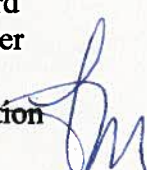




Real Estate Right of Way and Claims

Date: July 30, 2012

To: Elaine Clifford
Records Center

From: Barbara Mention 
Real Estate

Subject: Easement-Section 15, City of Omer, Arenac County, Michigan
Almeda-Twining Capital Project – B0002664

Attached are papers related to the acquisition of a Transmission Line Easement, dated March 28, 2012 to Michigan Electric Transmission Company, LLC (METC) from the City of Omer, PO Box 160, Omer, Michigan 48749.

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 shaded in gray on attached survey drawing.

The easement consideration fee was \$1,900.00.

The easement was negotiated by Paul Stempin, 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


20839

D168-DC-10 D169-DC-7



COPY

March __, 2012

VIA FEDERAL EXPRESS

City of Omer
201 E. Center
Omer, Michigan 48749

Re: *Exercise of Option pursuant to Easement Option Agreements dated October 4, 2011 and December 13, 2011*

Dear Mayor Sproule:

This letter is in reference to the Easement Option Agreements (together, the "Option Agreements") dated October 4, 2011 and December 13, 2011, by and between the City of Omer and Michigan Electric Transmission Company, LLC ("METC"), relative to the grant of an easement on the City's property located in Section 15, Township 19 North, Range 5 East, City of Omer, Arenac County, Michigan.

The purpose of this letter is to notify you that, in accordance with Section 2 of the Option Agreements, 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 Agreements, 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\City of Omer Exercise of Option Letter.docx

EASEMENT

On _____, 2012, for good and valuable consideration, the receipt of which is hereby acknowledged, Grantor conveys and warrants to Grantee, its successors and assigns, a permanent, perpetual easement over, under, across and through a part of Grantor's Land called the Easement Area, as herein described.

Grantor is: The City of Omer, a Michigan municipal corporation, whose address is P.O. Box 160 Omer, Michigan 48749-0160.

Grantee is: Michigan Electric Transmission Company, LLC, a Michigan limited liability company, of 27175 Energy Way, Novi, Michigan 48377.

Grantor's Land is in Section 15, Town 19 North, Range 5 East, City of Omer, County of Arenac and State of Michigan, and is more completely described in Exhibit A attached hereto.

The Easement Area is within Grantor's Land, and is more completely described under the heading "Easement Description" in Exhibit A attached hereto.

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 or other above-ground structures shall be installed, constructed or permitted in the Easement Area, with the exception of any such structures existing at the time of execution of this Easement; provided that Grantor reserves the right to place/construct underground pipelines at such locations within the Easement Area at such locations mutually agreed upon by the Grantee. 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.

[City of Omer]

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).

GRANTOR:

CITY OF OMER, a Michigan municipal corporation

By: _____
Alice Sproule
Its: Mayor

By: _____
Sue Oliver
Its: Clerk

Acknowledged before me in Arenac County, State of Michigan, on this _____ day of _____, 2012 by Alice Sproule, Mayor of the City of Omer, a Michigan municipal corporation, on behalf of the City.

_____, Notary Public
_____, County, Michigan
Acting in _____ County, Michigan
My Commission Expires _____

Acknowledged before me in Arenac County, State of Michigan, on this _____ day of _____, 2012 by Sue Oliver, Clerk of the City of Omer, a Michigan municipal corporation, on behalf of the City.

_____, Notary Public
_____, County, Michigan
Acting in _____ County, Michigan
My Commission Expires _____

Prepared by:
William L. Logan (P54771)
Law Office of William L. Logan, PLLC
313 Droste Circle
East Lansing, MI 48823

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

EXHIBIT A

(CITY OF OMER)

