Zoning Board of Appeals July 31, 2019 Regular Meeting

STAFF REPORT

Subject: ZBA19-016; 1000 Victors Way

Summary:

International Transmission Company dba ITC Transmission, representing the property owners, is seeking a variance from Section 5.20.3 (B) Interior Landscape Islands. The requested variance is to allow the removal of required vegetation in the high voltage electric transmission lines easement area only.

Background:

The subject property is zoned O, Office and located north of Interstate 94 and west of the rail road corridor. ITC is an independent transmission company which transmits electric energy by an extensive network of high voltage transmission lines. ITC is in the process of constructing new 120,000 volt double-circuit transmission lines through the City of Ann Arbor and the Charter Township of Pittsfield to connect the State and Pioneer substations. The project is approximately three miles long and located in the rear of commercial buildings adjacent to and along the existing rail corridor. The State-Pioneer Transmission Line Project is designed to improve the reliability of high-voltage electrical service in the Washtenaw County area. The project will enhance reliability of electric service to residents and businesses and create additional capacity throughout the region, which will benefit the community as a whole. If granted, the variance will protect the site from being rendered non-conforming on the work of ITC, an essential service under the Unified Development Code.

Description:

On December 7, 2018, ITC initiated an eminent domain action in the Washtenaw County Circuit Court, under the procedures set forth in the UCPA (Uniform Condemnation Procedures Act), seeking to acquire the easement on the property. Certain rights in the easement include the removal of incompatible vegetation located in the easement area. These rights are necessary to comply with safety and reliability standards and ensure the reliability of the electrical system by preventing outages caused by vegetation.

Standards for Approval- Variance

The Zoning Board of Appeals has all the power granted by State law and by Section 5.29.12, Application of the Variance Power from the UDC. The following criteria shall apply:

(a). That the practical difficulties are exceptional and peculiar to the property of the person requesting the variance, and result from conditions which do not exist generally throughout the City.

The property owner did not have a choice in the transmission line location being imposed on their property. The owners should not suffer an adverse consequence to their property as a result of a needed project that will enhance the reliability of electric service to the community.

(b). That the practical difficulties will result from a failure to grant the variance, include substantially more than mere inconvenience, inability to attain a higher financial return, or both.

The failure to grant the variance will result in the easement area being in a nonconforming status. The variance is minor and warranted so that the easement area can remain in conformity.

(c). That allowing the variance will result in substantial justice being done, considering the public benefits intended to be secured by this Chapter, the individual hardships that will be suffered by a failure of the Board to grant a variance, and the rights of others whose property would be affected by the allowance of the variance.

The importance of maintaining the reliability of transmission lines benefits all property owners in the community and the requested variance will not otherwise have a negative impact, thus resulting in substantial justice being done.

(d). That the conditions and circumstances on which the variance request is based shall not be a self- imposed hardship or practical difficulty.

The practical difficulty was not created by the Property owner. This situation resulted from eminent domain proceedings. The practical difficulty arises from condemnation and is subject to the Michigan Uniform Condemnation Procedures Act.

(e). A variance approved shall be the minimum variance that will make possible a reasonable use of the land or structure.

The applicant's state that a lesser variance requested would not ensure the goal of the easement remaining in a conforming status, while at the same time allowing use of the easement area for the Transmission Line. The trees have been properly removed and the only variance that will allow this area to remain in conformity with the landscaping requirements of the Ordinance is the variance requested.

Respectfully submitted,

Jon Barrett

Zoning Coordinator



ZONING BOARD OF APPEALS APPLICATION

City of Ann Arbor Planning Services

City Hall: 301 E Huron Street Ann Arbor, MI 48107-8647

Phone: 734-794-6265 Fax: 734-794-8460 Email: planning@a2gov.org

PROPERTY INFORMATI	ON							
ADDRESS OF PROPERTY ZIP CODE								
1000 Victors Way, Ann Arbor, MI					'	48108		
ZONING CLASSIFICATION	NAME OF PROPERTY OWNER	R*If differe	nt than	applica	nt, a letter of auti	horization fr	om the property	
O Office District	owner must be provided Bluebird Ann Arbor LLC							
PARCEL NUMBER OWNER I			REMAI	L ADDF	RESS			
09-12-09-201-021								
APPLICANT INFORMAT	ION							
NAME								
International Transmission (Company d/b/a ITCTrans	missior	1					
ADDRESS			CITY			STATE	ZIP CODE	
27175 Energy Way			Novi	1		MI	48377	
EMAIL				PHONE				
sestey@dykema.com APPLICANT'S RELATIONSHIP TO PI	DODEDTV				248-203-053	38		
Easement holder	ROPERTY							
REQUEST INFORMATIO	N							
✓VARIANCE REQUEST			lreou	IFST TO) ALTER A NON	CONFORM	AING STRUCTURE	
✓VARIANCE REQUEST ☐ REQUEST TO ALTER A NONCONFORMING STRUCTURE Complete Section 1 of this application Complete Section 2 of this application								
REQUIRED MATERIALS					OFF	ICE USE ON	LY	
One hard copy application comp			t 📗	Fee Paid	\$600 ZBA: 1	9-016		
be submitted. Digital copies of su	• •			CITY OF ANN ARBOR RECEIVED				
submitted hard copy will only be	•	mail or		ě	aire .	RECEIV	/EU	
accompanying the hard copy application on a USB flash drive. Required Attachments:				JUN 25 2019				
Boundary Survey of the property including all existing and proposed			.		J	IOIN Z J	2013	
structures, dimensions of property, and area of property. Building floor plans showing interior rooms, including dimensions.				PLANNING & DEVELOPMENT SERVICES				
			he	TENTINO & BEVELOT MILITY SERVICES				
Photographs of the property and any existing buildings involved in the request.					nellan i grunns genella elle liter des glasgories dissenten est este un unesp. " e nup e			
ACKNOWLEDGEMENT								
All information and materials	submitted with this appli	cation a	re tru	e and	correct.			
Permission is granted to City	of Ann Arbor Planning Ser	vices an	d men	nbers	of the Zoning	Board o	f Appeals to	
access the subject property for					_		••	
N/A, see attached regarding UCPA Variance Request Property Owner Signature: Authorization (MCL 213.54(2)) Date:								
. ,								

Page 1 V3 12-6-2018

Section 1 City of Ann Arbor Planning Services – Zoning Board of Appeals Application

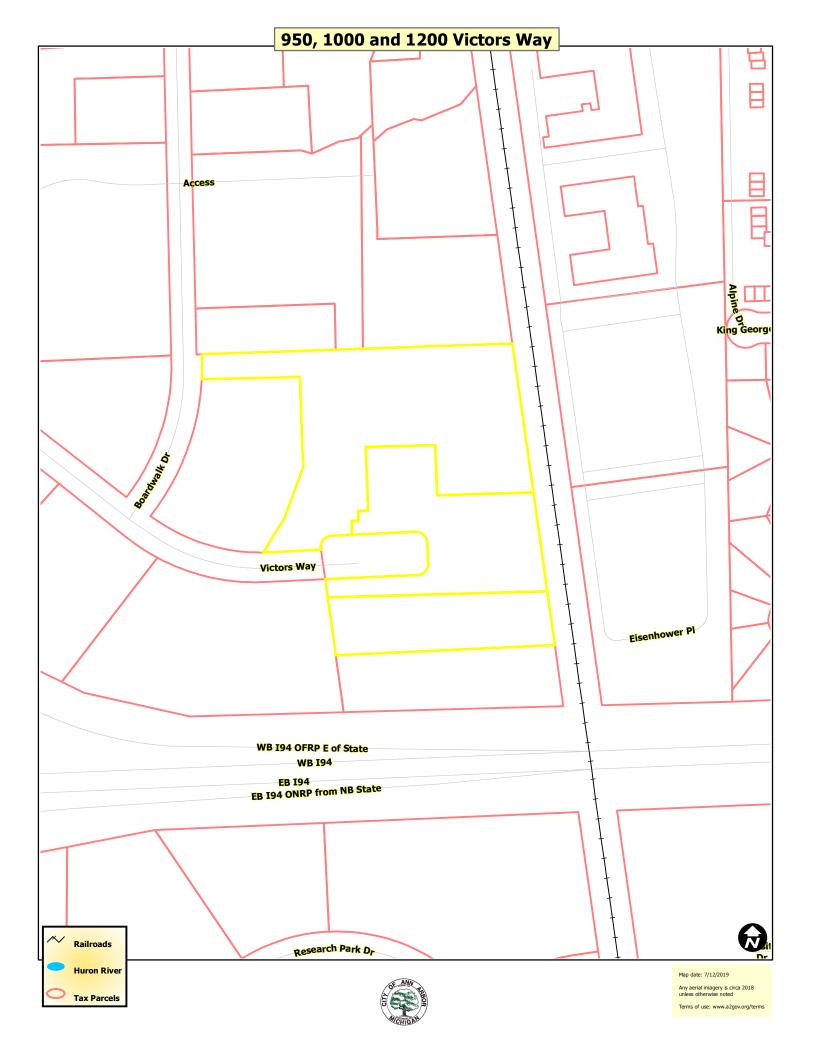
QUESTED: (Example: Article 3, Section 5.26)
goesteb. (Example: Article 3, Section 5.20)
PROPOSED DIMENSION: (Example: 32 foot 8 inch front setback)
Feet: Inches:
NCE:
*
he powers granted by State law and City Code Chapter oning Board of Appeals only in cases involving practica following statements are found to be true. Please nts below.
exceptional and peculiar to the property of the person do not exist generally throughout the city.
ich will result from a failure to grant the variance, include tain a higher financial return, or both.
done, considering the public benefits intended to be
be suffered by a failure of the board to grant a variance, and he allowance of the variance.
equest is based shall not be a self-imposed hardship or
i

Section 2 City of Ann Arbor Planning Services – Zoning Board of Appeals Application

REQUEST TO ALTER A NONCONFORMING STRUCTURE

For the purposes of Article VI: Nonconformities Section 5.32.2 Nonconforming Structure, alteration is
defined as any change in a Building that results in additional Floor Area being fit for occupancy, a greater
number of dwelling or rooming units or an increase in the exterior dimensions of the Building.

	e in a Building that results in additional Floor Are or rooming units or an increase in the exterior dir	
structure will only be practicable with the neighboring property	lescribe the current use of the property, the pro	n finding that it complies as nearly as t have a detrimental effect on
N/A	boring property.	
	Please complete the table below as it relates	to your request
Requirement	Existing Condition	Code Requirement
Lot Area		
Lot Width		
Floor Area Ratio		
Setbacks		
Parking		
Landscaping		
Other		



950, 1000 and 1200 Victors Way Victors Way Eisenhower P WB 194 OFRP E of State - WB 194 EB 194 EB 194 ONRP from NB State Railroads Research Park Dr **Huron River** Map date: 7/12/2019 Any aerial imagery is circa 2018 unless otherwise noted Tax Parcels

