

Real Estate Right of Way and Claims

Date:

February 21, 2012

To:

Elaine Clifford

Records Center

From:

Barbara Mention

Real Estate

Subject:

Easement-Section 15, Arenac Township, Arenac County, Michigan

Almeda-Twining Capital Project – B0002664

Attached are papers related to the acquisition of a Transmission Line Easement, dated February 10, 2012 to Michigan Electric Transmission Company, LLC (METC) from Thomas H. and Debra L. Klingensmith, husband and wife, whose address is 5362 Liberty Street, Standish, Michigan 48377.

Additional easement rights were acquired as a result of upgrading the existing Almeda-Twining circuit from 138kV to 230kV.

The additional easement area is shown highlighted in yellow on attached survey drawing.

The easement consideration fee was \$950.00.

The easement was negotiated by William H. Zimmerman, Stempin & Associates Land Services Inc.

Please incorporate these papers into the appropriate METC database file.

/bm

Attachments

Cc:

M. Ely

J. Kehoe

S. Sczytko

J. Smith





February &, 2012

VIA FEDERAL EXPRESS

Thomas H. Klingensmith and Debra Klingensmith 5362 Liberty Street Standish, Michigan 487658-9774

Re: Exercise of Option pursuant to Easement Option Agreement dated September 14, 2011

Dear Mr. and Mrs. Klingensmith:

This letter is in reference to the Easement Option Agreement (the "Option Agreement") dated September 14, 2011, by and between you and Michigan Electric Transmission Company ("METC"), relative to the grant of an easement on your property located in Section 15, Township 19 North, Range 5 East, Arenac Township, Arenac County, Michigan.

The purpose of this letter is to notify you that, in accordance with Section 2 of the Option Agreement, METC HEREBY EXERCISES ITS OPTION to obtain an easement upon the land more particularly described in the Survey attached to the enclosed Easement. In accordance with Section 5 of the Option Agreement, you are required to execute and deliver the enclosed Easement to METC within 5 business days from METC's exercise of the option. Accordingly, Paul Stempin, METC's agent, will contact you shortly to set up a time to deliver to you the agreed upon compensation amount and to pick up the executed Easement.

Please note that your signatures on the Easement will need to be notarized. As a convenience to you, the METC agent can notarize your signatures if you so desire. If you choose to have him notarize your signatures, you should wait to sign the Easement until he has met with you.

If you have any questions regarding this letter, please do not hesitate to contact Barbara Mention, METC Sr. Property Management Specialist at (248) 946-3000.

Sincerely,

Christine Mason Soneral

Vice President and General Counsel-

Utility Operations

Enclosures: Easement

C:\WilliamLoganPLLC\METC\Almeda Twining\Klingensmith Exercise of Option Letter.docx

EASEMENT OPTION AGREEMENT

THIS EASEMENT	OPTION AC	REEMENT	"("Agreement") is made this	14 day of
SEPTEMBEL,	2011,	by and	between	Thomas H	. Klingensmith
PULL DEBORAN					h, MI 48658-9774
("Grantor") and Michigan I					
whose address is 27175 En	ergy Way, Nov	i, Michigan	48377 ("Grant	tee"). The Gran	tor and Grantee are
at times collectively referred	to hereinafter	as the "Part	ies" or individu	ally as the "Party	y".

RECITALS

- Grantor is the owner of that certain real property located in the City of Omer, Arenac County, Michigan, as more particularly described on Exhibit A attached hereto (the "Property").
- Grantee desires to obtain an option for an easement over the Westerly 39 feet, more or ment Area shall be made at the state of the Property. The Easement Area shall be made at the state of the Property. less, (the "Easement Area") of the Property. The Easement Area shall be more particularly described in 4.11 the Survey to be obtained by Purchaser pursuant to Section 4 of this Agreement;

NOW THEREFORE, in consideration of the sum of \$ 200. **Dollars** (\$ Two Kusters) (the "Option Payment"), to be paid by Grantee to the Grantor, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

