

M05-65854

Klamath County, Oregon

10/05/2005 11:54:30 AM

Pages 4 Fee: \$36.00

MTC 1396-7020

MEMORANDUM OF EXTENSION OF OPTION AND EASEMENT AGREEMENT

(First Party)

Bonanza View Dairy Partnership, a partnership organized under the laws of the State of Oregon

(Second Party)

Peoples Energy Resources Company, LLC,
successor to Peoples Energy Resources Corp.

After recording return to:
Paul Turner
Managing Director
Peoples Energy Resources Company
2151 E. Broadway Road, Suite 110
Tempe, AZ 85282

AMERITITLE, has recorded this
Instrument by request as an accomodation only,
and has not examined it for regularity and sufficiency
or as to its effect upon the title to any real property
that may be described therein.

State of Oregon

County of _____

I certify that the within instrument was received for record on the _____ day of
_____ 2005, at _____ o'clock __ M., and recorded in book / reel / volume No. _____,
Page _____ or as instrument / fee No. _____, Record of Deeds of said
county.

Witness my hand and seal of County affixed.

Name Title
By: _____ Deputy

MEMORANDUM OF EXTENSION OF OPTION AND EASEMENT AGREEMENT

THIS MEMORANDUM OF EXTENSION OF OPTION AND EASEMENT AGREEMENT ("**Memorandum**") is made and entered into as of the 6th day of September, 2005, by and between **BONANZA VIEW DAIRY PARTNERSHIP**, a partnership organized under the laws of the State of Oregon ("**Owner**"), and **PEOPLES ENERGY RESOURCES COMPANY, LLC, an Illinois limited liability company**, as successor to Peoples Energy Resources Corp., an Illinois corporation, whose address is 130 East Randolph Drive, Chicago, Illinois, 60601, or its nominee ("**PERC**").

RECITALS

A. Owner and PERC entered into a certain Option and Easement Agreement dated September 4, 2002 ("**Option and Easement Agreement**"), wherein Owner granted to PERC an exclusive option to purchase a perpetual, nonexclusive right-of-way and easement for the purpose of installing, constructing, operating, maintaining, repairing and replacing from time to time the Utility Improvements over, under, across, on, along and through land in Klamath County, Oregon (the "**Property**"), as more fully described in that Option and Easement Agreement. The Option and Easement Agreement was recorded in the Official Records of Klamath County, Oregon at Volume M05, Page 44302, on June 14, 2005.

B. Owner has further agreed that PERC shall have the right to extend the Option Period for an additional two-year period under the Option and Easement Agreement, which such option period will expire at midnight on September 4, 2007, and have entered into an Extension of Option and Easement Agreement dated September 6th, 2005.

C. The parties desire to place this Memorandum of record to provide notice to third parties of the existence of the Extension of Option and Easement Agreement and the additional rights to extend the Option Period, and PERC's rights under the Option and Easement Agreement, but do not desire to place all of the terms and provisions of the Option and Easement Agreement of record.

WITNESSETH

That for good and valuable consideration more particularly described in the Option and Easement Agreement and the Extension of Option and Easement Agreement, the receipt of which is hereby acknowledged by Owner, the parties hereby state and agree as follows:

1. **Grant of Options; Option Period.** Commencing on September 5, 2005 and expiring on September 4, 2007, PERC has the right and option to use the Property and Owner does hereby grant to PERC the right and option to use the Property, in accordance with the terms and conditions of the Option and Easement Agreement and the Extension of Option and Easement Agreement.

2. **Reference to and Incorporation of Option Agreement.** Reference is made to the Option and Easement Agreement and Extension of Option Easement Agreement for a complete and definitive statement of the terms of the rights and obligations of Owner and PERC thereunder. Unless defined otherwise herein, capitalized terms used in this Memorandum shall have the meanings ascribed to them in the Option and Easement Agreement and Extension of Option Easement Agreement, which definitions are incorporated herein by reference. This Memorandum is subject to the terms and conditions of the Option and Easement Agreement and the Extension of Option Easement Agreement, which are incorporated herein by reference. This Memorandum shall not be construed to modify or amend the Option and Easement Agreement or the Extension of Option Easement Agreement in any respect.

3. **Counterparts.** This Memorandum may be executed in a number of separate counterparts, each of which, when executed and delivered, shall be deemed an original, but all of which shall constitute one and the same instrument. All signatures of the Owner and PERC need not be on the same counterpart.

IN WITNESS WHEREOF, Owner and PERC have duly executed and delivered this Memorandum as of the day, month and year first above written.

OWNER:

**BONANZA VIEW DAIRY PARTNERSHIP,
a partnership organized under the laws of the
State of Oregon**

By: _____

Arie DeJong

By: _____

Jenneke DeJong

PERC:

**PEOPLES ENERGY RESOURCES
COMPANY, LLC,
an Illinois limited liability company**

By: _____

Name: Curtis Cole

Title: Vice President

This instrument was acknowledged before me this 8TH day of September, 2005, by Arie DeJong and Jenneke DeJong, general partners of Bonanza View Dairy Partnership, a partnership organized under the laws of the State of Oregon, on its behalf.



**OFFICIAL SEAL
JANICE WACHTER
NOTARY PUBLIC-OREGON
COMMISSION NO. 363782
MY COMMISSION EXPIRES DEC. 23, 2006**

This instrument was acknowledged before me this 6th day of September, 2005, by Curtis Cole, Vice President of PEOPLES ENERGY RESOURCES COMPANY, LLC, an Illinois limited liability company, on its behalf.

Notary Public State of Arizona
Maricopa County
Sandra Cortez
Expires January 23, 2008

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