

Peoples Energy Resources Corp
130 East Randolph Drive
Chicago, ILL 60601

Attention John Nassos

MTT-1394-4703

Vol M05 Page 44309

State of Oregon, County of Klamath

Recorded 06/14/05 11:01A m

Vol M05 Pg 44309-19

Linda Smith, County Clerk

Fee \$ 76.00 # of Pgs 11

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OPTION AND EASEMENT AGREEMENT

This Option and Easement Agreement (this "Agreement") is entered into between Jeld Wen Inc., an Oregon corporation ("Owner") and Peoples Energy Resources Corp., an Illinois corporation ("PERC"), effective as of August 1, 2002 (the "Effective Date").

Upon execution of this Agreement, PERC shall pay to Owner \$30,000 (the "Option Fee"). The Option Fee is non-refundable and shall not be credited towards the "Final Payment", as hereinafter defined. In consideration for the payment of the Option Fee, Owner grants, bargains, sells, and conveys to PERC and its successors or assigns a perpetual, non-exclusive right of way and easement for the purpose of installing, constructing, operating, maintaining, repairing, and replacing from time to time (i) a line of towers, with such wires and cables and conduits as from time to time are suspended therefrom, and/or underground wires and cables and conduit for the transmission of electrical energy, including without limitation, high voltage power lines including 500 kVa transmission lines; (ii) poles, towers, facilities and structures that may be utilized to support wires, cables, antennas, and other facilities for the transmission of information; and (iii) all necessary and proper foundations, footings, crossarms and other appliances, props, guys, anchors and other supports, water lines, facilities and fixtures and appurtenances as may be necessary or desirable for use in connection with such towers, wires and cables (the lines and other structures, equipment and facilities described above are called the "Utility Improvements" in this Agreement), over, under, across, on, along and through the land described on Exhibit A attached to this Agreement and made a part of this Agreement.

The rights of way and easements in which the Utility Improvements are to be located are more particularly identified on Exhibit B attached to and made a part of this Agreement, and such area is referred to in this Agreement as the "Easement Area". Owner further grants to PERC the appropriate rights-of-way, on, along and in the Easement Area; together with the right of ingress to and egress from the Easement Area over and along property owned by Owner in proximity to the Easement Area by means of roads and lanes thereon if existing, or otherwise by such route or routes as PERC may construct from time to time, for purposes of installing, constructing, operating, maintaining and replacing the Utility Improvements. PERC will not construct any new roads or lanes outside of the Easement Area unless mutually agreed to in advance by both PERC and Owner.

Owner hereby represents and warrants to PERC that it owns the Easement Area in fee simple subject to no liens or encumbrances prior to this Option and Easement Agreement and is fully authorized to grant the rights granted PERC in this Agreement.

PERC's use of the Easement Area will not unreasonably interfere with Owner's use of the adjoining land, and PERC will maintain the Easement Area during construction and, at the conclusion of such construction, remove all construction debris and other materials from such property left by PERC and restore the Easement Area to the condition prior to construction by

71.00
+ 500.00

PERC, except for PERC's Utility Improvements, and except that PERC will not restore trees, vegetation, or crops within the Easement Area.

PERC shall notify Owner of its intention to install the Utility Improvements on or before midnight of the third anniversary of the date that PERC executes this Agreement (the "Termination Date"). If PERC notifies Owner of its intent to construct the Utility Improvements, PERC shall pay to Owner the Final Payment. The Final Payment shall be an amount equal to \$ 25,000 per tower located within the Easement Area. PERC presently estimates that eight (8) towers will be necessary for the installation of the Utility Improvements, however the final number of towers shall be determined by PERC's engineers. The Final Payment will be calculated by using a number of no less than 8 towers. PERC and Owner hereby agree that the Option Fee and the Final Payment shall be the only payments due from PERC to Owner in full consideration of the easements and rights contemplated herein. PERC shall pay Owner the Final Payment before the construction of the Utility Improvements begins. Notice to Owner or delivery of the Final Payment may be made by personal delivery or by first class U.S. mail at the address set forth by Owner's signature. If PERC fails to send Owner notice on or prior to the Termination Date (i) this Agreement shall terminate, (ii) Owner shall retain the Option Fee and (iii) PERC will, upon request, execute and record a quitclaim deed releasing its rights under this Agreement substantially in the form of Exhibit C attached hereto.