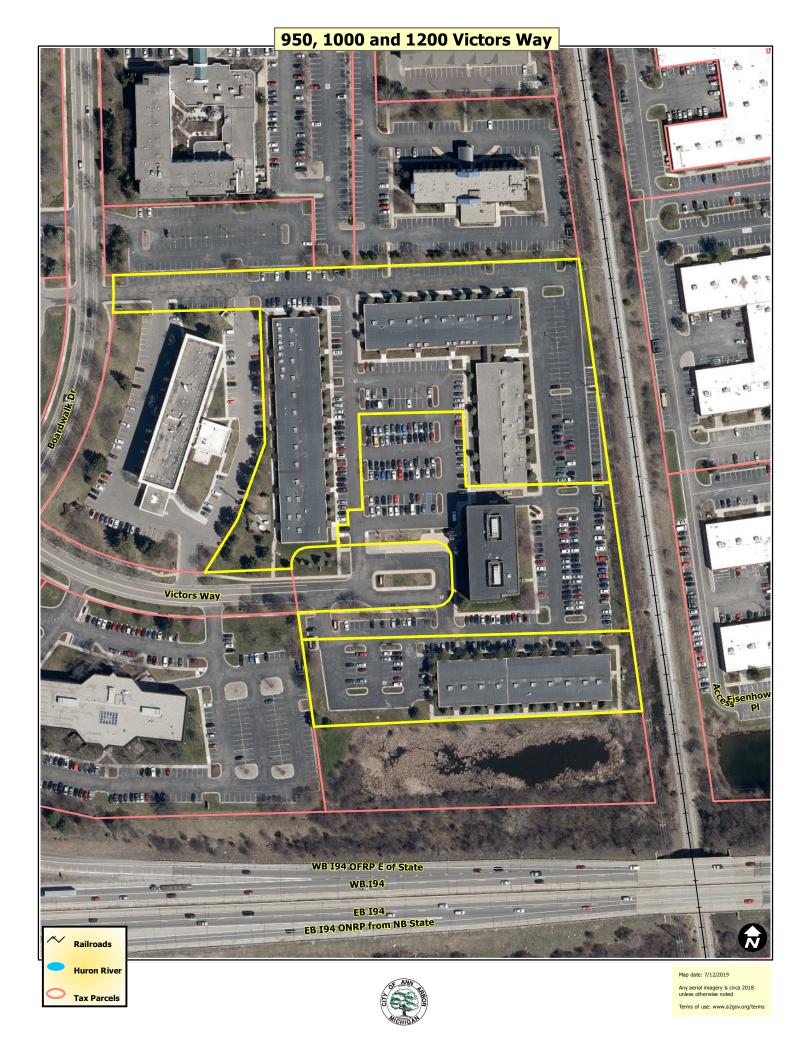


EXHIBIT A



Dykema Gossett PLLC Suite 300 39577 Woodward Avenue Bloomfield Hills, Michigan 48304

Tel: (248) 203-0700 Fax: (248) 203-0763

WWW.DYKEMA.COM

Stephen R. Estey

Direct Dial: (248) 203-0538 Email: SESTEY@DYKEMA.COM

June 25, 2019

City of Ann Arbor Zoning Board of Appeals 301 E. Huron Street Ann Arbor 48107

Re: Request for Non-Use Variance – 1000 Victors Way, Ann Arbor, MI 48108 – Parcel No. 09-12-09-201-021 (ITC No. SP-3241)

Dear Zoning Board Members:

We represent International Transmission Company d/b/a ITC*Transmission* ("ITC"). This letter and its accompanying materials, including the Application attached hereto as **Exhibit A**, are presented to the City of Ann Arbor ("City") Zoning Board of Appeals ("ZBA") in furtherance of ITC's request for a variance under the Michigan Uniform Condemnation Procedures Act, MCL 213.51 et seq. ("UCPA") for relief from certain vegetation requirements (as set forth herein) within the Permanent Electric Transmission Line Easement ("Easement" attached as **Exhibit B**), which was acquired by ITC in Case No. 2018-001270-CC, *ITC v. Bluebird Ann Arbor LLC et. al.*, Washtenaw County Circuit Court ("Litigation"). As discussed below, under Michigan law, the UCPA allows a condemning agency, such as ITC, to apply for a variance in order to address a nonconformity created by the taking of property, such as the Easement in this case.

I. BACKGROUND

A. The Property

The property at issue is located at 1000 Victors Way, Ann Arbor, MI 48108 ("Property"). The zoning classification for the Property is O Office. A Boundary Survey is attached as **Exhibit C** and an aerial/photograph of the Property is attached as **Exhibit D**.

B. State-Pioneer Transmission Line Project

ITC is an independent transmission company as defined in the Electric and Gas Corporations Act, MCL 486.251 et seq. ("EGCA") which transmits electric energy by an

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City of Ann Arbor Zoning Board of Appeals Page 2

extensive network of high voltage transmission lines. ITC is currently in the process of constructing a new 120,000 volt (120kV) double-circuit transmission line ("Transmission Line") through the City of Ann Arbor and the Charter Township of Pittsfield to connect the State and Pioneer substations ("State-Pioneer Transmission Line Project" or "Project"). The Project is approximately 3 miles long and located in the rear of commercial buildings adjacent to and along an existing operating rail road corridor (Ann Arbor Railroad). See Map of Project, attached hereto as Exhibit E. The City of Ann Arbor Staff (and City Council) are well aware of this project and have been involved since its inception. The State-Pioneer Transmission Line Project is designed to improve the reliability of high-voltage electrical service in the Washtenaw County area. Specifically, this Project will reduce the demand on the area's existing aging electrical infrastructure, which was constructed decades ago and was not built to support modern-day demands. The Project will enhance reliability of electric service to residents and businesses and create additional capacity throughout the region, which will serve as a significant benefit for the community as a whole.

C. The Acquisition of the Easement

As part of the Project, on December 7, 2018, ITC initiated an eminent domain action in the Washtenaw County Circuit Court, under the procedures set forth in the UCPA, seeking to acquire the Easement on the Property, subject to payment of just compensation for the property taken ("Just Compensation"). Among the rights included in the Easement, are certain rights to remove incompatible vegetation located in the Easement Area² on the Property. Such rights are necessary for ITC to comply with the safety and reliability standards set forth by the North American Electric Reliability Corporation ("NERC"), among other things, and are also necessary to ensure the safety and reliability of the entire bulk electricity system by preventing possible outages caused by vegetation.

The Court confirmed these Easement rights and granted ITC possession of the rights set forth in the Easement on or before March 20, 2019 and further confirmed that title to the rights described in the Easement had vested with ITC on December 7, 2018. See Stipulated Order Waiving Necessity, Confirming Title, Transferring Possession, Ordering Payment of Just Compensation, and for Other Relief attached as **Exhibit F**. The only issue that remains in the Litigation is the amount of just compensation due to the owner of the Property, which is being addressed by the parties and the Court as per the normal course of these types of actions.

¹ The EGCA specifically authorizes ITC to acquire property interests necessary to transmit electric energy for public use through condemnation proceedings. MCL 486.255. ITC is further authorized to condemn property pursuant to the procedures set forth under the UCPA.

² The Easement Area is depicted in Exhibit B.

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City of Ann Arbor Zoning Board of Appeals Page 3

ITC has completed initial vegetation removal in the Easement Area on the Property in preparation for the construction of the Transmission Line.³

D. UCPA Variance Request Authorization

As a condemning agency under the UCPA, ITC has the right to seek a zoning variance in order to reduce the impact of the Easement on the Property.⁴ MCL 213.54(2) specifically states:

If the acquisition of a portion of a parcel of property actually needed by an agency would leave the remainder of the parcel in nonconformity with a zoning ordinance, the agency, before or after acquisition, may apply for a zoning variance for the remainder of the parcel. In determining whether to grant the zoning variance, the governmental entity having jurisdiction to grant the variance shall consider the potential benefits of the public use for which the property would be acquired, in addition to those criteria applicable under the relevant zoning statute, ordinance, or regulation. The agency must actually acquire the portion of the parcel of property for the proposed public use for the zoning variance to become effective for the remainder. If a variance is granted under this subsection, the property shall be considered by the governmental entity to be in conformity with the zoning ordinance for all future uses with respect to the nonconformity for which that variance was granted. However, if the property was also nonconforming for other reasons, the grant of that variance has no effect on the status of those other preexisting nonconformities. An owner shall not increase the nonconformity for which a variance is granted under this section without the consent of the governmental entity. An agency has the same right to appeal action on a zoning variance as would a property owner seeking a zoning variance. This section does not deprive a governmental entity of its discretion to grant or deny a variance.⁵

³ As an essential service, ITC has the right to remove vegetation within its Easement in accordance with the City's Ordinance, and per the terms of the Easement. This was reviewed and discussed with Staff as part of the overall project discussions. However, as a gesture of good faith, and while not required to do so by Ordinance, ITC paid the City \$47,600.00 for removal of identified landmark trees within all of its Easements on this Project.

⁴ MCL 213.54(2) attached as **Exhibit G**.

⁵ MCL 213.54(2) (emphasis added).



City of Ann Arbor Zoning Board of Appeals Page 4

In accordance with the above provision, when determining whether to grant this variance, the ZBA must consider the potential benefits of the State-Pioneer Transmission Line Project.

II. THE REQUIREMENTS JUSTIFYING A VARIANCE ARE MET

Description of the Proposed Work and Reason for Variance:

With this Application, ITC is seeking a minor variance, for relief from vegetation requirements in the Easement Area only on the Property. Specifically, ITC is seeking a variance from Section 5.20.3(B) of the Ordinance which relates to Vehicular Use Area Landscaping and Screening - Interior Landscape Islands. Due to safety and reliability concerns set forth above, certain vegetation that was maintained/planned for the Property (see Plan with Easement Area Overlay attached as **Exhibit H**), is not compatible with the construction and operation of State-Pioneer Transmission Line Project. All trees located in the Easement Area on the Property were either previously removed or recently removed by ITC as part of the Project, and cannot be replanted in the Easement Area.

MCL 125.3604 gives a zoning board of appeals the authority to grant nonuse variances if there are "practical difficulties," relating to the "construction, structural changes, or alteration of buildings or structures related to dimensional requirements of the zoning ordinance or to any other nonuse related standard in the ordinance." Likewise, Section 5.29.12 of the Ordinance provides that the ZBA may grant nonuse variances upon certain criteria being met. This is consistent with Michigan law, which provides that there need only be a reasonable showing of "practical difficulty" to warrant a nonuse variance. Heritage Hill Ass'n, Inc v City of Grand Rapids, 48 Mich App 765; 211 NW2d 77 (1973).

As shown in greater detail below, practical difficulties exist in this case and all of the specific standards of review pursuant to Section 5.29.12 of the Ordinance have been met:

A variance may be allowed by the ZBA only in cases involving practical difficulties after the ZBA makes an affirmative finding that each of these criteria are met:

⁶ To the extent that any landscape island is only partially included within the Easement Area, based on input from the landowner, ITC requests that the variance cover the vegetation in the entire landscape island, as ITC has the right to cut, trim, remove, destroy or otherwise control any or all trees, bushes or brush now or hereafter standing or growing upon or within the Easement Area.

⁷ If the ZBA finds that another section of the Ordinance additionally or alternatively requires incompatible vegetation in the Easement Area, ITC hereby requests a variance from that Section(s) of the Ordinance as well.



City of Ann Arbor Zoning Board of Appeals Page 5

1. That the alleged practical difficulties are exceptional and peculiar to the property of the Person requesting the variance, and result from conditions that do not exist generally throughout the City.

