

**ELECTRIC SUBSTATION EASEMENT AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS, that, on the 1<sup>st</sup> day of August, 2012, for good and valuable consideration in the amount of \$1.00, the receipt of which is hereby acknowledged, Grantor grants to Grantee, its successors and assigns, a permanent electric substation easement over, under, across and through a part of a certain parcel of real estate owned by Grantor described herein as "Grantor's Land" and the easement to Grantee is described herein as the "Easement Area" and "Construction, Maintenance, and Access Easement Area".

**Grantor:** TRAVERSE CITY LIGHT and POWER DEPARTMENT, a Michigan municipal electric utility, whose address is 1131 Hastings Street, Traverse City, Michigan 49686.

**Grantee:** MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC, a Michigan limited liability company, whose address is 27175 Energy Way, Novi, Michigan 48377.

Grantor and Grantee are each referred to herein as a "Party," are collectively referred to herein as the "Parties." Grantor is sometimes referred to as "Owner".

**Grantor's Land** is described as:

Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1238.30 feet to the Point of Beginning; thence parallel with and 50.00 feet to the Southeast of the centerline of an existing overhead electric transmission line right-of-way (recorded in Liber 200, Page 499) N42°21'25"E 490.70 feet; and N42°12'09"E 582.48 feet to the East line of the West 1/2 of the Northeast 1/4 of the Northwest 1/4 of said Section 28; thence along said East line S01°05'03"W 813.89 feet to said North 1/8 line; thence along said 1/8 line N88°24'26"W 706.76 feet to the Point of Beginning, containing 6.59 acres of land, more or less.

Together with an easement, 66.00 feet in width, for ingress and egress and for the installation and maintenance of public and private utilities more particularly described in that certain Easement dated April 5, 2012, and recorded on April 9, 2012, as Document Number 2012R-06216, in the Grand Traverse County Records, State of Michigan (the "Access Easement"), more fully described as follows:

Part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section and the Point of Beginning; thence 66.00 feet North of and contiguous with the following described line: along the North 1/8 line of said section S88°24'26"E 1238.30 feet to the Point of Ending, the sidelines of the above easement shorten or lengthen to originate at the West line of said Section 28 and to terminate at a line bearing N42°21'25"E from the Point of Ending.

Subject to the Right of Way of Four Mile Road.

The **Easement Area** is described as:

An easement for an electric substation in that part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1660.21 feet, thence N00°00'25"E 55.25 feet to the Point of Beginning; thence N00°00'25"E 54.02 feet, thence N89°59'52"E 5.00 feet, thence N00°00'25"E 134.03 feet, thence N89°59'50"W 5.00 feet, thence N00°00'25"E 151.96 feet, thence S90°00'00"E 230.00 feet, thence S00°00'00"W 340.01 feet, thence N90°00'00"W 230.04 feet, to the Point of Beginning, containing 1.78 acres of land, more or less.

The **Construction, Maintenance and Access Easement Area** is described as:

A 20 foot wide easement for a Construction, Maintenance, and Access Area in that part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, lying 10 feet each side of and coincident to a centerline described as:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1665.21 feet, thence N00°00'25"E 243.44 feet, thence N89°59'50"W 10.00 feet to the Point of Beginning; thence N00°00'25"E 156.96 feet, thence S90°00'00"E 240.00 feet, thence S00°00'00"W 350.01 feet, thence N90°00'00"W 240.04 feet, thence N00°00'25"E 59.02 feet to the Point of ending.

The sidelines of the above easement lengthen or shorten to begin at a line bearing N89°59'50"W and S89°59'50"E from the Point of Beginning, to meet at all angle points, and to end at a line bearing S89°59'52"W and N89°59'52"E from the Point of Ending.

Said Construction, Maintenance, and Access Easement Area to be encumbered by a retaining wall along the south line and along a portion of the east line of the Construction, Maintenance, and Access Easement Area, with the retaining wall to be a minimum of 5 feet outside the Easement Area.

The Easement Area together with the Access Easement and Construction, Maintenance and Access Easement Area shall be collectively referred to herein as the "Substation Easement Area".

**Exhibit A** is a sketch of the Grantor's Land and the Easement Area and is attached hereto and is incorporated herein.

**Exhibit A** also depicts the location of the driveway access to 4 Mile Road to be constructed within the Access Easement.

**Exhibit B** is a sketch of the Grantor's Land and the Construction, Maintenance, and Access Easement Area and is attached hereto and is incorporated herein.

