

**SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA**

STATE OF GEORGIA

CIVIL ACTION NO. _____

vs

MUNICIPAL ELECTRIC AUTHORITY OF
GEORGIA,
GEORGIA POWER COMPANY,
OGLETHORPE POWER CORPORATION,
CRISP COUNTY,
THE CITY OF DALTON,
THE CITY OF ACWORTH,
THE CITY OF ADEL,
THE CITY OF ALBANY,
THE CITY OF BARNESVILLE,
THE CITY OF BLAKELY,
THE TOWN OF BRINSON,
THE CITY OF BUFORD,
THE CITY OF CAIRO,
THE CITY OF CALHOUN,
THE CITY OF CAMILLA,
THE CITY OF CARTERSVILLE,
THE CITY OF COLLEGE PARK,
THE CITY OF COMMERCE,
THE CITY OF COVINGTON,
THE CITY OF DOERUN,
THE CITY OF DOUGLAS,
THE CITY OF EAST POINT,
THE CITY OF ELBERTON,
THE CITY OF ELLAVILLE,
THE CITY OF FAIRBURN,
THE CITY OF FITZGERALD,
THE CITY OF FORSYTH,
THE CITY OF FORT VALLEY,
THE CITY OF GRANTVILLE,
THE CITY OF GRIFFIN,
THE CITY OF HOGANSVILLE,
THE CITY OF JACKSON,
THE CITY OF LAFAYETTE,
THE CITY OF LAGRANGE,
THE CITY OF LAWRENCEVILLE,
THE CITY OF MANSFIELD,
THE CITY OF MARIETTA,
THE CITY OF MONROE,
THE CITY OF MONTICELLO,

THE CITY OF MOULTRIE,
THE CITY OF NEWNAN,
THE CITY OF NORCROSS,
THE CITY OF OXFORD,
THE CITY OF PALMETTO,
THE CITY OF QUITMAN,
THE CITY OF SANDERSVILLE,
THE CITY OF SYLVANIA,
THE CITY OF SYLVESTER,
THE CITY OF THOMASTON,
THE CITY OF THOMASVILLE,
THE CITY OF WASHINGTON,
THE CITY OF WEST POINT,
THE CITY OF WHIGHAM,

The Board of Water, Light
and Sinking Fund Commissioners
of the City of Dalton,

The Crisp County
Power Commission,

The Water, Light and Bond
Commission of the
City of Fitzgerald,

The Utilities Commission of
the City of Fort Valley,

The Board of Water, Sewerage
and Light Commissioners of
the City of Newnan, and

The City of Marietta Board of Lights and
Water.

PETITION AND COMPLAINT

This Petition and Complaint of the State of Georgia, acting by and through the District Attorney of the Atlanta Judicial Circuit of the State of Georgia, against the Municipal Electric Authority of Georgia, Georgia Power Company, Oglethorpe Power Corporation, and all municipal corporations, political subdivisions, boards, commissions and public bodies or organizations named in the caption hereof, respectfully shows:

JURISDICTION AND FACTUAL BACKGROUND

1. The Municipal Electric Authority of Georgia (“**MEAG Power**”) is a public body corporate and politic and an instrumentality of the State of Georgia (the “**State**”), created by the provisions of the Municipal Electric Authority Act, Ga. L. 1975, p. 107, as amended, *codified* at O.C.G.A. §§ 46-3-110 through 46-3-155, as amended (the “**Act**”). MEAG Power is now existing and performing the functions for which it was created as an instrumentality of the State.

2. The Act provides, in O.C.G.A. § 46-3-151, that any action pertaining to validation of bonds to be issued under the provisions of the Act shall be brought in this court, which shall have exclusive original jurisdiction of such action.

3. Georgia Power Company is a corporation organized and existing under the laws of the State, having its principal office and place of doing business in Fulton County, Georgia.

4. Oglethorpe Power Corporation (an Electric Membership Corporation) is a corporation organized and existing under the Georgia Electric Membership Corporation Act and the laws of the State, having its principal office and place of doing business in DeKalb County, Georgia.

5. Crisp County is a lawfully created political subdivision of the State, and each of the defendant municipal corporations is a lawfully created and existing political subdivision of the State.

6. The City of Marietta Board of Lights and Water (the “**Marietta Board**”) is a body corporate created by the laws of the State, as a subsidiary corporation to the City of Marietta, Georgia having power to make all contracts and the power to perform all acts necessary for the lights and water supply of the City of Marietta, Georgia and the power to regulate water and light rates in said defendant municipal corporation.

7. The other defendant commissions and boards are public bodies or organizations in Whitfield, Crisp, Ben Hill, Peach and Coweta Counties, respectively.

8. MEAG Power has given notice, by personal service, to and upon the District Attorney of the Atlanta Judicial Circuit of the State, of the fact that a resolution was adopted by MEAG Power on April 19, 2018 authorizing the validation of the hereinafter described bonds. Said notice (the “**Notice**”) and the certified copy of the resolution that accompanied said Notice are attached hereto as Exhibit A, and the allegations of fact contained in said Notice and in said resolution are, by this reference, incorporated herein and made a part hereof.

9. The name of the defendant seeking to issue the bonds is the Municipal Electric Authority of Georgia.

10. MEAG Power adopted its Power Revenue Bond Resolution on August 30, 1976, as heretofore supplemented, amended and restated, including as supplemented, amended and restated by the Second Amended and Restated Power Revenue Bond Resolution adopted by MEAG Power on December 16, 2011 (the “**Second Amended and Restated Power Resolution**”; such Power Revenue Bond Resolution, as so supplemented, amended and restated, is hereinafter referred to as the “**Power Resolution**”), and its General Power Revenue Bond Resolution on March 22, 1978, readopted April 19, 1978, as heretofore supplemented, amended and restated, including as supplemented, amended and restated by the Second Amended and Restated General

Power Revenue Bond Resolution adopted by MEAG Power on December 16, 2011 (the “**Second Amended and Restated General Resolution**”; such General Power Revenue Bond Resolution, as so supplemented, amended and restated, is hereinafter referred to as the “**General Resolution**”). Also on December 16, 2011, MEAG Power adopted its Supplemental Resolution (the “**Power Resolution Amendatory Supplemental Resolution**”) amending the Power Resolution upon the occurrence of certain conditions set forth therein, and its Supplemental Resolution (the “**General Resolution Amendatory Supplemental Resolution**”) amending the General Resolution upon the occurrence of certain conditions set forth therein. The General Resolution Amendatory Supplemental Resolution and the Power Resolution Amendatory Supplemental Resolution are hereinafter collectively referred to as the “**Amendatory Supplemental Resolutions.**” [NTD: Don’t we need to have the actual 12/16/11 Second Amended and Restated Bond Resolutions (perhaps in blacklined forms, so it is obvious what was changed?) and Amendatory Supplemental Resolutions before the Court? Should they be exhibits to the Notice?]

11. The Power Resolution provides for the issuance of senior bonds (the “**Power Revenue Bonds**”) which shall be direct and general obligations of MEAG Power.

12. Pursuant to the provisions of the Power Resolution, MEAG Power has validated and confirmed \$_____ of Power Revenue Bonds and the security therefor, authorized to be issued as the “**Initial Facilities Issue,**” as defined in the Power Resolution and pursuant to Section 203 thereof, for the purpose of financing the “**Cost of Acquisition and Construction**” of the “**Initial Facilities,**” both as defined in the Power Resolution, and \$_____ of Power Revenue Bonds authorized to be issued as “**Additional Bonds,**” as defined in the Power Resolution, [NTD: not sure this is correct: for the purpose of financing the Cost of Acquisition and Construction of the Initial Facilities pursuant to subsection 1 of Section 204 of the Power

Resolution and] for the purpose of financing the Cost of Acquisition and Construction of any “**Additional Facilities**,” as defined in the Power Resolution and pursuant to subsection 2 of Section 204 thereof.

13. In addition, pursuant to the Power Resolution, MEAG Power has validated and confirmed \$ _____ of Power Revenue Bonds and the security therefor, authorized to be issued as “**Refunding Bonds**,” as defined in the Power Resolution and pursuant to Section 205 thereof.

14. MEAG Power has a total of \$ _____ in principal amount of validated but unissued Power Revenue Bonds authorized to be issued as “**Additional Bonds**,” as defined in the Power Resolution, and a total of \$ _____ in principal amount of validated but unissued Power Revenue Bonds authorized to be issued as “**Refunding Bonds**,” as defined in the Power Resolution.

15. The General Resolution provides for the issuance of senior bonds (the “**General Power Revenue Bonds**”) which shall be direct and general obligations of MEAG Power.

16. Pursuant to the provisions of the General Resolution, MEAG Power has validated and confirmed \$ _____ of General Power Revenue Bonds and the security therefor, authorized to be issued as the “**Initial Facilities Issue**,” as defined in the General Resolution and pursuant to Section 203 thereof, for the purpose of financing the “**Cost of Acquisition and Construction**” of the “**Initial Facilities**” of “**Project Two**,” each as defined in the General Resolution, and \$ _____ of General Power Revenue Bonds authorized to be issued as “**Additional Bonds**,” as defined in the General Resolution, [NTD: not sure this is correct: for the purpose of financing the Cost of Acquisition and Construction of the Initial Facilities pursuant to subsection 1 of Section 204 of the General Resolution,] for the purpose of financing the Costs of

Acquisition and Construction of any “**Capital Improvements**,” as defined in the General Resolution, for Project Two and pursuant to subsection 2 of Section 204 thereof, and \$_____ of General Power Revenue Bonds authorized to be issued as “**Additional Bonds**” for the purpose of financing the Cost of Acquisition and Construction of “**Project Three**” and “**Project Four**,” both as defined in the General Resolution and pursuant to Section 205 thereof.

17. In addition, pursuant to the General Resolution, MEAG Power has validated and confirmed \$_____ of General Power Revenue Bonds and the security therefor, authorized to be issued as “**Refunding Bonds**,” as defined in the General Resolution and pursuant to Section 206 thereof.

