

November 8, 2007

**Fernando Guevara
Property Management
ITC Holdings Corp.
39500 Orchard Hill Place, Suite 200
Novi, MI 48375**

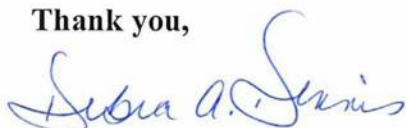
**RE: Bard Road Substation – License Agreement
Southeast ¼, Sec. 18, T19N, R2W
Sage Township, Gladwin County, MI**

Fernando:

Enclosed, please find your fully executed copy of the License Agreement that covers the Bard Road Substation that was requested for the purpose of surveying the expansion area, and for taking engineering soil samples.

If you have any questions, please feel free to contact me.

Thank you,



**Debra A. Dennis, EP7-465
Real Estate Technical Analyst
Consumers Energy
One Energy Plaza
Jackson, MI 49201
517-788-5827
517-788-2289 (fax)
dadennis@cmsenergy.com**

LICENSE AGREEMENT

THIS LICENSE AGREEMENT is made as of Nov 8, 2007, between CONSUMERS ENERGY COMPANY, a Michigan Corporation, One Energy Plaza, Jackson, Michigan 49201 ("Licensor"), and MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC, a Michigan Limited Liability Company, 39500 Orchard Hill Place, Suite 200, Novi, Michigan 48375 ("Licensee"),

WITNESSETH: Licensor, in consideration of the sum of \$1.00 to it paid by Licensee, and of the covenants hereinafter specified, hereby grants to Licensee, on and subject to the terms and conditions set forth herein, a non-exclusive LICENSE to enter upon certain land in the Township of Sage, Gladwin County, Michigan, described as follows:

see description of "Bard Road Substation Easement Area" set forth in Exhibit "A" attached hereto and made a part hereof; and also the right to enter upon adjacent land thereto, as indicated in red on the attached Exhibit "B":

(the "Licensed Premises") for the sole and only purposes of:

- (i) surveying the boundary of the area within and adjoining the Easement Area on which Licensee's proposed electric substation enlargement of facilities, shown in red on the drawing attached hereto as "Exhibit B" would be located; and**
- (ii) taking engineering soil samples from the above-indicated areas or locations on the Licensed Premises;**

and for no other uses or purposes whatsoever.

This License Agreement is executed by Licensor and accepted by Licensee on and subject to the following terms and conditions:

- 1. The license granted herein is granted for a period beginning on the date hereof and expiring three (3) months thereafter, unless earlier terminated by either party upon written notice to the other party. Upon such expiration or termination, the license herein granted shall be of no further force or effect; and unless (and except as) Licensor may have granted other or further rights to Licensee by a separate written instrument duly executed and delivered by Licensor to Licensee, Licensee shall thereupon make no further entry upon or use of the Licensed Premises. Expiration or termination of said license shall not release Licensee from any obligations or liabilities under this License Agreement arising from or connected to acts, omissions, events or periods prior to such expiration or termination.**

- 10. Licensee shall assume all liability for and protect, indemnify, and save Licensor, its successors and assigns, harmless from and against all actions, claims, demands, judgments, losses, expenses of suits or actions and attorney fees, for any type of injury to or death of any person or persons and loss or damage to the property of any person or persons whomsoever, including the parties hereto and their agents, contractors, subcontractors and employees, arising in connection with or as a direct or indirect result of the use or occupancy of the Licensed Premises hereunder or the exercise of the rights and privileges hereby granted. The provisions of this paragraph shall apply to each and every such injury, death, loss and damage, however caused, whether due, or claimed to be due, to negligence of Licensee, negligence of Licensor, negligence of Licensor and negligence of Licensee, negligence of any other person, or otherwise; provided, however, Licensee shall not be required to indemnify Licensor for such injury, death, loss or damage caused by Licensor's sole negligence.**
- 11. The license hereunder is granted by Licensor subject to any licenses, leases, easements or other interests in land heretofore granted by Licensor or its predecessors in title on the Licensed Premises and to any such interests reserved to other parties in instruments granted to Licensor or its predecessors in title. Licensee agrees to secure any necessary consents and permits from any such licensees, lessees, and owners of outstanding interests.**
- 12. Licensee acknowledges that this instrument is a license, and as such is not assignable by Licensee in whole or in part.**
- 13. In its work and operations hereunder, Licensee shall comply with all applicable federal, state and local laws and regulations and shall obtain any and all necessary governmental permits or other authorizations. In seeking any such permits and/or authorizations, Licensee shall name itself, and in no event Licensor, as the applicant and responsible party.**
- 14. Licensee shall not dispose or suffer to be disposed of any waste material whatsoever upon the Licensed Premises without the prior written consent of Licensor, and shall not, without the prior written consent of Licensor, use or maintain, or suffer to be used or maintained, upon the Licensed Premises any material which is or may be or become hazardous to human health or the environment or the storage, treatment, or disposal of which is regulated by any governmental authority. Licensee shall indemnify and save Licensor, its successors and assigns, harmless from all loss, liability and expense as a result of any failure of Licensee, its agents, contractors, subcontractors, employees or invitees, to comply with the terms of this paragraph.**

