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TITLE DATA

MICHIGAN STATE

Montmorency COUNTY

Hillman TOWNSHIP

CONSUMERS ENERGY CO.

InterWest Energy, Inc.

NAME OF GRANTOR

MUNICIPALITY

SECTION 36

TOWN 31N

RANGE 4E

TRACT 580-D103-6

Easement

DATE OF INST. 3-14-86

DATE OF RECORD 3-24-86

LIBER 232

PAGE 540

WD#1755

PLAT OR AREA

MAP 8

STOCKMAR (HILLMAN) SPUR Line segment "h"

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INTERWEST ENERGY, INC. EASEMENT

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For and in consideration of Five Thousand One Hundred Eighty Dollars and No/Cents (\$5,188.00) and other valuable consideration, the receipt of which is hereby acknowledged, Clara E. Hubbard and Cora Cline L. Hubbard, Ladies and wife of R. R. Hillman, Hillman, Michigan 49728 ("Grantor" herein), hereby grants, conveys and warrants to INTERWEST ENERGY, INC., a Washington corporation ("Grantee" herein), of 265 111th 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 Township of Hillman, Montmorency County, Michigan:

The North 1/2 of the NW 1/4 Section 36, Town 31 North, Range 4 East, Hillman 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 60 feet in width including the North 60 feet of the NE 1/4 of the NW 1/4 and the East 60 feet of the NE 1/4 of the NW 1/4 of Section 36, Town 31 North, Range 4 East, Hillman 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 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.

Proposed 24' AM

APR 24 '86 AM



MONTMORENCY COUNTY REGISTER OF DEEDS

2. Access. Grantee shall have the right of access to the Right-of-Way 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 other 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 trimmed, removed, moved or changed on Grantor's property, unless 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

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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 Grantee's proposed 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.

DATED this 14th day of March, 1986.

WITNESSES:

Signature of witness: Sherron Lukon

GRANTOR:

Signature of Grantor: Clara E. Hubbard

GRANTEE:

Signature of Grantee: Bruce Thompson

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MICHIGAN

CONSUMERS ENERGY CO.

STATE

COUNTY

TOWNSHIP

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SECTION

TOWN

RANGE

TRACT 580-D103-6 contd

KIND OF INSTRUMENT

DATE OF INST.

DATE OF RECORD

LIBER

PAGE

PLAT OR AREA

MAP

232 542

STATE OF MICHIGAN)
COUNTY OF () ss:

The foregoing instrument was acknowledged before me on this _____ day
of _____, 1936, by _____
and _____

Notary Public

County, Michigan
My Commission Expires: _____

ELDON J. ...
Notary Public
My Commission Expires: _____

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