18. MEAG Power has a total of \$ _____ in principal amount of validated but unissued General Power Revenue Bonds authorized to be issued as “**Additional Bonds**,” as defined in the General Resolution, and a total of \$ _____ in principal amount of validated but unissued General Power Revenue Bonds authorized to be issued as “**Refunding Bonds**,” as defined in the General Resolution.

19. Pursuant to the provisions of the Power Resolution and General Resolution, respectively, MEAG Power adopted its Project One Subordinated Bond Resolution on October 20, 1982, as heretofore supplemented and amended (the “**Project One Subordinated Bond Resolution**”), and its General Resolution Projects Subordinated Bond Resolution on November 1, 1985, as heretofore supplemented and amended (the “**General Resolution Projects Subordinated Bond Resolution**”). MEAG Power subordinated bonds authorized to be issued as “**Subordinated Bonds**” pursuant to Section 513 of, and as defined in, the Power Resolution are hereinafter referred to in this Petition and Complaint as “**Project One Subordinated Bonds**.” MEAG Power subordinated bonds authorized to be issued as “**Subordinated Bonds**” pursuant to

Section 513 of, and as defined in, the General Resolution are hereinafter referred to in this Petition and Complaint as “**General Resolution Projects Subordinated Bonds.**” All such Subordinated Bonds issued for the purpose of financing Project Two are hereinafter referred to in this Petition and Complaint as “**Project Two Subordinated Bonds.**” All such Subordinated Bonds issued for the purpose of financing Project Three are hereinafter referred to in this Petition and Complaint as “**Project Three Subordinated Bonds.**” All such Subordinated Bonds issued for the purpose of financing Project Four are hereinafter referred to in this Petition and Complaint as “**Project Four Subordinated Bonds.**”

20. The Superior Court of Fulton County, Georgia has entered judgments validating and confirming “**Bonds**” and “**Subordinated Bonds**” as defined in the Power Resolution, as applicable, to be issued pursuant to the Power Resolution, and the security therefor, in the following cases: State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. C-22478, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. C-93765, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. D-2877, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. D-23772, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. D-29002, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. D-42431, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. E-1178, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. E-12561, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. E-49832, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. 2004 CV 94098 and State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. 2009 CV 174900. The Superior Court of Fulton County, Georgia has entered judgments

validating and confirming “**Bonds**” and “**Subordinated Bonds**” as defined in the General Resolution, as applicable, to be issued pursuant to the General Resolution, and the security therefor, in the following cases: State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. C-40127, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. C-65678, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. D-3516, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. D-29002, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. D-42431, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. E-1178, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. E-12561, State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. 2004 CV 94098 and State of Georgia vs. Municipal Electric Authority of Georgia, et al., Civil Action No. 2009 CV 174900. The records in all of said validation proceedings are by this reference incorporated herein and made a part hereof.

21. MEAG Power entered into Project One Power Sales Contracts dated as of October 1, 1975, with each of the defendant political subdivisions, commissions and boards, except the City of Acworth, City of Oxford, City of Dalton and the Board of Water, Light and Sinking Fund Commissioners of the City of Dalton (the “**Dalton Board**”). Each of these Project One Power Sales Contracts has been amended as follows: a first amendment dated March 1, 1976; a second amendment dated May 25, 1977; a third amendment dated February 1, 1978; a fourth amendment dated May 1, 1980; a fifth amendment dated November 16, 1983; a sixth amendment dated January 1, 1986; a seventh amendment dated May 31, 1989; and the Term Extension Amendment referred to in Paragraph 25 below. MEAG Power also entered into a Project One Power Sales Contract with the City of Oxford, dated as of January 1, 1986 and a Project One Power Sales Contract with

the City of Acworth, dated as of February 1, 2002. Each of these Project One Power Sales Contracts and the amendments thereto were validated and confirmed in prior validation proceedings filed in this Court.

22. MEAG Power entered into Project Two Power Sales Contracts dated as of February 1, 1978, with each of the defendant political subdivisions, commissions and boards, except the City of Acworth, City of Oxford, City of Dalton and the Dalton Board. Each of said Project Two Power Sales Contracts has been amended as follows: a first amendment dated as of May 1, 1980; a second amendment dated January 1, 1986; and the Term Extension Amendment referred to in Paragraph 25 below. Additionally, MEAG Power entered into a Project Two Power Sales Contract with the City of Oxford, dated as of January 1, 1986. Each of the Project Two Power Sales Contracts and the amendments thereto were validated and confirmed in prior validation proceedings filed in this Court.

23. MEAG Power entered into Project Three Power Sales Contracts dated as of May 1, 1980, with each of the defendant political subdivisions, commissions and boards, except the City of Acworth, City of Oxford, City of Dalton and the Dalton Board. Each of said Project Three Power Sales Contracts has been amended as follows: a first amendment dated as of January 1, 1986; and the Term Extension Amendment referred to in Paragraph 25 below. Additionally, MEAG Power entered into a Project Three Power Sales Contract with the City of Oxford dated as of January 1, 1986. Each of the Project Three Power Sales Contracts and the amendments thereto were validated and confirmed in prior validation proceedings filed in this Court.

24. MEAG Power entered into Project Four Power Sales Contracts dated as of November 16, 1983, with each of the defendant political subdivisions, commissions and boards, except the City of Acworth, City of Oxford, City of Dalton and the Dalton Board. Each of said

Project Four Power Sales Contracts has been amended as follows: a first amendment dated January 1, 1986; and the Term Extension Amendment referred to in Paragraph 25 below. Additionally, MEAG Power entered into a Project Four Power Sales Contract with the City of Oxford dated as of January 1, 1986. Each of the Project Four Power Sales Contracts and the amendments thereto were validated and confirmed in prior validation proceedings filed in this Court.

25. As set forth above, each of the defendant political subdivisions, commissions and boards, except for the City of Dalton and the Dalton Board (the “**Participants**”), has executed an amendment to its respective Project One Power Sales Contract, Project Two Power Sales Contract, Project Three Power Sales Contract and Project Four Power Sales Contract, which, in part, extended the term of each such Project One Power Sales Contract, Project Two Power Sales Contract, Project Three Power Sales Contract and Project Four Power Sales Contract until June 1, 2054 (the “**Term Extension Amendment**”). Notwithstanding anything herein to the contrary, the City of Acworth has not entered into a Project Two Power Sales Contract, Project Three Power Sales Contract or Project Four Power Sales Contract and the term “Participant” with respect to Project Two, Project Three and Project Four shall exclude the City of Acworth. Hereinafter, (a) the Project One Power Sales Contracts entered into by and between MEAG Power and each of the defendant Participants as amended by those certain amendments described in Paragraph 21 shall be referred to as the “**Project One Power Sales Contracts**,” the Project Two Power Sales Contracts entered into by and between MEAG Power and each of the defendant Participants as amended by those certain amendments described in Paragraph 22 shall be referred to as the “**Project Two Power Sales Contracts**,” the Project Three Power Sales Contracts entered into by and between MEAG Power and each of the defendant Participants as amended by those certain amendments described in Paragraph 23 shall be referred to as the “**Project Three Power Sales**

Contracts,” and the Project Four Power Sales Contracts entered into by and between MEAG Power and each of the defendant Participants as amended by those certain amendments described in Paragraph 24 shall be referred to as the “**Project Four Power Sales Contracts**” and (b) the “project” undertaken by MEAG Power pursuant to the Project One Power Sales Contracts shall be referred to as “**Project One,**” the “project” undertaken by MEAG Power pursuant to the Project Two Power Sales Contracts shall be referred to as “**Project Two,**” the “project” undertaken by MEAG Power pursuant to the Project Three Power Sales Contracts shall be referred to as “**Project Three,**” and the “project” undertaken by MEAG Power pursuant to the Project Four Power Sales Contracts shall be referred to as “**Project Four.**” The Project Two Power Sales Contracts, Project Three Power Sales Contracts and Project Four Power Sales Contracts are hereinafter referred to collectively as the “**General Resolution Power Sales Contracts.**”

26. Each of the Project One Power Sales Contracts, Project Two Power Sales Contracts, Project Three Power Sales Contracts and Project Four Power Sales Contracts shall remain in full force and effect until June 1, 2054 and is enforceable against MEAG Power and each of the aforesaid Participants in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and to the exercise of judicial discretion in appropriate cases.

COUNT ONE

ADDITIONAL PROJECT ONE SENIOR BONDS

27. The allegations of Paragraphs 1 through 26 of this Petition and Complaint are, by this reference, incorporated herein and made a part hereof.

28. The Power Resolution provides for the issuance of Power Revenue Bonds, which shall be direct and general obligations of MEAG Power.

29. The Act provides in O.C.G.A. § 46-3-131(b) that bonds of MEAG Power may be issued, among other purposes, “to provide funds to pay . . . all costs included in the definition of ‘cost of projects’ as defined in Code Section 46-3-111 . . . [and] bonds may . . . be issued to pay off, refund or refinance any outstanding bonds or other obligation of any nature owed by [MEAG Power], whether or not such bonds or other obligations shall then be subject to redemption. . . .”

30. MEAG Power has a total of \$ _____ in principal amount of validated but unissued Power Revenue Bonds. MEAG Power has determined pursuant to a resolution adopted on April 19, 2018 and attached to the Notice as Exhibit “1” (the “**Validation Resolution**”) that it is now necessary and advisable to validate additional Power Revenue Bonds (the “**Additional Project One Senior Bonds**”) in an aggregate principal amount, together with the Additional Project One Subordinated Bonds (defined below) sought to be validated pursuant to Count Two below, of \$4,706,900,000, it being understood that such aggregate principal amount (A) may be issued entirely as “**Additional Bonds**,” entirely as “**Refunding Bonds**” (as each is defined in the Power Resolution) or in such lesser amount(s) of either or both thereof as determined by MEAG Power and (B) may be issued entirely as Additional Project One Senior Bonds, entirely as Additional Project One Subordinated Bonds or in any combination thereof as determined by MEAG Power. The purposes for which the Additional Project One Senior Bonds now sought to be validated are to be issued are (a) to provide funds for the payment of all or a portion of the Cost of Acquisition and Construction of any Additional Facilities of Project One as provided in subsection 2 of Section 204 of the Power Resolution and (b) to provide funds to refund all or a portion of the Outstanding Power Revenue Bonds of one or more Series as provided in subsection 1 of Section 205 of the Power Resolution.