This Easement is subject to the following:

- 1. Purpose.** The purpose of this Easement is to construct, operate, reconstruct, repair, modify, improve, upgrade, maintain, replace and remove an electric substation within the Easement Area consisting of poles, towers, conductors, insulators, transformers, capacitors, conduits, cross-arms, wires, cables, control center buildings, and other miscellaneous equipment for the transformation, switching, and transmission of electricity. It is understood that the Easement Area described above is located within Grantor's Land and is to be fenced. In addition, the purpose of this Easement is to grant Grantee the right to enter upon the Construction, Maintenance and Access Easement Area to construct, maintain, access, construct, operate, reconstruct, repair, modify, improve, upgrade, maintain, replace and remove the electric substation facilities and equipment to be located on the Easement Area pursuant to the terms of this Easement.

2. **Compliance with Laws.** Grantee shall use Grantor's Land in compliance with all applicable Federal, State, and local laws, regulations, ordinances and in accordance with the Decision and Conditions of Approval set forth in Section 4(a), Section 4(b), Section 4(d) and Section 4(e) of the East Bay Charter Township Planning Commission Special Land Use approval 6-11 and Site Plan Review 7-11 dated December 6, 2011.

3. **Assignment of the Access Easement.** Grantor hereby grants to Grantee, its successors and assigns, and its agents, contractors and employees, the perpetual right to enter at all times and to use the Access Easement and Grantor's future gravel access driveway from Four Mile Road located within the Access Easement. Grantor hereby assigns to Grantee and its successors and assigns, the Access Easement and the right to use, in perpetuity, its ingress and egress easement described in the Access Easement for the purposes of this Easement.

4. **Vegetation Management.** Grantee may trim, cut, remove, destroy or otherwise control or treat with herbicides any trees, bushes, branches, weeds, grasses, vegetation and roots growing in the Easement Area or that could, in Grantee's opinion, grow into the Easement Area, EXCEPT, Grantee may not trim, cut down, remove, or otherwise control any landscaping planted by Grantor without the express written consent of Grantor, which consent shall not be unreasonably denied, conditioned or delayed. Notwithstanding the foregoing, prior to Grantor's planting of landscaping or other vegetation described in the preceding sentence, Grantor must receive the prior written consent of Grantee relative to the size, type and location of landscaping or the planting of vegetation described in the preceding paragraph. Such consent shall be consistent with East Bay Township zoning requirements for vegetative screening. Grantee shall notify Grantor prior to any herbicide use in accordance with applicable law. Only EPA-approved herbicides for electric substations may be applied.

5. **Restoration of Property Damage.** If Grantee, its employees, contractors, agents, or their vehicles or equipment, cause damage to Grantor's Land while using Grantor's Land for the purposes stated in this Easement, then Grantee shall restore Grantor's Land as nearly as can be to its original condition.

6. **Indemnification.** Grantee shall indemnify, defend and hold the owner of Grantor's Land harmless from and against all claims, liabilities, damages and expenses (including reasonable attorneys' fees) relating to accidents, injuries, loss, or damage of or to any person or property arising from Grantee's sole negligence or intentional or willful acts or omissions of Grantee, its employees, contractors, agents, licensees, lessees, successors and assigns, and those acting on behalf of the Grantee.

7. **Insurance.** Throughout the term of this Easement, the Grantee shall procure and maintain commercial general liability insurance against claims for personal injury (including contractual liability arising under the indemnity contained in Paragraph 6 above), death, or property damage occurring upon the Easement Area, with combined single limit coverage of not less than an aggregate of Two Million Dollars (\$2,000,000.00) and naming the owner of the

Grantor's Land (provided the Grantee has been supplied with the name of the owner of the Grantor's Land in the event of a change thereof) as an additional insured, and at all times provide evidence of such coverage to the owner of the Grantor's Land, upon written request therefor.

8. **Successors.** This Easement runs with the land and binds and benefits Grantor's and Grantee's successors and assigns.

9. **Abandonment or Termination.** Should the easement herein conveyed not be used by Grantee, its successors and assigns, for any purpose herein granted for a period of two years, from and after the date of issuance, or otherwise be abandoned by Grantee, then and in that event said easement shall terminate. Grantee herein, for itself, its successors and assigns, further agrees upon complete abandonment of its facility by Grantee as deemed by Grantee or upon termination and upon request of the Owner of said land showing a prima facie title to same, to release and quit-claim all rights secured hereby on said land to the then Owner. In the event of abandonment or termination of the rights herein conveyed, Grantee agrees to remove its property from Owner's property in a good and workmanlike manner.