LEGEND

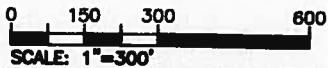
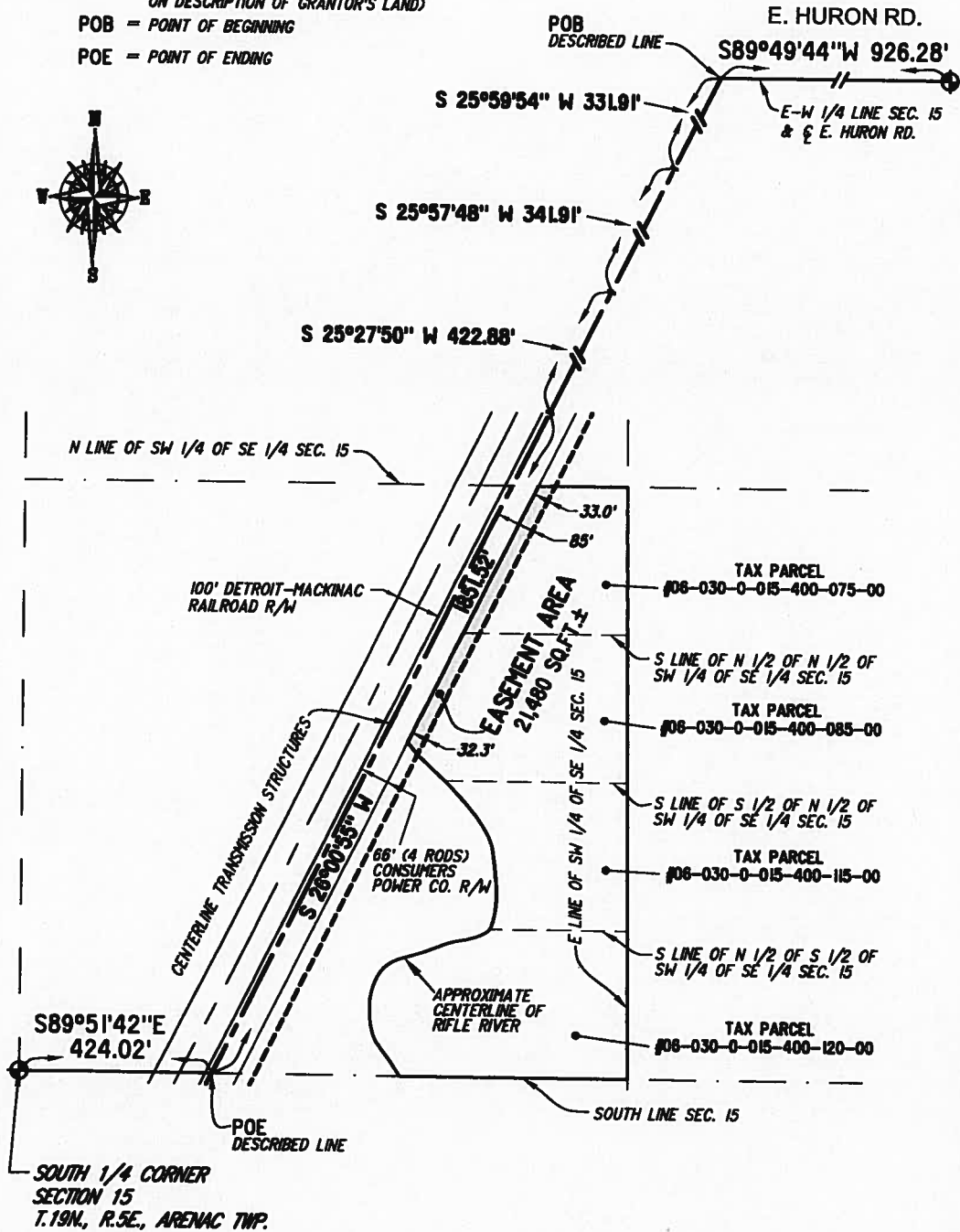
N 88° E = DESCRIBED LINE DIMENSIONS (BEARINGS BASED ON MICHIGAN STATE PLANE COORDINATES, NAD83(CORS96))

N 88° E = PARCEL DIMENSIONS (BEARINGS BASED ON DESCRIPTION OF GRANTOR'S LAND)

POB = POINT OF BEGINNING

POE = POINT OF ENDING

EAST 1/4 CORNER
SECTION 15
T.19N., R.5E., ARENAC TWP.



Sheet 1 of 2

8042.229 2011 Exhibits.dwg

COPYRIGHT ©2012 MCNEELY & LINCOLN ASSOCIATES, INC.

MCNEELY & LINCOLN
Associates, Inc.
CIVIL ENGINEERING & LAND SURVEYING
PH. (734) 432-9777 FAX (734) 432-9788
37741 PEMBROKE, LIVONIA, MICHIGAN, 48152
WWW.MNLINC.COM

For I.T.C. Date 03/07/12
Scale 1"=300' Drawn By
Job No. 8042.229 Checked By DW

(CITY OF OMER)

GRANTOR'S LAND

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

Section 15, Town 19 North, Range 5 East

All that part of the North half of the North half of the Southwest 1/4 of Southeast 1/4 (N 1/2 N 1/2 SW 1/4 SE 1/4) lying East of the D & M Railroad right of way and East of Michigan Power Company right of way.

