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TITLE DATA

MICHIGAN STATE

Montmorency COUNTY

Village of Hillman TOWNSHIP

CONSUMERS ENERGY CO.

Hillman Limited Partners

TRACT 587-D103-1*

Easement 9-10-86 19-11-86 1247 546 W0#1755 James Cronk's Addition MAP 8

STOCKMAR. (HILLMAN) SPUR line segment "h" 587-D103-1*

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HILLMAN LIMITED PARTNERS EASEMENT

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For and in consideration of One Thousand Four Hundred Dollars and No/Cents (\$1,400.00) and other valuable consideration, the receipt of which is hereby acknowledged.

Hillman Township Building Authority, a municipal corporation of 421 M-32 East, Hillman, Michigan. ("Grantor" herein) hereby grants, conveys and warrants to Hillman Limited Partners, a California limited partnership ("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 Village of Hillman, Montmorency, Michigan:

Commencing at the South-east Corner of James Cronk's Addition to the Village of Hillman as the Point of Beginning; thence N 87° 11' W along the south line of said Plat 275.08'; thence N 04° 12' 30" E 414.68'; thence S 86° 07' 30" E 242.00'; thence N 04° 12' 30" E 140.00'; thence S 86° 07' 30" E 33.00' to the east line of said plat; thence S 04° 12' 30" W 549.60' to the point of beginning. Containing 2.71 Acres. Being Lots 12, 13, 14, 15, 16, 17, 18, 19, 46, 47, 48, 49 and the easterly 33' of Lot 50. Also part of the vacated streets of Patrick and Beech. Also the alleys lying easterly of Patrick Street. All being in the plat of James Cronk's Addition to the Village of Hillman, Section 24, 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 33 feet in width including the East 33 feet of Lots 50, 49, 16 and 15, and that portion of vacated Beech Street and Maple Street and all alleys running in an E-W direction described as the E 33' thereof as shown on the recorded plat of James Cronk's Addition to the Village of Hillman which is recorded in Liber 1 of Plats, p. 78 Montmorency County Records. Section 24, Town 31 North, Range 4 East, 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 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 insulators, conductors, crossarms, braces, guys, anchors, three (3) electrical transmission lines, and a lightning wire (i.e. shield line).
b. Construction. Grantee shall schedule construction, placement of 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. Pole placement shall be discussed with Grantor prior to construction. 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.

SEP 11 '86 AM



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MONTMORENCY COUNTY REGISTER OF DEEDS

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2. Location of Poles. Grantee agrees with Grantor that when wooden poles are placed on Grantor's property, that Grantee will comply with the following conditions:

- a. The first preference of the Grantor is that Grantee use an Alpena Power Company pole near the front or south end of the property with the second pole located (north property line) back at least approximately 500 feet from the Alpena Power Company Pole.
b. The second preference of Grantor is that if the first preference is not feasible, Grantee may advance the second pole (north property line) approximately 150 feet to the south an span the remaining distance and State Highway M-32 East with anchoring on the south side of M-32 East leaving only one pole on Township property.

3. Radio Interference. Grantee agrees that if the electrical transmission lines cause electrical interference with the Grantors equipment in the Community Center, Grantee shall immediately repair or correct such problems at Grantee's expense.

4. 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.

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

6. 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.

7. 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. 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.

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8. 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.

9. 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.

10. Termination and Release of Easement. Grantor and Grantee mutually agree that if construction of the proposed power plant does not start within two (2) years from the date the 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.

11. 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.

12. 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 10th day of September, 1986

Dean Bouleau
Dean Bouleau
John R. Hunt
John R. Hunt

GRANTOR
HILLMAN TOWNSHIP BUILDING AUTHORITY
By Roger C. Marquardt
Its Chairman Roger C. Marquardt
and Carol Jean Rose
Its Secretary Carol Jean Rose

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CORPORATE ACKNOWLEDGEMENT

State of Michigan)
County of Montmorency) ss.

On this 10th day of September, 1986, before me, the undersigned, personally appeared Roger Marquardt and Carol Rose, to me known to be the Chairman and Secretary respectively, of Hillman Township Building Authority, a municipal corporation, the corporation, that executed the foregoing instrument, and acknowledged the said instrument, to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are Hillman Township Building Authority officials authorized to execute the said instrument.

Eleanor Maxine Lutze
Notary Public in and for the State
of Michigan residing at
411 Beech St. Hillman, MI 49746
My commission expires: 9/9/87

ELEANOR MAXINE LUTZE
Notary Public, Montmorency Co., MI
My Commission Expires Sept. 9, 1987