RESPONSE: The practical difficulties for this Property are exceptional because they relate to an eminent domain action, which was needed to create a critical electrical infrastructure Project that will benefit the residents and businesses throughout the area. This is the first high voltage electric transmission line ever constructed in Ann Arbor. To safely construct and maintain the new Transmission Line, the Easement Area must be free of trees that, consistent with ITC's determinations either pose a risk to the operation and maintenance of the Transmission Line, or are an obstacle to construction of such line. Outages caused by incompatible vegetation can result in substantial economic losses in commerce and have a dramatic impact on the community. The Property owner was not the cause of the trees and/or landscaping removal. The Property owner had no choice as to whether the Transmission Line would be imposed on its Property or not. The Property owner should not suffer an adverse consequence to its Property as a result of a needed Project that will enhance the reliability of electric service for the entire community.

2. That the alleged practical difficulties that will result from a failure to grant the variance, include substantially more than mere inconvenience, inability to attain a higher financial return, or both.

RESPONSE: The practical difficulties that will result if a variance is not granted will be far more than mere inconvenience or inability to attain a higher financial return. The trees required by Section 5.20.3(B) can no longer be located in the Easement Area because they are not compatible with the Transmission Line. Not granting a variance to the Property owner here, would negatively impact the Property owner, who did not create this circumstance and leave the area within the Easement in a nonconforming status. The Property has existed at this location in its current developed status for years. A minor variance to eliminate the need for the parking lot trees in the Easement Area is warranted so that the Property can remain in conformity in this area notwithstanding the imposition of the Easement.

3. That allowing the variance will result in substantial justice being done, considering the public benefits intended to be secured by this chapter, the practical difficulties that will be suffered by a failure of the Board to grant a variance, and the rights of others whose property would be affected by the allowance of the variance.

RESPONSE: The variance requested is very narrowly directed at vegetation in the Easement Area on the Property, which is incompatible with the construction and operation of the Transmission Line. The variance will enable the Property to function in a conforming status in the Easement Area. The Transmission Line will bring significant



City of Ann Arbor Zoning Board of Appeals Page 6

public benefits to the community in terms of electrical reliability and increased capacity. The importance of maintaining the reliability of transmission lines benefits all property owners in the community and the requested variance will not otherwise have a negative impact, thus resulting in substantial justice being done.

4. That the conditions and circumstances on which the variance request is based are not a self-imposed practical difficulty.

RESPONSE: The practical difficulty was not created by the Property owner. This situation resulted from eminent domain proceedings. As such, the practical difficulty arises from condemnation and is subject to relief pursuant to the Michigan Uniform Condemnation Procedures Act as detailed above.

5. The variance to be approved is the minimum variance that will make possible a reasonable use of the land or Structure.

RESPONSE: A lesser variance than requested would not achieve the goal of ensuring the area within the Easement remains in conforming status, while at the same time allowing use of the Easement Area for the Transmission Line. Again, the trees were properly removed by ITC and the only variance that will allow this area to remain in conformity with the landscaping requirements of the Ordinance is the variance requested.

Alternative Criteria for Specific Types of Variances

Variances to the following types of standards shall require that the ZBA make an affirmative finding that the application meets the specific criteria listed below that are applicable to that type of variance application.

Landscaping, Screening and Buffering

In the case of an application for a variance from the landscaping, screening and buffering requirements of Section 5.20, a variance may be granted from the strict application of that section when the evidence supports that the public benefit intended to be secured will exist with less than the required landscaping or screening.

RESPONSE: This variance request is the result of the construction of a needed electrical infrastructure Project which will benefit the City broadly, but only physically burdens a very small portion of land in the City on several commercial properties such as the instant Property. The Easement Area is located in the rear of the Property, adjacent to an operating railroad track (Ann Arbor Railroad). The benefits of vehicular use area landscaping and screening can still be achieved in the City if the small variance requested here to eliminate the trees in the Easement Area is granted. This request only involves

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City of Ann Arbor Zoning Board of Appeals Page 7

vegetation in the Easement Area and will not have a significant impact on the landscaping of the Property as a whole.

III. CONCLUSION

Accordingly, ITC respectfully requests that the ZBA grant its requested variance to allow for the area within the Easement on the Property to remain conforming by granting a variance from the landscape requirements (as set forth herein) in Easement Area.

Thank you for your consideration of this request. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

DYKEMA GOSSETT PLLC

Stephen R. Estey

EXHIBIT B

PERMANENT ELECTRIC TRANSMISSION LINE EASEMENT AGREEMENT

This Permanent Electric Transmission Line Easement Agreement (the "Agreement") is

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Easem "A" (t	WHEREAS ent Area loo he "Easemer	cated on th	e Pro	perty as n	nore partic	cularly de	scribed	d and depi	and thicted o	irough an in <u>Exhibit</u>
ackno	NOW THE	EREFORE, Grantor a	for go nd Gra	ood and vantee herel	aluable co by agree a	nsideratio s follows:	n, the	receipt of	which	is hereby
succes the Ea	Grant of the sors and assessment Area yees, and co	signs, a per a on the Pr	petua. operty	l easemen	t (the "Ea	isement")	over,	under, acr	oss an	a through
Talace	(a) constru patrol and ommunication oms, insulat	l remove ons Line or	one (1) double (as define vires, anc	e circuit ed in parag hors and o	electric t graph 5 be other nece	ransmi low) c ssary	onsisting	e and of pole tructur	armated es, towers, es, cables

(including fiber optic cable related to the Telecommunications Line or Lines), and equipment for

(b) temporarily improve the surface of the Easement Area as reasonably necessary to

transmitting electricity and communications relating to same ("Grantee's Facilities"); and

place and operate Grantee's construction vehicles and equipment; and

- (c) prohibit and/or remove, at Grantee's sole discretion, any buildings or other above-ground structures (collectively referred to as "<u>Structures</u>") that are constructed or erected within the Easement Area after December 11, 2017 ("<u>Prohibited Structures</u>"). Grantee may remove such Prohibited Structures from the Easement Area without prior notice and without responsibility for any damage that occurs as a result of such removal.
 - (i) This paragraph is not intended to apply, nor does it apply, to any Structure that existed within the Easement Area as of December 11, 2017 ("Permitted Structure"), except that for any fence that existed in the Easement Area as of December 11, 2017 Grantee may: (1) install and maintain a gating system, of Grantee's choice, in order to obtain access through the fence to the Easement Area for the purposes provided for herein; and (2) cause such fence to be removed as Grantee deems necessary provided that Grantee restores such fence to substantially the same condition as existed prior to removal.
 - (ii) This Easement is not intended to prohibit, nor does it prohibit Grantor's restoration, replacement or reconstruction of any Permitted Structure (any subsequent restored, replacement or reconstructed structure referred to herein as "Replacement Structure") in the event that such a Permitted Structure is damaged or destroyed, so long as any Replacement Structure meets the following terms and conditions: (1) the Replacement Structure is located in the same footprint as the damaged or destroyed Permitted Structure; (2) the Replacement Structure does not exceed the maximum height of the damaged or destroyed Permitted Structure; and (3) the Replacement Structure is built with the same general materials as utilized in the damaged or destroyed Permitted Structure.
 - (iii) If Grantor proposes to construct or erect a Replacement Structure that fails to meet any of the terms and conditions set forth in 1(c)(ii) or any other Prohibited Structure, a proposed construction plan may be submitted to Grantee for its review and a determination as to whether the proposed Replacement Structure or Prohibited Structure would interfere with the safe and reliable operation or maintenance of Grantee's Facilities within the Easement Area. Grantee's approval of a proposed Replacement Structure or Prohibited Structure under these circumstances will not be unreasonably withheld; and
- (d) locate Grantee's poles and/or towers within the Easement Area; provided, however, that such poles and/or towers shall be located as near as possible to the transmission line depicted on Exhibit A; and
- (e) at any time to cut, trim, remove, destroy or otherwise control any or all trees, bushes, or brush now or hereafter standing or growing upon or within the Easement Area, all at Grantee's sole and absolute discretion; and

- (f) enter upon and cross the Easement Area for the above described purposes on other land(s).
- 2. **Ingress and Egress.** Grantor grants to Grantee ingress and egress to the Easement Area on, over and across the Property. Grantor shall work in good faith with Grantee to determine access points that are acceptable to both parties. Provided, however, that Grantee shall be prohibited from gaining ingress and egress to the Easement Area over the Property during the initial construction of the transmission line. Instead, Grantee's ingress and egress during this time period shall be through the Easement Area only.

3. Repair and Restoration. Grantee shall:

- (a) re-grade, repair and restore, at Grantee's sole expense, as nearly as possible to its former condition, any portions of the Easement Area or Property owned by Grantor damaged by Grantee in the exercise of any of Grantee's rights under this Agreement; and
- (b) repair or replace, at Grantee's sole expense, any actual damage located within the Easement Area or Property, caused by the exercise of any of Grantee's rights under this Agreement. Notwithstanding the foregoing, at no time shall Grantee be responsible for any damage to the extent that such damage results from Grantor's negligence. Upon reasonable notice to Grantee that damage has been sustained, the parties shall work cooperatively to identify the damage and to determine the scope of repair or replacement work.
- 4. **Binding/Run With The Land**. This conveyance shall be permanent, shall run with the land, and shall be binding upon the parties' successors and assigns.
- 5. **Telecommunications Line or Lines.** For purposes of this Agreement, the term "<u>Telecommunications Line or Lines</u>" shall be defined as Grantee's internal telecommunications line or lines (and not the telecommunications line of a third party telecommunications provider).
- 6. **Limited Use/Non-Use.** Limited use or non-use of the rights granted herein shall not prevent later use to the full extent herein conveyed.

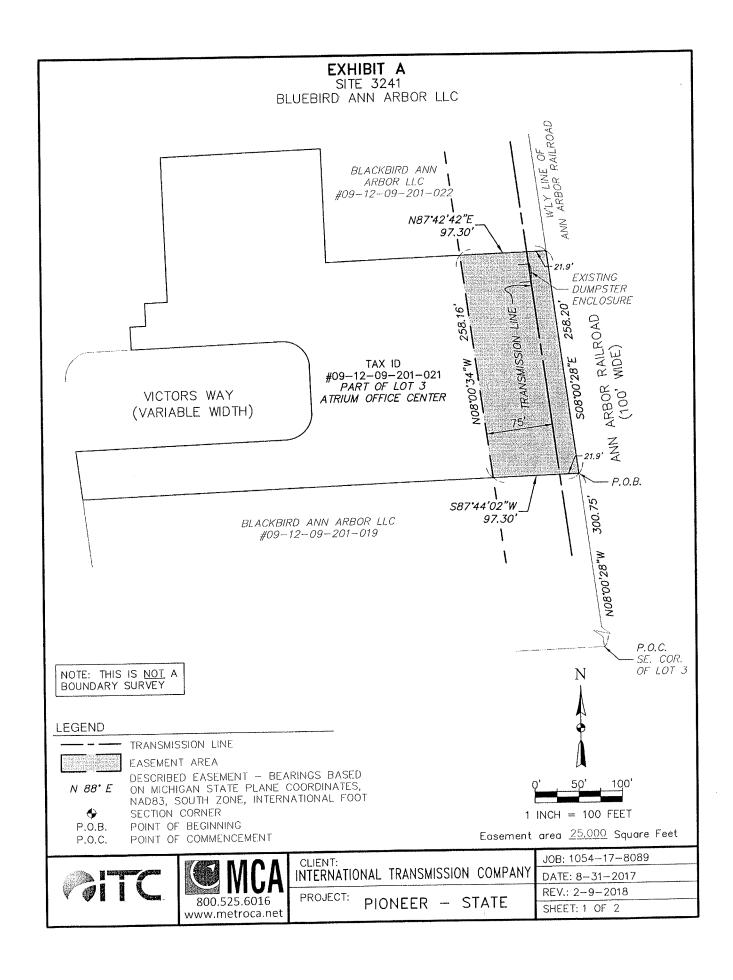
This Easement is exempt from real estate transfer tax pursuant to MCLA 207.505(f) and from State real estate transfer tax pursuant to the provisions of MCLA 207.526(f).