(per WD, Document No. 201104110, Arenac Co. Records)
Tax Parcel No. 06-030-0-015-400-075-00

Section 15, Town 19 North, Range 5 East

All that part of the South half of North half of Southwest 1/4 of Southeast 1/4 lying East of the Rifle River, except a strip of land 4 rods wide East of and adjacent to the East side of the D & M Railroad right of way.

(per Arenac Co. Assessing records)
Tax Parcel No. 06-030-0-015-400-085-00

Section 15, Town 19 North, Range 5 East

North one half of the South one half of the Southwest quarter of the Southeast quarter lying East of the Rifle River.

(per QCD, Liber 558, Page 297, Arenac Co. Records)
Tax Parcel No. 06-030-0-015-400-115-00

Section 15, Town 19 North, Range 5 East

All that part of the South half of South half of Southwest 1/4 of Southeast 1/4 lying East of the Rifle River.

(per Arenac Co. Assessing records)
Tax Parcel No. 06-030-0-015-400-120-00

EASEMENT DESCRIPTION

Part of Section 15, Town 19 North, Range 5 East, City of Omer, Arenac County, Michigan, described as:

All that part of the above described Grantor's Land which lies within 85.00 feet on each side of the following Described Line:

Commencing at the East 1/4 corner of Section 15, Town 19 North, Range 5 East, Township of Arenac, Arenac County, Michigan;

thence South 89 degrees 49 minutes 44 seconds West, along the East-West 1/4 line of Section 15, 926.28 feet to the **Point of Beginning** of said Described Line;

thence South 25 degrees 59 minutes 54 seconds West 331.91 feet;

thence South 25 degrees 57 minutes 48 seconds West 341.91 feet;

thence South 25 degrees 27 minutes 50 seconds West 422.88 feet;

thence South 26 degrees 00 minutes 55 seconds West 1851.52 feet to the **Point of Ending** of said Described Line, said point of ending lying distant South 89 degrees 51 minutes 42 seconds East, along the South line of Section 15, 424.02 feet from the South 1/4 corner of Section 15.

The sidelines of the herein described easement are to be extended or shortened so as to terminate at the boundaries of the above described Grantor's Land.

<p>MCNEELY & LINCOLN Associates, Inc. CIVIL ENGINEERING & LAND SURVEYING PH. (734) 432-9777 FAX (734) 432-9788 37741 PEMBROKE, LIVONIA, MICHIGAN, 48152 WWW.MNLINC.COM</p>	For	I.T.C.	Date	03/07/12
	Scale	NONE	Drawn By	DP
	Job No.	8042.229	Checked By	DW

Check Date: Mar/16/2012		Vendor Number: 000002339		Payment Method	CHK	Check No. 0000020897	
Invoice Number	Invoice Date	Voucher ID	Bus Unit	Gross Amount	Discounts	Late Charges	Paid Amount
031212 Easement	Mar/12/2012	00059920	METOP	1,500.00	0.00	0.00	1,500.00

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

Check Number	Date	Total Gross Amount	Total Discounts	Total Late Charges	Total Paid Amount
0000020897	March/16/2012	1,500.00	0.00	0.00	1,500.00



METC
27175 Energy Way
Novi, MI 48377

COMERICA BANK

0000020897

Detroit, MI

9-9/720

Date March/16/2012

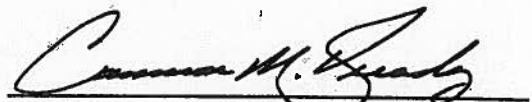
\$1,500.00***

Pay ****ONE THOUSAND FIVE HUNDRED AND XX / 100 DOLLAR****

To The
Order Of

TREASURER, CITY OF OMER

201 E CENTER
BOX 160
OMER, MI 48749


Authorized Signature

⑈0000020897⑈ ⑆072000096⑆ 1852197373⑈

Check Date: Oct/21/2011		Vendor Number: 000002339		Payment Method CHK	Check No. 0000019148		
Invoice Number	Invoice Date	Voucher ID	Bus Unit	Gross Amount	Discounts	Late Charges	Paid Amount
101211 casement	Oct/12/2011	00054002	METOP	200.00	.00	.00	200.00

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

Check Number	Date	Total Gross Amount	Total Discounts	Total Late Charges	Total Paid Amount
0000019148	October/21/2011	200.00	.00	.00	200.00