10. **Interconnection Agreement.** This easement shall remain in full force and effect until such time as any applicable interconnection agreement between the two Parties is terminated, including time allowed for retirement and removal of facilities in a reasonable amount of time unless otherwise mutually agreed to. Notwithstanding the foregoing, in the event any applicable interconnection agreement between the two Parties is terminated as set forth in the preceding sentence, Grantee shall have the unconditional, first and primary right to purchase Grantor's Land from Grantor at fair market value. In the event Grantee exercises its right to purchase the Grantor's Land from Grantor as described in the preceding sentence, the Access Easement shall continue in full force and effect and Grantor, upon request by Grantee, shall provide documentation which confirms the continuation of the grant of the Access Easement to Grantee in recordable form.

11. **Notice.** All notices shall be sent by the United States Postal Service, or electronic mail, properly addressed to the Parties at their addresses listed below, or may be served personally, on the following authorized representative, or their successors, of the Party to whom the notice is directed:

Grantor's Representative:

Executive Director  
Traverse City Light & Power  
1131 Hastings Street  
Traverse City, MI 49686

Grantee's Representative:

Christine Mason Soneral  
VP and General Counsel, Utility Operations  
ITC Holdings Corp.  
27175 Energy Way  
Novi, MI 48377  
Email: [csoneral@itctransco.com](mailto:csoneral@itctransco.com)

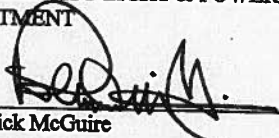
**12. Taxes.** Grantor is a tax exempt organization. All taxes resulting from any of Grantee's facilities are the obligation of Grantee. This Easement is personal property under the General Property Tax Act of the State of Michigan. MCL 211.8(g).

This Easement is exempt from County real estate transfer tax pursuant to MCL §207.505(f) and exempt from State real estate transfer tax pursuant to MCL §207.526(f).

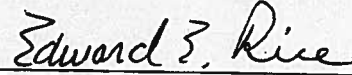
WHEREFORE, the Parties have entered into this Electric Substation Easement Agreement effective on the date first written above.

[Signatures on Following Pages]

TRAVERSE CITY LIGHT & POWER  
DEPARTMENT

  
By: Patrick McGuire  
Its: Chairman

Dated: Aug 9th, 2012

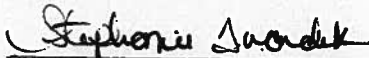
  
By: Edward E. Rice  
Its: Secretary


Dated: Aug 9th, 2012

ACKNOWLEDGMENT

STATE OF MICHIGAN            )  
  ) SS.  
COUNTY OF GRAND TRAVERSE)

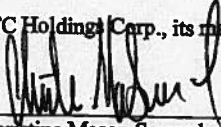
On this the 9th day of August, 2012, before me a Notary Public in and for said county, Patrick McGuire, Chairman, Traverse City Light and Power Board, and Edward E. Rice, Secretary, Traverse City Light and Power Department, individually appeared to me, known to be the persons described in and who executed the within instrument and who duly acknowledged the same to be their free act and deed.

  
Stephanie Twardok Notary Public  
Benzie County, Michigan  
Acting in the County of Grand Traverse  
My Commission expires: Aug. 24, 2017

APPROVED AS TO FORM  
By   
W. Peter Doren  
Traverse City Light & Power  
General Counsel

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

By: ITC Holdings Corp., its manager



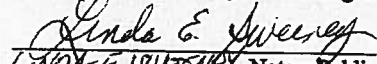
By: Christine Mason Soneal  
Its: Vice President and General Counsel- Utility Operations

Dated: August 1, 2012

**ACKNOWLEDGMENT**

STATE OF MICHIGAN )  
 ) SS.  
COUNTY OF OAKLAND )

On this the 1<sup>st</sup> day of August, 2012, before me a Notary Public in and for said county, Christine Mason Soneal, the Vice President and General Counsel- Utility Operations of ITC Holdings Corp., the Manager of Michigan Electric Transmission Company, LLC, individually appeared to me, known to be the person described in and who executed the within instrument and who duly acknowledged the same to be her free act and deed.