[SIGNATURE(S) ON NEXT PAGE]

GRANTOR:

Acknowledged before me in day of, 20	
	, Notary Public
	County,
	Acting in County,
	My Commission Expires
Drafted by:	When recorded return to:

EXHIBIT "A" SURVEY DRAWING AND LEGAL DESCRIPTIONS



PROPERTY

(PER COVENANT DEED, LIBER 5100, PAGE 927)

GRANTOR'S LAND IS LOCATED WITHIN THE CITY OF ANN ARBOR, SECTION 9, TOWN 3 SOUTH, RANGE 6 EAST, COUNTY OF WASHTENAW, STATE OF MICHIGAN.

COMMENCING AT THE SOUTHEAST CORNER OF LOT 3 OF "ATRIUM OFFICE CENTER", A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 9, TOWN 3 SOUTH, RANGE 6 EAST, CITY OF ANN ARBOR, WASHTENAW COUNTY, MICHIGAN, AS RECORDED IN LIBER 26 OF PLATS, PAGES 78, 79, AND 80, INCLUSIVE, WASHTENAW COUNTY RECORDS; THENCE NORTH 0819'50" WEST 300.75 FEET ALONG THE EAST LINE OF SAID LOT TO THE POINT OF BEGINNING; THENCE SOUTH 87"24'40" WEST 565.50 FEET TO A POINT ON THE WEST LINE OF SAID LOT; THENCE NORTH 07°53'50" WEST 56.63 FEET ALONG SAID WEST LINE; THENCE ALONG THE SOUTH, EAST AND NORTH RIGHT OF WAY LINES OF VICTORS WAY COURT (PRIVATE) AS RECORDED IN SAID ATRIUM OFFICE CENTER THE FOLLOWING 5 COURSES: NORTH 87*24'40" EAST 240.00 FEET, NORTHEASTERLY 47.12 FEET ALONG THE ARC OF A 30.00 FOOT RADIUS CIRCULAR CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 9000'00" HAVING A CHORD WHICH BEARS NORTH 42°24'40" EAST 42.43 FEET, NORTH 02°35'20" WEST 52.78 FEET; NORTHWESTERLY 47.12 FEET ALONG THE ARC OF A 30.00 FOOT RADIUS CIRCULAR CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 90'00'00" HAVING A CHORD WHICH BEARS NORTH 47'35'20" WEST 42.43 FEET; SOUTH 87"24'40" WEST 170.82 FEET; THENCE NORTH 02"36'40" WEST 26.40 FEET; THENCE NORTH 87"23'20" EAST 18.00 FEET; THENCE NORTH 02'36'40" WEST 26.00 FEET; THENCE NORTH 87'23'20" EAST 26.00 FEET; THENCE NORTH 02'36'40" WEST 165.65 FEET; THENCE NORTH 87'23'20" EAST 181.00 FEET; THENCE SOUTH 02'36'40" EAST 130.50 FEET; THENCE NORTH 87'23'20" EAST 250.76 FEET; THENCE SOUTH 08'19'50" EAST 258.20 FEET ALONG THE EAST LINE OF SAID LOT TO THE POINT OF BEGINNING, BEING A PART OF LOT 3 OF SAID ATRIUM OFFICE CENTER.

COMMONLY KNOWN AS: 1000 VICTORS WAY TAX ID: 09-12-09-201-021

EASEMENT AREA

COMMENCING AT THE SOUTHEAST CORNER OF LOT 3 IN ATRIUM OFFICE CENTER, RECORDED IN LIBER 26 OF PLATS, PAGE 78, WASTHTENAW COUNTY RECORDS; THENCE NO8'00'28"W 300.75 FEET ALONG THE EAST LINE OF SAID LOT 3 AND THE WESTERLY LINE OF THE ANN ARBOR RAILROAD (100 FEET WIDE) TO THE POINT OF BEGINNING; THENCE S87'44'02"W 97.30 FEET; THENCE NO8'00'34"W 258.16 FEET; THENCE N87'42'42"E 97.30 FEET; THENCE S08'00'28"E 258.20 FEET ALONG SAID EAST LINE OF LOT 3 AND SAID WESTERLY LINE OF THE ANN ARBOR RAILROAD TO THE POINT OF BEGINNING.





CLIENT: INTERNATIONAL TRANSMISSION COMPANY

PROJECT:

PIONEER - STATE

JOB: 1054-17-8089

DATE: 8-31-2017 REV.: 2-9-2018 SHEET: 2 OF 2

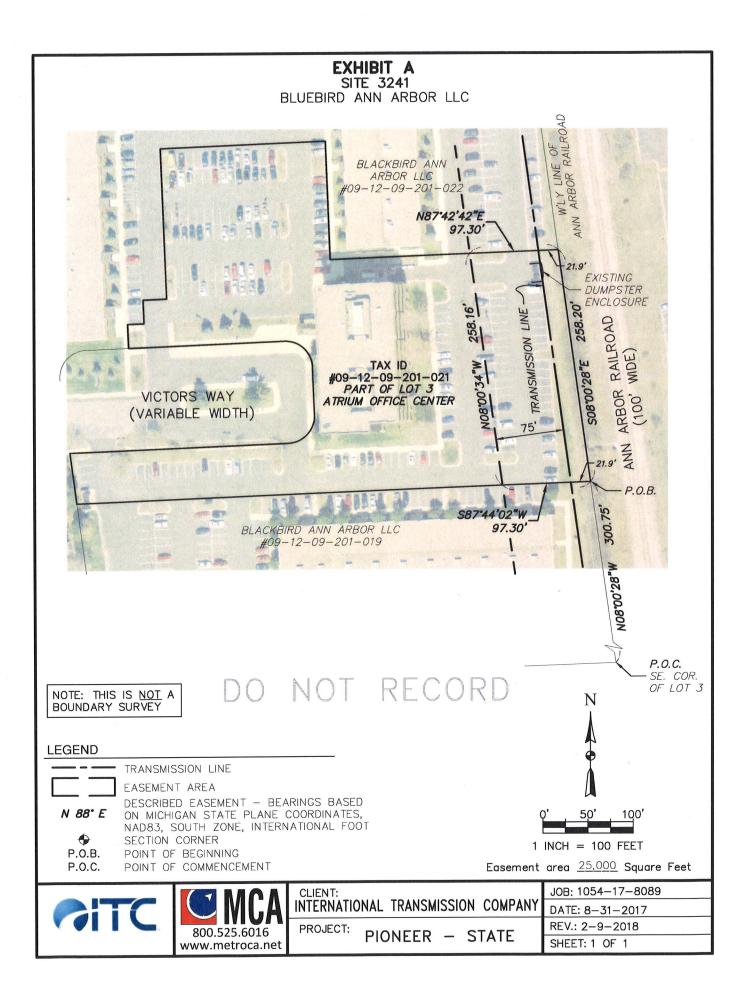


EXHIBIT C

BOUNDARY SURVEY SECTION 9, TOWN 3 SOUTH, RANGE 6 EAST, CITY OF ANN ARBOR, WASHTENAW COUNTY, MICHIGAN

PART OF LOT 3 ATRIUM OFFICE CENTER LIBER 26 OF PLATS PGS. 78-80

S87'24'34"W 170.82'(M)

VICTORS WAY

N87'24'40"E 240.00'(M)(R)

(VARIABLE WIDTH)

S87'24'40"W 170.82'(R) L=47.12', R=30.00'(R)

Δ=90'00'00"(R)-N47'35'20"W 42.43'(R)

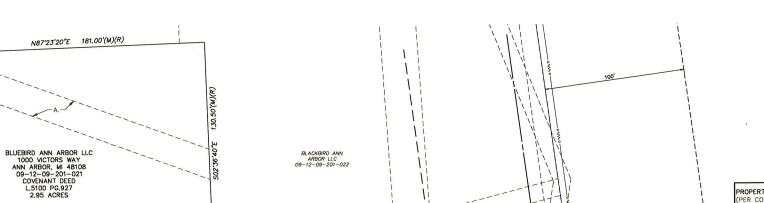
L=47.12', R=30.00'(M)

Δ=90'00'35"(M) N47'35'20"W 42.43'(M)

L=47.12', R=30.00'(R)

Δ=90'00'00"(R)-N42'24'40"E 42.43'(R)

L=47.12', R=30.00'(M) △=90'00'35"(M) N42'24'40"E 42.43'(M)



N87'23'20"E 250.76'(M)(R)-

(VARIABLE WIDTH)

EXISTING FOUR-STORY BLOCK BUILDING

S87'24'40"W 565.50'(M)(R)

PER COVENANT DEED, LIBER 5100, PAGE 927, WASHTENAW COUNTY RECORDS)

GRANTOR'S LAND IS LOCATED WITHIN THE CITY OF ANN ARBOR, SECTION 9, TOWN 3 SOUTH, RANGE 6 EAST, COUNTY OF WASHTENAW, STATE OF MICHIGAN.

