

TRANSFER AND ASSIGNMENT OF A WATER STORAGE AGREEMENT **RECEIVED**
BETWEEN THE UNITED STATES OF AMERICA

MAR 02 2009

WATER RESOURCES DEPT
SALEM, OREGON

AND

THE CITY OF SHADY COVE, SHADY COVE, OREGON

TO

ANGLER'S COVE / SHADY COVE HEIGHTS WATER COMPANY, SHADY COVE,
OREGON

FOR

ORIGINALLY AUTHORIZED WATER STORAGE SPACE IN
LOST CREEK LAKE PROJECT, OREGON

THIS TRANSFER AND ASSIGNMENT, executed this 18 day of July, 2008, to be effective when signed by the Secretary of the Army represented by the District Engineer, by and between the City of Shady Cove (hereinafter called the "Assignor") and Angler's Cove / Shady Cove Heights Water Company, an Oregon non-profit corporation (hereinafter called the "Assignee");

WITNESSETH THAT:

WHEREAS, on the 15th day of June 2002, the City of Shady Cove entered into a water storage agreement with the United States of America for 12 acre-feet of water supply storage in Lost Creek Lake Project on the Rogue River, Oregon; and

WHEREAS, Angler's Cove / Shady Cove Heights Water Company, an Oregon non-profit corporation, is a water association with members (Domestic Nonprofit Mutual Benefit Corporation) located in Shady Cove, Oregon that provides domestic residential water service. On the 27th day of July 2006, Assignee became a financially regulated water utility.

WHEREAS, effective the 11th day of June 2008, subject to the approval of the Secretary of the Army or his duly authorized representative, Assignor desires to transfer certain properties, including all its rights, benefits, duties, and responsibilities under said water supply agreement, to Assignee; and

WHEREAS, such an assignment is contemplated by Article 10 on page 7 of said agreement, subject to approval of the Secretary of the Army of the United States, or his duly authorized representative; and

WHEREAS, the Assignee has agreed to assume and timely discharge all of the duties and responsibilities imposed on the Assignor under the terms of the Agreement and further agrees to hold

the Assignor harmless from all loss, cost, expense, damage or attorney fees which might accrue by virtue of any failure of the Assignee to discharge the duties and responsibilities under the Agreement;

NOW THEREFOR, in consideration for such a transfer and assignment and approval by the Secretary of the Army of the United States, or his duly authorized representative, the Assignee does hereby agree to pay any monies due under the Agreement and discharge all other duties there under and hold the Assignor harmless from all loss, cost, expense, damage or attorney fees which might accrue by virtue of the Assignee to timely discharge its duties under the Agreement here assigned.

The undersigned, of Angler's Cove / Shady Cove Heights Water Company, on behalf of said corporation, does hereby accept the above and foregoing assignment and agrees to abide by all of its terms and conditions and all terms and conditions of the Agreement.

CITY OF SHADY COVE, OR

ANGLER'S COVE / SHADY COVE HEIGHTS
WATER COMPANY

By Ruth Keith
RUTH KEITH
Mayor of Shady Cove, Oregon

By Edward P. Kessler
EDWARD P. KESSLER
President / Chairman, Angler's Cove / Shady Cove
Heights Water Company, an Oregon non-profit
corporation

DATE: 6/24/2008
Day-Month-Year

DATE: 6/17/08
Day-Month-Year

APPROVED:

THE UNITED STATES OF AMERICA

By S. Miles
for STEVEN R. MILES
Colonel, Corps of Engineers
District Engineer/District Commander

DATE: 17 Jul 08
Day-Month-Year

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