  
LINDA E. SWEENEY, Notary Public  
WAYNE County, Michigan  
Acting in the County of OAKLAND  
My Commission expires: 8/26/2015

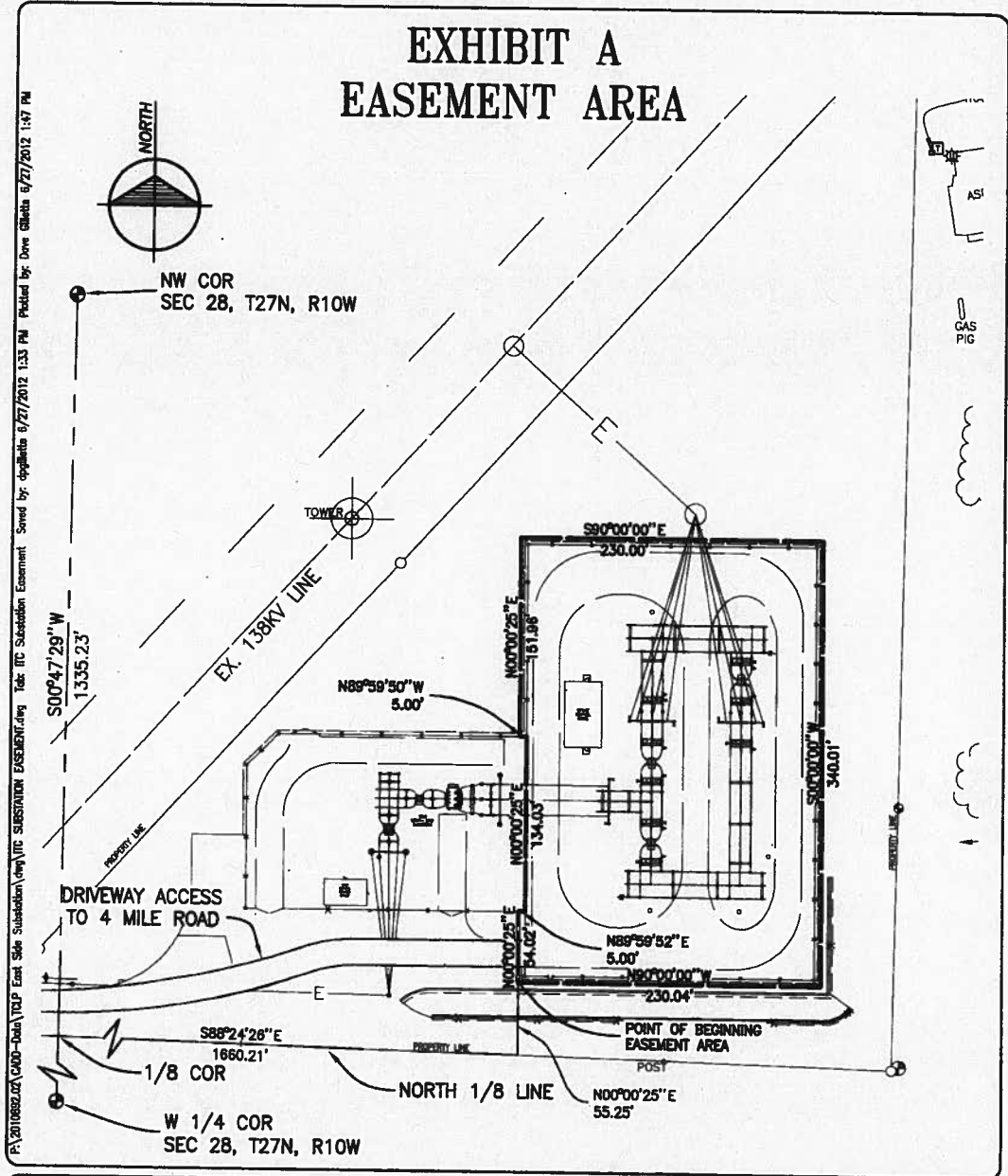
This instrument drafted by:  
W. Peter Doren, Esq. (P23637)  
Sondee, Racine & Doren, PLC  
310 W. Front Street, Suite 300  
Traverse City, MI 49684

Jenny D'Anna, Attorney (P66234)  
ITC Holdings Corp.  
27175 Energy Way  
Novi, MI 48377