COMMENCING AT THE SOUTHEAST CORNER OF LOT 3 OF "ATRIUM OFFICE CENTER", A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 9, TOWN 3 SOUTH, RANGE 6 EAST, CITY OF ANN ARBOR, WASHTENAW COUNTY, MICHIGAN, AS RECORDED IN LIBER 26 OF PLATS, PAGES 78, 79, AND 80, INCLUSIVE, WASHTENAW COUNTY RECORDS; THENCE NORTH 0819'50" WEST 300.75 FEET ALONG THE EAST LINE OF SAID LOT TO THE POINT OF BEGINNING; THENCE SOUTH 872'44"O" WEST SE.50 FEET TO A POINT ON THE WEST LINE OF SAID LOT; THENCE NORTH 07:53'50" WEST 56.63 FEET ALONG SAID WEST LINE; THENCE ALONG THE SOUTH, EAST AND NORTH RIGHT OF WAY LINES OF VICTORS WAY COURT (PRIVATE) AS RECORDED IN SAID ATRIUM OFFICE CENTER THE FOLLOWING 5 COURSES: NORTH 872'4'40" EAST 240.00 FEET, NORTHEASTERLY 47.12 FEET ALONG THE ARC OF A 30.00 FOOT RADIUS CIRCULAR CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 90'00'00" HAVING A CHORD WHICH BEARS NORTH 42'24'40" EAST 42.43 FEET, NORTH 02'35'20" WEST 52.78 FEET; NORTHWESTERLY 47.12 FEET ALONG THE ARC OF A 30.00 FOOT RADIUS CIRCULAR CURVE TO THE TEST. SOUTH 87'23'40" WEST 170.82 FEET; THENCE NORTH 02'35'40" WEST 26.40 FEET; THROUGH A CENTRAL ANGLE OF 90'00'00" HAVING A CHORD WHICH BEARS NORTH 47'35'20" WEST 42.45 FEET; SOUTH 87'23'40" WEST 170.82 FEET; THENCE NORTH 92'35'20" WEST 56.07 FEET; THENCE NORTH 87'23'20" EAST 18.00 FEET; THENCE NORTH 02'36'40" WEST 26.00 FEET; THENCE NORTH 87'23'20" EAST 18.00 FEET; THENCE NORTH 87'23'20" EAST 18.00 FEET; THENCE SOUTH 87'23'20" EAST 25.07, FEET; THENCE SOUTH 87'23'20" EAST 25.07, FEET; THENCE SOUTH 06'19'50" EAST 258.07 FEET; THENCE NORTH 87'23'20" EAST 250.07 FEET; THENCE SOUTH 07'95'00' EAST 18.00 FEET; THENCE NORTH 07'23'20" EAST 250.07 COMMENCING AT THE SOUTHEAST CORNER OF LOT 3 OF "ATRIUM OFFICE CENTER", A SUBDIVISION OF DUTH 08"9"50" EAST 258,20 FEET ALONG THE EAST LINE OF SAID LOT TO THE POINT OF BEGINNING EING A PART OF LOT 3 OF SAID ATRIUM OFFICE CENTER.

EASEMENT NOTES:

ARBOR (100°

- 20' WD. SANITARY SEWER EASEMENT EASEMENT AGREEMENT L.3964 PG.556
- 12' WD. UNDERGROUND DTE EASEMENT PER L.3412 P.123. LOCATION SHOWN APPROX.
- 12' WD. PRIVATE EASEMENT FOR PUBLIC UTILITIES PER ATRIUM OFFICE CENTER PLAT L.26 OF PLATS, PG. 78-80
- 40' WD. WATER MAIN EASEMENT PER RECIPROCAL EASEMENT AGREEMENT PER L.3288 P.555
- INGRESS/EGRESS EASEMENT RECIPROCAL EASEMENT AGREEMENT L.3708 PG.881
- 12' WD. PRIVATE EASEMENT FOR PUBLIC UTILITIES PER ATRIUM OFFICE CENTER PLAT L.26 OF PLATS, PG. 78-80. ALSO PER L.1928 PG.246
- DTE UNDERGROUND DISTRIBUTION EASEMENT RIGHT OF WAY NO. 199392-2 ATRIUM 111 LAND DIVISION PER L.3920 P.285. THESE LINES ARE DRAWN IN PER 3239 TITLE DOC. CLEAN 286
- 12' WD. UNDERGROUND DTE EASEMENT PER L.3412 P.123. LOCATION SHOWN APPROX.

SURVEYORS NOTES:

- BEARING BASIS: BLUEBIRD ANN ARBOR LLC DEED DESCRIPTION AS RECORDED IN COVENANT DEED LIBER 5100, PAGE 927, WASHTENAW COUNTY RECORDS.
- DATE OF SURVEY: APRIL 28, 2017
- SOME FEATURES SHOWN ON SURVEY MAY BE OUT OF SCALE FOR CLARITY.
- DIMENSIONS ON THIS SURVEY ARE EXPRESSED IN FEET AND DECIMAL PARTS THEREOF UNLESS OTHERWISE NOTED.

LEGEND

TRANSMISSION LINE TRANSMISSION LIN

- N 88' E DESCRIBED BOUNDARY PER COVENANT DEED
- SECTION CORNER
- POINT OF BEGINNING POINT OF COMMENCEMENT P.O.B. P.O.C.
- APPROXIMATE LOCATION OF TRANSMISSION LINE POLES SUBJECT TO FINAL ENGINEERING FOUND MONUMENTATION (AS DESCRIBED)
- FIFLD MEASURED

Trevor A. McMann, PS Professional Surveyor No. 50442

Dated: 06-18-2019





| Preject Number | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 1054-17-8089 | 10

ITC TRANSMISSION

STATE TO PIONEER TRANSMISSION LINE SITE NO. 3241

1000 VICTORS WAY ANN ARBOR, MICHIGAN, 48108

washtenaw Community
ANN ARBOR unship Range Section 9



Professional Name
TREVOR A. McMANN
Date
6/18/2019

BOUNDARY SURVEY





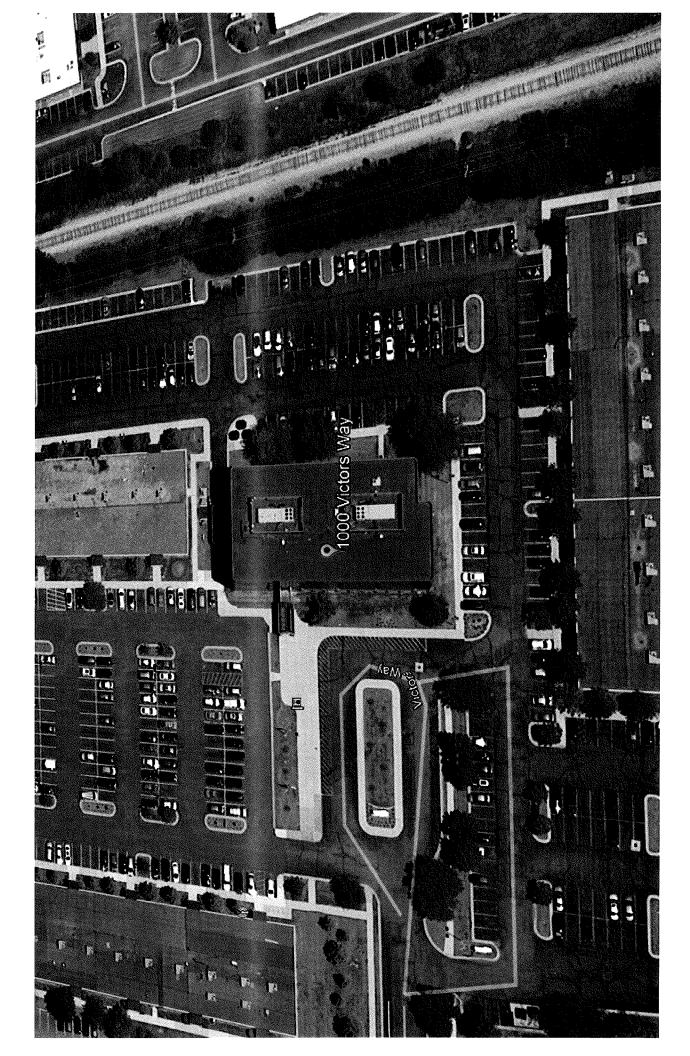
N87°23'20"E(R)(M)

NO2*36'40"W(R)(M) N87'23'20"F(R)(M)

NO2'36'40"W(R) 26.40'(R) 26.41'(M)

56.6

EXHIBIT D



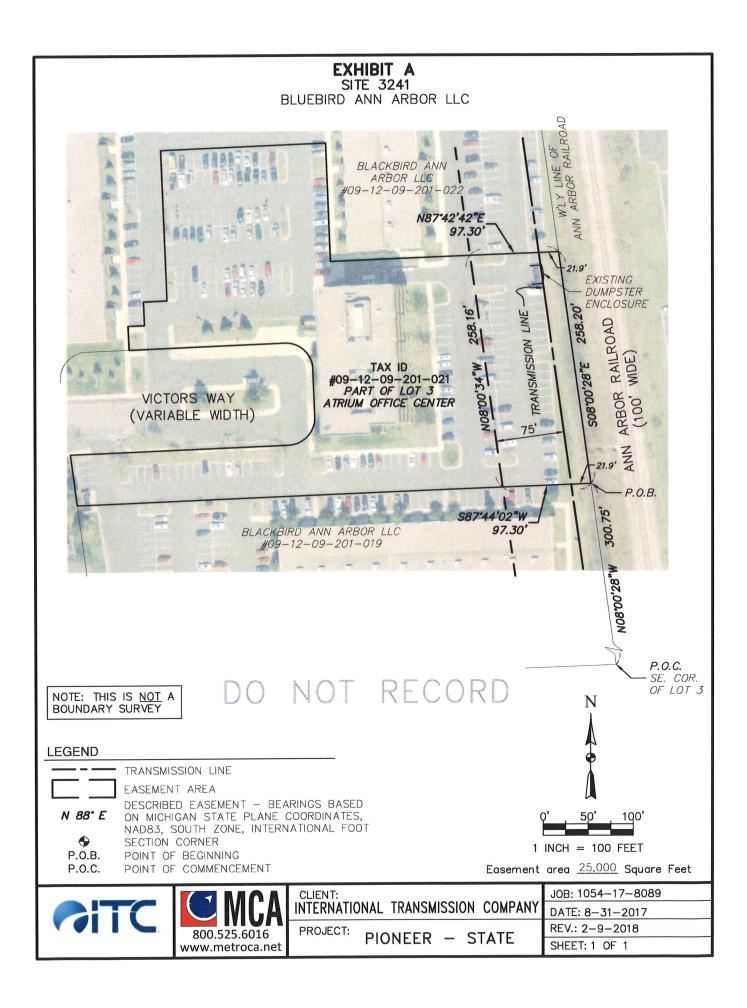
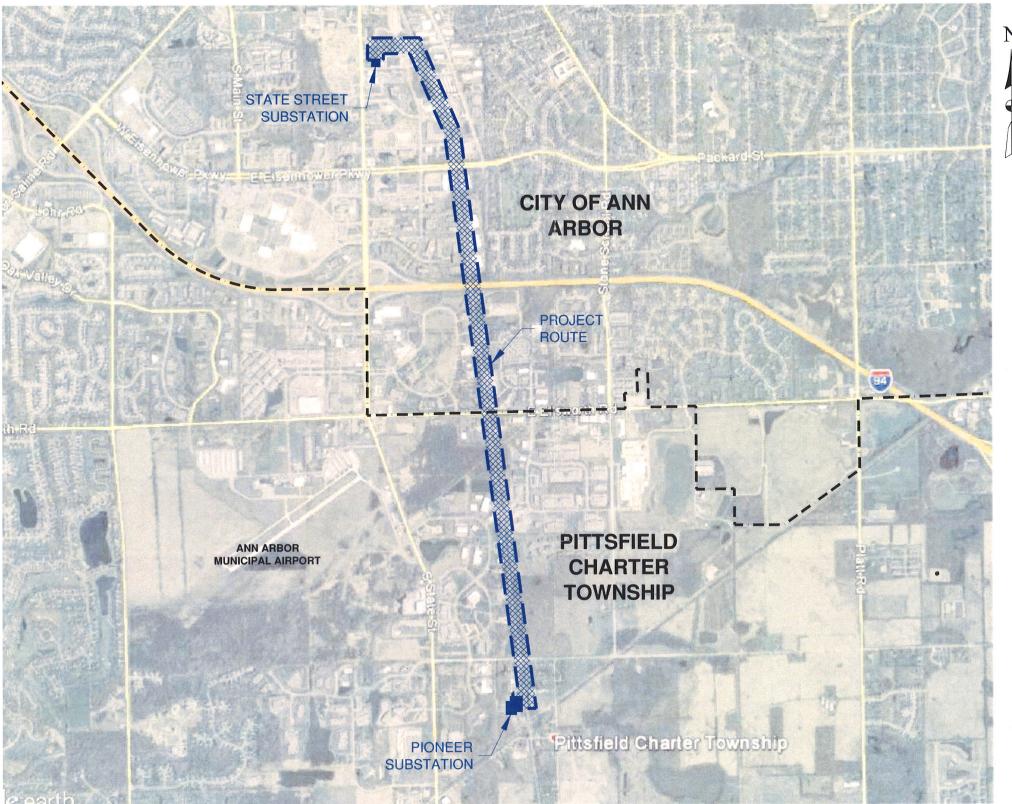


