



October 26, 2020

City of Calhoun, Georgia  
Attn: The Honorable James Palmer, Mayor  
700 West Line Street  
Calhoun, GA 30701

City of Cartersville, Georgia  
Attn: The Honorable Matt Santini, Mayor  
320 South Erwin Street  
Cartersville, Georgia 30120

**Re: MEAG Power Sale of Excess Reserve Capacity to the City of Cartersville  
on Behalf of the City of Calhoun**

Dear Mayor Palmer and Mayor Santini:

This Letter Agreement sets forth the agreement between the Municipal Electric Authority of Georgia ("MEAG Power"), City of Calhoun, Georgia ("Calhoun"), and the City of Cartersville, Georgia ("Cartersville") for MEAG Power's sale on behalf of Calhoun of certain excess reserve capacity to Cartersville pursuant to Section 312 of the Power Sales Contract between MEAG Power and Calhoun. MEAG Power is willing to facilitate and execute this transaction pursuant to Section 312, subject to this Letter Agreement.

The capitalized words or terms that are used in this Letter Agreement, but are not defined herein, shall have the same meanings as assigned to them in the Power Sales Contract.

In consideration of the mutual agreements set forth herein, the sufficiency and adequacy of which are acknowledged by MEAG Power, Calhoun and Cartersville, it is understood and agreed that:

**(1) Sale of Excess Reserve Capacity by MEAG Power on Behalf of Calhoun.**

**(a)** Pursuant to Section 312 of the Power Sales Contract between MEAG Power and Calhoun, Calhoun has declared capacity in the amount of 473 kW, as measured at B1, of the total kW of its Project One Entitlement Share (the "Sales Amount") to be excess to its needs. Calhoun has requested MEAG Power to sell, and MEAG Power shall, in accordance with this Letter Agreement, sell this capacity, but no energy associated therewith, to Cartersville.

**(b)** This Sale Amount shall not reduce Calhoun's cost obligations under the Power Sales Contract and Calhoun shall remain liable to MEAG Power for its entire Entitlement Share. All payments received by MEAG Power from Cartersville for the Sale Amount pursuant to this Letter Agreement shall be credited to Calhoun's obligation to MEAG Power to pay for its Entitlement Share.

Municipal Electric Authority of Georgia  
1470 Riveredge Parkway NW  
Atlanta, Georgia 30328-4640

1-800-333-MEAG 770-563-0300



**(2) Purchase of Excess Reserve Capacity by Cartersville.** Cartersville agrees to purchase the Sale Amount for a price of \$6.00 per kW-year (the "Contract Price"). MEAG Power shall bill Cartersville for such amount and Cartersville shall pay all amounts due in the same manner as other payments under the Power Sales Contract between MEAG Power and Cartersville.

**(3) Costs.** Calhoun shall be obligated for all costs incurred by MEAG Power as a direct result of the transaction identified in this Letter Agreement. MEAG Power agrees to provide sufficient documentation to Calhoun to enable it to verify any such costs.

**(4) Indemnification.** Calhoun hereby indemnifies and holds MEAG Power and the remaining MEAG Power Participants harmless from and against any and all losses, costs, liabilities, damages, expenses (including without limitation attorneys' fees and expenses) of any kind and incurred or suffered by MEAG Power or its Participants as a result of, or in connection with, Calhoun's sale of excess reserve capacity pursuant to this Letter Agreement.

**(5) Term.** The initial term of the sale of Calhoun's excess reserve capacity to Cartersville pursuant to this Letter Agreement shall begin at 0000 hours on January 1, 2021 and end at 2400 hours on December 31, 2021. Other than as to the sales transaction, all other provisions of the agreement shall remain in effect until all other obligations under this Letter Agreement are satisfied, including, but not limited to, Calhoun's obligation to indemnify MEAG Power and the Participants. All times referenced herein are Central Prevailing Time.

**(6) Termination and Unwind.** If MEAG Power changes its policy concerning the computation of necessary reserve capacity from a "budgeted coincident peaks" standard to an "actual peaks" standard and such policy change goes into effect during the Term of this Letter Agreement, Calhoun and Cartersville shall be returned to their respective positions as if this Letter Agreement had not been entered into (e.g., Cartersville shall receive a credit for amounts it paid pursuant to this Letter Agreement and Calhoun shall be billed for all such amounts). Subsequently, this Letter Agreement shall terminate, except that Sections (3) and (4) shall remain effective.

If you are in agreement with the foregoing and after this Letter Agreement has been duly authorized by the respective governing bodies of Calhoun and Cartersville, please execute this Letter Agreement in the space provided below.

**MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA**

ATTEST:

\_\_\_\_\_

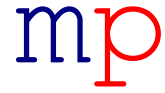
By:

\_\_\_\_\_  
James E. Fuller  
President and Chief Executive Officer

[SIGNATURES CONTINUED ON NEXT PAGE]

Municipal Electric Authority of Georgia  
1470 Riveredge Parkway NW  
Atlanta, Georgia 30328-4640

1-800-333-MEAG 770-563-0300



Agreed to and accepted, this \_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_.  
Month Year

**CITY OF CALHOUN**

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

[SEAL]

Agreed to and accepted, this \_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_.  
Month Year

**CITY OF CARTERSVILLE**

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

[SEAL]