METC
27175 Energy Way
Novi, MI 48377

COMERICA BANK
Detroit, MI

0000019148

9-9/720

Date October/21/2011

\$200.00***

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

To The
Order Of **TREASURER, CITY OF OMER**
201 E CENTER
BOX 160
OMER, MI 48749

Carman M. Ready
Authorized Signature

⑈0000019148⑈ ⑆072000096⑆ 1852197373⑈

Check Date: Dec/22/2011

Vendor Number: 000002339

Payment Method CHK

Check No. 0000019691

Invoice Number	Invoice Date	Voucher ID	Bus Unit	Gross Amount	Discounts	Late Charges	Paid Amount
121511 EASEMENT	Dec/15/2011	00056404	METOP	200.00	0.00	0.00	200.00

mailed w/copy of optem 1-3-12

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

Check Number	Date	Total Gross Amount	Total Discounts	Total Late Charges	Total Paid Amount
0000019691	December/22/2011	200.00	0.00	0.00	200.00



METC
27175 Energy Way
Novi, MI 48377

COMERICA BANK

0000019691

Detroit, MI

9-9/720

Date December/22/2011

\$200.00***

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

To The Order Of
TREASURER, CITY OF OMER
201 E CENTER
BOX 160
OMER, MI 48749

Carman M. Ready
Authorized Signature

TITLE SEARCH REPORT

Beginning Search Date: August 30, 1941 @ 8:00 AM

Search File No.: 572308

Ending Search Date: February 13, 2012 @ 8:00 AM

Property Address: V/L

Loan Number:

Reference No.:

Legal Description of Property:

The land referred to in this Commitment, situated in the County of Arenac, City of Omer, State of Michigan, is described as follows:

Part of the South 1/2 of North 1/2 of Southwest 1/4 of Southeast 1/4, lying East of Rifle River, Section 15, Township 19 North, Range 5 East, City of Omer.

(the Property)

Instruments shown in this search report include:

1) Conveyances and liens recorded in the office of the Register of Deeds for Arenac County, Michigan during the period of this search; and 2) Conveyances and liens recorded prior to the beginning search date which evidence outstanding interests in the land.

1. Deed recorded in Liber 72, page 97.
2. Limited Quit Claim Deed and Transfer of Jurisdiction recorded in Liber 303, page 706.

NOTE: The above information is to be used for reference purposes only. It is not to be relied upon as evidence of title nor as evidence of compliance with any of the provisions of PA 123 of 1999. The issuance of this search is not to be construed as a promise to insure. This search is being provided for a reduced rate and the company's liability shall in no event exceed the amount paid for said information. The company reserves the right to decline any application for the issuance of a title policy based on the information provided in this document.

Tax Information:

3. TAXES ARE EXEMPT:
06-030-0-015-400-085-00



First American Title Insurance Company

This Search Report does not include any instrument which has been filed pursuant to the Uniform Commercial Code or filed in records other than those in the Office of the Register of Deeds. This Search Report should not be construed as a guarantee or opinion of title. First American Title Insurance Company agrees to provide this title search based upon the understanding and acknowledgment by the applicant that any liability is limited to the amount paid for this title search. The information contained herein should not be used for due diligence inquiry under CERCLA or other federal or state environmental legislation.

**LIMITED QUIT CLAIM DEED AND
TRANSFER OF JURISDICTION**

THIS INDENTURE, made and executed this 22nd day of March, ~~2000~~ 1999, between the Arenac Eastern School District, formerly known as School District Number 4, Fractional, Arenac Township, of 200 Smalley Street, Twining, MI 48766, hereinafter called Party of the First Part and Grantor, and the City of Omer, a Michigan Municipal Corporation, of 201 E. Center, Omer, MI 48749, hereinafter called Party of the Second Part and Grantee.

WITNESSETH:

That whereas Party of the First Part acquired by deed dated August 13, 1941 from the Michigan Department of Natural Resources for the State of Michigan under the provisions of Act 223, Public Acts of 1909, as amended, for public purposes certain property more particularly hereinafter described and,

That whereas Party of the Second Part is desirous of obtaining jurisdiction of said property also for such public purposes and,

That whereas the said First Party, by Resolution dated 1st day of June, 1998 has agreed to relinquish the jurisdiction subject to the conditions herein, all agreed to by Second Party, and,

That whereas Second Party by approving and executing this instrument has agreed to assume jurisdiction under the same conditions and covenants and pursuant to the said Act hereinbefore referred to,

NOW THEREFORE, said First Party hereby releases and does by these presents transfer the jurisdiction and convey to the said Second Party all its right, title or interest in and to the following described property, situated in the City of Omer, County of Arenac, State of Michigan, to-wit:

East Half (E-1/2) of Southeast Quarter (SE-1/4), Section 15, except a piece of land beginning at the Northeast corner, thence South 50 rods, West 18 rods, North 28 rods, West 8 rods; South 26 rods; West 54 rods to East 1/8 line of Section; thence North 48 rods; East 80 rods to beginning, Section 15, Township 19 North, Range 5 East, City of Omer. -AND- All that part of the South Half (S-1/2) of South Half (S-1/2) of Southwest Quarter (SW-1/4) of Southeast Quarter (SE-1/4), lying East of Rifle River, and all that part of the South Half (S-1/2) of the North Half (N-1/2) of Southwest Quarter (SW-1/4) of Southeast Quarter (SE-1/4), lying East of Rifle River, Section 15, Township 19 North, Range 5 East, City of Omer. All according to the Plats thereof.

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

The grantor grants to the grantee the right to make ZERO divisions under Section 108 of the Land Division Act, Act No. 288 of Public Acts of 1967.

It is expressly understood that the acceptance of this conveyance by the Second Party and Grantee shall be construed to be and is an acceptance of all the terms and conditions upon which the original grant was made specifically including but not limiting it to the condition provided by Act 223, P.A. 1909, as amended, that the property described above shall revert to the Arenac Eastern School District when it ceases to be used for public purposes and by such acceptance, said Grantee, its successors and assigns hereby consent that said terms and conditions may be construed to be covenants. Should such a reversion ever occur the First Party shall regain jurisdiction as if this document was never executed. Further, this instrument shall be void if not approved by the Department of Natural Resources or its successor for the State of Michigan.

It is further expressly understood that by acceptance of this document, the City of Omer, Second Party and Grantee, acknowledges that Arenac Eastern School District, formerly known as School District Number 4, Fractional, Arenac Township, Party of the First Part and Grantor, has retained a reservation which shall require the City of Omer to give scheduling priority of the ball fields to the School, Party of the First Part and Grantor, upon the School's request over any non-school users. The School, Party of the First Part and Grantor, agrees to give the City, Party of the Second Part and Grantee, as much advance notice as possible when needing to use subject ball fields.

for the sum of: ONE and 00/100 (\$1.00) DOLLAR
EXEMPT FROM TAX PURSUANT TO MCL 207.505(a) and MCL 207.526(a)

Subject to easements and building and use restrictions of record.

SIGNED IN THE PRESENCE OF:

Michael R. Flore
Michael R. Flore

Michael Noffsinger
Michael Noffsinger

STATE OF MICHIGAN)
)ss
COUNTY OF ARENAC)

The foregoing instrument was acknowledged before me this 17th day of March, 1998⁹, by Loren Wycoff, Superintendent of the Arenac Eastern School District, on behalf of the Arenac Eastern School District.

SIGNED BY PARTY OF THE FIRST PART:
ARENAC EASTERN SCHOOL DISTRICT

Loren Wycoff
BY: Loren Wycoff
ITS: Superintendent

Janine Rioselle
Janine Rioselle, Notary Public
Arenac County, Michigan
My Commission Expires: 7/29/99

SIGNED IN THE PRESENCE OF:

Revia M. Stewart
Revia M. Stewart

Robert Dewald
Robert Dewald

STATE OF MICHIGAN)
)ss
COUNTY OF ARENAC)

The foregoing instrument was acknowledged before me this 22nd day of March, 1998⁹, by Richard Hegenauer, Mayor of the City of Omer, a Michigan Municipal Corporation, on behalf of the City of Omer. Pro Tem

SIGNED BY PARTY OF THE SECOND PART:
CITY OF OMER,
A MICHIGAN MUNICIPAL CORPORATION,
Richard Hegenauer
BY: Richard Hegenauer
ITS: Mayor Pro Tem

Joan E. Steward
Joan E. Steward, Notary Public
Arenac County, Michigan
My Commission Expires: 4/4/2000

PREPARED BY:
JACK W. SCULLY
ATTORNEY AT LAW
105 N. GROVE, P.O. BOX 220
STANDISH, MICHIGAN 48658
(517) 846-6282

WHEN RECORDED RETURN TO GRANTEE

EASEMENT OPTION AGREEMENT

THIS EASEMENT OPTION AGREEMENT ("Agreement") is made this 13TH day of DECEMBER, 2011, by and between CITY OF OMER A MICHIGAN MUNICIPAL CORPORATION whose address is PO Box 160, Omer, MI 48749-0160 ("Grantor") and Michigan Electric Transmission Company, LLC, a Michigan limited liability company, whose address is 27175 Energy Way, Novi, Michigan 48377 ("Grantee"). The Grantor and Grantee are at times collectively referred to hereinafter as the "Parties" or individually as the "Party".