- 1. Grant Of Option. Grantor hereby grants to Grantee the right and option ("Option") to obtain an easement on, under, over and across the Easement Area. The Option Payment shall be made by Grantee to Grantor within thirty (30) days of the execution of this Agreement.
- Exercise Of Option. The Option may be exercised in writing at any time on or prior to twelve (12) months after the date of this Agreement ("Option Period"). If the Option has not been so exercised, it shall be automatically extended for one (1) additional Option Period of twelve (12) months, unless Grantee gives written notice to the Grantor of the intent not to extend the Option Period prior to the end of the initial Option Period. The Option Period may be further extended by mutual agreement in writing of the Parties. Grantee shall not be required to exercise the Option. Should Grantee fail to exercise this Option or any extension thereof within the Option Period, all rights and privileges granted hereunder shall be deemed completely surrendered, this Agreement terminated, and Grantor shall retain the Option Payment, and no additional money shall be payable by either Party to the other. Grantor hereby agrees that during the Option Period, Grantor shall not, without the prior written consent of Grantee (i) sell, transfer, assign, convey or dispose of any of its rights under this Agreement, or its rights or interests in the Property, or (ii) grant any lien or encumbrance on or permit any lien or encumbrance on the Property, or (iii) grant any easement or right-of-way in, on or with respect to the Property, or (iv) grant any lease, license or other right to use or occupy the Property to any person.
- Purchaser's License. As of the date of this Agreement, Grantor grants to Grantee, its agents and employees a non-exclusive license (the "License") to enter the Property to conduct such surveys, inspections and tests as Grantee deems necessary, including but not limited to soil borings, to determine whether or not it wishes to exercise the Option granted herein. Grantee agrees to indemnify, defend, and hold Grantor harmless from any and all loss, claim, action, demand and liability relating to or arising out of Grantee's, or its agents', employees', representatives' or contractors' entry upon the Property under

this paragraph which may arise against Grantor. If Grantee determines, in its sole and absolute discretion that the condition of the Property is not acceptable to Purchaser, then Purchaser may, at any time prior to expiration of the Option Period, terminate this Agreement by giving Seller written notice of termination, in which event neither party shall have any further liability hereunder.

- 4. <u>Survey</u>. Grantee shall, at Grantee's cost and expense, obtain a survey of the Easement Area prepared by a registered land surveyor ("Survey"). The Survey shall be in such form and content as is acceptable to Grantee in Grantee's sole discretion. The legal description from the Survey shall be the legal description used in the Easement described in Section 5 below and every other instrument or agreement referencing the Easement Area. The Survey shall set forth the exact size and location of the Easement Area.
- 5. <u>Execution of Easement</u>. Upon Grantee's exercise of the Option, Grantor shall, within five (5) days after Grantee's exercise of the Option, execute and deliver the Easement to Grantee in the form attached hereto as Exhibit B (the "Easement").
- 6. <u>Easement Consideration</u>. As consideration for the granting of the Easement, Grantee shall pay to Grantor the sum of \$\frac{150.00}{250.000} \text{dollars}, which sum shall be paid simultaneously with the execution and delivery of the Easement (the "Easement Consideration").
- 7. <u>Memorandum of Option</u>. Grantor agrees to execute a Memorandum of this Agreement which Grantee may record with the appropriate Recording Office in the County where the Property is located. The date set forth in the Memorandum is for recording purposes only and bears no reference to commencement of the term of the Option Period.
- 8. <u>Notices</u>. Notice of the exercise of the Option shall be given by Grantee to the Grantor in writing by (1) certified mail, return receipt requested, or (2) by overnight courier, provided the courier's regular business is delivery service at the addresses set forth above. Notice shall be deemed effective on the date it is sent.
- 9. <u>Mortgagee Consent</u>. In the event there is currently a mortgage on Grantor's Property which requires the Mortgagee's consent to the execution of the Easement, Grantor will obtain the mortgagee's consent to the execution and recording of the Easement in advance of execution. If Mortgagee consent is required, then the Easement Consideration shall not be payable to Grantor unless the Mortgagee consents to the execution of the Easement in writing.
- 10. <u>Title</u>. Grantor represents and warrants to Grantee as of the execution date of this Agreement, and covenants during the Option Period that Grantor is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement and the Easement..
- 11. <u>Integration</u>. It is agreed and understood that this Agreement contains all agreements, promises and understandings between Grantor and Grantee and that no verbal or oral agreements, promises or understandings shall be binding upon either Grantor or Grantee in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing signed by the Parties. In the event any provision of the Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights and such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, in law or in equity.

