

16

TITLE DATA

MICHIGAN

Montmorency COUNTY

Rust & Hillman TOWNSHIP

CONSUMERS ENERGY CO.

InterWest Energy, Inc.

NAME OF GRANTOR

MUNICIPALITY

36

31N

4E

TRACT 576-D103-5

Easement

DATE OF INST. 3-20-86

DATE OF RECORD 3-24-86

LIBER 232

PAGE 556

WO #1755

SECTION

TOWN

RANGE

MAP 8

2

PLAT OR AREA

STOCKMAR (HILLMAN) SPUR Line segment "h"
INTERWEST ENERGY, INC. 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 Garret 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, Michigan 49748

("Grantor" herein), hereby grants, conveys and warrants to INTERWEST ENERGY, INC., a Washington corporation ("Grantee" herein), of 305 11th Avenue N.E., Bellevue, Washington 98004, 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 Right-of-Way 30 feet in width including the N 30 feet of the SE 1/4 of the SW 1/4 and an Right-of-Way 60 feet in width including the North 60 feet of the West 1/2 of the SW 1/4 of the SW 1/4 and an Right-of-Way 30 feet in width including the N 30 feet of the East 1/2 of the SW 1/4 of SW 1/4 of Section 36, Town 31 North, Range 4 East, Hillman Township, Montmorency County, Michigan; and a 60 foot wide Right-of-Way described as situated 30 feet on either side of a centerline described as commencing on the N section line of Section 1 at a point located approximately 850 feet west of the N-S 1/4 line of the section thence southerly parallel to the N-S 1/4 line of the section to the S 1/8 line of Section 1 and the East approximately 850 feet of the S 80 feet of the NE 1/4 of the SW 1/4 except for that portion owned by the Michigan Department of Transportation, Section 1, Town 30 North, Range 4 East, Rust Township, Montmorency County, Michigan (the "Right-of-Way").

1. Purpose. Grantee shall have the right to construct, operate, maintain, repair, replace, and enlarge one or more electric transmission lines, over and or across the Right-of-Way together with all necessary or convenient appurtenances thereto, which may include but are limited to the following:

a. Overhead facilities. Wooden poles with insulators, braces, conductors, guys, anchors; and three (3) electrical transmission lines with shield line. Steel towers shall never be erected on Grantor's property.

b. Construction. Grantee shall schedule construction, placement of the poles, and running of transmission lines based on a plan which Grantee will discuss with Grantor. Construction shall be done in accordance with the plan so it is compatible with Grantor's farming, seeding or crop harvesting. Pole placement shall be discussed with Grantor prior to construction. As few poles shall be used as technically possible. No expansion or enlargement of the lines or poles shall be permitted without the permission of the Grantor, unless necessary to: (1) transmit power from Grantor to the purchasing utility; or (2) to comply with applicable Federal or State regulatory or safety requirements for such lines or poles.

2. Access. Grantee shall have the right of access to the Right-of-Way over and across the Property to enable Grantee to exercise its rights hereunder, provided, that Grantee shall compensate Grantor for any damage to the Property caused by the exercise of said right of access. Grantee shall notify Grantor of the necessity to perform repair and maintenance and schedule such activities so they are compatible with Grantor's farming, seeding or crop harvesting.

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 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. No existing trees shall be removed, moved or damaged on Grantor's property, without first discussing such action with Grantor.

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 judgment, 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.

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. Termination and Release of Easement. Grantor and Grantee mutually agree that if construction of the Grantee's power plant does not start within two (2) years from the date Grantee's easement agreement is executed, this easement shall be null and void, this easement agreement shall be terminated, Grantor shall be released from the easement, and all rights shall revert to Grantor.

9. 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.

10. 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.

WITTED this 20th day of March, 1986.

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RECORDED FOR RECORD

MAR 24 1986 AM



MONTMORENCY COUNTY REGISTER OF DEEDS

JNTY DS

232 558

WITNESSES:

[Handwritten signatures]

GRANTOR:

[Handwritten signatures]

GRANTEE:

[Handwritten signature]

STATE OF MICHIGAN)
COUNTY OF Montcalm) ss:

The foregoing instrument was acknowledged before me on this 15th day of March, 1986, by Catherine B. Schmidt, Garnet Schmidt and Mervil Schmidt.

[Handwritten signature]

Notary Public
Montcalm County, Michigan
My Commission Expires: sep 19 1987

ELEANOR MAXINE LITZE
Notary Public, Montcalm Co., MI
My Commission Expires Sept. 9, 1987

Prepared by and after recording,
return to:
Bruce Thompson
InterWest Energy, Inc.
305 - 111th Avenue, N.E.
Bellevue, Washington 98004