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TITLE DATA

MICHIGAN STATE

Montmorency COUNTY

Hillman TOWNSHIP

CONSUMERS ENERGY CO.

InterWest Energy, Inc.

NAME OF GRANTOR

MUNICIPALITY

25 SECTION

31N TOWNSHIP

4E RANGE

TRACT 584-D103-4

Easement

3-17-86 DATE OF INST.

3-24-86 DATE OF RECORD

232 550 LIBER PAGE

20 # 1755

PLAT OR AREA

MAP 8

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INTERWEST ENERGY, INC. EASEMENT

RECEIVED FOR RECORD Date 3/24/86 VIVIAN R. SEYMOUR Register of Deeds

LIBER

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For and in consideration of One Thousand Fifty Dollars and No/Cents (\$1,050.00) and other valuable consideration, the receipt of which is hereby acknowledged:

Hans Mathias and Gertrude Mathias, husband and wife of Route 1, One Village Corner, Box 1, Hillman, Michigan 49746 ("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 Township of Hillman, Montmorency County, Michigan:

The Northeast Quarter of the Northwest Quarter of Section 25, Town 31 North, Range 4 East; LESS: Commencing at the Northeast Corner thereof; thence running South to the South Right-of-Way line of State Highway Trunk Line M-32, as the Point of Beginning; thence West 930 feet; thence South 470 feet; thence East 890 feet; thence South to the North Right-of-Way line of the new State Highway, as now surveyed and located; thence Northwesterly to the North and South Quarter line; thence North on said Quarter line to the Point of Beginning; ALSO LESS: the New State Highway Right-of-Way. ALSO LESS: Commencing at the Northwest Section corner of Section 25, Town 31 North, Range 4 East; thence Easterly along the North line of said Section, 1324.03 feet to the Point of Beginning, which is a 1/8th post of said section; thence Southerly along said 1/8th line 315.59 feet; thence Easterly and parallel to the North line of said section 164.01 feet; thence Northerly parallel to the West 1/8th line 315.59 feet to the North line of said section; thence Westerly along said line 164.01 feet to the Point of Beginning. Subject to highway easement, all being in the Northeast Quarter of the Northwest Quarter of Section 25, Town 31 North, Range 4 East, Hillman Township, Montmorency County. ALSO LESS: Commencing at the Northwest Section corner of Section 25, Town 31 North, Range 4 East; thence Easterly along the North line of said section 1554.04 feet to the Point of Beginning; thence Southerly and parallel to the NS 1/8 line 520.00 feet; thence Easterly and parallel to the North line of said Section 164.02 feet; thence Northerly and parallel to the NW 1/8 line 520.00 feet to the North line of said Section; thence Westerly along said North line 164.02 feet to the Point of Beginning. Subject to highway easements, all being in the Northeast 1/4 of the Northwest 1/4 of Section 25, Town 31 North, Range 4 East, Hillman Township, Montmorency County, Michigan including all gas, oil and mineral rights (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 West 30' of the NE 1/4 of the NW 1/4 of Section 25 except for the North 315.59 feet thereof and also except the Right-of-Way as surveyed for the proposed highway M-32 all in Section 25, 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 not limited to the following:

a. Overhead facilities. Wooden poles with crossarms, braces, guys, conductors, insulators, anchors; three (3) electrical transmission lines and a shield line.

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. No expansion or enlargement of the lines or poles shall be permitted without the permission of 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

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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 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 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.

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. Disposition of Old Utility Poles. Grantor has stated his desire to have the old utility poles that are replaced with new ones. Grantee agrees that the old utility poles will be placed on Grantor's property for his use. These old poles shall be provided to Grantor at no expense. Grantor shall be responsible to move the old utility poles where he wants them after Grantee removes them from the ground or cuts the utility poles off at the ground level.

9. Joint Use of Right-of-Way With Presque Isle Electric Cooperative, Inc. (PIEC) Grantor acknowledges, understands, and approves that Grantee is jointly using the existing utility Right-of-Way with PIEC and that Grantee will install new utility poles in approximately the same location as the existing poles. Further Grantee will either transfer or install new distribution lines and equipment belonging to PIEC onto the new poles. PIEC retains its rights and interests under their existing right-of-way agreements.

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10. 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.

11. 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 17th day of March, 1986.

WITNESSES:

Richard E. Curzell  
Richard E. Curzell  
Carol P. Matthias  
Carol P. Matthias

GRANTOR:

Hans Matthias  
Hans Matthias  
Gertrude Matthias  
Gertrude Matthias

GRANTEE:

Bruce Thompson  
Bruce Thompson

STATE OF MICHIGAN }  
COUNTY OF Alcona } ss:

The foregoing instrument was acknowledged before me on this 17th day of March, 1986, by Hans Matthias & Gertrude Matthias and

Richard E. Curzell  
RICHARD E. CURZELL  
Notary Public  
Alcona County, Michigan  
My Commission Expires: 5-22-86  
Att. No. 10 Montgomery Co.

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