- 12. <u>Governing Law</u>. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Michigan.
- 13. <u>Successors And Assigns</u>. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.
- 14. <u>Captions</u>. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first above written.

GRANTOR:

Print Name: Thomas H Klingensmith

Print Name: Debra Klingensmith

GRANTEE:

MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC, a Michigan limited liability company

By: Michigan Transco Holdings, L.P., sole member

By: METC GP Holdings II, LLC, General Partner

By: METC GP Holdings, Inc., sole member and sole manager

By: ITC Holdings Corp., its sole owner

Name: Christine Mason Soneral

Title: Vice President and General Counsel- Utility Operations

EXHIBIT A

[LEGAL DESCRIPTION OF PROPERTY]

LOTS 2-3-4-5 BLK 4 EXC STRIP 4 RDS WIDE ALONG & ADJ E SIDE OF D&M RR R/W MCDON ADD. PARCEL ID: 030-0-M10-003-002-00

EXHIBIT B

FORM OF EASEMENT

EASEMENT

On		, 2011, for good a	and valuable cons	ideration, the receipt of which i
hereby acknown perpetual ease herein describ	wledged, Grantor oment over, under,	conveys and warrants	to Grantee, its suc	ccessors and assigns, a permanen Land called the Easement Area, a
Grantor is:				
Grantee is:		ic Transmission Com Way, Novi, Michiga		higan limited liability company,
Grantor's La	nd is in Section	, Township	, Range	, Township of
	, County of	and State	of Michigan, and i	s described as:
	[INSERT LEGA	AL DESCRIPTION]		
The Easemen	t Area is within G	rantor's Land, and is	described as:	

[INSERT LEGAL DESCRIPTION]

- 1. Purpose: The purpose of this Easement is to allow Grantee the right to enter at any time upon the Easement Area to (1) construct, operate, maintain, repair, inspect, replace, improve, enlarge or remove overhead electric lines consisting of poles, towers, structures, wires, cables (including fiber optic cable) and other equipment for transmitting electrical energy and communications signals, (2) cross the Easement Area to construct, operate, maintain, repair, inspect, replace, improve, enlarge or remove overhead electric equipment located on other land, and (3) temporarily improve the surface of the Easement Area, as reasonably necessary, in Grantee's discretion, to place and operate Grantee's construction vehicles and equipment; provided Grantee shall remove such temporary surface improvements, and repair pavement and reseed lawn areas it disturbs.
- 2. Buildings or other Permanent Structures: No buildings, fences or other above-ground structures shall be installed, constructed or permitted in the Easement Area. Grantee may remove prohibited structures from the Easement Area without prior notice and without responsibility for any damage that occurs as a result of such removal.
- 3. Vegetation Management: Grantee shall have the right at any time to cut, trim remove, destroy or otherwise control any or all trees, bushes, or brush now or hereafter standing or growing within the Easement Area. The complete exercise of this right may be gradual and not fully completed for some time in the future.
- 4. Access: Grantor also grants to Grantee the right of access, ingress and egress to the Easement Area on, over and across lands now owned by the Grantor.
- 5. Limited Use; Nonuse: Nonuse or limited use of the rights herein granted shall not prevent later use to

the full extent herein conveyed.

- 6. Successors: This easement runs with the land and binds and benefits Grantor's and Grantee's successors and assigns.
- 7. Crop Damage: Grantee shall pay for actual damage to crops located within the Easement Area, arising out of Grantee's maintenance of the transmission line within the Easement Area.

This easement is exempt from real estate transfer tax pursuant to MCLA 207.505(f) and from State real estate transfer tax pursuant to the provisions of MCLA 207.526(f).