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



# EXHIBIT A EASEMENT AREA



Client: **TRAVERSE CITY LIGHT & POWER**  
**EAST HAMMOND SUBSTATION**  
 Part of the NW 1/4 of Section 28, T27N, R10W  
 East Bay Township, Grand Traverse County, Michigan

Sheet 1 of 2  
 Job No.: 2012720.71  
 Date: 06/22/12  
 Scale: 1"=100'  
 Drawn: MAG  
 Chk'd.: DPG  
 Rev.:

**Gosling Czubak**  
 engineering sciences, inc.  
 1280 Business Park Drive  
 Traverse City, MI 49880-8807  
 231-948-0131 800-888-1002  
 Fax: 231-941-6803

- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture

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# EXHIBIT A EASEMENT AREA

## EASEMENT AREA DESCRIPTION

An easement for an electric substation in that part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, more fully described as follows:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1660.21 feet, thence N00°00'25"E 55.25 feet to the Point of Beginning; thence N00°00'25"E 54.02 feet, thence N89°59'52"E 5.00 feet, thence N00°00'25"E 134.03 feet, thence N89°59'50"W 5.00 feet, thence N00°00'25"E 151.96 feet, thence S90°00'00"E 230.00 feet, thence S00°00'00"W 340.01 feet, thence N90°00'00"W 230.04 feet, to the Point of Beginning, containing 1.78 acres of land, more or less.

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Client: Sheet 2 of 2  
**TRAVERSE CITY LIGHT & POWER  
EAST HAMMOND SUBSTATION**  
Part of the NW 1/4 of Section 28, T27N, R10W  
East Bay Township, Grand Traverse County, Michigan

Job No.: 2012720.71  
Date: 06/21/12  
Scale: AS NOTED  
Drawn: MAG  
Chk'd.: DPG  
Rev.:

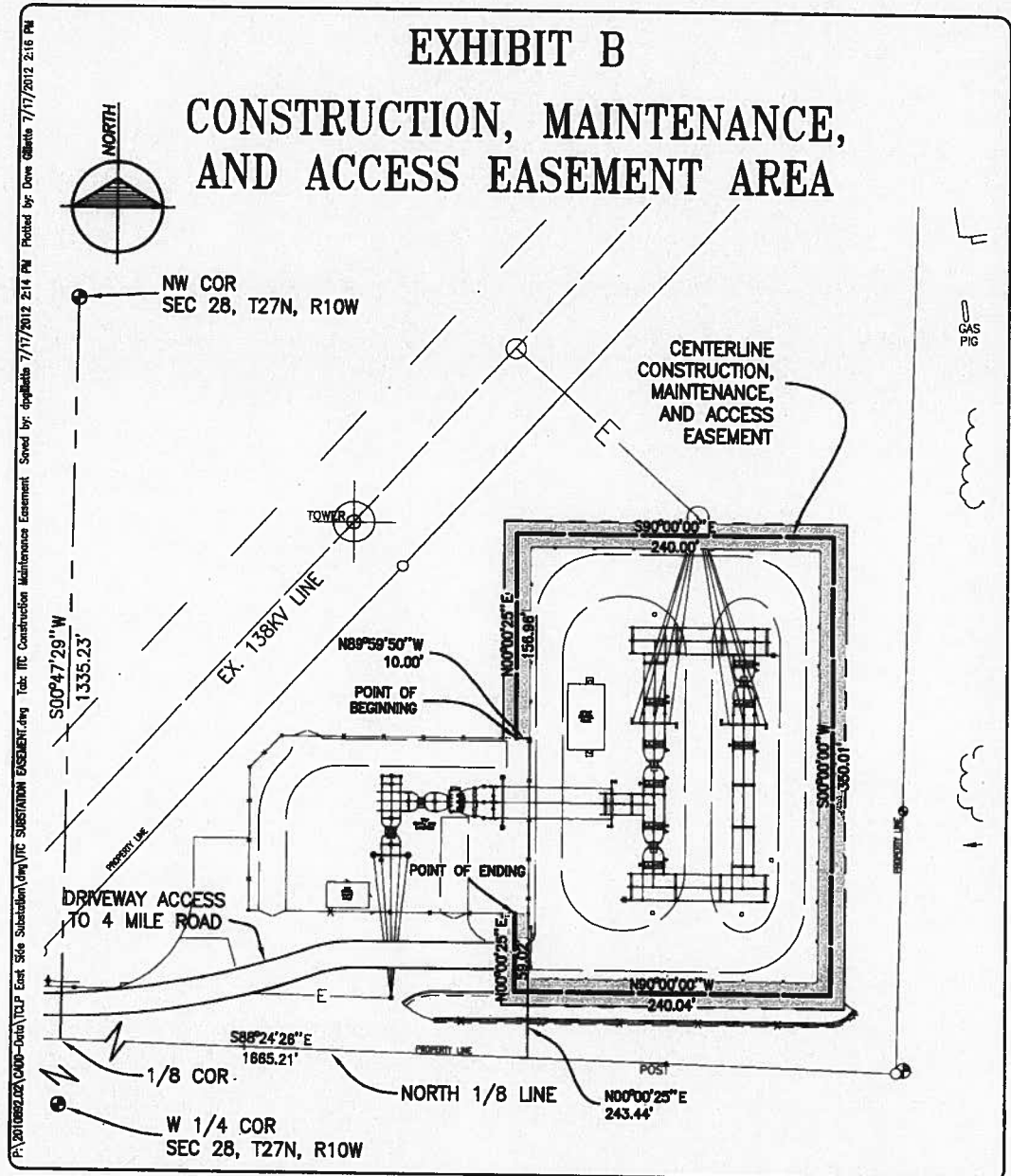


**Gosling Czubak**  
engineering sciences, inc.  
1280 Business Park Drive  
Traverse City, MI 49699-8807  
231-948-0181 800-893-1082  
Fax: 231-941-4803

- Engineers
- Surveyors
- Environmental Services
- Landscape Architecture

# EXHIBIT B

## CONSTRUCTION, MAINTENANCE, AND ACCESS EASEMENT AREA



Client: **TRAVERSE CITY LIGHT & POWER**  
**EAST HAMMOND SUBSTATION**  
 Part of the NW 1/4 of Section 28, T27N, R10W  
 East Bay Township, Grand Traverse County, Michigan

Sheet 1 of 2  
 Job No.: 2012720.71  
 Date: 06/21/12  
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 Rev.:

**Gosling Czubak** *Engineers*  
 engineering sciences, inc. *Surveyors*  
 1280 Business Park Drive *Environmental Services*  
 Traverse City, MI 49684-8857 *Landscape Architecture*  
 231-946-0191 800-988-1082  
 Fax: 231-941-4883

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## EXHIBIT B

# CONSTRUCTION, MAINTENANCE, AND ACCESS EASEMENT AREA

### CONSTRUCTION, MAINTENANCE, AND ACCESS EASEMENT AREA DESCRIPTION

A 20 foot wide easement for a Construction, Maintenance, and Access Area in that part of the North 1/2 of the Northwest 1/4 of Section 28, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan, lying 10 feet each side of and coincident to a centerline described as:

Commencing at the Northwest Corner of said Section 28; thence along the West line of said section S00°47'29"W 1335.23 feet to the North 1/8 line of said section; thence along said 1/8 line S88°24'26"E 1665.21 feet, thence N00°00'25"E 243.44 feet, thence N89°59'50"W 10.00 feet to the Point of Beginning; thence N00°00'25"E 156.96 feet, thence S90°00'00"E 240.00 feet, thence S00°00'00"W 350.01 feet, thence N90°00'00"W 240.04 feet, thence N00°00'25"E 59.02 feet to the Point of ending.

The sidelines of the above easement lengthen or shorten to begin at a line bearing N89°59'50"W and S89°59'50"E from the Point of Beginning, to meet at all angle points, and to end at a line bearing S89°59'52"W and N89°59'52"E from the Point of Ending.

Said Construction, Maintenance, and Access Easement Area to be encumbered by a retaining wall along the south line and along a portion of the east line of the Construction, Maintenance, and Access Easement Area, with the retaining wall to be a minimum of 5 feet outside the Easement Area.

Client: **TRAVERSE CITY LIGHT & POWER**  
**EAST HAMMOND SUBSTATION**  
Part of the NW 1/4 of Section 28, T27N, R10W  
East Bay Township, Grand Traverse County, Michigan

Sheet 2 of 2

Job No.: 2012720.71  
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**Gosling Czubak**  
engineering sciences, inc.  
1200 Business Park Drive  
Traverse City, MI 49606-2607  
231-945-0181 800-665-1062  
Fax: 231-941-4803

• Engineers  
• Surveyors  
• Environmental  
Services  
• Landscape  
Architecture