

OIL & GAS PIPELINE EASEMENT

On June 24, 1992, for one dollar and other valuable consideration, Edison grants to Grantee a non-exclusive, permanent easement on land called the Easement Area.

"Edison" is:

The Detroit Edison Company, a Michigan corporation, 2000 Second Avenue, Detroit, Michigan 48226

"Grantee" is:

Southern Michigan Oil Company, a Michigan corporation, 10850 Traverse Highway, Suite 10, Traverse City, Michigan 49684

The "Easement Area" is in Novi Township, Oakland County, Michigan described as: Being part of the NW 1/4 of Section 29 and the W 1/2 of Section 20 and the SW 1/4 of Section 17, Town 1 North, Range 8 East, Novi Township, Oakland County, Michigan, being more specifically described as commencing at the North Quarter Post of Section 29, Town 1 North, Range 8 East, Novi Township, Oakland County, Michigan, thence West along the North line of said Section 29, 660.59 feet, thence South 00°45'46" West 897.88 feet; thence South 21°21'54" West 36.40 feet for the place of beginning of this description; thence South 88°01'45" East 43.65 feet; thence North 24°02'25" East 601.77 feet; thence North 18°09'55" East 403.75 feet to the center line of 10 Mile Road and the North line of Section 29, Town 1 North, Range 8 East, Novi Township, Oakland County, Michigan; thence continuing North 18°09'55" East 331.96 feet; thence North 00°25'45" East 582.37 feet; thence North 00°39'45" East 1719.27 feet to a point North 89°47'45" West 163.00 feet from the center of Section 20, Town 1 North, Range 8 East, Novi Township, Oakland County, Michigan; thence North 00°22'15" East 2657.99 feet to a point 163.00 feet West of the North and South 1/4 line of Section 20, Town 1 North, Range 8 East, Novi Township, Oakland County, Michigan; thence North 00°30'30" East 1080.53 feet; thence North 50°48'00" West 92.18 feet to the point of ending, said point being North 89°59'30" West 235.00 feet and North 00°30'30" East 1138.78 feet from the South Quarter Post of Section 17, Town 1 North, Range 8 East, Novi Township, Oakland County, Michigan and now all being in the City of Novi, Oakland County, Michigan.

1. **Purpose** Edison grants this easement to Grantee to construct, operate, maintain, remove and replace a oil & gas pipeline ("Grantee's Facility").
2. **Access** Grantee has the right to enter and exit the Easement Area at all reasonable times.
3. **Edison's Rights** Edison specifically reserves the right to construct, operate and maintain overhead and underground electric transmission, distribution and communication lines and associated structures and equipment ("Edison's Facilities") on, over and under the Easement Area as long as Edison's Facilities do not interfere with Grantee's Facility.
4. **Encumbrances** This easement is granted without any warranties or covenants of title, and subject to all now existing easements, restrictions and encumbrances affecting the Easement Area to which this easement would be subordinate under the recording acts or other applicable law of the State of Michigan. Furthermore, Edison may grant other encumbrances over the Easement Area which do not interfere with Grantee's Facility.
5. **Edison Damages** Grantee must pay Edison for all damages, losses or injuries to Edison's Facilities caused by Grantee, its agents, employees, servants or independent contractors while constructing, operating or maintaining Grantee's Facility.

6. Insurance

- a. Grantee and Grantee's contractors, at their own expense, must each maintain a general liability insurance policy that is satisfactory to Edison in form and substance. The policies must cover the liability assumed in this agreement for \$500,000 each person and \$1,000,000 each occurrence bodily injury, and \$500,000 each occurrence property damage. The policies must also include explosion damage, collapse or damage to underground property (commonly known as "XCU"). If Grantee is a governmental unit, then Grantee's contractor's policy must name Edison as an additional insured. Grantee's policy must remain in effect as long as this easement agreement remains in effect. Grantee's contractors' policies must remain in effect during the time that the contractors are working in the Easement Area.
- b. Grantee and Grantee's contractors must each give Edison's Director of Corporate Real Estate Services a Certificate of Insurance for the insurance coverage required by this agreement. The certificates must state that Edison will have 10 days written notice before any material change or cancellation becomes effective.
- c. Grantee waives Grantee's rights of recovery, Grantee's contractor's rights of recovery and their insurers' rights of subrogation against Edison for damage to Grantee's or its contractor's property used on the Easement Area.
- d. Obtaining the insurance required by this agreement will not limit or release Grantee's indemnity liability.

7. Indemnity

- a. Grantee will indemnify Edison (the Company, its officers, agents and employes) for any claims for injuries or damages to persons or property or both, arising directly or indirectly out of the use of this easement by Grantee (the person, company or organization, its contractors, subcontractors, lessees, licensees and any of its or their agents or employees). This includes, but is not limited to, claims arising out of Grantee's negligence, Grantee's and Edison's joint negligence, or any other person's negligence. But Grantee will not indemnify Edison for claims arising out of Edison's sole negligence.
- b. If any claim covered by Grantee's indemnity is brought against Edison, Grantee will defend the claim at Grantee's expense. Grantee will also pay any costs, attorney fees, or judgments that Edison incurs or is subject to in the claim.

