

**RESOLUTION FOR PROPOSAL
AT REGULAR BOARD MEETING
OF
MUNICIPAL GAS AUTHORITY OF GEORGIA**

September 23, 1999

RE: LEASE; SALE, ASSIGNMENT AND TRANSFER; AND AGENCY AGREEMENT, EACH DATED AS OF SEPTEMBER 1, 1999, WITH THE CITY OF MONROE FOR GAS DISTRIBUTION AND TRANSPORTATION SYSTEM EXPANSION AND ENHANCEMENT

WHEREAS, the Municipal Gas Authority of Georgia (the "Gas Authority") has determined that it is in the best interest of the Gas Authority to lease certain gas distribution and transportation system facilities (the "Project") to the City of Monroe (the "City"), which City is a Gas Authority Member, as permitted by the Municipal Gas Authority of Georgia Act, Ga. Laws 1987, p. 745, *et seq.*, as amended (codified at Official Code of Georgia Annotated Article IV, Chapter 4 of Title 46), and the intergovernmental contracts provision of the Constitution of the State of Georgia, Article IX, Section III, Paragraph I; and

WHEREAS, in order to provide the Project to the City, it is necessary for the Gas Authority to enter into a Lease, dated as of September 1, 1999 (the "Lease"), between the Gas Authority and the City, a form of which Lease has been placed in the Minute File of the Gas Authority and is incorporated herein by reference; and

WHEREAS, in order to provide for the acquisition, construction and installation of the Project, it is necessary for the Gas Authority to enter into an Agency Agreement, dated as of September 1, 1999 (the "Agency Agreement"), between the Gas Authority and the City, a form of which Agency Agreement has been placed in the Minute File of the Gas Authority and is incorporated herein by reference; and

WHEREAS, the Gas Authority has also determined that it is necessary and desirable to assign the Base Rentals (defined in the Lease) to Wachovia Bank, N.A. (the "Bank"), under the terms of a Sale, Assignment and Transfer, to be dated as of September 1, 1999 (the "Assignment"), between the Gas Authority and the Bank, which Assignment shall be acknowledged by the City, a form of which Assignment has been placed in the Minute File of the Gas Authority and is incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President Finance of the Authority is hereby authorized to negotiate and finalize the terms of the Lease with the advice of General Counsel. The Chairman or Vice Chairman of the Gas Authority is

hereby authorized to execute the Lease when so finalized, and the Secretary-Treasurer or Assistant Secretary-Treasurer is hereby authorized to attest the Lease for and on behalf of the Gas Authority, to impress the seal of the Gas Authority thereof, and to deliver the Lease as an act of the Gas Authority. The Lease shall be in substantially the form of the draft dated September 23, 1999, which has been placed in the Minute File of the Gas Authority, subject to such changes, insertions or omissions as may be approved by the Vice President Finance of the Gas Authority with the advice of General Counsel, and the execution of the Lease by the Chairman or the Vice Chairman and the attestation thereof by the Secretary-Treasurer or the Assistant Secretary-Treasurer as hereby authorized shall be conclusive evidence of any such approval. The interest component of the Base Rentals shall be calculated at the rate of 5.42% per annum and the term of the Lease shall be 15 years; and

BE IT FURTHER RESOLVED that the Chairman or Vice Chairman of the Gas Authority is hereby authorized to execute and deliver as an act of the Authority, and the Secretary-Treasurer or Assistant Secretary-Treasurer is hereby authorized to attest and to impress the seal of the Gas Authority on, the Assignment for and on behalf of the Gas Authority. The Assignment Proceeds (defined in the Assignment) shall be in the amount of \$2,000,000. The Assignment shall be in substantially the form of the draft dated September 23, 1999, which has been placed in the Minute File of the Gas Authority, subject to such changes, insertions or omissions as may be approved by the Chairman or the Vice Chairman of the Gas Authority with the advice of General Counsel, and the execution of the Assignment by the Chairman or the Vice Chairman and the attestation thereof by the Secretary-Treasurer or the Assistant Secretary-Treasurer as hereby authorized shall be conclusive evidence of any such approval; and

BE IT FURTHER RESOLVED that the Chairman or Vice Chairman of the Gas Authority is hereby authorized to execute and deliver as an act of the Authority, and the Secretary-Treasurer or Assistant Secretary-Treasurer is hereby authorized to attest and to impress the seal of the Gas Authority on, the Agency Agreement for and on behalf of the Gas Authority. The Agency Agreement shall be in substantially the form of the draft dated September 23, 1999, which has been placed in the Minute File of the Gas Authority, subject to such changes, insertions or omissions as may be approved by the Chairman or the Vice Chairman of the Gas Authority with the advice of General Counsel, and the execution of the Agency Agreement by the Chairman or the Vice Chairman and the attestation thereof by the Secretary-Treasurer or the Assistant Secretary-Treasurer as hereby authorized shall be conclusive evidence of any such approval; and

BE IT FURTHER RESOLVED, in order to carry out the transactions contemplated by the Lease and the Assignment, the Chairman, Vice Chairman, Secretary-Treasurer, any Assistant Secretary-Treasurer, the President and General Manager and the Vice President Finance are hereby authorized and directed to execute and deliver any closing papers or certificates deemed necessary by the General Counsel, or to take any other actions as may be necessary to effect performance of the Lease, the Agency Agreement and the Assignment consistent with the terms of this Resolution. The corporate seal of the Gas Authority may be placed on any such documents, and such documents shall be delivered as an act of the Gas Authority.

SECRETARY-TREASURER'S CERTIFICATE

NOW COMES the undersigned Secretary-Treasurer of the Municipal Gas Authority of Georgia, keeper of the records and seal thereof, and certifies that the foregoing is a true and correct copy of a Resolution, approved and adopted by the Authority in a public meeting properly and lawfully called and assembled on September 23, 1999, the original of which Resolution has been entered in the official records of the Authority and is in my official possession, custody and control.

This 23rd day of September, 1999.

A handwritten signature in black ink, appearing to be "D. H. ...", is written over a horizontal line.

Secretary-Treasurer