15. Unless otherwise provided herein, any notice required or permitted to be given hereunder shall be in writing and sent to the applicable party at its address set forth at the beginning of this License Agreement, or such other address as the party to whom a notice is to be given may specify from time to time by notice to the other party. Such notices, if sent by certified or registered U.S. mail, properly addressed, with postage prepaid and return receipt requested, shall be deemed to have been given when mailed as evidenced by receipt for said mailing; otherwise such notices shall be deemed to have been given when received.

IN WITNESS WHEREOF, Licensor and Licensee have caused this instrument to be executed by their respective duly authorized representatives as of the day and year first above written.

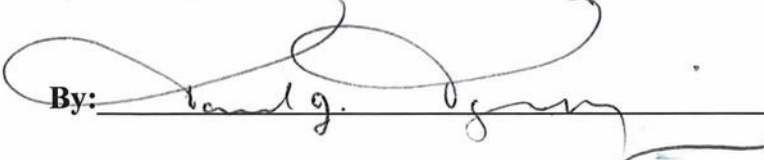
CONSUMER ENERGY COMPANY

By:  _____

Title: Mary Anne Marr
 Real Estate Manager

APPLICABLE TO FORM
1041C

MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC

By:  _____

Title: Corporate Secretary

Prepared by:
Debra A. Dennis, EP7-465
Real Estate Technical Analyst
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

EXHIBIT "A"