[Signatures on Following pages]

GRANTOR:

Acknowledged before me in, by	County, State of Michigan, on this day of
	, Notary Public County,
	Acting in County, My Commission Expires
Acknowledged before me in, by	County, State of Michigan, on this day of
	, Notary Public
	Acting in County,
	My Commission Expires

Prepared by: Jenny Kim (P66234) ITC Holdings Corp. 27175 Energy Way Novi, MI 48377

When recorded return to: Elaine Clifford ITC Holdings Corp. 27175 Energy Way Novi, MI 48377



First American Title Insurance Company

1515 Commerce Ct., Midland, MI 48642 Phone: (989)835-6781 Fax: (866)540-5612

PROPERTY PROFILE REPORT

October 25, 2011

Prepared for:

METC, Real Estate and Claims Division

27175 Energy Way

Order No.:

559314

Beginning Search Date: February 24, 1970 @ 8:00 AM **Ending Search Date:** October 17, 2011 @ 8:00 AM

Novi, MI 48377

Borrower Name & Address: Thomas H. Klingensmith and Debra L. Klingensmith, husband and wife

5362 Liberty, Standish, MI 48658

County of:

ARENAC

Public Record Information

Grantee in Last Document of Record: Thomas H. Klingensmith and Debra L. Klingensmith, husband and wife

Undischarged Mortgages and Other Liens of Record:

Interest of Henry Bilacic, as disclosed by Tax Deed recorded in Liber 150, page 327.

Tax Information:

2. Unpaid taxes and assessments unless shown as paid: 2010 Winter Taxes in the amount of \$47.87 are PAID 2011 Summer Taxes in the amount of \$38.83 are DUE Tax Parcel Identification:

Property Address: 5362 Liberty

Tax Parcel No.: 06-030-0-M10-003-002-00 2011 State Equalized Value: \$5,100.00

2011 Taxable Value: \$1,521.00

Principal Residence Exemption, as of past December 31: 0%

Speciai Assessments: None

School District: Arenac Eastern

The amounts shown as due do not include collection fees, penalties or interest.

Legal Description of Property:

Land situated in the City of Omer, County of Arenac, State of Michigan, is described as follows:

Lots 2, 3, 4 and 5, Block 4, except a strip 4 rods wide along and adjacent to the East side of D & M RR R/W, PLAT OF ANGUS W. MCDONELL'S ADDITION TO THE VILLAGE OF OMAR, according to the recorded plat thereof, Arenac County Records.

Mabel & Crandall

Notari Public, Lugham County, Michigan.

My commission expires November 29, 1971

PARE 1 Of 2
ROBE SMITH
AREMAC CO. RES. OF DEEDS
RS Date 09/22/2000 Time 13:26:38
RETORDING FEES: 0.00



QUIT CLAIM SALE DEED

No. 208901

MICHIGAN DEPARTMENT OF NATURAL RESOURCES
LAND AND MINERAL SERVICES DIVISION
ISSUED Under Section 131, Act 206, Public Acts of 1893, as amended.

THIS DEED, made this 21st day of June, 2000 BY AND BETWEEN, the MICHIGAN DEPARTMENT OF NATURAL RESOURCES for the STATE OF MICHIGAN, by authority of Act 451, P.A. of 1994, as amended, hereafter called "Grantor", and

Thomas H. Klingensmith and Debra L. Klingensmith, As Husband and Wife

5362 Liberty

Standish, MI 48658

hereafter called "Grantee".

WITNESS, that the Granter, acting for and in behalf of the State of Michigan by authority of Section 131, Act 206, P.A. 1893, as amended, and for the sum of Four Hundred Twenty and 00/100 (\$420.00) DCLLARS paid to it by Grantee, hereby grants, conveys, and quit-claims unto the Grantee and to Grantee's heirs, successors, and assigns, all the right, title and interest acquired by the State of Michigan in and to the following described land tocated in the County of Arenac, State of Michigan:

CTTY OF OMER.