31. MEAG Power has based its determination of the amount of Additional Project One Senior Bonds sought to be validated on a number of considerations, including MEAG Power's expected capital requirements for Project One and the respective amounts of Power Revenue Bonds and Project One Subordinated Bonds outstanding and capable of being refunded.

32. It is provided by the Act, O.C.G.A. § 46-3-131(g), that the Notice to the District Attorney of MEAG Power's intention to issue its bonds shall set forth, among other things, the amount of principal to be paid in each year during the life of the bonds or the method or formula by which such amounts shall be determined. By reason of MEAG Power's intention to issue the Additional Project One Senior Bonds now sought to be validated in separate series, the magnitude of the Project authorized by the Power Resolution, and the impracticability of determining the amount of principal of each separate series or installment to be required for the construction, renewal, replacement, repair, and other components of such Project in each year during the life of the bonds, as well as the amount of principal of each separate series or installment to be required for purposes of refunding Power Revenue Bonds or Project One Subordinated Bonds, a method or formula by which such amounts shall be determined has been provided in the Notice to the District Attorney attached hereto as Exhibit A and incorporated herein in its entirety by this reference. The District Attorney of the Atlanta Judicial Circuit of the State of Georgia hereby claims and asserts that the method or formula set forth in the Notice attached hereto fully complies in all respects with the requirements set forth by the Act in O.C.G.A. § 46-3-131(g).

33. It is provided by the Act, O.C.G.A. § 46-3-131(h), that this Petition and Complaint state, among other things, the amount of principal and interest to be paid annually or the method or formula by which the amount of such payments shall be determined. By reason of MEAG Power's intention to issue the Additional Project One Senior Bonds now sought to be validated in

separate series, the magnitude of the Project authorized by the Power Resolution, and the impracticability of determining the amount of principal of each separate series or installment to be required for the construction, renewal, replacement, repair, and other components of such Project in each year during the life of the bonds, as well as the amount of principal of each separate series or installment to be required for purposes of refunding Power Revenue Bonds or Project One Subordinated Bonds, MEAG Power intends to deploy the identical method or formula by which such amounts shall be determined as has been provided in the Notice to the District Attorney attached hereto as Exhibit A and incorporated herein in its entirety by this reference. The District Attorney of the Atlanta Judicial Circuit of the State of Georgia hereby claims and asserts that the method or formula set forth in the Notice attached hereto fully complies in all respects with the requirements set forth by the Act in O.C.G.A. § 46-3-131(h).

34. The Additional Project One Senior Bonds of any series or installment now sought to be validated are to be issued on or prior to December 31, 2034 and the date by which such Additional Project One Senior Bonds are to be paid in full shall not be later than June 1, 2054. Notwithstanding the foregoing, in the event that any Additional Project One Senior Bonds are to be issued to refund any Power Revenue Bonds or Project One Subordinated Bonds, such Additional Project One Senior Bonds may be issued not later than December 31, 2044.

35. The interest rate or rates that the Additional Project One Senior Bonds of any series or installment now sought to be validated, when issued, are to bear shall not exceed 25% per annum.

36. The Additional Project One Senior Bonds now sought to be validated are to be secured on a parity with the previously validated Power Revenue Bonds and any other “Bonds” (as such term is defined in the Power Resolution) issued or to be issued by MEAG Power. MEAG

Power is authorized to issue Bonds on a parity with the Power Revenue Bonds. The security to be pledged to the payment of the Additional Project One Senior Bonds now sought to be validated is the Trust Estate (as such term is defined in the Power Resolution) created pursuant to the Power Resolution. In addition, MEAG Power may agree to establish and maintain other reserves for the payment of any Additional Project One Senior Bonds.

37. As provided in the Act and in the Project One Power Sales Contracts, the Additional Project One Senior Bonds now sought to be validated shall be payable from the aforesaid assets of MEAG Power, and the issuance of such Additional Project One Senior Bonds shall not obligate the State or any political subdivision thereof to levy or pledge any form of taxation whatever for the payment thereof.

38. The Additional Project One Senior Bonds now sought to be validated will in no way constitute a debt of the State or of any political subdivision thereof, within the meaning of any constitutional or statutory limitation, or pledge the faith and credit of the State or of any such political subdivision, nor shall the State or any such political subdivision be subject to any pecuniary liability thereon, and no owner of any of such Additional Project One Senior Bonds or receiver or trustee in connection therewith shall ever have the right to compel the exercise of the taxing power of the State or of any such political subdivision to pay the principal thereof or the interest thereon. No such Additional Project One Senior Bonds shall constitute a charge, lien or encumbrance, legal or equitable, upon any property of the State or any political subdivision thereof, but shall be an obligation of MEAG Power payable from the sources set forth in Paragraph 36 of this Count One.

39. The Participants can never be compelled to exercise their powers of taxation to pay the Additional Project One Senior Bonds now sought to be validated or the interest thereon, but

by reason of the Participants having been expressly authorized by the Constitution of the State, Article IX, Section III, Paragraph I(a), to incur the obligations created by the Project One Power Sales Contracts, the power of said Participants to levy taxes, if necessary, to pay the obligations that the Constitution authorizes them to incur, including such obligations as may be incurred on account of payments required to be made by reason of a default by any of said Participants in payments due under any Project One Power Sales Contract in accordance with the provisions of Sections 306(b)(1)(B) and 306(c)(1)(B) of the Project One Power Sales Contracts, or by reason of a transfer of power pursuant to a default, in accordance with the provisions of Section 604 of the Project One Power Sales Contracts, grows out of and, as a matter of law, is a part of the power given by the Constitution to incur such obligations.

40. While none of the contracts referred to in Paragraph 21 hereof is pledged as security for the payment of the Additional Project One Senior Bonds, all payments required to be made by the defendant Participants pursuant to the provisions of Article III of the Project One Power Sales Contracts between the defendant Participants and MEAG Power and all other payments attributable to Project One or to the Annual Project Costs, as said Project and Annual Project Costs are defined in said Project One Power Sales Contracts, which payments are to be made in accordance with or pursuant to any provision of the Project One Power Sales Contracts, are required to be sufficient to provide, among other things, for the payment of the Additional Project One Senior Bonds.

41. The Additional Project One Senior Bonds now sought to be validated will be direct and general obligations of MEAG Power, payable from the sources set forth in Paragraph 36 of this Count One. The actual payments, however, to be received by MEAG Power pursuant to the provisions of Article III of the Project One Power Sales Contracts, which payments are to be made

by the defendant Participants contracting with MEAG Power for electric power and energy for use by such Participants or the residents thereof, are required to be sufficient to provide, among other things, for the payment of the Additional Project One Senior Bonds, and the amounts contracted to be paid by such Participants to MEAG Power under such contract or contracts entered into pursuant to the provisions of said Act shall constitute general obligations of such Participants for the payment of which the full faith and credit of such Participants may be pledged to provide the funds required to fulfill all obligations arising under any such contract. Any such Participant that shall have entered into such a contract pursuant to the provisions of the Act shall annually in each and every fiscal year during the term of such contract include in a general revenue or appropriation measure, whether or not any other items are included, sums sufficient to satisfy the payments required to be made in each year by such contract until all payments required under such contract have been paid in full. In the event for any reason any such provision or appropriation is not made, then the fiscal officers of such Participant are authorized and directed to set up as an appropriation on its accounts in each fiscal year the amounts required to pay the obligations called for under any such contract. The amount of the appropriation in each fiscal year to meet the obligations of such contract as authorized and required by the provisions of the Act shall be due and payable and shall be expended for the purpose of paying and meeting the obligations provided under the terms and conditions of said contract, and such appropriation shall have the same legal status as if the contracting Participant had included the amount of the appropriation in its general revenue or appropriation measure. Pursuant to the provisions of the Act, such fiscal officers shall make such payment to MEAG Power if for any reason such appropriation is not otherwise made. Any such Participant may obligate itself and its successors to use only those projects for which it has contracted and none other, provided, however, that so long as electric power and energy shall

actually be received by any such Participant from any facility or facilities of Project One, the Entitlement Share of Annual Project Costs of such Participant shall be paid by such Participant as a cost of purchased electric power and energy for the electric system of such Participant and as an expense of operation and maintenance thereof.

42. The District Attorney, pursuant to the laws of the State, in particular O.C.G.A. § 9-11-52, waives, in the name of the State, the requirement that separate findings of fact and conclusions of law be entered in this action.

WHEREFORE, your petitioner, within twenty days from the date of service of said written Notice, files this Count One of this Petition and Complaint as required by law and prays an order requiring the aforesaid defendants (in the case of corporate defendants, by their officers) to show cause at such time and place as may be fixed by the court within twenty days after the filing of this Petition and Complaint, why: (i) the Power Resolution, as heretofore supplemented, amended and restated, including, particularly, the amendments thereto effected by the Second Amended and Restated Power Resolution and the amendments thereto to be effected by the Power Resolution Amendatory Supplemental Resolution, and (ii) the Additional Project One Senior Bonds in an aggregate principal amount, together with the Additional Project One Subordinated Bonds sought to be validated pursuant to Count Two below, of \$4,706,900,000 to be issued from time to time in separate series or installments in accordance with the provisions of the Power Resolution and the security therefor, it being understood that such aggregate principal amount may be issued entirely as “**Additional Bonds**,” entirely as “**Refunding Bonds**” (as each is defined in the Power Resolution) or in such lesser amount(s) of either or both thereof as determined by MEAG Power, should not be confirmed and validated, and that (a) upon the Court granting each and every prayer requested herein by the execution of an Order and Final Judgment prepared with

the consent of defendants, (b) following the filing of verified answers by each of the defendants admitting and averring to each of the allegations contained herein and (c) following the required hearing without motion for or intervention by any other party, the State of Georgia, by and through the undersigned, be granted the right to waive the time to allow and otherwise assert any right of appeal or post-judgment relief from said Order and Final Judgment, for which plaintiff shall be deemed to have so waived and consented upon entry of said Order and Final Judgment.