8. Construction and Maintenance

- a. Grantee will construct and maintain Grantee's Facility on this easement at its sole expense. If underground work is involved, Grantee must call Miss Dig (tel: 1-800-482-7171) in accordance with Michigan Public Act 53 of 1974, as amended, before beginning any ground breaking. Edison may inspect Grantee's Facilities during any construction or maintenance work.
- b. Grantee and its contractors must maintain at least a 20 foot clearance from Edison Facilities. Grantee must not mound dirt or change elevations which would decrease the clearance of Edison's existing electric lines to ground.
- c. Grantee must not change the natural drainage of the Easement Area.
- d. Grantee must not change either the elevation or the slope of the Easement Area without Edison's prior written permission.
- e. After Grantee completes construction of Grantee's Facility, Grantee must send "as-built" drawings of Grantee's Facility to the Supervising Engineer, Transmission and Civil Engineering, The Detroit Edison Company, 2000 Second Avenue, Room 704 G.O., Detroit, Michigan 48226. (Tel. 313-237-8411)

f. After Grantee completes any construction or maintenance work, Grantee must back-fill any excavations with excavated material having an in-place density of at least 100 pounds per cubic foot. If excavated material is unsuitable (e.g. peat, organic material or trash), Grantee must use Michigan Department of Transportation Class II granular fill. For grassy or unpaved areas, Grantee must place backfill in 12 inch to 15 inch layers and compact each layer to 90 percent maximum density as determined by the Modified Proctor Test (ASTM D 1557). For aggregate or pavement surface, Grantee must place backfill in 9 inch maximum layers and compact each layer to 95 percent maximum density as determined by the Modified Proctor Test.

g. After Grantee completes any construction or maintenance work, Grantee must restore Edison property as nearly as possible to its original condition. This includes grading and reseeding all disturbed lawn areas and replacing any damaged landscaping.

9. **Abandonment** If Grantee abandons any part of this easement, then within three months after the abandonment, Grantee must restore the abandoned part as nearly as possible to its original condition and give Edison a written recordable document concerning this abandonment.

10. **Mortgage** This easement is subject to an October 1, 1924, Mortgage between The Detroit Edison Company and Banker's Trust Company, a New York corporation, and all supplemental agreements to the Mortgage.

11. **Successors and Assigns** This easement runs with the land and binds and benefits Edison's and Grantee's successors and assigns.

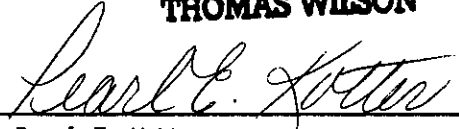
12. **Additional Items**

a. No blow down valve, used in a natural gas line, is to be installed on the premises without prior review and approval of the Supervising Engineer, Transmission & Civil Engineering, Energy Delivery, The Detroit Edison Company. The telephone number to call is (313) 237-8411. This type of valve cannot be operating near or in the vicinity of transmission lines.

Witnessed by:



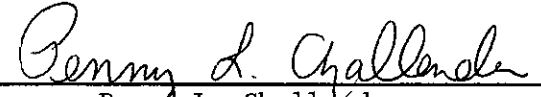
THOMAS WILSON



Pearl E. Kotter



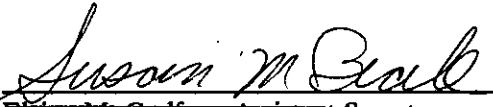
Wanda Dillon



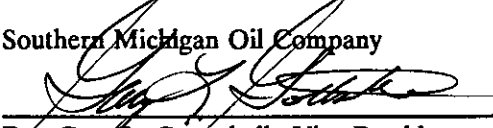
Penny L. Challenger

The Detroit Edison Company


Paul W. Potter, Director-Corporate Real Estate



~~Blaine M. Godfrey, Assistant Secretary~~
Susan M. Beale, Corporater Secretary

Southern Michigan Oil Company


By: Gary L. Gottschalk, Vice-President

Acknowledged before me in Wayne County, Michigan, on 26, June, 1992 by Paul W. Potter, Director-Corporate Real Estate, and ~~Elaine M. Godfrey, Assistant Secretary of The Detroit Edison Company, a Michigan corporation, for the corporation~~ Susan M. Beale, Corporate Secretary of The Detroit Edison Company, a Michigan corporation, for the corporation.

Notary's PEARL E. KOTTER
Notary Public, Macomb County, MI
Stamp: My Commission Expires Aug. 28, 1993

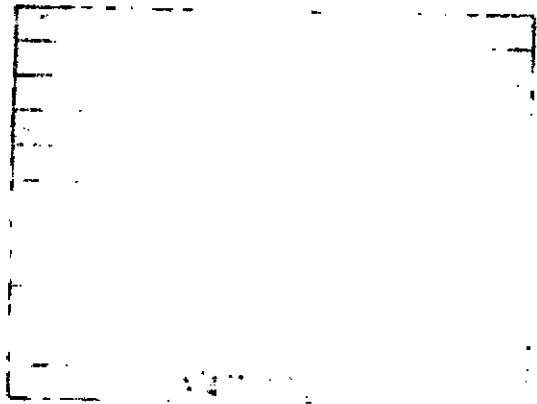
Notary's Signature: *Pearl E. Kotter*

Acknowledged before me in Grand Traverse County, Michigan on June 24, 1992, by Gary L. Gottschalk the Vice President of Southern Michigan Oil Company, a Michigan corporation for the corporation.

Notary's WANDA DILLON
Notary Public, Leelanau County, MI
Stamp: My Commission Expires Oct. 31, 1994
Acting in Grand Traverse County, MI

Notary's Signature: *Wanda Dillon*

Prepared By: George H. Hathaway, Detroit Edison, 2000 Second Avenue, Detroit, Michigan 48226



REPRODUCED AS TO FORM
DETROIT EDISON COMPANY