RECITALS

A. Grantor is the owner of that certain real property located in Section 15, City of Omer, Arenac County, Michigan, as more particularly described on Exhibit A attached hereto (the "Property").

B. Grantee desires to obtain an option for an easement over the Westerly 29 feet, more or less, (the "Easement Area") of the Property. The Easement Area shall be more particularly described in the Survey to be obtained by Purchaser pursuant to Section 4 of this Agreement;

NOW THEREFORE, in consideration of the sum of Two Hundred Dollars (\$200.00) (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.

2. 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.

3. 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. Survey. 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. Execution of Easement. 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. Easement Consideration. As consideration for the granting of the Easement, Grantee shall pay to Grantor the sum of Seven Hundred Fifty Dollars (\$750.00), which sum shall be paid simultaneously with the execution and delivery of the Easement (the "Easement Consideration").

7. Memorandum of Option. 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. Notices. 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. Mortgagee Consent. 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. Title. 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. Integration. 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. Governing Law. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Michigan.

13. Successors And Assigns. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

14. Captions. 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:

Alice Sproule mayor

Print Name: Alice Sproule

Sue Oliver City Clerk

Print Name: Sue Oliver City Clerk

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

By: Christine Mason Soneral

Name: Christine Mason Soneral

Title: Vice President and General Counsel- Utility Operations

EXHIBIT A

[LEGAL DESCRIPTION OF PROPERTY]

**T19N R5E SEC 15 N 1/2 OF N 1/2 OF SW 1/4 OF SE 1/4 LYING E OF D&M RR R/W & E OF
CONSUMERS POWER CO R/W. CONTAINING 1.50 ACRES
PARCEL ID: 030-0-015-400-075-00**

EXHIBIT B

FORM OF EASEMENT

EASEMENT

On _____, 2011, for good and valuable consideration, the receipt of which is hereby acknowledged, Grantor conveys and warrants to Grantee, its successors and assigns, a permanent, perpetual easement over, under, across and through a part of Grantor's Land called the Easement Area, as herein described.

Grantor is:

Grantee is: Michigan Electric Transmission Company, LLC, a Michigan limited liability company, of 27175 Energy Way, Novi, Michigan 48377.

Grantor's Land is in Section _____, Township _____, Range _____, Township of _____, County of _____ and State of Michigan, and is described as:

[INSERT LEGAL DESCRIPTION]

The Easement Area is within Grantor'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 _____ County, State of Michigan, on this _____ day of _____, by _____.

_____, Notary Public
_____ County, _____
Acting in _____ County, _____
My Commission Expires _____

Acknowledged before me in _____ County, State of Michigan, on this _____ day of _____, by _____.

_____, Notary Public
_____ County, _____
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

EASEMENT OPTION AGREEMENT

THIS EASEMENT OPTION AGREEMENT ("Agreement") is made this 4 day of October, 2011, by and between CITY OF OMER, a Michigan municipal corporation, whose address is PO Box 160, Omer, MI 48749-0160 ("Grantor") and Michigan Electric Transmission Company, LLC, a Michigan limited liability company, whose address is 27175 Energy Way, Novi, Michigan 48377 ("Grantee"). The Grantor and Grantee are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

RECITALS

A. Grantor is the owner of that certain real property located in Section 15, City of Omer, Arenac County, Michigan, as more particularly described on Exhibit A attached hereto (the "Property").

B. Grantee desires to obtain an option for an easement over the Westerly 29 feet, more or less, (the "Easement Area") of the Property. The Easement Area shall be more particularly described in the Survey to be obtained by Purchaser pursuant to Section 4 of this Agreement;

NOW THEREFORE, in consideration of the sum of \$200.00 Dollars (Two Hundred Dollars) (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.
2. **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.
3. **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. Survey. Grantee shall, at Grantee's cost and expense, obtain a survey of the Easement Area prepared by a registered land surveyor (the "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. Execution of Easement. 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 substantially the same form attached hereto as Exhibit B (the "Easement").

6. Easement Consideration. As consideration for the granting of the Easement, Grantee shall pay to Grantor the sum of \$750.00 (Seven Hundred and Fifty) dollars, which sum shall be paid simultaneously with the execution and delivery of the Easement (the "Easement Consideration").

7. Memorandum of Option. 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. Notices. 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. Mortgagee Consent. 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. Title. 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. Integration. 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. Governing Law. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Michigan.

13. Successors And Assigns. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

14. Captions. 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.

15. Grantors' Reservation of Rights. Grantor reserves the right to place/construct underground pipe lines at such locations mutually agreed upon by both Parties.

