

NOTE 87151

2010-002515

Klamath County, Oregon



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02/19/2010 03:22:47 PM

Fee: \$52.00

**EXHIBIT D TO
OPTION AGREEMENT**

Memorandum of Option and Lease

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Lincoln Renewable Energy, LLC
1 North Wacker Drive, Suite 4800
Chicago, Illinois 60606

(Space above this line for Recorder's use only)

MEMORANDUM OF OPTION AND LEASE

THIS MEMORANDUM OF OPTION AND LEASE is made and entered into as of February 1, 2010 ("Effective Date"), by and between David M Cowan and Theresa E Cowan, (referred to herein collectively as "Owner"), and Lincoln Renewable Energy, LLC, a Delaware limited liability company, located at 1 North Wacker Drive, Suite 4800, Chicago, IL 60606 (referred to herein as "Developer").

WHEREAS:

A. The parties have entered into an Option Agreement for Lease (the "Option Agreement") which by its terms grants to Developer an option to lease (the "Option") a portion of certain land, which land is comprised of approximately 320 acres which is more particularly described in Exhibit A attached hereto and incorporated by this reference (the "Subject Property") and further grants to Developer present easements for access on and across the Subject Property.

B. The portion of the Subject Property for which Developer may exercise the Option will be comprised of 160 acres, the precise location of which will be determined during the term of the Option (the "Property").

C. The Option permits Developer to exercise the Option over all or a portion of the Property and if Developer first exercises the Option over a portion of the Property, the Option permits Developer to later exercise the Option over the remaining portion of the Property.

D. The term of the Option commences on the Effective Date and ends upon the first to occur of (a) the time the Option is exercised by Developer or its successors or assigns with respect to the entire Property by giving a Notice of Exercise of Option to Owner ("Notice of Exercise"), or Notices of Exercise, for the entire Property, or (b) a maximum of five (5) years after the Effective Date.

E. If the Option is exercised, then Developer and its successors and assigns will hold a leasehold estate and certain easements and other rights over, on, across and through all or such portion of the Property for which the Option is exercised (the "Exercise Property") during a term commencing upon the date of the giving of the Notice of Exercise and ending thirty (30) years thereafter (the "Initial Term"), unless extended pursuant to the terms of the Lease for two (2) additional ten (10) year periods or sooner terminated; and provided that if Developer exercises the Option over a portion of the Property and subsequently exercises the Option over the remaining portion of the Property, Developer shall have the right to adjust the Initial Term of the Lease over the portion of the Property for which Developer first exercised the Option so that it continues for thirty (30) years from the date when Developer gives such subsequent Notice of Exercise to Owner.

F. The parties desire to enter into this Memorandum of Option and Lease which is to be recorded in order that third parties may have notice of the interest of Developer in the Subject Property and of the existence of the Option to enter into a lease covering the Property, as set forth in the Option Agreement, and of certain easements and rights granted to Developer in the Subject Property as part of the Option Agreement.

NOW, THEREFORE, in consideration of the rents and covenants provided in the Option Agreement to be paid and performed by Developer, Owner hereby acknowledges that it has granted to Developer (i) certain access and other rights with respect to the Subject Property during the term of the Option, as more particularly set forth in the Option Agreement, and (ii) that certain exclusive Option to enter into a Lease covering the Property, or a portion thereof, on the terms and conditions set forth in the Option Agreement together with certain easements to use and enjoy the Property, all more particularly set forth in the Option

After recording return to:

Alanna M. Williamson
Stewart National Title Service
1980 Post Oak Blvd., Suite 610
Houston, Texas 77056
SN # 10330319

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Agreement. All of the terms, conditions, provisions, and covenants of the Option Agreement are hereby incorporated into this Memorandum of Option and Lease by reference as though fully set forth herein, and the Option Agreement and this Memorandum of Option and Lease shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this Memorandum of Option and Lease and the Option Agreement, the terms of the Option Agreement shall prevail.

The Option evidenced by this Memorandum of Option and Lease may be exercised by Developer's sole execution and giving of a Notice of Exercise to Owner, whereupon the Lease that is the subject of the Option shall immediately become effective and binding upon Owner and the Property, or such portion thereof as Developer may identify in the Notice of Exercise, and on all successive owners of such portion thereof or entirety of the Property and the successors and assigns of Owner, all for the benefit of Developer and its successors and assigns.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Option and Lease as of the date set forth above.

DEVELOPER:

Lincoln Renewable Energy, LLC, a Delaware limited liability company

By: [Signature]
Name: John Jones
Its: Chief Operations Officer

ACKNOWLEDGEMENT:

State of Illinois
County of Cook



This instrument was acknowledged before me on 1/28/10 (date)
by John Jones as C. O. O. of
Lincoln Renewable Energy, LLC.

[Signature]
(Signature of notary public)

(Affix Seal)

Title: Notary Public
My commission expires: 09/01/10

OWNER:

[Signature]
David M Cowan

[Signature]
Theresa E Cowan

ACKNOWLEDGEMENT:

State of Wa
County of Thurston

This instrument was acknowledged before me on 2-1-10 (date)
by David M Cowan and Theresa E Cowan.

[Signature]
(Signature of notary public)

(Affix Seal)

Title: Notary Public

My commission expires: Aug 4, 2012

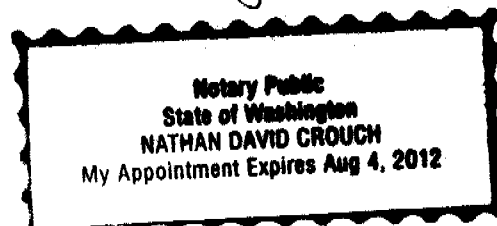


EXHIBIT A TO MEMORANDUM OF OPTION AND LEASE

Subject Property Description

Real property comprising approximately 319.34 acres located in Section 11, Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, State of Oregon, currently identified by tax lot numbers R-3714-01100-00100-000 and R-3714-01100-00300-000, and further described as follows:

Tax Lot R-3714-01100-00300-000

An approximately 40 acre tract (SW4NE4) of Section 11, Township 37 South, Range 14 East of the Willamette Meridian

Tax Lot R-3714-01100-00100-000

An approximately 279.34 acre tract (SE4NE4, N2NE4, NW4) of Section 11, Township 37 South, Range 14 East of the Willamette Meridian