

MEMORANDUM OF OPTION

This MEMORANDUM OF OPTION is executed this 26th day of April, 2000 by and between R. H. Rasco, Jr. and W. D. Rasco, having an address of 1099 Rasco Road, Southaven, Mississippi 38671 (referred to as "Grantor"), and Duke Energy Southaven, LLC, having an address of 5400 Westheimer Court, Houston, TX 77056 (referred to as "Grantee").

Grantor has executed a Transmission Facilities Option and Easement dated April 26, 2000 (the "Agreement"), pursuant to which Grantor has granted to Grantee the exclusive right and option (the "Option") to an easement across certain real property situated in DeSoto County, Mississippi and more particularly described in Exhibit "A" attached hereto (the "Property"), at the price and under terms and conditions described in the Agreement. The Option may be exercised at any time on or before 11:59 p.m., April 1, 2001, or if extended in accordance with the terms of the Agreement, April 1, 2003. Upon exercise of the Option, the Transmission Facilities Option and Easement will be filed of record and will contain as an exhibit the exact location of the easement granted thereunder. In the event that the Transmission Facilities Option and Easement is not filed of record on or prior to April 1, 2003 Grantee shall have no further interest in the Property pursuant to the Agreement.

The terms and conditions of the Agreement are incorporated herein by reference. It is understood that the purpose of this Memorandum is to give notice of the Agreement and the Option, and that all rights, titles and obligations of the parties are to be governed by the terms of the Agreement.

GRANTOR:

✓ W. D. Rasco
Signature of Grantor

Mike M. McGray
Witness

Jean M Rasco
Witness

✓ R. H. Rasco Jr.
Signature of Grantor

Mike M. McGray
Witness

Jean M Rasco
Witness

GRANTEE:

Duke Energy Southaven, LLC

By: [Signature]
Its: Vice President

AND
more

STATE MS. - DESOTO CO.
FILED

AUG 18 3 45 PM '00

BK 86 PG 449
W. H. RAYBURN CLERK

Exhibit A
Legal Description

The property lying and being situated in DeSoto County, Mississippi, described as follows, to-wit:

All of the Northwest Quarter (NW 1/4), the West Half of the Northeast Quarter (W 1/2 of NE 1/4), and all that part of the Southwest Quarter which lies North of Horn Lake Creek, all in Section 21, Township 1, Range 8 West, in DeSoto County, Mississippi, containing 280 acres, more or less. LESS AND EXCEPT any previously conveyed tracts.

And being the same property conveyed to the grantors herein by Quit Claim Deed of record dated June 8, 1992, recorded June 10, 1992 in Deed Book 246, Page 236, Chancery Clerk's Office, DeSoto County, Mississippi.

RE: Tract No. 2
Owners: R.H. Rasco, Jr. & W.D. Rasco