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

GRANTOR:

Alice Sproule, Mayor
Print Name: Alice Sproule, Mayor

Sue Oliver
Print Name: Sue Oliver
Mayor City Clerk

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

By: [Signature]
Name: Christine Mason Soneral
Title: Vice President and General Counsel- Utility Operations

EXHIBIT A

[LEGAL DESCRIPTION OF PROPERTY]

**T19N R5E SEC 15 N 1/2 OF S 1/2 OF SW 1/4 OF SE 1/4 OF RIFLE RIV EXC D&M RR R/W &
EXC CPC 4 RDS WIDE E OF & ADJ TO ELY SIDE OF RR. PARCEL ID: 030-0-015-400-115-00
ALSO, T19N R5E SEC 15 S 1/2 OF N 1/2 OF SW 1/4 OF SE 1/4 E OF RIFLE RIV EXC STRIP OF
LD 4 RDS WIDE E OF & ADJ to E SIDE OF RR R/W. PARCEL ID: 030-0-015-400-085-00**

EXHIBIT B

FORM OF EASEMENT

EASEMENT

On _____, 2011, for good and valuable consideration, the receipt of which is hereby acknowledged, Grantor conveys and warrants to Grantee, its successors and assigns, a permanent, perpetual easement over, under, across and through a part of Grantor's Land called the Easement Area, as herein described.

Grantor is:

Grantee is: Michigan Electric Transmission Company, LLC, a Michigan limited liability company, of 27175 Energy Way, Novi, Michigan 48377.

Grantor's Land is in Section ____, Township _____, Range _____, Township of _____, County of _____ and State of Michigan, and is described as:

[INSERT LEGAL DESCRIPTION]

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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 _____ County, State of Michigan, on this _____ day of _____, by _____.

_____, Notary Public
_____, County, _____
Acting in _____ County, _____
My Commission Expires _____

Acknowledged before me in _____ County, State of Michigan, on this _____ day of _____, by _____.

_____, Notary Public
_____, County, _____
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

(CITY OF OMER)

LEGEND

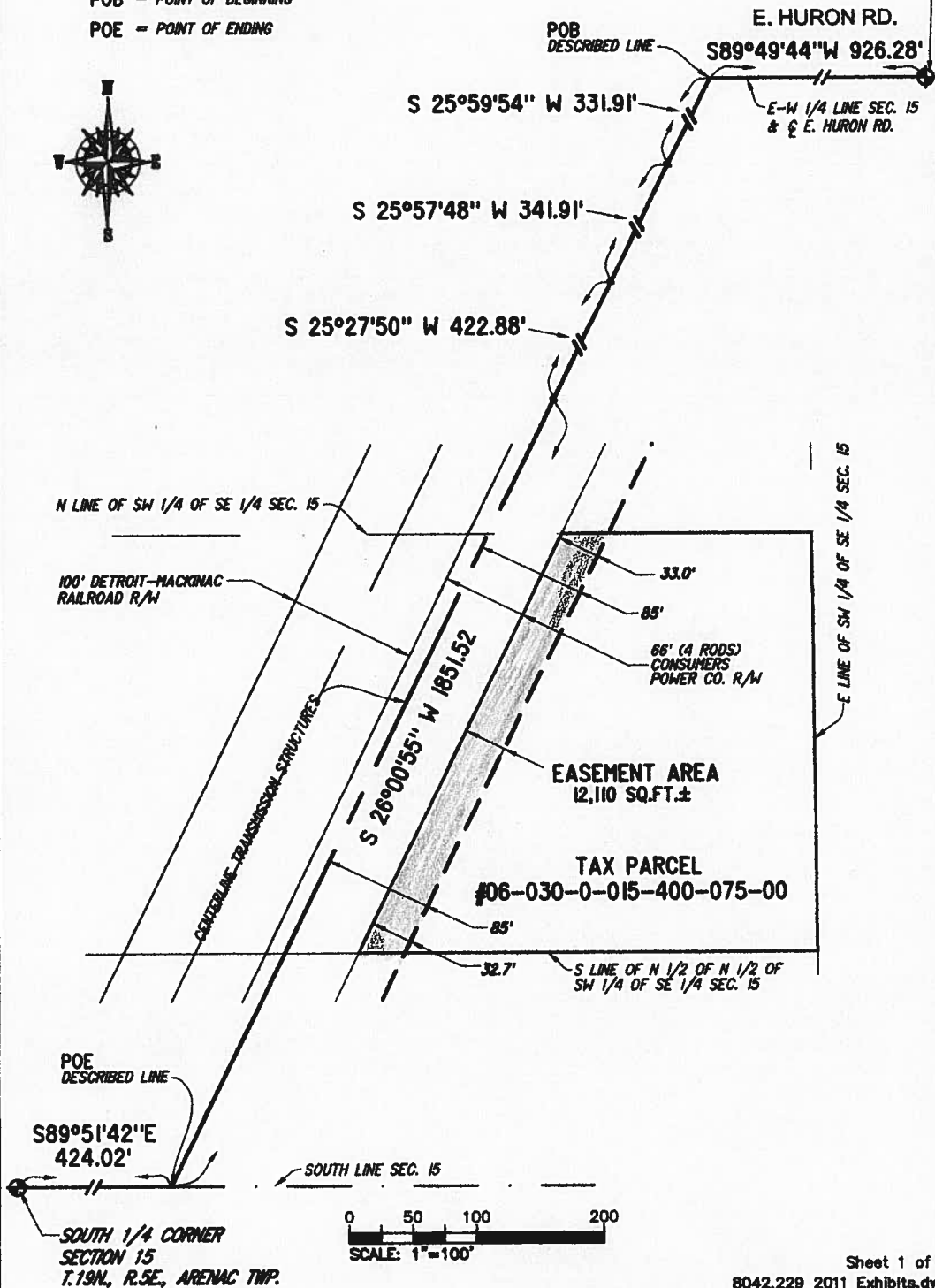
N 88° E - DESCRIBED LINE DIMENSIONS (BEARINGS BASED ON MICHIGAN STATE PLANE COORDINATES, NAD83(CORS96))