COUNT TWO

ADDITIONAL PROJECT ONE SUBORDINATED BONDS

43. The allegations of Paragraphs 1 through 26 of this Petition and Complaint are, by this reference, incorporated herein and made a part hereof.

44. The Power Resolution and the Project One Subordinated Bond Resolution provide for the issuance of Project One Subordinated Bonds, which shall be direct and general obligations of MEAG Power. The Project One Subordinated Bonds are subject to the pledge of any revenues or funds of MEAG Power to holders of the Power Revenue Bonds or other evidences of indebtedness.

45. The Act provides in O.C.G.A. § 46-3-131(b) that bonds of MEAG Power may be issued, among other purposes, “to provide funds to pay . . . all costs included in the definition of ‘cost of projects’ as defined in Code Section 46-3-111 . . . [and] bonds may . . . be issued to pay off, refund or refinance any outstanding bonds or other obligation of any nature owed by [MEAG Power], whether or not such bonds or other obligations shall then be subject to redemption. . . .”

46. MEAG Power has a total of \$_____ in principal amount of validated but unissued Project One Subordinated Bonds. MEAG Power has determined pursuant to the Validation Resolution that it is now necessary and advisable to validate additional Project One Subordinated Bonds (the “**Additional Project One Subordinated Bonds**”) in an aggregate

principal amount, together with the Additional Project One Senior Bonds sought to be validated pursuant to Count One above, of \$4,706,900,000, it being understood that such aggregate principal amount may be issued entirely as Additional Project One Senior Bonds, entirely as Additional Project One Subordinated Bonds or in any combination thereof as determined by MEAG Power. The pledge of the revenues or funds of MEAG Power to holders of the Additional Project One Subordinated Bonds now sought to be validated shall be subordinate to the pledge of said revenues or funds to holders of the Power Revenue Bonds and the Additional Project One Senior Bonds.

47. The Additional Project One Subordinated Bonds now sought to be validated are to be issued for any one or more of the purposes set forth in subsection 2 of Section 511 of the Power Resolution.

48. The Project One Power Sales Contracts, Section 102(f), define “**Bonds**” to mean bonds issued by MEAG Power pursuant to the provisions of the Power Resolution to finance or refinance the Cost of Acquisition and Construction of Project One, “whether or not any issue of such bonds shall be subordinated as to payment to any other issue of such bonds. . . .”

49. MEAG Power has based its determination of the amount of Additional Project One Subordinated Bonds sought to be validated on a number of considerations, including MEAG Power’s expected capital requirements for Project One and the respective amounts of Power Revenue Bonds and Project One Subordinated Bonds outstanding and capable of being refunded.

50. It is provided by the Act, O.C.G.A. § 46-3-131(g), that the Notice to the District Attorney of MEAG Power’s intention to issue its bonds shall set forth, among other things, the amount of principal to be paid in each year during the life of the bonds or the method or formula by which such amounts shall be determined. By reason of MEAG Power’s intention to issue the Additional Project One Subordinated Bonds now sought to be validated in separate series, the

magnitude of the Project authorized by the Power Resolution, and the impracticability of determining the amount of principal of each separate series or installment to be required for the construction, renewal, replacement, repair, and other components of such Project in each year during the life of the bonds, as well as the amount of principal of each separate series or installment to be required for purposes of refunding Power Revenue Bonds or Project One Subordinated Bonds, a method or formula by which such amounts shall be determined has been provided in the Notice to the District Attorney attached hereto as Exhibit A and incorporated herein in its entirety by this reference. The District Attorney of the Atlanta Judicial Circuit of the State of Georgia hereby claims and asserts that the method or formula set forth in the Notice attached hereto fully complies in all respects with the requirements set forth by the Act in O.C.G.A. § 46-3-131(g).

51. It is provided by the Act, O.C.G.A. § 46-3-131(h), that this Petition and Complaint state, among other things, the amount of principal and interest to be paid annually or the method or formula by which the amount of such payments shall be determined. By reason of MEAG Power's intention to issue the Additional Project One Subordinated Bonds now sought to be validated in separate series, the magnitude of the Project authorized by the Power Resolution, and the impracticability of determining the amount of principal of each separate series or installment to be required for the construction, renewal, replacement, repair, and other components of such Project in each year during the life of the bonds, as well as the amount of principal of each separate series or installment to be required for purposes of refunding Power Revenue Bonds or Project One Subordinated Bonds, MEAG Power intends to deploy the identical method or formula by which such amounts shall be determined as has been provided in the Notice to the District Attorney attached hereto as Exhibit A and incorporated herein in its entirety by this reference. The District

Attorney of the Atlanta Judicial Circuit of the State of Georgia hereby claims and asserts that the method or formula set forth in the Notice attached hereto fully complies in all respects with the requirements set forth by the Act in O.C.G.A. § 46-3-131(h).

52. The Additional Project One Subordinated Bonds of any series or installment now sought to be validated are to be issued on or prior to December 31, 2034 and the date by which such Additional Project One Subordinated Bonds are to be paid in full shall not be later than June 1, 2054. Notwithstanding the foregoing, in the event that any Additional Project One Subordinated Bonds are to be issued to refund any Power Revenue Bonds or Project One Subordinated Bonds, such Additional Project One Subordinated Bonds may be issued not later than December 31, 2044.

53. The interest rate or rates that the Additional Project One Subordinated Bonds of any series or installment now sought to be validated, when issued, are to bear shall not exceed 25% per annum.

54. The Additional Project One Subordinated Bonds now sought to be validated are to be secured on a parity with the previously validated Project One Subordinated Bonds and any other “Subordinated Bonds” (as such term is defined in the Power Resolution) issued or to be issued by MEAG Power. MEAG Power is authorized to issue additional Project One Debt Securities (as defined in the Project One Subordinated Bond Resolution) on a parity with the Project One Subordinated Bonds. The security to be pledged to the payment of the Additional Project One Subordinated Bonds now sought to be validated is the Subordinated Bond Fund created pursuant to the Power Resolution, including the investments, if any, thereof; provided, however, that such pledge shall be subordinate in all respects to the pledge of Revenues (as defined in the Power Resolution), moneys, securities and funds created by the Power Resolution as security for the Power Revenue Bonds and the Additional Project One Senior Bonds. In addition, MEAG Power

may agree to establish and maintain other reserves for the payment of any Additional Project One Subordinated Bonds, subject to the pledge of any such reserves to the payment of the Power Revenue Bonds and Additional Project One Senior Bonds as described herein.

55. As provided in the Act and in the Project One Power Sales Contracts, the Additional Project One Subordinated Bonds now sought to be validated shall be payable from the aforesaid assets of MEAG Power, and the issuance of such Additional Project One Subordinated Bonds shall not obligate the State or any political subdivision thereof to levy or pledge any form of taxation whatever for the payment thereof.

56. The Additional Project One Subordinated Bonds now sought to be validated will in no way constitute a debt of the State or of any political subdivision thereof, within the meaning of any constitutional or statutory limitation, or pledge the faith and credit of the State or of any such political subdivision, nor shall the State or any such political subdivision be subject to any pecuniary liability thereon, and no owner of any of such Additional Project One Subordinated Bonds or receiver or trustee in connection therewith shall ever have the right to compel the exercise of the taxing power of the State or of any such political subdivision to pay the principal thereof or the interest thereon. No such Additional Project One Subordinated Bonds shall constitute a charge, lien or encumbrance, legal or equitable, upon any property of the State or any political subdivision thereof, but shall be an obligation of MEAG Power payable from the sources set forth in Paragraph 54 of this Count Two.

57. The Participants can never be compelled to exercise their powers of taxation to pay the Additional Project One Subordinated Bonds now sought to be validated or the interest thereon, but by reason of the Participants having been expressly authorized by the Constitution of the State, Article IX, Section III, Paragraph I(a), to incur the obligations created by the Project One Power

Sales Contracts, the power of said Participants to levy taxes, if necessary, to pay the obligations that the Constitution authorizes them to incur, including such obligations as may be incurred on account of payments required to be made by reason of a default by any of said Participants in payments due under any Project One Power Sales Contract in accordance with the provisions of Sections 306(b)(1)(B) and 306(c)(1)(B) of the Project One Power Sales Contracts, or by reason of a transfer of power pursuant to a default, in accordance with the provisions of Section 604 of the Project One Power Sales Contracts, grows out of and, as a matter of law, is a part of the power given by the Constitution to incur such obligations.

58. While none of the contracts referred to in Paragraph 21 hereof is pledged as security for the payment of the Additional Project One Subordinated Bonds, all payments required to be made by the defendant Participants pursuant to the provisions of Article III of the Project One Power Sales Contracts between the defendant Participants and MEAG Power and all other payments attributable to Project One or to the Annual Project Costs, as said Project and Annual Project Costs are defined in said Project One Power Sales Contracts, which payments are to be made in accordance with or pursuant to any provision of the Project One Power Sales Contracts, are required to be sufficient to provide, among other things, for the payment of the Additional Project One Subordinated Bonds.