EXHIBIT E

STATE TO PIONEER TRANSMISSION LINE ROUTE SURVEY

CITY OF ANN ARBOR & PITTSFIELD CHARTER TOWNSHIP, WASHTENAW COUNTY, MICHIGAN



PRELIMINARY. SUBJECT TO

FINAL ENGINEERING DESIGN

METRO CONSULTING ASSOCIATES
Relationships | Reputation | Results
800.525.6016 www.metroca.net

STATE TO PIONEER TRANSMISSION LINE

OMMUNITY: ANN ARBOR



EXHIBIT F



STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

INTERNATIONAL TRANSMISSION COMPANY, d/b/a ITC*Transmission*, a Michigan corporation,

Plaintiff,

VS.

BLUEBIRD ANN ARBOR LLC; PILLAR FUNDING - SERIES MCMULLAN OFFICE PORTFOLIO, A SERIES OF PILLAR FUNDING LLC; BLACKBIRD ANN ARBOR LLC; STATE OF MICHIGAN, DEPARTMENT OF TRANSPORTATION, SUCCESSOR TO MICHIGAN STATE HIGHWAY COMMISSIONER; WOLVERINE SUPERIOR HOSPITALITY, INC.; ANN ARBOR HOSPITALITY, L.L.C.; HPT IHG-2 PROPERTIES TRUST; DTE ELECTRIC COMPANY; MICHIGAN BELL TELEPHONE COMPANY; PE-BS, LLC; CONSUMERS ENERGY COMPANY; DTE GAS COMPANY; CITY OF ANN ARBOR; WILLIAM WAGNER, OR HIS UNKNOWN HEIRS, LEGATEES, DEVISEES, AND ASSIGNS; THE REGENTS OF THE UNIVERSITY OF MICHIGAN; and UNKNOWN TENANT(S),

Civil Action 2018-001270-CC

Honorable Timothy P. Connors

Parcel No. SP-3241

STIPULATED ORDER WAIVING
NECESSITY, CONFIRMING TITLE,
TRANSFERRING POSSESSION,
ORDERING PAYMENT OF JUST
COMPENSATION, AND FOR OTHER
RELIEF

Washtenaw County
Trial Court

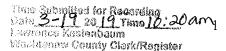
MAR 07 2019

FILED

Defendants.

Douglas J. Fryer (P51765)
Stephen R. Estey (P53262)
DYKEMA GOSSETT PLLC
Attorneys for International Transmission
Company, d/b/a ITC*Transmission*39577 Woodward Avenue, Suite 300
Bloomfield Hills, MI 48304
(248) 203-0700

Stephon B. Bagne (P54042)
CLARK HILL PLC
Attorney for Defendants Bluebird Ann Arbor
LLC and Blackbird Ann Arbor LLC
151 S. Old Woodward Ave., Ste. 200
Birmingham, MI 48009
(313) 965-8300



Brian J. Renaud (P34987) FOSTER SWIFT COLLINS & SMITH PC Attorneys for Defendant HPT IHG-2 Properties Trust 28411 Northwestern Highway, Suite 500 Southfield, MI 48034 Telephone: (248) 539-9900 Fax: (248) 200-0252

brenaud@fosterswift.com

STIPULATED ORDER WAIVING NECESSITY, CONFIRMING TITLE, TRANSFERRING POSSESSION, ORDERING PAYMENT OF JUST COMPENSATION, AND FOR OTHER RELIEF

At a session of the Court, held in the

County of Wash on	stenaw, State of Michigan
PRESENT: THE HONORABLE	Hon. Timothy P. Connors
· was	Circuit Court Judge

This matter is before the Court pursuant to the filing of a Complaint for Condemnation ("Complaint") by Plaintiff International Transmission Company, d/b/a ITCTransmission ("ITC"), for the acquisition of certain easement rights related to property identified as Tax Parcel No. 09-12-09-201-021 (the "Property"); and the Court being fully advised in the premises:

WHEREAS, on December 7, 2018, ITC filed a Complaint against Defendant Bluebird Ann Arbor LLC ("Owner") and other defendants, seeking a Permanent Electric Transmission Line Easement:

WHEREAS, pursuant to MCL 213.55(5), ITC deposited certain funds in the amount of \$175,000 in escrow with eTitle Agency, Inc. ("Escrow Agent"), representing what ITC has alleged in the Complaint as the Estimated Just Compensation ("Escrow Funds" and/or "Estimated Just Compensation" or "EJC") payable herein;

WHEREAS, none of the remaining Defendants in this matter filed a motion challenging necessity as required by MCL 213.56(1) and therefore, pursuant to MCL 213.57(1) and

2 SP-3241

applicable case law, the right for the Defendants in this action to file such a challenge was waived;

WHEREAS, ITC and the Owner have agreed to the following clarifications of the Permanent Electric Transmission Line Easement attached hereto as Exhibit 1 (the "Easement"). In the event of any conflict in language between this Order and Exhibit 1, the language of this Order shall control. Capitalized terms not defined in this Order shall have the meaning attributed to them in the Easement.

- A. Exhibit 2 hereto identifies the proposed location of Grantee's Facilities. The parties acknowledge that the location of Grantee's Facilities may change, for example, as a result of unknown conditions encountered in the field. The parties intend that the final location of Grantee's Facilities be known before the final determination of just compensation. Therefore, ITC shall provide notice of any deviations from Exhibit 2 as soon as reasonably possible. If appraisals have not been exchanged, the parties shall agree to extend the appraisal exchange date as reasonably necessary. If appraisals have already been exchanged, the parties shall agree to identify a date on which supplemental appraisals considering the revision to Exhibit 2 are exchanged.
- B. ITC and Owner agree that the Easement does not allow installation of an additional electric transmission line. For example, to "modify, upgrade, [or] improve" Grantee's Facilities does not allow replacement Grantee Facilities to be constructed while existing Grantee Facilities are operating, except that in the event of an emergency ITC may construct additional temporary poles as needed. The Easement does not authorize poles, towers, guy wires, anchors or other Grantee Facilities which would impede parking or access to buildings to be constructed in any area of

SP-3241 3

- Grantor's Land improved with paved parking areas as of December 11, 2017, except temporary poles in case of emergency as described above.
- C. ITC and Owner agree that the Easement does not authorize ITC to enter any Structures.
- D. ITC and Owner agree that Structures as defined in the Easement include but are not limited to enclosures for dumpsters and unattached dumpsters within those enclosures.
- E. ITC and Owner acknowledge that the terms "restoration" and "replacement" in paragraph 1(c)(ii) of the Easement shall be construed to include "renovation" and that the processes described in paragraph 1(c)(ii) of the Easement need not be followed by Owner for any interior renovation.
- F. ITC shall provide at least 24 hours advance notice prior to construction on Owner's Land, subject to weather and conditions identified in the field.
- G. ITC shall not block any access entrances to the Property or access entrances to the buildings located on the Property at any time. In addition, ITC shall not block any fire lanes in a manner that violates municipal ordinances unless it first obtains permission from the City of Ann Arbor or the City of Ann Arbor Fire Department. The foregoing restrictions shall not apply in the event of an emergency.
- H. The 25 foot wide Access During Initial Construction temporary easements shall not be used for staging or parking of vehicles or equipment, but only for vehicular access to and from the Easement Area.
- I. ITC shall repair any damage done to parking lots actually caused by ITC's exercise of its rights under the Easement.

IT IS ORDERED AND ADJUDGED:

- 1. Title to those rights in the real property described in the Easement attached as Exhibit 1, is hereby confirmed to have vested with ITC on December 7, 2018, the date the Complaint was filed.
- 2. The above-mentioned clarifications of the Easement are hereby confirmed and incorporated herein.
- 3. Prior to March 20, 2019, and upon the receipt by ITC and the Escrow Agent of properly executed Form W-9(s) from the Owner, the Escrow Agent shall release the Escrow Funds and issue a check made payable to "Clark Hill Client IOLTA" in the amount of \$175,000, representing what ITC has alleged in the Complaint as the Estimated Just Compensation.
- 4. Physical possession of the property rights as set forth in the Easement is surrendered to ITC on March 20, 2019, unless possession is granted to ITC earlier in writing by the Owner.
- 5. The terms of this Order do not waive or limit the rights of the Owner to seek additional just compensation as provided in the Uniform Condemnation Procedures Act, MCL 213.51 et seq. ("UCPA").
- 6. Upon entry of this Order, ITC may record this Order with the Washtenaw County Register of Deeds.

THIS ORDER DOES NOT RESOLVE THE LAST PENDING CLAIM OR CLOSE THE CASE.