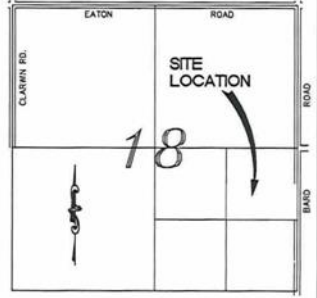
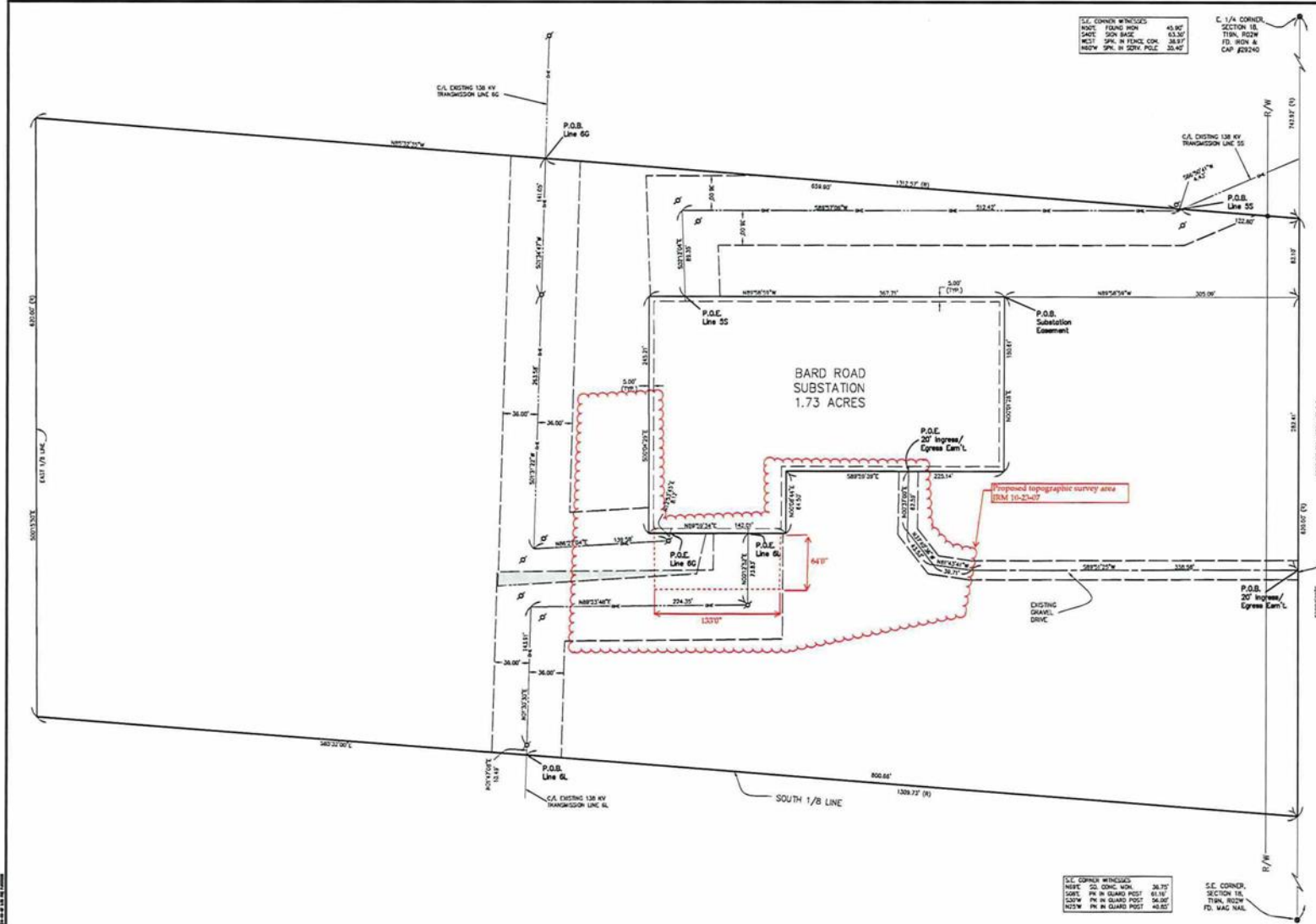
1-E101-18, Bard Road Parcel: A parcel of land located in the Southeast $\frac{1}{4}$ of Section 18, T19N, R2W, more particularly described as follows: To find the point of beginning, commence at the East quarter corner of said Section 18; thence South $00^{\circ} 00' 00''$ East, 825.02 feet along the East line of said section; thence North $89^{\circ} 58' 59''$ West, 305.09 feet to a point which is 5.00 feet exterior of and perpendicular to an existing substation fence and the point of beginning of this description; thence running 5.00 feet from, parallel with and outside of said fence the following six courses: North $89^{\circ} 58' 59''$ West, 367.71 feet; South $00^{\circ} 04' 29''$ East, 245.21 feet; North $89^{\circ} 59' 34''$ East, 142.01 feet; North $00^{\circ} 08' 44''$ East, 64.50 feet; South $89^{\circ} 59' 39''$ East, 225.14 feet; North $00^{\circ} 01' 28''$ East, 180.61 feet to the point of beginning.

