equipment covered by the enclosed document is:

23 railcars bearing MERX reporting marks and road numbers attached hereto.

A short summary of the document to appear in the index follows:

Order Approving Settlement Agreement

Also enclosed is a check in the amount of $30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/anr
Enclosures

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OCT 2 3 '03 3-45PM

SURFACE TRANSPORTATION BOARD

PRYOR & MANDELUP, L.L.P.
675 Old Country Road
Westbury, New York 11590
11-3261335

COPY RETURNED

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK
----------X

In re:

MERCO JOINT VENTURE, LLC,

Debtor.
----------X

Chapter 11

Case No. 02-80588-288

ORDER APPROVING SETTLEMENT AGREEMENT
PURSUANT TO BANKRUPTCY RULE 9019

Upon the application dated October 7, 2002 (the "Application") of Merco Joint Venture, LLC, the Debtor and Debtor-in-possession (the "Debtor"),by its attorneys, Pryor & Mandelup, L.L.P., for approval of a proposed settlement agreement dated on or about September 26, 2002 (the "Settlement Agreement") between the Debtor, Sierra Blanca Ranch Partners, L.P. ("Sierra"), Bombardier Capital, Inc.("Bombardier"), the Official Committee of Unsecured Creditors (the "Committee"), and certain non-debtor entities including Eagle Land Management, Inc., and Longhorn Composting and Cattle Company , and upon the Exhibits thereto, the Order of the Court entered October 7, 2002 scheduling a hearing on the Application, and upon the limited objection to the Application filed by John P. Piccone, Inc. ("Piccone") and Sentinel Mountain Associates, L.P. ("Sentinel"), by their attorneys, Robinson Brog Leinwand Greene Genovese & Gluck, P.C., and the hearing held on October 17, 2002 at 9:30 a.m., and upon the appearance of Salisbury & Ryan, by Andy Ryan, Esq. on behalf of Bombardier, Pryor & Mandelup, L.L.P., by Kenneth A. Reynolds, Esq., on behalf of the Debtor, Scarcella Rosen & Slome, by Alan Marder, Esq., on behalf of the Committee, and the Office of the United States Trustee by Terese Cavanagh, Esq., and Robinson Brog Leinwald Greene Genovese & Gluck, P.C., by Fred Ringel, Esq.,

113 AM

on behalf of Piccone and Sentinel, and it appearing by the certificate of service on file that notice of the Application was duly provided to all interested parties; and for good cause shown it is hereby

ORDERED, that the Settlement Agreement is hereby approved in its entirety, and it is further

ORDERED, that Nassau Assets Management shall be retained pursuant to the terms and conditions provided for in the Settlement Agreement and Exhibit "C" thereto for the purpose of marketing and liquidating the Debtor's fixed assets as identified, but not limited to, the items of personalty set forth in Exhibits "A" and "B" to the Settlement Agreement, and it is further

ORDERED, that the Lease Agreement dated as of February 15, 2000 between the Debtor as Lessee and Sierra Blanca Ranch Partners, L.P. ("Sierra") as Lessor, which was deemed rejected by the Debtor by operation of 11 U.S.C. § 365(d)(1) and Debtor's rights under the related Subordination, Non-Disturbance and Attornment Agreement dated February 15, 2000 are hereby terminated in all respects except for the Debtor's rights concerning storage of personal property at the leasehold pursuant to the terms and conditions of the Stipulation of Compromise and Settlement "So Ordered" by this Court on July 17, 2002 between Sentinel, Sierra and Merco, and it is further

ORDERED, that use and occupation charges for the storage of personal property at the leasehold in Sierra Blanca, Texas be paid to Sentinel in an amount as agreed to by the Debtor, Sentinel and the Committee, or as otherwise ordered by the Court or agreed to by the parties prior to removal of any said personal property from the leasehold, and it is further

ORDERED, that nothing contained in this Order shall be deemed to limit or otherwise prejudice the rights accorded to Sentinel and/or Piccone pursuant to the Order of this Court dated July 17, 2002.

Central Islip, New York
October 18, 2002

HONORABLE STAN BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

ATTORNEY'S CERTIFICATION

KENNETH A REYNOLDS, an attorney admitted to the Courts of the State of New York, certifies to the best of his knowledge, information, and belief that the Order attached herewith is a true and correct copy of the same Order signed by Judge Stan Bernstein on October 23, 2002.

Dated: Westbury, New York
October 22, 2003

KENNETH A. REYNOLDS

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