MCDON ADDITION

Lots 2-3-4-5 Bik 4 exc strip 4 rods wide along & adj E side of D&M RR 1/w
060300M10003002

Age 2 of 2

GR 32'

SAVING AND REBERVING unto the People of the State of Michigan the rights of ingress and egrees over and across all of the above-mentioned descriptions of land lying along any watercourse of stream, pursuant to the provisions of part 5, Act 451, P.A. 1994, as americad. Further, excepting and reserving to the State of Michigan, all aboriginal antiquities including mounds, earthworks, forts, buriel and village altes, mines or other relics and also reserving the right to explore and excepting for the same, by and through its duly authorized agents and employees, pursuant to the provisions of Part 781, Aboriginal Records and Antiquities, of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994, as amended.

This conveyance hereby restricts the Grantee from severing all and gas rights from the surface rights any time in the future. If the Grantee severs the subsurface rights from the surface rights, the subsurface rights will reven to the State of Michigan.

This property may be located within the vicinity of farmlands or a farm operation. Generally accepted agricultural practices, which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Flight to Farm Act.

IN WITNESS WHEREOF, the Grantor, by its Manager, Land Records and Tax Reversion, has signed and affixed the seal of the Department of Natural Resources the day and year first above willien.

Signed, Sealed and Delivered in Presence of

Minch I primario Mallana

MICHIGAN DEPARTMENT OF NATURAL RESOURCES.

Lois A. Klender, Manager

Land Records & Tex Reversion
Land and Mineral Services Division

STATE

OF

MICHIGAN

County of Ingham

188

The foregoing instrument was acknowledged before the this 11th day of September, 2000, by Lois A. Klender, Manager, Land Records and Tax Reversion, Land and Mineral Services Division of the Michigan Department of Natural Resources for the State of Michigan.

Recorded in Liber 420 of Deeds, Page 401 (Land and Mineral Services Division Records)

Rokanne L. Harris, Notary Public Ingham County, Michigan

Prepared by:

My commission Expires: February 21, 2003.

KIMBERLY A. KOLICH LAND AND MINERAL SERVICES DIVISION MICHIGAN DEPARTMENT OF NATURAL RESOURCES P.O. BOX 30448 LANSING MI 48809-7948

Check Date: Feb/10/2012	Vendor Number: 0000010207		Payment Method	CHK	Check No. 0000020489		
Invoice Number	Invoice Date	Voucher ID	Bus Unit	Gross Amount	Discounts	Late Charges	Paid Amou
020212 EASEMENT CITY OF OMER	Feb/02/2012	00058592	МЕТОР	750.00	0.00	0.00	750

For questions please call 248-946-3000 or e-mail ap@itctransco.com

Check Number	Date	Total Gross Amount	Total Discounts	Total Late Charges	Tot Paid Amou
0000020489	February/10/2012	750.00	0.00	0.00	750.0

PITC

METC 27175 Energy Way Novi, MI 48377

COMERICA BANK

0000020489

Detroit, MI

9-9/720

Date February/10/2012

\$750.00***

Pay

****SEVEN HUNDRED FIFTY AND XX / 100 DOLLAR****

To The Order Of KLINGENSMITH, THOMAS H & DEBRA

5362 LIBERTY STANDISH, MI 48658 Authorized Signature

Check Date: Sep/30/2011	Vend	or Number: 000	0010207	Payment Method	CHK	Check No.	0000018946
Invoice Number	Invoice Date	Voucher ID	Bus Unit	Gross Amount	Discounts	Late Charges	Paid Amour
092111 easement	Sep/21/2011	00053307	METOP	200.00	.00	.00	200.0

meded a/30/11

For questions please call 248-946-3000 or e-mail ap@itctransco.com

Check Number	Date	Total Gross Amount	Total Discounts	Total Late Charges	Tot Paid Amou
0000018946	September/30/2011	200.00	.00	.00	200.0

PITC

METC 27175 Energy Way Novi, MI 48377 **COMERICA BANK**

0000018946

Detroit, MI

9-9/720

Date September/30/2011

\$200.00***

Pay

****TWO HUNDRED AND XX / 100 DOLLAR****

To The Order Of KLINGENSMITH, THOMAS H & DEBRA

5362 LIBERTY STANDISH, MI 48658 Authorized Signature