59. The Additional Project One Subordinated Bonds now sought to be validated will be direct and general obligations of MEAG Power, payable from the sources set forth in Paragraph 54 this Count Two. The actual payments, however, to be received by MEAG Power pursuant to the provisions of Article III of the Project One Power Sales Contracts, which payments are to be made by the defendant Participants contracting with MEAG Power for electric power and energy for use by such Participants or the residents thereof, are required to be sufficient to provide, among

other things, for the payment of the Additional Project One Subordinated Bonds, and the amounts contracted to be paid by such Participants to MEAG Power under such contract or contracts entered into pursuant to the provisions of said Act shall constitute general obligations of such Participants for the payment of which the full faith and credit of such Participants may be pledged to provide the funds required to fulfill all obligations arising under any such contract. Any such Participant that shall have entered into such a contract pursuant to the provisions of the Act shall annually in each and every fiscal year during the term of such contract include in a general revenue or appropriation measure, whether or not any other items are included, sums sufficient to satisfy the payments required to be made in each year by such contract until all payments required under such contract have been paid in full. In the event for any reason any such provision or appropriation is not made, then the fiscal officers of such Participant are authorized and directed to set up as an appropriation on its accounts in each fiscal year the amounts required to pay the obligations called for under any such contract. The amount of the appropriation in each fiscal year to meet the obligations of such contract as authorized and required by the provisions of the Act shall be due and payable and shall be expended for the purpose of paying and meeting the obligations provided under the terms and conditions of said contract, and such appropriation shall have the same legal status as if the contracting Participant had included the amount of the appropriation in its general revenue or appropriation measure. Pursuant to the provisions of the Act, such fiscal officers shall make such payment to MEAG Power if for any reason such appropriation is not otherwise made. Any such Participant may obligate itself and its successors to use only those projects for which it has contracted and none other, provided, however, that so long as electric power and energy shall actually be received by any such Participant from any facility or facilities of Project One, the Entitlement Share of Annual Project Costs of such Participant shall be paid by such Participant as

a cost of purchased electric power and energy for the electric system of such Participant and as an expense of operation and maintenance thereof.

60. The District Attorney, pursuant to the laws of the State, in particular O.C.G.A. § 9-11-52, waives, in the name of the State, the requirement that separate findings of fact and conclusions of law be entered in this action.

WHEREFORE, your petitioner, within twenty days from the date of service of said written Notice, files this Count Two of this Petition and Complaint as required by law and prays an order requiring the aforesaid defendants (in the case of corporate defendants, by their officers) to show cause at such time and place as may be fixed by the court within twenty days after the filing of this Petition and Complaint, why: (i) the Power Resolution, as heretofore supplemented, amended and restated, including, particularly, the amendments thereto effected by the Second Amended and Restated Power Resolution and the amendments thereto to be effected by the Power Resolution Amendatory Supplemental Resolution, and (ii) the Additional Project One Subordinated Bonds in an aggregate principal amount, together with the Additional Project One Senior Bonds sought to be validated pursuant to Count One above, of \$4,706,900,000 to be issued from time to time in separate series or installments in accordance with the provisions of the Power Resolution and the Project One Subordinated Bond Resolution and the security therefor should not be confirmed and validated, and that (a) upon the Court granting each and every prayer requested herein by the execution of an Order and Final Judgment prepared with the consent of defendants, (b) following the filing of verified answers by each of the defendants admitting and averring to each of the allegations contained herein and (c) following the required hearing without motion for or intervention by any other party, the State of Georgia, by and through the undersigned, be granted the right to waive the time to allow and otherwise assert any right of appeal or post-judgment relief

from said Order and Final Judgment, for which plaintiff shall be deemed to have so waived and consented upon entry of said Order and Final Judgment.

COUNT THREE

ADDITIONAL GENERAL RESOLUTION PROJECTS SENIOR BONDS

61. The allegations of Paragraphs 1 through 26 of this Petition and Complaint are, by this reference, incorporated herein and made a part hereof.

62. The General Resolution provides for the issuance of General Power Revenue Bonds, which shall be direct and general obligations of MEAG Power.

63. The Act provides in O.C.G.A. § 46-3-131(b) that bonds of MEAG Power may be issued, among other purposes, “to provide funds to pay . . . all costs included in the definition of ‘cost of projects’ as defined in Code Section 46-3-111 . . . [and] bonds may. . . be issued to pay off, refund or refinance any outstanding bonds or other obligation of any nature owed by [MEAG Power], whether or not such bonds or other obligations shall then be subject to redemption. . . .”

64. MEAG Power has a total of \$_____, \$_____ and \$_____ in principal amount of validated but unissued General Power Revenue Bonds for Project Two, Project Three and Project Four, respectively. MEAG Power has determined pursuant to the Validation Resolution that it is now necessary and advisable to validate: (i) additional General Power Revenue Bonds to be issued for Project Two (the “**Additional Project Two Senior Bonds**”) in an aggregate principal amount, together with the Additional Project Two Subordinated Bonds (defined below) sought to be validated pursuant to Count Four below, of \$318,800,000; (ii) additional General Power Revenue Bonds to be issued for Project Three (the “**Additional Project Three Senior Bonds**”) in an aggregate principal amount, together with the Additional Project Three Subordinated Bonds (defined below) sought to be validated pursuant to Count Four below, of \$686,000,000; and (iii) additional General Power Revenue Bonds to be

issued for Project Four (the “**Additional Project Four Senior Bonds**”) in an aggregate principal amount, together with the Additional Project Four Subordinated Bonds (defined below) sought to be validated pursuant to Count Four below, of \$392,100,000. The Additional Project Two Senior Bonds, the Additional Project Three Senior Bonds and the Additional Project Four Senior Bonds are hereinafter collectively referred to as the “**Additional General Resolution Projects Senior Bonds.**” The Additional General Resolution Projects Senior Bonds now sought to be validated (A) may be issued entirely as “**Additional Bonds,**” entirely as “**Refunding Bonds**” (as each is defined in the General Resolution) or in such lesser amount(s) of either or both thereof as determined by MEAG Power and (B) may be issued entirely as Additional General Resolution Projects Senior Bonds, entirely as Additional General Resolution Projects Subordinated Bonds (defined below) or in any combination thereof as determined by MEAG Power.

65. The purposes for which the Additional Project Two Senior Bonds now sought to be validated are to be issued are (a) to provide funds for the payment of all or a portion of the Cost of Acquisition and Construction of any Capital Improvements for Project Two as provided in subsection 2 of Section 204 of the General Resolution and (b) to provide funds to refund all or a portion of the Outstanding General Power Revenue Bonds issued for Project Two of one or more Series as provided in subsection 1 of Section 206 of the General Resolution. The purposes for which the Additional Project Three Senior Bonds now sought to be validated are to be issued are (a) to provide funds for the payment of all or a portion of the Cost of Acquisition and Construction of any Capital Improvements for Project Three as provided in subsection 5 of Section 205 of the General Resolution and (b) to provide funds to refund all or a portion of the Outstanding General Power Revenue Bonds issued for Project Three of one or more Series as provided in subsection 1 of Section 206 of the General Resolution. The purposes for which the Additional Project Four

Senior Bonds now sought to be validated are to be issued are (a) to provide funds for the payment of all or a portion of the Cost of Acquisition and Construction of any Capital Improvements for Project Four as provided in subsection 5 of Section 205 of the General Resolution and (b) to provide funds to refund all or a portion of the Outstanding General Power Revenue Bonds issued for Project Four of one or more Series as provided in subsection 1 of Section 206 of the General Resolution.

66. MEAG Power has based its determination of the amount of Additional General Resolution Projects Senior Bonds sought to be validated on a number of considerations, including MEAG Power's expected capital requirements for Project Two, Project Three and Project Four and the respective amounts of General Power Revenue Bonds and General Resolution Projects Subordinated Bonds outstanding and capable of being refunded.

67. It is provided by the Act, O.C.G.A. § 46-3-131(g), that the Notice to the District Attorney of MEAG Power's intention to issue its bonds shall set forth, among other things, the amount of principal to be paid in each year during the life of the bonds or the method or formula by which such amounts shall be determined. By reason of MEAG Power's intention to issue the Additional General Resolution Projects Senior Bonds now sought to be validated in separate series, the magnitude of the respective Projects authorized by the General Resolution, and the impracticability of determining the amount of principal of each separate series or installment to be required for the construction, renewal, replacement, repair, and other components of such Projects in each year during the life of the bonds, as well as the amount of principal of each separate series or installment to be required for purposes of refunding General Power Revenue Bonds or General Resolution Projects Subordinated Bonds, a method or formula by which such amounts shall be determined has been provided in the Notice to the District Attorney attached

hereto as Exhibit A and incorporated herein in its entirety by this reference. The District Attorney of the Atlanta Judicial Circuit of the State of Georgia hereby claims and asserts that the method or formula set forth in the Notice attached hereto fully complies in all respects with the requirements set forth by the Act in O.C.G.A. § 46-3-131(g).

68. It is provided by the Act, O.C.G.A. § 46-3-131(h), that this Petition and Complaint state, among other things, the amount of principal and interest to be paid annually or the method or formula by which the amount of such payments shall be determined. By reason of MEAG Power's intention to issue the Additional General Resolution Projects Senior Bonds now sought to be validated in separate series, the magnitude of the respective Projects authorized by the General Resolution, and the impracticability of determining the amount of principal of each separate series or installment to be required for the construction, renewal, replacement, repair, and other components of such Projects in each year during the life of the bonds, as well as the amount of principal of each separate series or installment to be required for purposes of refunding General Power Revenue Bonds or General Resolution Projects Subordinated Bonds, MEAG Power intends to deploy the identical method or formula by which such amounts shall be determined as has been provided in the Notice to the District Attorney attached hereto as Exhibit A and incorporated herein in its entirety by this reference. The District Attorney of the Atlanta Judicial Circuit of the State of Georgia hereby claims and asserts that the method or formula set forth in the Notice attached hereto fully complies in all respects with the requirements set forth by the Act in O.C.G.A. § 46-3-131(h).