June Huy P. Course

APPROVED AS TO FORM AND SUBSTANCE:

Stephon B. Bagne (P54042)

Attorneys for Defendant Bluebird Ann Arbor LLC and Blackbird Ann Arbor LLC

FOSTER SWIFT COLLINS & SMITH PC

Brian J. Penal (P34987)

Brian J. Renacci (P34987)

Attorneys for Defendant HPT IHG-2

Properties Trust

DYKEMA GOSSETT PLLC

Douglas J. Fryer (P51765)

Stephen R. Estey (P53262)

Attorneys for International Transmission

Company, d/b/a ITCTransmission

EXHIBIT 1 TO STIPULATED ORDER WAIVING NECESSITY, CONFIRMING TITLE, TRANSFERRING POSSESSION, ORDERING PAYMENT OF JUST COMPENSATION, AND FOR OTHER RELIEF

PERMANENT ELECTRIC TRANSMISSION LINE EASEMENT AGREEMENT

This Permanent Electric Transmission Line Easement Agreement (the "Agreement") is made this day of, 20, by and between, with an address of ("Grantor") and INTERNATIONAL TRANSMISSION COMPANY, a Michigan corporation,
("Grantor") and INTERNATIONAL TRANSMISSION COMPANY, a Michigan corporation, with an address of 27175 Energy Way, Novi, Michigan 48377, and its successors and assigns ("Grantee").
WHEREAS, Grantor is the owner of certain real property more particularly described on the attached <u>Exhibit "A"</u> as the " <u>Property</u> ".
WHEREAS, Grantee requires a perpetual easement upon, under, across and through an Easement Area located on the Property as more particularly described and depicted on Exhibit "A" (the "Easement Area"), upon the terms and conditions stated below.
NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor and Grantee hereby agree as follows:
1. Grant of the Easement. Grantor hereby conveys and grants to Grantee, its successors and assigns, a perpetual easement (the " <u>Easement</u> ") over, under, across and through the Easement Area on the Property with the right, privilege and authority for Grantee, its agents, employees, and contractors, to:
(a) construct, reconstruct, modify, upgrade, improve, maintain, operate, inspect, replace, repair, patrol and remove one (1) double circuit electric transmission line and affiliated Telecommunications Line or Lines (as defined in paragraph 5 below) consisting of poles, towers, crossarms, insulators, wires, guy wires, anchors and other necessary fixtures, structures, cables (including fiber optic cable related to the Telecommunications Line or Lines), and equipment for transmitting electricity and communications relating to same ("Grantee's Facilities"); and

place and operate Grantee's construction vehicles and equipment; and

(b) temporarily improve the surface of the Easement Area as reasonably necessary to

- (c) prohibit and/or remove, at Grantee's sole discretion, any buildings or other above-ground structures (collectively referred to as "<u>Structures</u>") that are constructed or erected within the Easement Area after December 11, 2017 ("<u>Prohibited Structures</u>"). Grantee may remove such Prohibited Structures from the Easement Area without prior notice and without responsibility for any damage that occurs as a result of such removal.
 - (i) This paragraph is not intended to apply, nor does it apply, to any Structure that existed within the Easement Area as of December 11, 2017 ("Permitted Structure"), except that for any fence that existed in the Easement Area as of December 11, 2017 Grantee may: (1) install and maintain a gating system, of Grantee's choice, in order to obtain access through the fence to the Easement Area for the purposes provided for herein; and (2) cause such fence to be removed as Grantee deems necessary provided that Grantee restores such fence to substantially the same condition as existed prior to removal.
 - (ii) This Easement is not intended to prohibit, nor does it prohibit Grantor's restoration, replacement or reconstruction of any Permitted Structure (any subsequent restored, replacement or reconstructed structure referred to herein as "Replacement Structure") in the event that such a Permitted Structure is damaged or destroyed, so long as any Replacement Structure meets the following terms and conditions: (1) the Replacement Structure is located in the same footprint as the damaged or destroyed Permitted Structure; (2) the Replacement Structure does not exceed the maximum height of the damaged or destroyed Permitted Structure; and (3) the Replacement Structure is built with the same general materials as utilized in the damaged or destroyed Permitted Structure.
 - (iii) If Grantor proposes to construct or erect a Replacement Structure that fails to meet any of the terms and conditions set forth in 1(c)(ii) or any other Prohibited Structure, a proposed construction plan may be submitted to Grantee for its review and a determination as to whether the proposed Replacement Structure or Prohibited Structure would interfere with the safe and reliable operation or maintenance of Grantee's Facilities within the Easement Area. Grantee's approval of a proposed Replacement Structure or Prohibited Structure under these circumstances will not be unreasonably withheld; and
- (d) locate Grantee's poles and/or towers within the Easement Area; provided, however, that such poles and/or towers shall be located as near as possible to the transmission line depicted on Exhibit A; and
- (e) at any time to cut, trim, remove, destroy or otherwise control any or all trees, bushes, or brush now or hereafter standing or growing upon or within the Easement Area, all at Grantee's sole and absolute discretion; and

- (f) enter upon and cross the Easement Area for the above described purposes on other land(s).
- 2. Ingress and Egress. Grantor grants to Grantee ingress and egress to the Easement Area on, over and across the Property. Grantor shall work in good faith with Grantee to determine access points that are acceptable to both parties. Provided, however, that Grantee shall be prohibited from gaining ingress and egress to the Easement Area over the Property during the initial construction of the transmission line. Instead, Grantee's ingress and egress during this time period shall be through the Easement Area only.

3. Repair and Restoration. Grantee shall:

- (a) re-grade, repair and restore, at Grantee's sole expense, as nearly as possible to its former condition, any portions of the Easement Area or Property owned by Grantor damaged by Grantee in the exercise of any of Grantee's rights under this Agreement; and
- (b) repair or replace, at Grantee's sole expense, any actual damage located within the Easement Area or Property, caused by the exercise of any of Grantee's rights under this Agreement. Notwithstanding the foregoing, at no time shall Grantee be responsible for any damage to the extent that such damage results from Grantor's negligence. Upon reasonable notice to Grantee that damage has been sustained, the parties shall work cooperatively to identify the damage and to determine the scope of repair or replacement work.
- 4. **Binding/Run With The Land**. This conveyance shall be permanent, shall run with the land, and shall be binding upon the parties' successors and assigns.
- 5. **Telecommunications Line or Lines.** For purposes of this Agreement, the term "<u>Telecommunications Line or Lines</u>" shall be defined as Grantee's internal telecommunications line or lines (and not the telecommunications line of a third party telecommunications provider).
- 6. Limited Use/Non-Use. Limited use or non-use of the rights granted herein shall not prevent later use to the full extent herein conveyed.

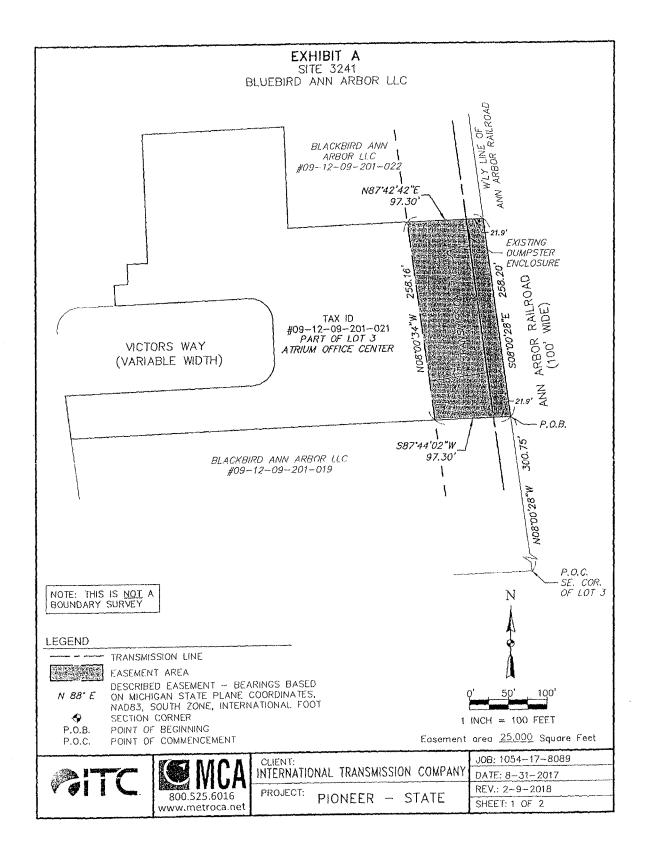
This Easement is exempt from real estate transfer tax pursuant to MCLA 207.505(f) and from State real estate transfer tax pursuant to the provisions of MCLA 207.526(f).

[SIGNATURE(S) ON NEXT PAGE]

GRANTOR:

Acknowledged before me inday of, 20, by	
	, Notary Public
	County, Acting in County, My Commission Expires
Drafted by:	When recorded return to:

EXHIBIT "A" SURVEY DRAWING AND LEGAL DESCRIPTIONS



PROPERTY

(PER COVENANT DEED, LIBER 5100, PAGE 927)

GRANTOR'S LAND IS LOCATED WITHIN THE CITY OF ANN ARBOR, SECTION 9, TOWN 3 SOUTH, RANGE 6 EAST, COUNTY OF WASHTENAW, STATE OF MICHIGAN.

COMMENCING AT THE SOUTHEAST CORNER OF LOT 3 OF "ATRIUM OFFICE CENTER", A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 9, TOWN 3 SOUTH, RANGE 6 EAST, CITY OF ANN ARBOR, WASHTENAW COUNTY, MICHIGAN, AS RECORDED IN LIBER 26 OF PLATS, PAGES 78, 79, AND 80, INCLUSIVE, WASHTENAW COUNTY RECORDS; THENCE NORTH 0819'50" WEST 300.75 FEET ALONG THE EAST LINE OF SAID LOT TO THE POINT OF BEGINNING; THENCE SOUTH 87'24'40" WEST 565.50 FEET TO A POINT ON THE WEST LINE OF SAID LOT; THENCE NORTH 07'53'50" WEST 56.63 FEET ALONG SAID WEST LINE; THENCE ALONG THE SOUTH, EAST AND NORTH RIGHT OF WAY LINES OF VICTORS WAY COURT (PRIVATE) AS RECORDED IN SAID ATRIUM OFFICE CENTER THE FOLLOWING 5 COURSES: NORTH 87'24'40" EAST 240.00 FEET, NORTHEASTERLY 47.12 FEET ALONG THE ARC OF A 30.00 FOOT RADIUS CIRCULAR CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 90'00'00" HAVING A CHORD WHICH BEARS NORTH 42'24'40" EAST 42.43 FEET, NORTH 02'35'20" WEST 52.78 FEET; NORTHWESTERLY 47.12 FEET ALONG THE ARC OF A 30.00 FOOT RADIUS CIRCULAR CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 90'00'00" HAVING A CHORD WHICH BEARS NORTH 47'35'20" WEST 42.43 FEET; SOUTH 87'24'40" WEST 170.82 FEET; THENCE NORTH 02'36'40" WEST 26.40 FEET; THENCE NORTH 87'23'20" EAST 18.00 FEET; THENCE NORTH 02'36'40" WEST 26.00 FEET; THENCE NORTH 87'23'20" EAST 26.00 FEET; THENCE NORTH 02'36'40" WEST 165.65 FEET; THENCE NORTH 87'23'20" EAST 181.00 FEET; THENCE SOUTH 02'36'40" EAST 130,50 FEET; THENCE NORTH 87'23'20" EAST 250,76 FEET; THENCE SOUTH 08'19'50" EAST 258.20 FEET ALONG THE EAST LINE OF SAID LOT TO THE POINT OF BEGINNING, BEING A PART OF LOT 3 OF SAID ATRIUM OFFICE CENTER.

COMMONLY KNOWN AS: 1000 VICTORS WAY TAX ID: 09-12-09-201-021

EASEMENT AREA

COMMENCING AT THE SOUTHEAST CORNER OF LOT 3 IN ATRIUM OFFICE CENTER, RECORDED IN LIBER 26 OF PLATS, PAGE 78, WASTHTENAW COUNTY RECORDS; THENCE NO8'00'28"W 300.75 FEET ALONG THE EAST LINE OF SAID LOT 3 AND THE WESTERLY LINE OF THE ANN ARBOR RAILROAD (100 FEET WIDE) TO THE POINT OF BEGINNING; THENCE 587'44'02"W 97.30 FEET; THENCE NO8'00'34"W 258.16 FEET; THENCE N87'42'42"E 97.30 FEET; THENCE \$08'00'28"E 258.20 FEET ALONG SAID EAST LINE OF LOT 3 AND SAID WESTERLY LINE OF THE ANN ARBOR RAILROAD TO THE POINT OF BEGINNING.





