

BILL OF SALE AND QUITCLAIM DEED
Made By
UNITED STATES OF AMERICA
And
TENNESSEE VALLEY AUTHORITY
To
NORTHCENTRAL MISSISSIPPI ELECTRIC POWER ASSOCIATION

THIS BILL OF SALE AND QUITCLAIM DEED, made and entered into as of the 9th day of May, 2007, effective as of the 25th day of March, 1999, by the TENNESSEE VALLEY AUTHORITY (hereinafter sometimes called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and the UNITED STATES OF AMERICA, acting by and through the Tennessee Valley Authority, its legal agent, as Grantors, to the NORTHCENTRAL MISSISSIPPI ELECTRIC POWER ASSOCIATION, a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Mississippi, as Grantee;

WITNESSETH:

WHEREAS, Grantors and Grantee have heretofore entered into an agreement dated as of March 25, 1987, identified in TVA's records as Lease and Amendatory Agreement TV-33482A, Supplement No. 32 (which agreement, as amended, in particular by TV-78254T, Supplement No. 24, is hereinafter referred to as the "1987 Agreement"), providing, among other things, for the quitclaim by TVA, as legal agent of the United States of America, of the interests in land hereinafter described, and the sale of certain personal property hereinafter also described,

This instrument was prepared by
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Grantee's address and telephone:

Northcentral Mississippi Electric
Power Association
P.O. Box 405
Byhalia, Mississippi 38611-0405
(662) 838-2151

Grantor's address and telephone:

United States of America
Tennessee Valley Authority
310 Research Boulevard
Starkville, Mississippi 39759
(662) 338-3160

upon the performance of certain terms of said agreement which have now been met, and for certain continuing obligations therein specifically detailed; and

WHEREAS, TVA, as legal agent of the United States of America, is authorized under Section 4(k)(d) of the Tennessee Valley Authority Act of 1933, as amended, to quitclaim as provided therein the interests in land hereinafter described, being property upon which electrical facilities are located; and

WHEREAS, TVA is authorized under Section 4(f) of the Tennessee Valley Authority Act of 1933, as amended, to sell or otherwise dispose of the personal property hereinafter described;

NOW, THEREFORE, for and in consideration of the mutual promises made in the foregoing agreement, and the sum of One Hundred Thirty Thousand Nine Hundred Sixty-seven Dollars and Fifty-one Cents (\$130,967.51) cash in hand paid, the receipt of which is hereby acknowledged, the Grantor TVA has granted, bargained, sold, assigned, and set over unto Grantee and does by these presents hereby grant, bargain, sell, assign, and set over unto Grantee the following described personal property; and the Grantor United States of America by and through its legal agent, TVA, has remised, released, and forever quitclaimed unto Grantee and does by these presents hereby remise, release, and forever quitclaim unto Grantee, its successors and assigns, subject to the reservations and encumbrances hereinafter set forth, such interests in land as Grantors may have in the following real property located in DeSoto County, Mississippi, to wit:

- (A) TVA's Miller-Olive Branch 46-kV Line beginning at the Miller 161-kV Substation and extending approximately 4 miles to the tap and switch structure located on the Olive Branch Substation site, but excluding the easements and rights-of-way appurtenant to said line.
- (B) TVA's Miller District-Olive Branch 46-kV Line beginning at but excluding the tap and switch structure 252 at station 1367 + 00 on TVA's Freeport-Miller Line (formerly beginning at the tap and switch structure 41 at station 717 + 35.8 on TVA's Miller-Miller District 46-kV Line) near the Miller District Substation, and extending approximately 3.81 miles to but excluding structure 44 at station 195 + 00, together with the easements and rights-of-way appurtenant thereto affecting property designated on TVA's records

as US-TVA Tract MDT-1 and US-TVA Tracts MOB-1 through MOB-15, and 157 feet of US-TVA Tract MOB-16, all as shown on US-TVA drawing LW-6364, sheets 1 through 4.

The above-described easements and rights-of-way are hereby conveyed subject to the following:

Outstanding easement rights retained by the United States of America in favor of TVA for the use, operation, maintenance, repair, replacement, rebuilding, and removal of lines retained by TVA, including those for TVA's Freeport-Miller Line which is located within the easement and right-of-way originally acquired for TVA's Nesbitt-Miller-Slayden Line (which easement and right-of-way overlaps a portion of the easement and right-of-way appurtenant to the Miller District-Olive Branch 46-kV Line as shown on US-TVA drawing LW-8034, sheet 12) and any additional facilities as may be required in the future by TVA for its purposes in mutually satisfactory locations, together with necessary rights of access to all of the aforesaid facilities.

The above-described easement and right-of-way for US-TVA Tract MDT-1 being quitclaimed hereunder was acquired by the United States of America by instrument from Marjorie B. Clark, et al., dated April 29, 1974, of record in Deed Book 110, page 242, in the office of the Chancery Court Clerk of DeSoto County, Mississippi.