69. The Additional General Resolution Projects Senior Bonds of any series or installment now sought to be validated with respect to Project Two, Project Three and Project Four are to be issued on or prior to December 31, 2034 and the date by which such Additional General

Resolution Projects Senior Bonds are to be paid in full shall not be later than June 1, 2054. Notwithstanding the foregoing, in the event that any Additional General Resolution Projects Senior Bonds are to be issued to refund any General Power Revenue Bonds or General Resolution Projects Subordinated Bonds, such Additional General Resolution Projects Senior Bonds may be issued not later than December 31, 2044.

70. The interest rate or rates that the Additional General Resolution Projects Senior Bonds of any series or installment now sought to be validated, when issued, are to bear shall not exceed 25% per annum.

71. The Additional General Resolution Projects Senior Bonds now sought to be validated are to be secured on a parity with the previously validated General Power Revenue Bonds and any other “Bonds” (as such term is defined in the General Resolution) issued or to be issued by MEAG Power. MEAG Power is authorized to issue Bonds on a parity with the General Power Revenue Bonds. The security to be pledged to the payment of the Additional General Resolution Projects Senior Bonds now sought to be validated is the Trust Estate (as such term is defined in the General Resolution) created pursuant to the General Resolution. In addition, MEAG Power may agree to establish and maintain other reserves for the payment of any Additional General Resolution Projects Senior Bonds.

72. As provided in the Act and in the General Resolution Power Sales Contracts, the Additional General Resolution Projects Senior Bonds now sought to be validated shall be payable from the aforesaid assets of MEAG Power, and the issuance of such Additional General Resolution Projects Senior Bonds shall not obligate the State or any political subdivision thereof to levy or pledge any form of taxation whatever for the payment thereof.

73. The Additional General Resolution Projects Senior Bonds now sought to be validated will in no way constitute a debt of the State or of any political subdivision thereof, within the meaning of any constitutional or statutory limitation, or pledge the faith and credit of the State or of any such political subdivision, nor shall the State or any such political subdivision be subject to any pecuniary liability thereon, and no owner of any of such Additional General Resolution Projects Senior Bonds or receiver or trustee in connection therewith shall ever have the right to compel the exercise of the taxing power of the State or of any such political subdivision to pay the principal thereof or the interest thereon. No such Additional General Resolution Projects Senior Bonds shall constitute a charge, lien or encumbrance, legal or equitable, upon any property of the State or any political subdivision thereof, but shall be an obligation of MEAG Power payable from the sources set forth in Paragraph 71 of this Count Three.

74. The Participants can never be compelled to exercise their powers of taxation to pay the Additional General Resolution Projects Senior Bonds now sought to be validated or the interest thereon, but by reason of the Participants having been expressly authorized by the Constitution of the State, Article IX, Section III, Paragraph I(a), to incur the obligations created by the General Resolution Power Sales Contracts, the power of said Participants to levy taxes, if necessary, to pay the obligations that the Constitution authorizes them to incur, including such obligations as may be incurred on account of payments required to be made by reason of a default by any of said Participants in payments due under any General Resolution Power Sales Contract in accordance with the provisions of Section 305(b)(1)(B) of the General Resolution Power Sales Contracts, grows out of and, as a matter of law, is a part of the power given by the Constitution to incur such obligations.

75. While none of the contracts referred to in Paragraphs 22, 23 and 24 hereof is pledged as security for the payment of the Additional General Resolution Projects Senior Bonds, all payments required to be made by the defendant Participants pursuant to the provisions of Article III of the General Resolution Power Sales Contracts between the defendant Participants and MEAG Power and all other payments attributable to Project Two, Project Three and Project Four or to the Annual Project Two Costs, Annual Project Three Costs and Annual Project Four Costs, as said Projects and Annual Project Costs are defined in said General Resolution Power Sales Contracts, which payments are to be made in accordance with or pursuant to any provision of the General Resolution Power Sales Contracts, are required to be sufficient to provide, among other things, for the payment of the Additional General Resolution Projects Senior Bonds.

76. The Additional General Resolution Projects Senior Bonds now sought to be validated will be direct and general obligations of MEAG Power, payable from the sources set forth in Paragraph 71 of this Count Three. The actual payments, however, to be received by MEAG Power pursuant to the provisions of Article III of the General Resolution Power Sales Contracts, which payments are to be made by the defendant Participants contracting with MEAG Power for electric power and energy for use by such Participants or the residents thereof, are required to be sufficient to provide, among other things, for the payment of the Additional General Resolution Projects Senior Bonds, and the amounts contracted to be paid by such Participants to MEAG Power under such contract or contracts entered into pursuant to the provisions of said Act shall constitute general obligations of such Participants for the payment of which the full faith and credit of such Participants may be pledged to provide the funds required to fulfill all obligations arising under any such contract. Any such Participant that shall have entered into such a contract pursuant to the provisions of the Act shall annually in each and every fiscal year during the term

of such contract include in a general revenue or appropriation measure, whether or not any other items are included, sums sufficient to satisfy the payments required to be made in each year by such contract until all payments required under such contract have been paid in full. In the event for any reason any such provision or appropriation is not made, then the fiscal officers of such Participant are authorized and directed to set up as an appropriation on its accounts in each fiscal year the amounts required to pay the obligations called for under any such contract. The amount of the appropriation in each fiscal year to meet the obligations of such contract as authorized and required by the provisions of the Act shall be due and payable and shall be expended for the purpose of paying and meeting the obligations provided under the terms and conditions of said contract, and such appropriation shall have the same legal status as if the contracting Participant had included the amount of the appropriation in its general revenue or appropriation measure. Pursuant to the provisions of the Act, such fiscal officers shall make such payment to MEAG Power if for any reason such appropriation is not otherwise made. Any such Participant may obligate itself and its successors to use only those projects for which it has contracted and none other; provided, however, that so long as electric power and energy shall actually be received by any such Participant from any facility or facilities of Project Two, Project Three or Project Four, the Obligation Share of Annual Project Two, Project Three or Project Four Costs, respectively, of such Participant shall be paid by such Participant as a cost of purchased electric power and energy for the electric system of such Participant and as an expense of operation and maintenance thereof.

77. The District Attorney, pursuant to the laws of the State, in particular O.C.G.A. § 9-11-52, waives, in the name of the State, the requirement that separate findings of fact and conclusions of law be entered in this action.

WHEREFORE, your petitioner, within twenty days from the date of service of said written Notice, files this Count Three of this Petition and Complaint as required by law and prays an order requiring the aforesaid defendants (in the case of corporate defendants, by their officers) to show cause at such time and place as may be fixed by the court within twenty days after the filing of this Petition and Complaint, why: (i) the General Resolution, as heretofore supplemented, amended and restated, including, particularly, the amendments thereto effected by the Second Amended and Restated General Resolution and the amendments thereto to be effected by the General Resolution Amendatory Supplemental Resolution, (ii) the Additional Project Two Senior Bonds in an aggregate principal amount, together with the Additional Project Two Subordinated Bonds sought to be validated pursuant to Count Four below, of \$318,800,000, (iii) the Additional Project Three Senior Bonds in an aggregate principal amount, together with the Additional Project Three Subordinated Bonds sought to be validated pursuant to Count Four below, of \$686,000,000, and (iv) the Additional Project Four Senior Bonds in an aggregate principal amount, together with the Additional Project Four Subordinated Bonds sought to be validated pursuant to Count Four below, of \$392,100,000, each to be issued from time to time in separate series or installments in accordance with the provisions of the General Resolution and the General Resolution Projects Subordinated Bond Resolution and the security therefor, it being understood that each such aggregate principal amount may be issued entirely as “**Additional Bonds**,” entirely as “**Refunding Bonds**” (as each is defined in the General Resolution) or in such lesser amount(s) of either or both thereof as determined by MEAG Power, should not be confirmed and validated, and that upon (a) the Court granting each and every prayer requested herein by the execution of an Order and Final Judgment prepared with the consent of defendants, (b) following the filing of verified answers by each of the defendants admitting and averring to each of the allegations

contained herein and (c) following the required hearing without motion for or intervention by any other party, the State of Georgia, by and through the undersigned, be granted the right to waive the time to allow and otherwise assert any right of appeal or post-judgment relief from said Order and Final Judgment, for which plaintiff shall be deemed to have so waived and consented upon entry of said Order and Final Judgment.

COUNT FOUR

ADDITIONAL GENERAL RESOLUTION PROJECTS SUBORDINATED BONDS

78. The allegations of Paragraphs 1 through 26 of this Petition and Complaint are, by this reference, incorporated herein and made a part hereof.

79. The General Resolution and the General Resolution Projects Subordinated Bond Resolution provide for the issuance of General Resolution Projects Subordinated Bonds, which shall be direct and general obligations of MEAG Power. The General Resolution Projects Subordinated Bonds are subject to the pledge of any revenues or funds of MEAG Power to holders of the General Power Revenue Bonds or other evidences of indebtedness.

80. The Act provides in O.C.G.A. § 46-3-131(b) that bonds of MEAG Power may be issued, among other purposes, “to provide funds to pay . . . all costs included in the definition of ‘cost of projects’ as defined in Code Section 46-3-111 . . . [and] bonds may. . . be issued to pay off, refund or refinance any outstanding bonds or other obligation of any nature owed by [MEAG Power], whether or not such bonds or other obligations shall then be subject to redemption. . . .”