CLIENT: INTERNATIONAL TRANSMISSION COMPANY

PROJECT:

PIONEER - STATE

JOB: 1054-17-8089

DATE: 8-31-2017

REV.: 2-9-2018

SHEET: 2 OF 2

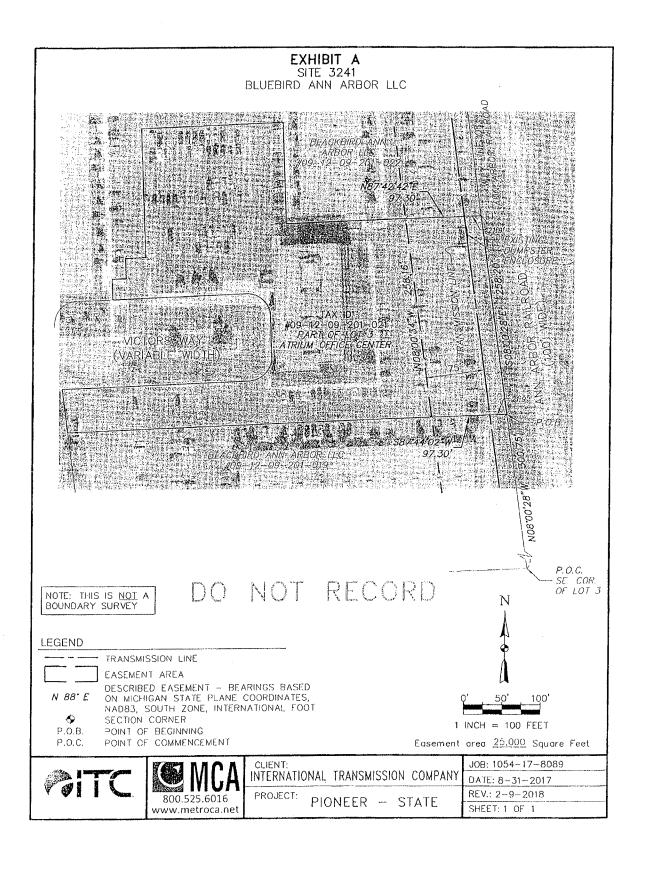
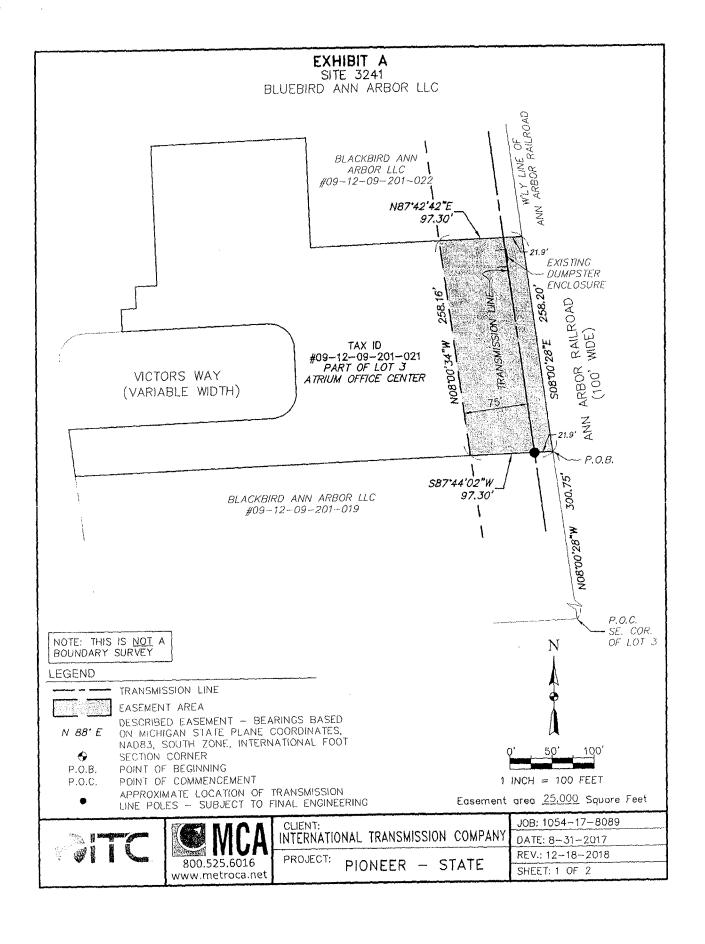


EXHIBIT 2 TO STIPULATED ORDER WAIVING NECESSITY, CONFIRMING TITLE, TRANSFERRING POSSESSION, ORDERING PAYMENT OF JUST COMPENSATION, AND FOR OTHER RELIEF



PROPERTY

(PER COVENANT DEED, LIBER 5100, PAGE 927)

GRANIOR'S LAND IS LOCATED WITHIN THE CITY OF ANN ARBOR, SECTION 9, TOWN 3 SOUTH, RANGE 6 EAST, COUNTY OF WASHTENAW, STATE OF MICHIGAN.

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COMMONLY KNOWN AS: 1000 VICTORS WAY TAX ID: 09-12-09-201-021

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CLIENT: INTERNATIONAL TRANSMISSION COMPANY

PROJECT:

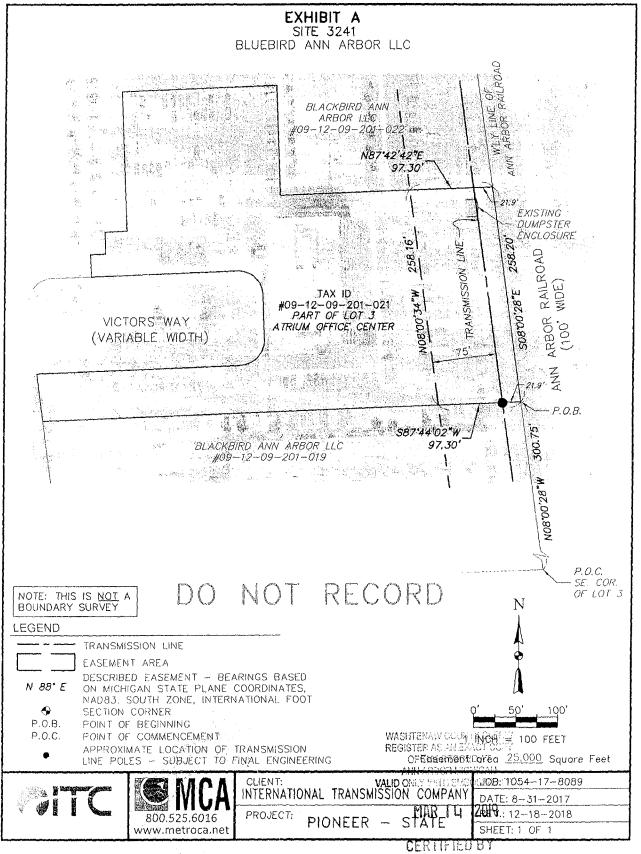
PIONEER - STATE

JOB: 1054-17-8089

DATE: 8-31-2017

REV.: 12-18-2018

SHEET: 2 OF 2



Laurena Karfertan

EXHIBIT G

THE UNIFORM CONDEMNATION PROCEDURES ACT (EXCERPT) Act 87 of 1980

- 213.54 Payment of just compensation for property if practical value or utility of remainder destroyed; zoning variance; entry upon property; purpose; notice; restitution for actual damages; "actual damage" defined; civil action for order permitting entry; contents of complaint; granting limited license for entry; terms; manner of entry under subsection (3); "environmental inspection" defined.
- Sec. 4. (1) If the acquisition of a portion of a parcel of property actually needed by an agency would destroy the practical value or utility of the remainder of that parcel, the agency shall pay just compensation for the whole parcel. The agency may elect whether to receive title and possession of the remainder of the parcel. The question as to whether the practical value or utility of the remainder of the parcel of property is in fact destroyed shall be determined by the court or jury and incorporated in its verdict.
- (2) If the acquisition of a portion of a parcel of property actually needed by an agency would leave the remainder of the parcel in nonconformity with a zoning ordinance, the agency, before or after acquisition, may apply for a zoning variance for the remainder of the parcel. In determining whether to grant the zoning variance, the governmental entity having jurisdiction to grant the variance shall consider the potential benefits of the public use for which the property would be acquired, in addition to those criteria applicable under the relevant zoning statute, ordinance, or regulation. The agency must actually acquire the portion of the parcel of property for the proposed public use for the zoning variance to become effective for the remainder. If a variance is granted under this subsection, the property shall be considered by the governmental entity to be in conformity with the zoning ordinance for all future uses with respect to the nonconformity for which that variance was granted. However, if the property was also nonconforming for other reasons, the grant of that variance has no effect on the status of those other preexisting nonconformities. An owner shall not increase the nonconformity for which a variance is granted under this section without the consent of the governmental entity. An agency has the same right to appeal action on a zoning variance as would a property owner seeking a zoning variance. This section does not deprive a governmental entity of its discretion to grant or deny a variance.
- (3) An agency or an agent or employee of an agency may enter upon property before filing an action for the purpose of making surveys, measurements, examinations, tests, soundings, and borings; taking photographs or samplings; appraising the property; conducting an environmental inspection; conducting archaeological studies pursuant to section 106 of title I of the national historic preservation act, Public Law 89-665, 16 U.S.C. 470f; or determining whether the property is suitable to take for public purposes. The entry may be made upon reasonable notice to the owner and at reasonable hours. An entry made pursuant to this subsection shall not be construed as a taking. The owner or his or her representative shall be given a reasonable opportunity to accompany the agency's agent or employee during the entry upon the property. The agency shall make restitution for actual damage resulting from the entry, which may be recovered by special motion before the court or by separate action if an action for condemnation has not been filed. The term "actual damage" as used in this subsection does not include, and an agency shall not make restitution for, response activity, as defined in section 20101 of part 201 (environmental remediation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.20101 of the Michigan Compiled Laws, or diminution in the value or utility of a parcel that is caused by the discovery of information as the result of a survey, an appraisal, a measurement, photography, or an environmental inspection made pursuant to this section.
- (4) If reasonable efforts to enter under subsection (3) have been obstructed or denied, the agency may commence a civil action in the circuit court in the county in which the property or any part of the property is located for an order permitting entry. The complaint shall state the facts making the entry necessary, the date on which entry is sought, and the duration and the method proposed for protecting the defendant against damage. The court may grant a limited license for entry upon such terms as justice and equity require, including the following:
 - (a) A description of the purpose of the entry.
 - (b) The scope of activities that are permitted.
 - (c) The terms and conditions of the entry with respect to the time, place, and manner of the entry.
- (5) An entry made under subsection (3) or (4) shall be made in a manner that minimizes any damage to the property and any hardship, burden, or damage to a person in lawful possession of the property.
- (6) As used in this section, "environmental inspection" means the testing or inspection including the taking of samples of the soil, groundwater, structures, or other materials or substances in, on, or under the property for the purpose of determining whether chemical, bacteriological, radioactive, or other environmental Rendered Thursday, June 20, 2019

 Page 1

 Michigan Compiled Laws Complete Through PA 25 of 2019

contamination exists and, if it exists, the nature and extent of the contamination.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980;—Am. 1988, Act 189, Eff. July 1, 1988;—Am. 1996, Act 58, Imd. Eff. Feb. 26, 1996; —Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996.

EXHIBIT H