Owner is to use and enjoy the Easement Area so long as the use by Owner does not interfere with PERC's rights granted in this Agreement, and provided that Owner will not construct, plant or place (nor allow others to construct, plant or place) improvements, trees or obstructions on or over the Easement Area nor change the grade over the Easement Area. PERC is granted the right to remove any improvement, tree or obstruction placed on or over the Easement Area, and to top, trim, or cut away all trees outside of the Easement Area which might endanger the line and Utility Improvements. PERC agrees to bury any pipeline (but not facilities related to any pipeline which would customarily be above ground) to a sufficient depth to allow normal cultivation of the soil. PERC will have no further obligation as to maintenance of surface. Owner understands that an Environmental Impact Study ("EIS") will be necessary for the siting of the Utility Improvements and agrees to cooperate with PERC in locating the Utility Improvements in accordance with the results of the EIS. Owner further agrees to permit PERC or its representatives to access the Easement Area in order to perform the EIS or other studies related to the construction and installation of the Utility Improvements. PERC anticipates that such studies shall take approximately three weeks to complete and agrees that Owner may have a representative present during such times, if Owner so desires. Owner shall not oppose PERC in PERC's efforts to obtain any regulatory or other governmental permits, certifications, or other approvals necessary for the installation of and use of the Utility Improvements, and development of an electric generation facility (which facility shall utilize the Utility Improvements).

In addition to the foregoing, PERC agrees that it will:

- schedule with Owner the times that PERC or its representatives will require access to the Easement Area during the option period;

- schedule with Owner the times that PERC or its representatives will require access to the Easement Area during the option period;
- cooperate with Owner in locating the Utility Improvements so as to minimize the impact to the Easement Areas;
- use reasonable means to preserve soil composition during construction;
- reimburse Owner at market cost at the time of occurrence for any damage to growing crops, timber (computed on the market value of merchantable timber), or fences located on Owner's property caused by PERC during the installation, maintenance, alteration, repair, removal, reconstruction, change of size, or replacement of the Utility Improvements and regardless of whether such damage occurs within the Easement Area or on Owner's other property;
- reimburse Owner at market cost at the time of occurrence for any lost feed caused by PERC during the installation, maintenance, alteration, repair, removal, reconstruction, change of size, or replacement of the Utility Improvements, all of which are permitted under this Agreement;
- not unreasonably interfere with or obstruct Owner's use of or access to Owner's adjoining property;
- take any reasonably necessary steps to treat and control noxious weeds on the Easement Area during PERC's occupation of the Easement Area.
- not oppose Owner's rights to manage and harvest timber adjacent to the Easement Area provided that such activity does not negatively impact the Utility Improvements; and
- not oppose Owner's ability to graze and forage in the Easement Area.

Owner grants to PERC the right to record this Agreement in the Klamath County Recorder's Office without the joinder of Owner.

At the time of execution of this Agreement, PERC is examining the possible locations of the Easement Area. The Easement Area will be 250 feet in width. PERC will advise Grantor from time to time of PERC's progress in fixing the location and boundaries of the Easement Area, and upon fixing such locations and boundaries and obtaining any necessary approvals for final location and for initial construction, acceptable to PERC in its sole discretion, without further consideration, PERC may substitute the legal description of the final Easement Area so determined in place of Exhibit B under this Agreement provided that such legal description shall

one direction without first obtaining the consent of the Owner, which consent shall not be unreasonably withheld.

PERC shall maintain and pay for a commercial general liability insurance policy with an aggregate amount of coverage of not less than \$2,000,000 per occurrence, insuring against injury to any person or persons and property damage. In addition, PERC shall maintain Auto Liability limits of not less than \$2,000,000 per occurrence, and shall maintain the statutory limits for worker's compensation coverage. PERC shall furnish to Owner a copy of all such policies of insurance and shall in all policies name Owner as an additional insured thereunder. Notwithstanding anything contained herein to the contrary, PERC shall be permitted to maintain such insurance consistent with the insurance requirements of this paragraph through PERC's program of self-insurance.

PERC shall defend, indemnify and hold harmless Owner its directors, officers, agents, employees and tenants from any and all loss, damages claims or actions resulting from any negligent act or omission of PERC in connection with PERC's use of the Easement Area, unless such loss, damage, claim or action results from Owner's negligence.

Owner shall defend, indemnify and hold harmless PERC its directors, officers, agents, employees and tenants from any and all loss, damages claims or actions resulting from any negligent act or omission of Owner in connection with Owner's use of the Easement Area, unless such loss, damage, claim or action results from PERC's negligence.