81. MEAG Power has a total of \$ _____, \$ _____ and \$ _____ in principal amount of validated but unissued Project Two Subordinated Bonds, Project Three Subordinated Bonds and Project Four Subordinated Bonds, respectively. MEAG Power has determined pursuant to the Validation Resolution that it is now necessary and advisable to validate: (i) additional General Resolution Projects Subordinated Bonds to be issued for Project Two (the

“**Additional Project Two Subordinated Bonds**”) in an aggregate principal amount, together with the Additional Project Two Senior Bonds sought to be validated pursuant to Count Three above, of \$318,800,000; (ii) additional General Resolution Projects Subordinated Bonds to be issued for Project Three (the “**Additional Project Three Subordinated Bonds**”) in an aggregate principal amount, together with the Additional Project Three Senior Bonds sought to be validated pursuant to Count Three above, of \$686,000,000; and (iii) additional General Resolution Projects Subordinated Bonds to be issued for Project Four (the “**Additional Project Four Subordinated Bonds**”) in an aggregate principal amount, together with the Additional Project Four Senior Bonds sought to be validated pursuant to Count Three above, of \$392,100,000. The Additional Project Two Subordinated Bonds, the Additional Project Three Subordinated Bonds and the Additional Project Four Subordinated Bonds are hereinafter collectively referred to as the “**Additional General Resolution Projects Subordinated Bonds**.” Such aggregate principal amounts of the Additional General Resolution Projects Subordinated Bonds now sought to be validated may be issued entirely as Additional General Resolution Projects Senior Bonds, entirely as Additional General Resolution Projects Subordinated Bonds or in any combination thereof as determined by MEAG Power. The pledge of the revenues or funds of MEAG Power to holders of the Additional General Resolution Projects Subordinated Bonds now sought to be validated shall be subordinate to the pledge of said revenues or funds to holders of General Power Revenue Bonds and the Additional General Resolution Projects Senior Bonds.

82. The Additional Project Two Subordinated Bonds now sought to be validated are to be issued are for any one or more of the purposes set forth in subsection 2 of Section 511 of the General Resolution for Project Two. The Additional Project Three Subordinated Bonds now sought to be validated are to be issued are for any one or more of the purposes set forth in

subsection 2 of Section 511 of the General Resolution for Project Three. The Additional Project Four Subordinated Bonds now sought to be validated are to be issued are for any one or more of the purposes set forth in subsection 2 of Section 511 of the General Resolution for Project Four.

83. The General Resolution Power Sales Contracts, Section 102, define “**Bonds**” to mean bonds issued by MEAG Power pursuant to the provisions of the General Resolution to finance or refinance the Cost of Acquisition and Construction of Project Two, Project Three and Project Four, respectively, “whether or not any issue of such bonds shall be subordinated as to payment to any other issue of such bonds”

84. MEAG Power has based its determination of the amount of Additional General Resolution Projects Subordinated Bonds sought to be validated on a number of considerations, including MEAG Power’s expected capital requirements for Project Two, Project Three and Project Four and the respective amounts of General Power Revenue Bonds and General Resolution Projects Subordinated Bonds outstanding and capable of being refunded.

85. It is provided by the Act, O.C.G.A. § 46-3-131(g), that the Notice to the District Attorney of MEAG Power’s intention to issue its bonds shall set forth, among other things, the amount of principal to be paid in each year during the life of the bonds or the method or formula by which such amounts shall be determined. By reason of MEAG Power’s intention to issue the Additional General Resolution Projects Subordinated Bonds now sought to be validated in separate series, the magnitude of the respective Projects authorized by the General Resolution, and the impracticability of determining the amount of principal of each separate series or installment to be required for the construction, renewal, replacement, repair, and other components of such Projects in each year during the life of the bonds, as well as the amount of principal of each separate series or installment to be required for purposes of refunding General Power Revenue

Bonds or General Resolution Projects Subordinated Bonds, a method or formula by which such amounts shall be determined has been provided in the Notice to the District Attorney attached hereto as Exhibit A and incorporated herein in its entirety by this reference. The District Attorney of the Atlanta Judicial Circuit of the State of Georgia hereby claims and asserts that the method or formula set forth in the Notice attached hereto fully complies in all respects with the requirements set forth by the Act in O.C.G.A. § 46-3-131(g).

86. It is provided by the Act, O.C.G.A. § 46-3-131(h), that this Petition and Complaint state, among other things, the amount of principal and interest to be paid annually or the method or formula by which the amount of such payments shall be determined. By reason of MEAG Power's intention to issue the Additional General Resolution Projects Subordinated Bonds now sought to be validated in separate series, the magnitude of the respective Projects authorized by the General Resolution, and the impracticability of determining the amount of principal of each separate series or installment to be required for the construction, renewal, replacement, repair, and other components of such Projects in each year during the life of the bonds, as well as the amount of principal of each separate series or installment to be required for purposes of refunding General Power Revenue Bonds or General Resolution Projects Subordinated Bonds, MEAG Power intends to deploy the identical method or formula by which such amounts shall be determined as has been provided in the Notice to the District Attorney attached hereto as Exhibit A and incorporated herein in its entirety by this reference. The District Attorney of the Atlanta Judicial Circuit of the State of Georgia hereby claims and asserts that the method or formula set forth in the Notice attached hereto fully complies in all respects with the requirements set forth by the Act in O.C.G.A. § 46-3-131(h).

87. The Additional General Resolution Projects Subordinated Bonds of any series or installment now sought to be validated with respect to Project Two, Project Three and Project Four are to be issued on or prior to December 31, 2034 and the date by which such Additional General Resolution Projects Subordinated Bonds are to be paid in full shall not be later than June 1, 2054. Notwithstanding the foregoing, in the event that any Additional General Resolution Projects Subordinated Bonds are to be issued to refund any General Power Revenue Bonds or General Resolution Projects Subordinated Bonds, such Additional General Resolution Projects Subordinated Bonds may be issued not later than December 31, 2044.

88. The interest rate or rates that the Additional General Resolution Projects Subordinated Bonds of any series or installment now sought to be validated, when issued, are to bear shall not exceed 25% per annum.

89. The Additional General Resolution Projects Subordinated Bonds now sought to be validated are to be secured on a parity with the previously validated General Resolution Projects Subordinated Bonds and any other “Subordinated Bonds” (as such term is defined in the General Resolution) issued or to be issued by MEAG Power. MEAG Power is authorized to issue additional General Resolution Projects Debt Securities (as defined in the General Resolution Projects Subordinated Bond Resolution) on a parity with the General Resolution Projects Subordinated Bonds. The security to be pledged to the payment of the Additional General Resolution Projects Subordinated Bonds now sought to be validated is the Subordinated Bond Fund created pursuant to the General Resolution, including the investments, if any, thereof; provided, however, that such pledge shall be subordinate in all respects to the pledge of Revenues (as defined in the General Resolution), moneys, securities and funds created by the General Resolution as security for the General Power Revenue Bonds and the Additional General

Resolution Projects Senior Bonds. In addition, MEAG Power may agree to establish and maintain other reserves for the payment of any Additional General Resolution Projects Subordinated Bonds, subject to the pledge of any such reserves to the payment of the General Power Revenue Bonds and Additional General Resolution Projects Senior Bonds as described herein.

90. As provided in the Act and in the General Resolution Power Sales Contracts, the Additional General Resolution Projects Subordinated Bonds now sought to be validated shall be payable from the aforesaid assets of MEAG Power, and the issuance of such Additional General Resolution Projects Subordinated Bonds shall not obligate the State or any political subdivision thereof to levy or pledge any form of taxation whatever for the payment thereof.

91. The Additional General Resolution Projects Subordinated Bonds now sought to be validated will in no way constitute a debt of the State or of any political subdivision thereof, within the meaning of any constitutional or statutory limitation, or pledge the faith and credit of the State or of any such political subdivision, nor shall the State or any such political subdivision be subject to any pecuniary liability thereon, and no owner of any of such Additional General Resolution Projects Subordinated Bonds or receiver or trustee in connection therewith shall ever have the right to compel the exercise of the taxing power of the State or of any such political subdivision to pay the principal thereof or the interest thereon. No such Additional General Resolution Projects Subordinated Bonds shall constitute a charge, lien or encumbrance, legal or equitable, upon any property of the State or any political subdivision thereof, but shall be an obligation of MEAG Power payable from the sources set forth in Paragraph 89 of this Count Four.

92. The Participants can never be compelled to exercise their powers of taxation to pay the Additional General Resolution Projects Subordinated Bonds now sought to be validated or the interest thereon, but by reason of the Participants having been expressly authorized by the

Constitution of the State, Article IX, Section III, Paragraph I(a), to incur the obligations created by the General Resolution Power Sales Contracts, the power of said Participants to levy taxes, if necessary, to pay the obligations that the Constitution authorizes them to incur, including such obligations as may be incurred on account of payments required to be made by reason of a default by any of said Participants in payments due under any General Resolution Power Sales Contract in accordance with the provisions of Section 305(b)(1)(B) of the General Resolution Power Sales Contracts, grows out of and, as a matter of law, is a part of the power given by the Constitution to incur such obligations.

93. While none of the contracts referred to in Paragraphs 22, 23 and 24 hereof is pledged as security for the payment of the Additional General Resolution Projects Subordinated Bonds, all payments required to be made by the defendant Participants pursuant to the provisions of Article III of the General Resolution Power Sales Contracts between the defendant Participants and MEAG Power and all other payments attributable to Project Two, Project Three and Project Four or to the Annual Project Two Costs, Annual Project Three Costs and Annual Project Four Costs, as said Projects and Annual Project Costs are defined in said General Resolution Power Sales Contracts, which payments are to be made in accordance with or pursuant to any provision of the General Resolution Power Sales Contracts, are required to be sufficient to provide, among other things, for the payment of the Additional General Resolution Projects Subordinated Bonds.