The rest of the above-described easements and rights-of-way being quitclaimed hereunder were acquired by the United States of America by Deed and Bill of Sale from Northcentral Mississippi Electric Power Association, dated May 20, 1977, of record in Deed Book 120, page 604, in the office of the Chancery Court Clerk of DeSoto County, Mississippi.

Index in the Northwest Quarter of Section 17; Northeast Quarter of Section 18; Southeast, Southwest, and Northwest Quarters of Section 7; all such quarters being in Township 2 South, Range 5 West, DeSoto County, Mississippi.

Index in the Northeast Quarter of Section 12; Southeast, Southwest, and Northwest Quarters of Section 1; and Northeast Quarter of Section 2; all such quarters being in Township 2 South, Range 6 West, DeSoto County, Mississippi.

Index in the Southeast Quarter of Section 35; such quarter being in Township 1 South, Range 6 West, DeSoto County, Mississippi.

The above-described personal property is hereby conveyed and interests in land are hereby quitclaimed to Grantee, its successors and assigns, forever.

It is mutually understood and agreed by the delivery and acceptance of this instrument that the above-described personal property is hereby conveyed and interests in land are hereby quitclaimed to Grantee "as is" and Grantors make no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

It is further mutually understood and agreed by the delivery and acceptance of this instrument that, with respect to the interests in land hereby quitclaimed and personal property hereby sold, the release and indemnity provision contained in section 6 of the 1987 Agreement, which would otherwise be reaffirmed herein and made applicable to and binding upon Grantee in all respects, are hereby modified to apply only to the lease term. The above release and indemnity provisions shall, notwithstanding their terms, not be applicable to or binding upon Grantee with respect to claims, demands, or causes of action of whatever nature grounded or based upon events, actions, or omissions occurring subsequent to the effective date of this instrument.

It is understood that no interests in land are hereby quitclaimed in (a) the Miller 161-kV Substation site, (b) the Olive Branch Substation site, or (c) the easements and rights-of-way appurtenant to the Miller-Olive Branch 46-kV Line which are retained by Grantors under item (A) above, but, TVA, to the extent it is legally able to do so, does hereby provide Grantee with permission to enter upon and use said areas for the sole purpose of operating, maintaining, repairing, rebuilding, and replacing Grantee's facilities located on said areas. Grantee agrees by its acceptance of this instrument that its use of said areas is subject to the following provisions: (1) if, in TVA's sole judgment, Grantee's facilities, any operation or use thereof, or exercise of

access thereto would at any time interfere with any existing or future use of said areas by TVA, Grantee shall at its expense relocate or rearrange said facilities or modify its operation or use to avoid such interference within 120 days after notification by TVA of such interference (provided, however, that at Grantee's request for good cause shown, TVA may agree to extensions of up to 90 days to this time period), and if such relocation, rearrangement, or modification as may be required by TVA from time to time is made in accordance with arrangements satisfactory to TVA, Grantee may continue to operate and maintain said facilities on said areas and continue to have such access under the permission provided herein; (2) the release and indemnification obligations of Grantee provided for in section 6 of the 1987 Agreement, with respect to the permission provided hereunder, are hereby modified such that, notwithstanding their terms, they shall apply to and be binding upon Grantee only if the personal injuries, property damage, or loss of life or property is caused by the negligence or other wrongful act or omission of Grantee, its agents or employees; and (3) TVA may revoke the permission provided herein upon 120 days' written notice to Grantee in which case TVA will assist Grantee in developing alternative arrangements to enable Grantee to continue to operate and have access to its facilities.

Except as specifically provided otherwise herein, it is further mutually understood and agreed by the delivery and acceptance of this instrument that all rights and obligations of the parties under the 1987 Agreement will remain in full force and effect.

IN WITNESS WHEREOF, the Tennessee Valley Authority, acting herein for itself and as legal agent of the United States of America, and being duly authorized so to do, has caused this instrument to be signed and delivered in its own name and in the name of the United States of America by its duly authorized officer, as of the date first above written.

UNITED STATES OF AMERICA

By Tennessee Valley Authority
Its Legal Agent

and

TENNESSEE VALLEY AUTHORITY

By K R Breedan
K. R. BREEDEN
Executive Vice President
Customer Resources

STATE OF TENNESSEE)
) SS
COUNTY OF DAVIDSON)

On the 9 day of May, 2007, before me appeared K. R. BREEDEN, to me personally known, who, being by me duly sworn, did say that he is the Executive Vice President, Customer Resources, of the TENNESSEE VALLEY AUTHORITY, a corporation, and that said instrument was signed on the day and year therein mentioned in behalf of said corporation in its individual capacity and in its capacity as legal agent of the UNITED STATES OF AMERICA, by authority of its Board of Directors; and said K. R. BREEDEN acknowledged said instrument to be the free act and deed of said corporation for itself and as legal agent of the UNITED STATES OF AMERICA.

WITNESS my hand and official seal at Nashville, Tennessee, the day and year aforesaid.

Cynthia Heasley
Notary Public

My commission expires: MY COMMISSION EXPIRES. March 20, 2010



bos&qcd March 2007