This Agreement is binding on the heirs, executors, administrators, successors, and assigns of Owner and PERC and shall run with the land. PERC has the right to assign its rights, in whole or in part, under this Agreement.

PERC agrees, at its own cost and expense, to comply with all applicable laws relating to its use of the Easement Area, including but not limited to existing zoning ordinances, governmental rules and regulations.

[Signature Page Follows]

Signed by the parties below to be effective as of the latest date of signing reflected on the notary blocks set forth below.

OWNER:

JELD WEN INC.

By:

Name:

Title:

Craig B. Dithman
CRAIG B. DITHMAN
GENERAL MGR, JELD-WEN TIMBER & RANCHES

Address for notice to Owner:

3301 Lake Port Blvd.

Klamath Falls, Oregon 97601

PEOPLES ENERGY RESOURCES CORP.

By:

Name:

Title:

Curtis R. Cole
CURTIS R. COLE
VICE PRESIDENT

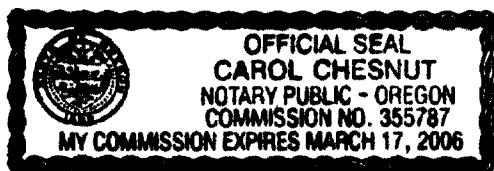
STATE OF OREGON

SS.

County of Klamath

On this day personally appeared before me Craig Ditman to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that (s)he signed the same as his/her free and voluntary act for the uses and purposes therein mentioned.

Given under my hand and official seal this 17 day of August 2002

Signature: Carol ChesnutName (Print): Carol Chesnut

NOTARY PUBLIC in and for the State of Oregon,
residing at Klamath Falls

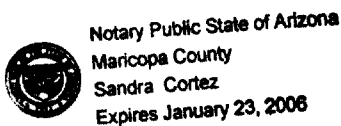
My appointment expires: 3-17-06

STATE OF Arizona

SS.

County of Maricopa

This instrument was acknowledged before me on September 16, 2002, by Curtis Cole, as Vice President of PEOPLES ENERGY RESOURCES CORP., an Illinois corporation.



