

Dated: September 25, 2003.

Robert T. Jacobs,

*Regional Forester, Southern Region, USDA,
Forest Service.*

Dated: September 9, 2003.

Darlene H. Bradley,

*Manager, Realty Services, Tennessee Valley
Authority.*

**AGREEMENT OF TRANSFER BETWEEN
TENNESSEE VALLEY AUTHORITY AND
UNITED STATES DEPARTMENT OF
AGRICULTURE, FOREST SERVICE**

**LAND BETWEEN THE LAKES NATIONAL
RECREATION AREA**

This Agreement of Transfer made and entered into this 7th day of September, 2001, by and between Tennessee Valley Authority, a corporation organized and existing under and by virtue of an Act of Congress known as the Tennessee Valley Authority Act of 1933, as amended (hereinafter called "TVA"), and the United States Department of Agriculture, for the use and benefit of the Forest Service of the Department of Agriculture (hereinafter called "USDA-FS").

WITNESSETH:

Whereas, on October 1, 1999, pursuant to the Land Between The Lakes Protection Act of 1998, 16 U.S.C. 460lll, administrative jurisdiction over the Land Between The Lakes National Recreation Area transferred from TVA to USDA-FS; and

Whereas, the Land Between The Lakes National Recreation Area contains approximately 170,000 acres located in Lyon and Trigg Counties, Kentucky, and Stewart County, Tennessee, as described in Exhibit A which is attached hereto and made a part hereof (hereinafter called "LBL"); and

Whereas, on November 12, 1999, TVA and the USDA-FS, Southern Region, entered into a Memorandum of Agreement (FS Agreement No. 00MU-1108310-010) to ensure an efficient, orderly, and cost-effective transition of LBL, which provided in part that the parties would execute and publish an Agreement of Transfer documenting the transfer of administrative jurisdiction, custody, and control that occurred on October 1, 1999, by operation of law;

Now, Therefore, in consideration of the premises and of the mutual covenants herein contained, TVA and USDA-FS, covenant and agree as follows:

1. TVA, subject to the conditions, exceptions, and reservations herein contained, has assigned and transferred to USDA-FS the right of possession and all other right, title, or interest which TVA may have in and to LBL.

2. All of the interests and rights assigned and transferred by TVA to the USDA-FS under section 1 hereof are assigned and transferred subject to the following rights, which are hereby expressly reserved for the benefit of TVA, its agents, employees, successors and assigns:

(a) the perpetual right, in connection with and by virtue of the erection and operation of any dam or dams across the Tennessee River or its tributaries, to permanently flood the land described in Exhibit A that is below

the 375-foot contour elevation (mean sea level) and temporarily and intermittently flood the land described in Exhibit A that is between the 375-foot contour elevation and the 378-foot contour elevation (mean sea level);

(b) the perpetual right to enter upon the land lying below the 378-foot contour elevation (mean sea level) for the purposes of law enforcement or enforcement of Section 26a of the TVA Act;

(c) permanent exclusive easements for itself, its successors and assigns, to maintain, operate, modify, and upgrade the existing electric power substation and communication facilities, which are an integral part of TVA's power system, in, on, over, and across the two parcels of land described in Exhibit B attached hereto and made a part hereof, including the right to fence all or part of the lands described in Exhibit B, and the perpetual right to use the existing means of access across the land described in Exhibit A for ingress to and egress from the lands described in Exhibit B;

(d) permanent easements and rights-of-way for itself, its successors and assigns, for the Kentucky Dam-Cadiz 69-kV Transmission Line (including the tap line from the Kentucky Dam-Cadiz 69-kV Transmission Line to the Lyon, Kentucky Substation) and the Kentucky Dam-Nashville 161-kV Transmission Line, which are integral parts of TVA's power system, and the permanent right to erect, operate, and maintain additional electric power circuits and lines within the existing rights-of-way for said transmission lines, which rights-of-way are described in Exhibit C attached hereto and made a part hereof, and the permanent right of reasonable access along the roads and/or other off-right-of-way routes across the land described in Exhibit A that historically have been used by TVA for ingress to and egress from said rights-of-way and said transmission lines, said easement rights consisting of the perpetual right to enter at any time and from time to time and to erect, maintain, repair, rebuild, operate, and patrol as many lines of poles or transmission line structures within said existing rights-of-way as TVA deems necessary or useful for electric power transmission purposes, with sufficient wires and cables for electric power circuits and communication circuits, and all necessary appurtenances in, on, over, and across said rights-of-way (and if deemed necessary by TVA to anchor guy wires outside said rights-of-way), together with the perpetual right to clear said rights-of-way and keep the same clear of all brush, trees, buildings, signboards, stored personal property, and fire hazards; to destroy or otherwise dispose of such trees and brush; and to remove, destroy, or otherwise dispose of any trees located outside said rights-of-way which in falling could come within ten (10) feet of any transmission line structure or conductor.

3. Included in TVA's reservation of rights in section 2(c) and (d) is the right to attach telecommunication facilities, including circuits, to transmission line structures and to authorize third parties to attach or underbuild electric distribution circuits or communications equipment to such structures or to the communication facilities;

provided, however, that such third party uses may be subject to the imposition of fees by USDA-FS.

4. With respect to the reservation by TVA in section 2(c) and (d) of the rights to operate, maintain, construct, modify, and upgrade certain facilities, it is understood and agreed that any assignee of, or successor-in-interest to, TVA is permitted to operate, maintain, repair, and rebuild facilities in existence at the time of such transfer of interest but not build additional facilities without the prior written consent of USDA-FS. Further, before any assignee or successor-in-interest commences or engages in any construction, modification, or upgrading with respect to such facilities, the assignee or successor must first obtain USDA-FS's written authorization.

5. Any additional proposed power system or other TVA presence on LBL property beyond that reserved in this Agreement will be requested by TVA and considered by USDA-FS in accordance with USDA-FS's normal procedure.

6. TVA in no way warrants the extent of the United States' interests in LBL.

7. Nothing contained in this agreement shall be construed to affect the interests, if any, of the U.S. Army Corps of Engineers or any other third party in any portion of LBL.

In Witness Whereof, the parties hereto have caused this instrument to be executed by their duly authorized representative, the day and year first above written.

Approved by:

U.S. DEPARTMENT OF AGRICULTURE—
FOREST SERVICE

Elizabeth Estill,
Regional Forester.

Date: September 28, 2001.

ATTEST:

J. Wayne Owens,
Assistant Secretary.

Date: September 7, 2001.

TENNESSEE VALLEY AUTHORITY

Daniel H. Ferry

Acting Manager, Realty Asset Services.

CERTIFICATION OF CONSIDERATION

I, DANIEL H. FERRY, Acting Manager, Realty Asset Services, as legal agent of the Tennessee Valley Authority, the Grantor herein, do hereby certify, pursuant to KRS Chapter 382, that the above-stated consideration in the amount of \$0.00 (*Tax Exempt*) is the true, correct, and full consideration paid for the property herein conveyed. I further certify my understanding that falsification of the stated consideration of the sale price of the property is a Class D Felony subject to one to five years imprisonment and fines up to \$10,000.00.

GRANTOR:

TENNESSEE VALLEY AUTHORITY

DANIEL H. FERRY

Acting Manager, Realty Asset Services

CERTIFICATION OF CONSIDERATION

I, ELIZABETH ESTILL, Regional Forester, as legal agent of the U.S. DEPARTMENT OF AGRICULTURE—FOREST SERVICE, the Grantee herein, do hereby certify, pursuant to KRS Chapter 382, that the above-stated