

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

Attention John Nassos

05 JUN 14 PM 3:10

MT-1396-6999

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State of Oregon, County of Klamath

Recorded 06/14/05 3:10 p m

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Linda Smith, County Clerk

Fee \$ 56.00 # of Pgs 2

FIRST AMENDMENT TO OPTION AND EASEMENT AGREEMENT

This First Amendment to Option and Easement Agreement (this "Amendment") is entered into between **Richard Sacchi**, an individual ("Owner") and **Peoples Energy Resources Corp.**, an Illinois corporation ("PERC"), effective as of October 22, 2002 (the "Effective Date").

A. By that certain Option and Easement Agreement dated May 8, 2002 (the "Option Agreement"), Owner granted to PERC an option to acquire certain right of way and easement rights over, under, across, on, along and through the land described on Exhibit A attached thereto.

B. The right of way and easement rights in which the Utility Improvements (as defined in the Option Agreement) are to be located are more particularly described on Exhibit B to the Option Agreement, with such area described on Exhibit B being referred to as the "Easement Area".

C. Owner and PERC now desire to amend the Option Agreement to (i) add an additional parcel of land to the description of the land contained in Exhibit B, (ii) modify the description of the Easement Area by substituting a revised Exhibit B that more specifically describes the location of the Easement Area and (iii) modify the terms of the payment to be made by PERC to Owner upon PERC's election to construct the Utility Improvements.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Option Agreement.
2. Amendments to Option Agreement. The Option Agreement is hereby amended as follows:
 - (a) The description of the land set forth in Exhibit A to the Option Agreement is hereby amended and restated in its entirety as set forth in Exhibit A to this Agreement.
 - (b) The description of the Easement Area set forth in Exhibit B to the Option Agreement is hereby amended and restated in its entirety as set forth in Exhibit B to this Amendment.
 - (c) The amount of the Final Payment set forth in the Option Agreement is


57.00
730 am

hereby increased from \$130,000.00 to \$230,000.00.

3. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
4. Effect of Amendment. Except as expressly set forth in this Amendment, all of the terms and conditions of the Option Agreement shall remain in full force and effect.

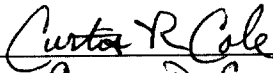
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the Effective Date.

OWNER:


RICHARD SACCHI

Address for notice to Owner:
P.O. Box 313
Malin, Oregon 97632

PEOPLES ENERGY RESOURCES CORP.

By: 
Name: CURTIS R. COLE
Title: VICE PRESIDENT

44496

STATE OF OREGON

County of Heamath

SS.

Richard Wayne Saccchi

On this day personally appeared before me _____, 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 22nd day of October 2002



Signature: _____

Name (Print): _____

NOTARY PUBLIC in and for the State of Oregon,
residing at Heamath, Oregan

My appointment expires: November 13, 2005

STATE OF Arizona

County of Maricopa

SS.

This instrument was acknowledged before me on October 25, 2002, by Curtis Cole as Vice President of PEOPLES ENERGY RESOURCES CORP., an Illinois corporation.



Notary Public State of Arizona
Maricopa County
Sandra Cortez
Expires January 23, 2006

Sandra Cortez
Notary Public for Arizona

44497

EXHIBIT A

LEGAL DESCRIPTION

Map Tax Lot
R-4012-00000-03200-000
R-4012-00000-04300-000
R-4012-00000-04100-000

(Legal description will be provided upon completion of survey)

44498


EXHIBIT B
EASEMENT AREA

44499

SACCHI RICHARD
R-4012-00000-03200-000
Zone = FR
ROW Acres = 19.97
of Towers = 4

SACCHI RICHARD
R-4012-00000-04300-000
Zone = FR
ROW Acres = 3.95
of Towers = 0

 Proposed Transmission Line
 Sacchi Parcel

 N
1 inch = 665 feet
0 800 1600 Feet


Individual Parcel Map
Sacchi Properties
COB Energy Facility

PEOPLES
ENERGY
RESOURCES

44500

SACCHI RICHARD
R-4012-00000-04100-000
Zone = F
ROW Acres = 2.38
of Towers = 0

 Proposed Transmission Line
 Sacchi Parcel

 N
1 inch = 665 feet
0 400 800 Feet

Individual Parcel Map
Sacchi Properties
COB Energy Facility

PEOPLES
ENERGY
PROPERTIES