94. The Additional General Resolution Projects Subordinated Bonds now sought to be validated will be direct and general obligations of MEAG Power, payable from the sources set forth in Paragraph 89 of this Count Four. The actual payments, however, to be received by MEAG Power pursuant to the provisions of Article III of the General Resolution Power Sales Contracts, which payments are to be made by the defendant Participants contracting with MEAG Power for

electric power and energy for use by such Participants or the residents thereof, are required to be sufficient to provide, among other things, for the payment of the Additional General Resolution Projects Subordinated Bonds, and the amounts contracted to be paid by such Participants to MEAG Power under such contract or contracts entered into pursuant to the provisions of said Act shall constitute general obligations of such Participants for the payment of which the full faith and credit of such Participants may be pledged to provide the funds required to fulfill all obligations arising under any such contract. Any such Participant that shall have entered into such a contract pursuant to the provisions of the Act shall annually in each and every fiscal year during the term of such contract include in a general revenue or appropriation measure, whether or not any other items are included, sums sufficient to satisfy the payments required to be made in each year by such contract until all payments required under such contract have been paid in full. In the event for any reason any such provision or appropriation is not made, then the fiscal officers of such Participant are authorized and directed to set up as an appropriation on its accounts in each fiscal year the amounts required to pay the obligations called for under any such contract. The amount of the appropriation in each fiscal year to meet the obligations of such contract as authorized and required by the provisions of the Act shall be due and payable and shall be expended for the purpose of paying and meeting the obligations provided under the terms and conditions of said contract, and such appropriation shall have the same legal status as if the contracting Participant had included the amount of the appropriation in its general revenue or appropriation measure. Pursuant to the provisions of the Act, such fiscal officers shall make such payment to MEAG Power if for any reason such appropriation is not otherwise made. Any such Participant may obligate itself and its successors to use only those projects for which it has contracted and none other; provided, however, that so long as electric power and energy shall actually be received by any such

Participant from any facility or facilities of Project Two, Project Three or Project Four, the Obligation Share of Annual Project Two, Project Three or Project Four Costs, respectively, of such Participant shall be paid by such Participant as a cost of purchased electric power and energy for the electric system of such Participant and as an expense of operation and maintenance thereof.

95. The District Attorney, pursuant to the laws of the State, in particular O.C.G.A. § 9-11-52, waives, in the name of the State, the requirement that separate findings of fact and conclusions of law be entered in this action.

WHEREFORE, your petitioner, within twenty days from the date of service of said written Notice, files this Count Four of this Petition and Complaint as required by law and prays an order requiring the aforesaid defendants (in the case of corporate defendants, by their officers) to show cause at such time and place as may be fixed by the court within twenty days after the filing of this Petition and Complaint, why (i) the General Resolution, as heretofore supplemented, amended and restated, including, particularly, the amendments thereto effected by the Second Amended and Restated General Resolution and the amendments thereto to be effected by the General Resolution Amendatory Supplemental Resolution, (ii) the Additional Project Two Subordinated Bonds in an aggregate principal amount, together with the Additional Project Two Senior Bonds sought to be validated pursuant to Count Three above, of \$318,800,000, (iii) the Additional Project Three Subordinated Bonds in an aggregate principal amount, together with the Additional Project Three Senior Bonds sought to be validated pursuant to Count Three above, of \$686,000,000, and (iv) the Additional Project Four Subordinated Bonds in an aggregate principal amount, together with the Additional Project Four Senior Bonds sought to be validated pursuant to Count Three above, of \$392,100,000, each to be issued from time to time in separate series or installments in accordance with the provisions of the General Resolution and the General

Resolution Projects Subordinated Bond Resolution and the security therefor, should not be confirmed and validated, and that (a) upon the Court granting each and every prayer requested herein by the execution of an Order and Final Judgment prepared with the consent of defendants, (b) following the filing of verified answers by each of the defendants admitting and averring to each of the allegations contained herein and (c) following the required hearing without motion for or intervention by any other party, the State of Georgia, by and through the undersigned, be granted the right to waive the time to allow and otherwise assert any right of appeal or post-judgment relief from said Order and Final Judgment, for which plaintiff shall be deemed to have so waived and consented upon entry of said Order and Final Judgment.

STATE OF GEORGIA

BY: _____
District Attorney
Atlanta Judicial Circuit

Exhibit A

STATE OF GEORGIA) TO THE DISTRICT ATTORNEY OF THE
)
FULTON COUNTY) ATLANTA JUDICIAL CIRCUIT

Under and by virtue of the Constitution of the State of Georgia and the Municipal Electric Authority Act, Ga. L. 1975, p. 107, as amended, Official Code of Georgia Annotated, Title 46, Article 3 (the “**Act**”), granting to the Municipal Electric Authority of Georgia (“**MEAG Power**”) the power and authority to issue interest bearing bonds and subordinated bonds to provide funds for the payment of a portion of the “**Cost of Acquisition and Construction**,” as defined in the Power Revenue Bond Resolution adopted by MEAG Power on August 30, 1976, as supplemented, amended and restated, including as supplemented, amended and restated on September 16, 2004 and again on December 16, 2011 (the “**Power Resolution**”) and as defined in the General Power Revenue Bond Resolution adopted by MEAG Power on March 22, 1978 and readopted on April 19, 1978, as heretofore supplemented, amended and restated, including as supplemented, amended and restated on September 16, 2004 and again on December 16, 2011 (the “**General Resolution**”), of Project One (with respect to the Power Resolution), and Project Two, Project Three and Project Four (with respect to the General Resolution), and for any other purpose authorized by the Power Resolution and the General Resolution.

MEAG Power, in a public meeting lawfully assembled on April 19, 2018, adopted a resolution, a certified copy of which is attached hereto as Exhibit “1” and is, by this reference, made a part hereof (the “**Validation Resolution**”), authorizing and providing for the validation of (a) the Additional Project One Senior Bonds and Additional Project One Subordinated Bonds in the aggregate principal amount of \$4,706,900,000, as authorized by the Power Resolution and the Project One Subordinated Bond Resolution, adopted on October 20, 1982, as amended and supplemented and (b) the Additional General Resolution Projects Senior Bonds and the Additional General Resolution Projects Subordinated Bonds for Project Two, Project Three and Project Four in the aggregate principal amounts of \$318,800,000, \$686,000,000, and \$392,100,000, respectively, as authorized by the General Resolution and the General Resolution Projects Subordinated Bond Resolution, adopted on November 1, 1985, as amended and supplemented. The Additional Project One Senior Bonds, the Additional Project One Subordinated Bonds, the Additional General Resolution Projects Senior Bonds and the Additional General Resolution Projects Subordinated Bonds for Project Two, Project Three and Project Four are hereinafter collectively referred to as the “**Bonds to be Validated**.”

This Notice has been personally served upon you in accordance with the provisions of the Act. The Bonds to be Validated are to be issued in separate series from time to time.

MEAG Power is required by the Act under O.C.G.A. § 46-3-131(g) to set forth in its notice to the District Attorney of its intention to issue bonds the principal to be paid in each year during the life of such bonds or the method or formula by which such amounts shall be determined. The District Attorney of the Atlanta Judicial Circuit of the State of Georgia is required by the Act under O.C.G.A. § 46-3-131(h) to include in its Petition and Complaint to be filed in the Superior Court of Fulton County in connection with the validation of such bonds the amount of principal and interest to be paid annually or the method or formula by which the amount of such payments shall be determined. Said method or formula for both requirements is set forth in Section 4 of the

Validation Resolution attached hereto as Exhibit 1, and by this reference made a part hereof. The Bonds to be Validated of any series or installment are to be issued on or prior to December 31, 2034 and the date by which such Bonds to be Validated are to be paid in full shall not be later than June 1, 2054. Notwithstanding the foregoing, in the event that any Bonds to be Validated are to be issued to refund any Power Revenue Bonds, Project One Subordinated Bonds, General Power Revenue Bonds or General Resolution Projects Subordinated Bonds, such Bonds to be Validated may be issued not later than December 31, 2044. The Bonds to be Validated shall bear interest at such rates, determined in accordance with the supplemental resolution authorizing the issuance of any such series of the Bonds to be Validated, but shall not exceed 25% per annum.

The security to be pledged to the payment of the Additional Project One Senior Bonds now sought to be validated is the Trust Estate created pursuant to the Power Resolution. In addition, MEAG Power may agree to establish and maintain other reserves for the payment of any Additional Project One Senior Bonds.

The security to be pledged to the payment of the Additional Project One Subordinated Bonds now sought to be validated is the Subordinated Bond Fund created pursuant to the Power Resolution, including the investments, if any, thereof; provided, however, such pledge shall be subordinate in all respects to the pledge of the Trust Estate created by the Power Resolution as security for the Power Revenue Bonds as defined therein and the Additional Project One Senior Bonds. In addition, MEAG Power may agree to establish and maintain other reserves for the payment of any Additional Project One Subordinated Bonds, subject to the pledge of any such reserves to the payment of the Power Revenue Bonds and Additional Project One Senior Bonds as described in the preceding sentence.

The security to be pledged to the payment of the Additional General Resolution Projects Senior Bonds now sought to be validated is the Trust Estate created pursuant to the General Resolution. In addition, MEAG Power may agree to establish and maintain other reserves for the payment of any Additional General Resolution Projects Senior Bonds.

The security to be pledged to the payment of the Additional General Resolution Projects Subordinated Bonds now sought to be validated is the Subordinated Bond created pursuant to the General Resolution, including the investments, if any, thereof; provided, however, such pledge shall be subordinate in all respects to the pledge of the Trust Estate created by the General Resolution as security for the General Power Revenue Bonds as defined therein and the Additional General Resolution Projects Senior Bonds. In addition, MEAG Power may agree to establish and maintain other reserves for the payment of any Additional General Resolution Projects Subordinated Bonds, subject to the pledge of any such reserves to the payment of the General Power Revenue Bonds and the Additional General Resolution Projects Senior Bonds as described in the preceding sentence.

Notice is hereby given of the intention of the Municipal Electric Authority of Georgia to issue the bonds described herein in series in accordance with the law pertaining thereto, and request is hereby made that you take immediate and proper steps for the confirmation and validation of said bonds and the security therefor as provided by law.

This the ____ of _____, 2018.

Chairman

EXHIBIT "1"
VALIDATION RESOLUTION
OF
MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA

ADOPTED ON

April 19, 2018

[ATTACHED]