Sandra Cortez
Notary Public for the State of Arizona

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EXHIBIT A

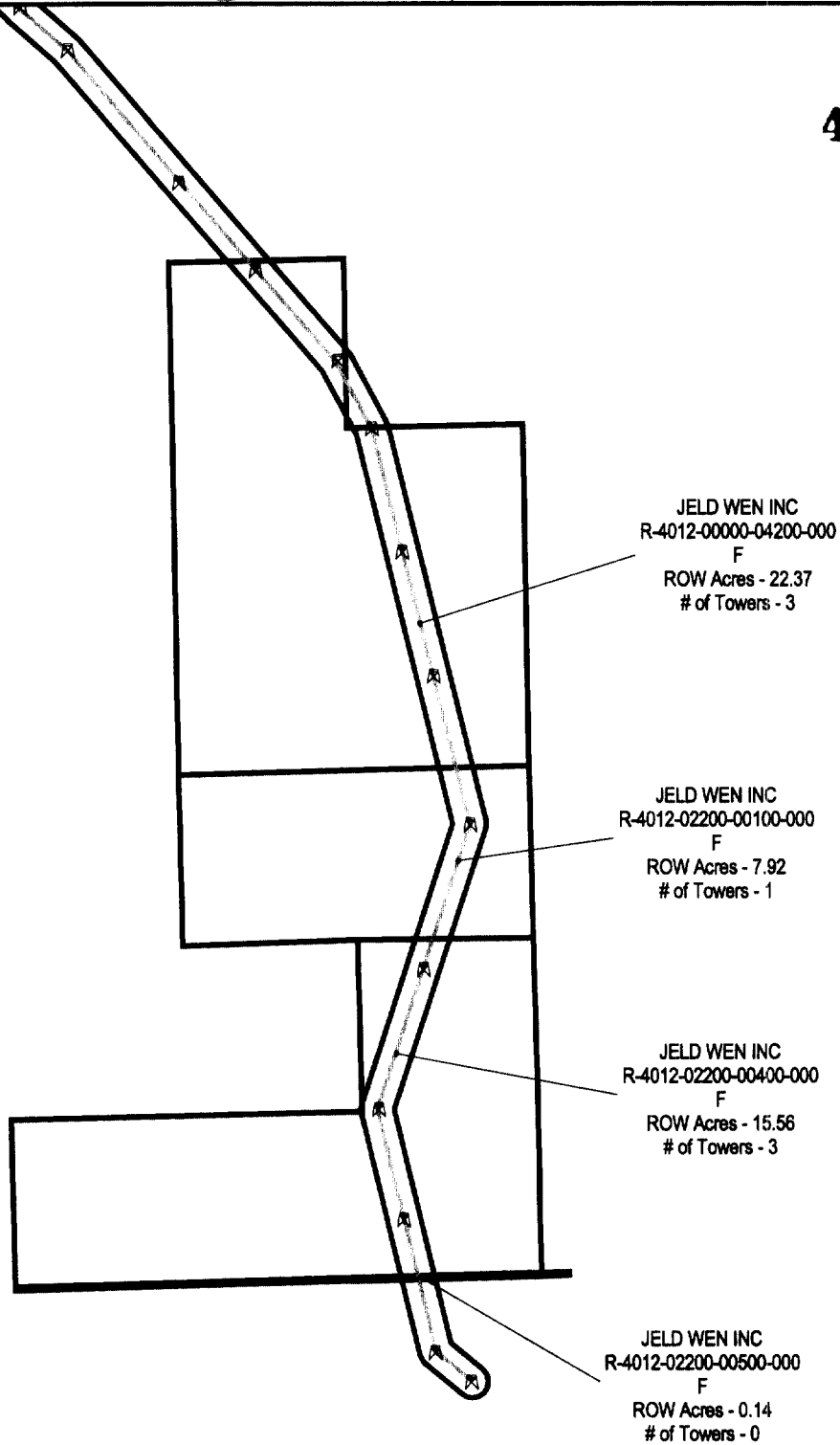
LEGAL DESCRIPTION

Tax ID	Map Tax Lot
55719	R-4012-00000-04200-000
55944	R-4012-02200-00100-000
56026	R-4012-02200-00400-000
56243	R-4012-02200-00500-000

(Legal Description will be provided upon completion of survey)

Exhibit B

44316



Individual Parcel Map
Jeld Wen Properties
COB Energy Facility

PEOPLES
ENERGY
RESOURCES

EXHIBIT C
FORM OF RELEASE DEED

[this space for recorder's use only]

RELEASE OF EASEMENT

WHEREAS, PEOPLES ENERGY RESOURCES CORP., an Illinois corporation ("Peoples"), acquired an easement by instrument recorded in the Klamath County Recorder's Office on _____, 200_, as document number _____, to install, lay, construct, renew, operate, and maintain electric towers and poles together with all other equipment in the real estate situated in Klamath County, Oregon ("Premises") as legally described and shown on the drawing attached hereto as Exhibit A and made a part hereof ("Easement") for the purpose of serving the subdivision and property with gas.

WHEREAS, the Easement is no longer necessary because the Premises are now vacant.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, that in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Peoples hereby releases, conveys, quitclaims and sets over unto Jeld Wen, Inc., a _____ corporation, its successors and assigns, all right, title and interest to the Easement. In accepting this Release of Easement, Jeld Wen, Inc. acknowledges that People is hereby forever released of all obligations and duties under the Easement.

This instrument prepared by:
Fred B. Jacobsen
Senior Counsel
Peoples Energy Corporation
130 East Randolph Drive,
23rd Floor
Chicago, Illinois 60601

After recording return to:
Jeld Wen, Inc.

Name and Address of Tax Payer:
Jeld Wen, Inc.

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THIS AGREEMENT shall inure to the benefit of and be binding upon the parties hereto, their respective grantees, successors and assigns.

IN WITNESS WHEREOF, People has caused this instrument to be executed by its duly authorized representative this __ day of _____, 200_.

PEOPLES ENERGY RESOURCES CORP.

By: _____

Name:

Title:

ATTEST:

By: _____

Name:

Title:

ACKNOWLEDGMENT

STATE OF OREGON)
) SS
 COUNTY OF KLAMATH)

I, _____, a notary public in and for said County, in the State
 aforesaid, do hereby certify that _____, personally known to me to be
 _____ of Peoples Energy Resources Corp., a corporation of the State of
 Illinois, and _____, personally known to me to be a _____ of said
 corporation, and personally known to me to be the same persons whose names are subscribed to
 the foregoing instrument, appeared before me this day in person and severally acknowledged that
 as such _____ and _____, respectively, they signed and delivered the said
 instrument and caused the corporate seal of said corporation to be affixed thereto, as their free
 and voluntary act and deed and as the free and voluntary act and deed of said corporation, for the
 uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my
 official seal, this ____ day of _____ 200__.

 Notary Public