

InterWest Energy, Inc.

NAME OF GRANTOR

MUNICIPALITY

SECTION 24

TOWNSHIP 31N

RANGE 4E

TRACT 589-D103-3

Kind of Instrument

DATE OF INST. 3-4-86

DATE OF RECORD 3-24-86

LIBER PAGE 232 543

620 #1755

PLAT OR AREA

MAP 8

LIBER 232 PAGE 543

INTERWEST ENERGY, INC. STOCKMAR (HILLMAN) line segment "h"

For and in consideration of Five Thousand Nine Hundred Dollars and No/Cents (\$5,900.00) and other valuable consideration, the receipt of which is hereby acknowledged.

Robert W. Shumaker and Doris E. Shumaker, husband and wife as tenants by the entirety of Route 1, Box 9, 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 personal easement over, across, and under the following described real property (the "Property" herein) in the Village of Hillman, Montmorency County, Michigan:

Commencing 15 rods east of the Northwest corner of Lot 7, Block 9 of the Village of Hillman, thence north 27 feet to the point of beginning, thence north 89 east 110.87 feet, thence north 73 east 240 feet, thence south 86 feet more or less to the bank of the Thunder Bay River, thence southwesterly along the river bank to a point south of the point of beginning, thence north to the point of beginning, all in Section 24, T31N, R4E, 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 66 feet in width described as starting at the intersection of the East-West 1/4 line of Section 24 and the West 1/8 line of Section 24, thence in a southerly direction along the 1/8 line a distance of 693 feet to the South Right-of-way line of First Street as shown on a plat of the original Townsite of the Village of Hillman, as a point of beginning, thence east a distance of 13.5 feet, thence south to the Thunder Bay River, thence southwesterly along the river bank to a point south and 52.5 feet west of the point of beginning, thence north to the South Right-of-way line of First Street, thence east 52.5 feet to the point of beginning, all in Section 24, T31N, R4E, 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. Appurtenances thereto are limited to the following:

a. Overhead facilities. Three (3) electrical transmission lines with a shield line. No poles, connecting guys or anchors shall be placed on the Grantor's property. No existing trees shall be trimmed, removed, moved, or damaged on Grantor's property, except with Grantor's permission.

b. Construction. Grantee shall schedule construction and running of transmission lines over and across Grantor's property based on a plan reviewed by Grantor. No expansion or enlargement of the easement, lines or poles shall be permitted without the permission of Grantor.

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 agrees to not damage, remove or injure any trees on Grantor's property. If damage should occur as a result of Grantee's facilities occupying air space over Grantor's property, Grantee agrees to reimburse Grantor for any damage and/or replace any damaged vegetation.

3. 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 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.

RECORDED FOR RECORD MICHIGAN REGISTER OF DEEDS

MAP 4 '86 AM



MONTMORENCY COUNTY REGISTER OF DEEDS

AM MONTMORENCY COUNTY DEEDS

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4. 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.

5. 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. In that 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.

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

7. Further Assurances. Grantor acknowledges that the legal descriptions contained in this easement are subject to correction upon completion of a survey of the Property or 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.

8. 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 4th day of March, 1986.

WITNESSES:

Robert C. Lutze

GRANTOR:

Robert W. Shumaker, Doris E. Shumaker

GRANTEE:

Bruce Thompson

STATE OF MICHIGAN) COUNTY OF Montmorency) ss:

The foregoing instrument was acknowledged before me on this 4th day of March, 1986, by Robert W. Shumaker and Doris E. Shumaker.

Eleanor Maxine Lutze

Notary Public Montmorency County, Michigan My Commission Expires: Sept 9, 1986 ELEANOR MAXINE LUTZE Notary Public, Montmorency Co., MI My Commission Expires Sept. 9, 1987

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