Together with rights for ingress and egress purposes over the following described strip of land: A strip of land 20 feet in width being 10 feet on each side of the centerline of an existing gravel driveway located in the Southeast quarter of Section 18, T19N, R2W, the centerline of said strip being more particularly described as follows: To find the point of beginning, commence at the East quarter corner of said Section 18; thence South $00^{\circ} 00' 00''$ East, 1107.43 feet along the East line of said section to the centerline of an existing gravel driveway and the point of beginning of this description; thence along said centerline the following four courses: South $89^{\circ} 51' 25''$ West, 338.58 feet; North $81^{\circ} 43' 41''$ West, 39.71 feet; North $37^{\circ} 40' 36''$ West 43.53 feet; North $00^{\circ} 37' 00''$ East, 62.59 feet to a point which is 5.00 feet exterior of and perpendicular to an existing substation fence and the point of ending of this centerline description. The sidelines of said 20 foot wide strip of land are to be extended or shortened to meet at angle points, said sidelines to begin at the East section line and to terminate at a point which is 5.00 feet exterior of and perpendicular to an existing substation fence.

1-E101-18, Line 6G: A strip of land 72 feet in width being 36 feet on each side of the centerline of an existing electric transmission line located in the Southeast quarter of Section 18, T19N, R2W, the centerline of said strip being more particularly described as follows: To find the point of beginning, commence at the East quarter corner of said Section 18; thence South $00^{\circ} 00' 00''$ East, 742.92 feet along the East line of said section to the North line of property described in Warranty Deed dated October 12, 1970 and recorded November 20, 1970 in Liber 229 at Page 279, Gladwin County Records; thence North $85^{\circ} 32' 35''$ West, 782.70 feet along said North line to the centerline of an existing electric transmission line and the point of beginning of this centerline description; thence along said centerline the following four courses: South $01^{\circ} 34' 47''$ West, 141.05 feet; South $01^{\circ} 31' 22''$ West, 263.58 feet; North $86^{\circ} 27' 04''$ East, 139.58 feet; North $12^{\circ} 53' 45''$ East, 8.12 feet to a point which is 5.00 feet exterior of and perpendicular to an existing substation fence and the point of ending of this centerline description. The sidelines of said 72 foot wide strip of land are to be extended or shortened to meet at angle points, said sidelines to

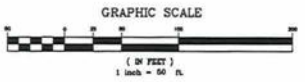
begin at the North line of the property described in the aforesaid Warranty Deed, and to terminate at a point which is 5.00 feet exterior of and perpendicular to an existing substation fence.

1-E101-18, Line 6L: A strip of land 72 feet in width being 36 feet on each side of the centerline of an existing electric transmission line located in the Southeast quarter of Section 18, T19N, R2W, the centerline of said strip being more particularly described as follows: To find the point of beginning, commence at the East quarter corner of said Section 18; thence South 00° 00' 00" East, 1362.92 feet along the East line of said Section to the South line of property described in Warranty Deed dated October 12, 1970 and recorded on November 20, 1970 in Liber 229 at Page 279, Gladwin County Records, and the South 1/8 line of said section; thence North 85° 32' 00" West, 800.66 feet along said South line to the centerline of an existing electric transmission line and the point of beginning of this centerline description; thence along said centerline the following three courses: North 01° 47' 08" East, 10.49 feet; North 01° 30' 30" East, 143.91 feet; North 89° 23' 48" East, 224.35 feet; North 00° 12' 52" East, 73.83 feet to a point which is 5.00 feet exterior of and perpendicular to an existing substation fence and the point of ending of this centerline description. The sidelines of said 72 foot wide strip of land are to be extended or shortened to meet at angle points, said sidelines to begin at the South line of the property described in the aforesaid Warranty Deed, and to terminate at a point which is 5.00 feet exterior of and perpendicular to an existing substation fence.



BASIS OF BEARING
Consumer's Energy Drawing No. S-F 17410

- LEGEND**
- ◆ --- Section Corner
 - --- Survey Monument (As Noted)
 - (R) --- Record
 - (M) --- Measured
 - ⊙ --- Power Pole
 - - - - - Fence



"EXHIBIT B"

DRAWING NO.	REFERENCE DRAWINGS	REV.	DATE	DESCRIPTION	REV.	DATE	DESCRIPTION	BY	APP.
	Field Book #1678								

Consumers Energy

Gouldin-Frasar
Surveyors & Engineers

BARB ROAD SUBSTATION TRANSMISSION PROJECT

Sec. 18 Sage Township T19N, R02W Gladwin County

SCALE: 1" = 50'
 SHEET 1 of 2
 DRAWING NO. SF-19438