

RESOLUTION
OF THE CITY OF ELBERTON, GEORGIA

APPROVING THE SECOND AMENDMENT TO GAS SUPPLY CONTRACT AND THE FIRST AMENDMENT TO GAS PORTFOLIO III PROJECT SUPPLEMENTAL CONTRACT, EACH BETWEEN CITY OF ELBERTON, GEORGIA (“MEMBER”) AND THE MUNICIPAL GAS AUTHORITY OF GEORGIA; AUTHORIZING THE EXECUTION, DELIVER AND PERFORMANCE OF SUCH AMENDMENTS; AND FOR OTHER PURPOSES.

WHEREAS, the 1987 Session of the General Assembly of the State of Georgia adopted the Municipal Gas Authority of Georgia Act (Ga. Laws 1987, p. 745 (codified at O.C.G.A. Sections 46-4-80 through 46-4-125)), as amended (the “Act”), creating the Municipal Gas Authority of Georgia (the “Gas Authority”), providing for its organization and purposes and authorizing it to contract with certain municipalities and other political subdivisions for the provision of an adequate and dependable wholesale supply of gas to meet the needs of the gas distribution systems of such political subdivisions; and

WHEREAS, the Gas Authority and the Member have entered into that certain Gas Supply Contract, as amended (the “Gas Supply Contract”), pursuant to which the Gas Authority has agreed to provide gas supplies to the Member for resale to its citizens, inhabitants and customers through its gas distribution system; and

WHEREAS, the Gas Authority and the Member have entered into a Supplemental Contract respecting the Gas Authority’s Gas Portfolio III Project to provide for, among other things, (i) the approval of said Project as contemplated by the Gas Supply Contract and as more particularly described therein; and (ii) the issuance of Bonds to fund Project Costs, as more particularly described therein (the “Supplemental Contract”); and

WHEREAS, the Gas Authority and the Member have determined that it is in the best interest of the Gas Authority and the Member to amend certain provisions of the Gas Supply contract and the Supplemental Contract in order to increase the aggregate principal amount of Bonds permitted to be issued thereunder, to extend the period during which such Bonds may be issued, and to extend the terms of such Bonds together with other confirming changes; and

WHEREAS, the Gas Authority and the member have caused to be prepared a Second Amendment to Gas Supply Contract, dated as of December 1, 2008 (the “Second Amendment”), and a First Amendment to Supplemental Contract, dated as of December 1, 2008 (the “First Amendment,” and together with the Second Amendment, the “Amendment”), to effect such amendments; and

NOW THEREFORE, BE IT RESOLVED, by the governing body of the Member in meeting duly assembled, and it is hereby resolved by authority thereof, as follows:

Section 1. The Member hereby finds and determines that it is in its best interest to contract with the Gas Authority pursuant to O.C.G.A. Section 46-4-96(7) and the terms of the Gas Supply Contract, the Supplemental Contract and the Amendments and the Member hereby declares, in accordance with the Act, its intention to continue to so contract with the Gas Authority for the purpose of its gas supply.

Section 2. The Member hereby approves and authorizes the execution, deliver and performance of the Amendments in substantially the form of the drafts thereof attached to this Resolution as Exhibit "A" and Exhibit "B", respectively, and hereby incorporated herein by the Member, with advise of counsel. The Amendments shall each be executed by the mayor, attested by the City Clerk, and shall have the Member's seal affixed thereto, and shall be delivered to the Gas Authority, and when so executed and delivered, shall be binding upon the Member in accordance with their respective terms. Execution of the Amendments as authorized herein shall be conclusive evidence of the Member's approval thereof.

Section 3. The Member hereby authorizes the Mayor, City Clerk, or any Assistant City Clerk, to take any further actions and execute and deliver any other documents necessary to carry out the purpose of this Resolution, as amended from time to time, including, but not limited to, executing all documents necessary for validation and issuance of the Gas Authority's revenue bonds respecting the Gas Portfolio III Project.

Section 4. In the adoption of this Resolution, the Member hereby recognizes that this action will be relied upon by other municipalities and systems that own and operate gas distribution systems and that adopt similar resolutions in furtherance of the organization of the Gas Authority under the Act, and that the Member is also relying upon the adoption of such resolutions by such other municipalities and systems.

Section 5. All resolutions or parts of resolution in conflict herewith are hereby repealed.

RESOLVED THIS THE 6TH DAY OF OCTOBER, 2008.