N 88° E - PARCEL DIMENSIONS (BEARINGS BASED ON DESCRIPTION OF GRANTOR'S LAND)

POB - POINT OF BEGINNING

POE - POINT OF ENDING

EAST 1/4 CORNER
SECTION 15
T.19N., R.5E., ARENAC TWP.



Sheet 1 of 2

8042.229 2011 Exhibits.dwg

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MCNEELY & LINCOLN
Associates, Inc.

CIVIL ENGINEERING & LAND SURVEYING
PH. (734) 432-9777 FAX (734) 432-9786
37741 PEMBROKE, LYONIA, MICHIGAN, 48152
WWW.MNLINC.COM

For I.T.C. Date 02/07/12

Scale 1"=100' Drawn By

Job No. 8042.229 Checked By DW

(CITY OF OMER)

GRANTOR'S LAND

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

Section 15, Town 19 North, Range 5 East

All that part of the North half of North half of Southwest 1/4 of Southeast 1/4 (N 1/2 N 1/2 SW 1/4 SE 1/4) lying East of the D & M Railroad right of way and East of Michigan Power Company right of way.

(per First American Title Insurance Company Property Profile Report, File No. 567215 dated December 28, 2011)

Tax Parcel No. 06-030-0-015-400-075-00

EASEMENT DESCRIPTION

Part of Section 15, Town 19 North, Range 5 East, City of Omer, Arenac County, Michigan, described as:

All that part of the above described Grantor's Land which lies within 85.00 feet on each side of the following Described Line:

Commencing at the East 1/4 corner of Section 15, Town 19 North, Range 5 East, Township of Arenac, Arenac County, Michigan;

thence South 89 degrees 49 minutes 44 seconds West, along the East-West 1/4 line of Section 15, 926.28 feet to the Point of Beginning of said Described Line;

thence South 25 degrees 59 minutes 54 seconds West 331.91 feet;

thence South 25 degrees 57 minutes 48 seconds West 341.91 feet;

thence South 25 degrees 27 minutes 50 seconds West 422.88 feet;

thence South 26 degrees 00 minutes 55 seconds West 1851.52 feet to the Point of Ending of said Described Line, said point of ending lying distant South 89 degrees 51 minutes 42 seconds East, along the South line of Section 15, 424.02 feet from the South 1/4 corner of Section 15.

The sidelines of the herein described easement are to be extended or shortened so as to terminate at the boundaries of the above described Grantor's Land.

Sheet 2 of 2

8042.229 2011 ExhibitA.dwg

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Associates, Inc.

CIVIL ENGINEERING & LAND SURVEYING
PH. (734) 432-9777 FAX (734) 432-9786
37741 PEMBROKE, LIVONIA, MICHIGAN, 48152
WWW.MNLINC.COM

For I.T.C. Date 02/07/12
Scale NONE Drawn By DP
Job No. 8042.229 Checked By DW