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TITLE DATA

MICHIGAN STATE

Montmorency COUNTY

Hillman TOWNSHIP

CONSUMERS ENERGY CO.

InterWest Energy, Inc.

NAME OF GRANTOR

MUNICIPALITY

24 SECTION

31N TOWN

4E RANGE

TRACT 586-D103-2

Easement

DATE OF INST. 3-20-86

DATE OF RECORD 13-24-86

LIBER 232

PAGE 548

W0#1755

PLAT OR AREA

MAP 8

STOCKMAR (HILLMAN) SPUR

Line segment "h"

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LIBER 232 PAGE 548 INTERWEST ENERGY, INC. RECEIVED FOR RECORD DATE MARCH 24 1986 VIVIAN R. SPENCER Register of Deeds

For and in consideration of Four Thousand Nineteen Dollars and No/Cents (\$4,019.00) and other valuable consideration, the receipt of which is hereby acknowledged,

Jack E. Matthias and Janet P. Matthias, husband and wife of Route 2, One Village Corner, Box 1, Hillman, Michigan ("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 Village of Hillman, Montmorency County, Michigan:

A piece of property being 33 feet and situated east of and adjacent to the west 1/8 line of Section 24, bounded on the south by State Highway M-12 East and on the north by the Thunder Bay River, all in Section 24 T31N, R4E, Village Of Hillman, 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 33 feet in width situated adjacent to and east of the west 1/8 line of Section 24, bounded on the south by State Highway M-32 East and on the north by the Thunder Bay River, all in Section 24 T31N, R4E, Village Of Hillman, Hillman Township, Montmorency County, Michigan (the "Right-of-Way").

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

a. Overhead facilities. Wooden poles with insulators, conductors, crossarms, braces, guys, 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 use of his property. As few poles shall be used as technically possible. No expansion or enlargement of the lines or poles shall be permitted without 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.

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.

MAR 24 '86 AM



MONTMORENCY COUNTY REGISTER OF DEEDS

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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 other structure directly under the transmission lines. Building within the Right-of-Way is prohibited except with Grantee's written permission. 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. 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.

DATED this 20th day of March, 1986.

WITNESSES:

GRANTOR:

Handwritten signatures of witnesses: Margaret A. Kuntz, Elizabeth A. Kuntz, Eleanor Lutze.

Handwritten signatures of grantors: Jack E. Matthias, Janet P. Matthias.

GRANTEE:

Handwritten signature of grantee: Bruce Thompson.

STATE OF MICHIGAN) COUNTY OF Montmorency) ss:

The foregoing instrument was acknowledged before me on this 20th day of March, 1986, by Jack E. Matthias and Janet P. Matthias.

Prepared by and after recording, return to: Bruce Thompson, InterWest Energy, Inc., 305 - 11th Avenue, N.E., Bellevue, Washington 98004

Handwritten signature of notary: Eleanor Maxine Lutze, Notary Public, Montmorency County, Michigan, My Commission Expires: 9-5-87

ELEANOR MAXINE LUTZE, Notary Public, Montmorency Co., MI, My Commission Expires Sept. 5, 1987