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TITLE DATA

MICHIGAN

Montmorency

Rust & Hillman

574- CONSUMERS ENERGY CO.

Hillman Limited Partners

NAME OF GRANTOR

1 & 36 30N & 31N -E 4E

TRACT 574-D103-4

Easement

1-9-86 3-27-87 1253 179

MUNICIPALITY W.D.# 1755

SECTION TOWN RANGE

MAP 8

STOCKMAR (HILLMAN) SPUR
Line segment "h"

253-1479

1-5-86
RECEIVED
MONTMORENCY CTY.
ATLANTA, MI.

MAR 27 11 21 AM '87
VIVIAN R. SEYMOUR
REGISTER OF DEEDS

HILLMAN LIMITED PARTNERS
EASEMENT

For and in consideration of Eleven Thousand Four Hundred Twenty Dollars and No/Cents (\$11,420.00) and other valuable consideration, the receipt of which is hereby acknowledged, Catherine G. Schmidt, survivor of herself and Austin Schmidt, and Garnet L. Schmidt and Mervil O. Schmidt, husband and wife, as joint tenants with full rights of survivorship but not as tenants in common of Route 1, Box 195, Hillman, Mi 49746

Grantor herein, hereby grants, conveys and warrants to HILLMAN LIMITED PARTNERS, a California corporation ("Grantee" herein), of 1730 S.W. Skyline Blvd., Portland, Oregon 97221, for the purposes hereinafter set forth, a perpetual easement over, across, and under the following described real property (the "Property" herein) in the Townships of Rust and Hillman, Montmorency County, Michigan:

The S 1/2 of the SW 1/4 of Section 36, Town 31 North, Range 4 East, Hillman Township, Montmorency County, Michigan. And the W 1/2 of the NE 1/4 and the NW 1/4 and N 1/2 of SW 1/4 of Section 1, Town 30 North, Range 4 East, Rust Township, Montmorency County, Michigan (the "Property").

Except as may be otherwise set forth herein Grantee's rights shall be exercised upon that portion of the Property (the "Right-of-Way" herein) described as follows:

A perpetual Easement over, across and under a parcel of land described as right of way 60' in width lying 30' either side of a line described as commencing at the N 1/4 corner of Section 1, T30N-R4E, Rust Township, Montmorency County, Michigan; thence N89 57'11"W, 22.16' along the North line of said Section 1 to the SE corner of Section 35, T31N-R4E; thence S89 59'03"W, 792.84' to the POINT OF BEGINNING; thence S01 08'39"E, 2147.94'; thence approximately S27 26'E, about 1450 feet to intersect State Highway M-32 and the existing power line to which the proposed line is connecting.

NOTE: The above legal is subject to revision upon completion of actual field survey.

1. Purpose. Grantee shall have the right to construct, operate, maintain, repair, replace, and enlarge one or more electric transmission lines over and across the Right-of-Way together with all necessary or convenient appurtenances thereto, which may include but are not limited to the following:

- a. Overhead facilities. Wooden poles with crossarms, braces, guys, conductors, insulators, anchors,

Certified Copy of Record by
REGISTER OF DEEDS

253-1480

3. Right-of-Way Clearing and Maintenance. Grantee shall have the right to cut, if deemed necessary, and remove or otherwise dispose of any and all trees, brush, and vegetation presently existing upon the Right-of-Way. Existing ground cover shall be left in its natural state, if possible. Grantee shall also have the right to control on a continuing basis and by any prudent and reasonable means, the establishment and growth of trees, brush upon the Right-of-Way which could, in the opinion of Grantee, interfere with the exercise of Grantee's rights herein or create a hazard to Grantee's facilities.

4. Danger Trees. Grantee shall have the right to cut and remove or otherwise dispose of any trees located on the Property outside the Right-of-Way which in falling could, in Grantee's reasonable judgement, be a hazard to Grantee's facilities. Provided, however, that Grantee, prior to exercising such right, shall identify such danger trees and give prior written notification to Grantor and shall make payment to Grantor for the market value of any merchantable timber contained therein which is cut and removed or disposed of by Grantee.

Grantee's failure to comply with the conditions of this paragraph prior to exercising its rights under emergency conditions shall not be deemed a violation of this agreement, but Grantor shall still be entitled to compensation for such trees that are cut and removed or otherwise disposed of by Grantee.

5. Grantor's Use of Right-of-Way. Grantor reserves the right to use the Right-of-Way for any purpose not inconsistent with the rights herein granted, provided, that Grantor shall not construct or maintain any building or structure directly under the transmission lines. Building within the Right-of-Way is prohibited except with Grantee's written permission. Grantor shall have full use of the Right-of-Way for farming and other agricultural uses. All mineral rights are solely retained by Grantor. Any and all tax assessments on Grantee's utility equipment (improvements to the land) are payable by Grantee.

6. Indemnity. By accepting and recording this easement Grantee agrees to indemnify and hold harmless Grantor from any and all claims for damages suffered by any person which may be caused by Grantee's exercise of the rights herein granted, provided, that Grantee shall not be responsible to Grantor for any damages resulting from injuries to any person caused by acts or omissions of Grantor.

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7. Abandonment. The rights herein granted shall continue until such time as Grantee ceases to use the Right-of-Way for a period of two (2) successive years, which event, this easement shall terminate and all rights hereunder shall revert to Grantor, provided, that no abandonment shall be deemed to have occurred by reason of Grantee's failure to initially install its facilities on the Right-of-Way within any period of time from the date hereof. Grantee shall be responsible for removing all existing lines, poles, anchors, guys, and other equipment if abandonment occurs.

8. Further Assurances. Grantor acknowledges that the legal descriptions contained in this easement are subject to correction upon completion of a survey of the Property of the Right-of-Way. Grantor agrees to execute and deliver any and all further documents and instruments, and in addition to take any and all further actions as Grantee may reasonably require to correct the legal descriptions or otherwise to effectuate the provisions of this easement and allow the financing and construction of Grantee's power plant in the Village of Hillman.

9. Successors and Assigns. The rights and obligations of the parties shall inure to the benefit of and be binding upon their respective successors and assigns.

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DATED this 9th day of January, 1986

WITNESSES:

Linda L. Newinger
Alan Scheen

GRANTOR:

Catherine Schmidt
Harriet Schmidt
Mervin Schmidt

GRANTEE:

STATE OF MICHIGAN

COUNTY OF MONTMORENCY

The foregoing instrument was acknowledged before me on this
9th day of JANUARY, 1986, by
and

Linda L. Newinger

LINDA L. NEWSINGER
Montmorency County
My Commission Expires 08-9-87

Preserved by and after recording,
return to:

Alan Scheen
Hillman Energy, Inc.
1730 S.W. Skyline Blvd.
Portland, OR 97221