

DOCUMENT NO.

7298266

QUIT CLAIM DEED, OPTION AND
RIGHT OF FIRST REFUSAL

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REGISTER'S OFFICE }
Milwaukee County, WI } SS
RECORDED AT _____ - 2 15 PM

DEC - 3 1996 / 1480 to
REEL 3939 IMAGE 149 7 incl -

Walter B. Broyal REGISTER
OF DEEDS

Return To:
James Zakrajshcek
Wisconsin Electric Power Company
231 W. Michigan Street - Post Office Box 204
Milwaukee, WI 53203

Parcel ID Number: Parts of:
372-9999-003
380-9999-001
381-9999-001
373-9999-001

Exempt 77.25(2)

This Quit Claim Deed made as of this 2nd day of December, 1996 by and between Milwaukee County, a governmental corporation organized and existing under the laws of the State of Wisconsin (the "Grantor") and Wisconsin Electric Power Company, a Wisconsin corporation (the "Grantee").

RECORD 7298266
44.00

WITNESSETH:

WHEREAS, the Grantor heretofore has operated a power plant and related distribution facilities for the generation and distribution of electricity, steam and chilled water to various users on those lands known as the Milwaukee County Grounds in the City of Wauwautosa; and

WHEREAS, pursuant to a resolution adopted by the Grantor's Board of Supervisors on December 21, 1995 and signed by its County Executive on December 27,

Handwritten signature/initials

1995, in file no. 95-1010, the Grantor is selling to the Grantee the steam and electric generation and distribution facilities serving the County Grounds and to WISVEST Corporation, a Wisconsin corporation affiliated with the Grantee ("WISVEST"), the chilled water generation and distribution facilities serving the County Grounds; and

WHEREAS, as part of such transaction, the Grantor desires to convey to the Grantee all of its interest in the parcel of land in Milwaukee County, Wisconsin, on which the power plant is located, the legal description of which parcel is attached hereto as Exhibit A, subject, however, to existing liens and encumbrances, including but not limited to easements granted by Grantor to WISVEST for chilled water generation and distribution facilities pursuant to an Easement Agreement between the Grantor, the Grantee and WISVEST Corporation dated as of the date hereof and recorded with the Register of Deeds for Milwaukee County on DEC - 3 1996, 1996 as Document No. 7298264 (the "Easement Agreement") and certain rights and interests retained by the Grantor pursuant to the Easement Agreement; and

WHEREAS, this quit claim deed is the instrument by which such conveyance is being accomplished; and

WHEREAS, the parties also desire to provide in this instrument for the granting to the Grantee of an option to purchase for expansion purposes the adjoining parcel of land described on Exhibit B (the "Option Parcel") and a right of first refusal to purchase

an additional adjoining parcel of land as described on Exhibit C (the "First Refusal Parcel"); and

WHEREAS, the parties further desire to provide in this agreement for the retention by the Grantor of an option and a right of first refusal to reacquire the properties subject to this instrument under certain circumstances; and

WHEREAS, the execution and delivery of this instrument by the Grantor's County Executive and County Clerk are authorized by the resolution in file no. 95-1010 identified above.

QUIT CLAIM DEED

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the Grantor does hereby remise, remit, release and quit claim, without warranty or representation, unto the Grantee, its successors and assigns, the land in the City of Wauwatosa, County of Milwaukee, State of Wisconsin, described on the attached Exhibit A, which is incorporated herein by this reference, together with all improvements thereon and all appurtenances thereto and all of the estate and right of the Grantor in and to such land, improvements (other than those improvements being conveyed to WISVEST by a separate instrument of even date herewith) and appurtenances but excluding, however, the Grantor's potable water system monitoring panel, water and sewer equipment, 4160 volt electric distribution equipment and communication equipment for which easements are retained by the Grantor pursuant to Section 2.04 of the Easement Agreement (the "Premises"),

TO HAVE AND TO HOLD the said Premises herein granted unto the Grantee, its successors and assigns, forever;

Subject, however, to the following terms, restrictions and conditions:

1. Use. The Grantee will use the Premises for construction and operation of facilities for the generation and distribution of electricity, steam and chilled water, for functions and activities incidental to the generation and distribution of electricity, steam and chilled water, and for conducting electric, steam or chilled water business operations, and for no other purposes.

2. Limit on Generation Facilities. Nuclear-powered generation facilities shall not be constructed or operated on the Premises.

3. Consultation with Grantor. By acceptance of this deed, the Grantee agrees to consult with the Grantor in its planning process for construction of new generating facilities on the Premises, to consider views expressed thereon by the Grantor, to provide timely and accurate information in response to reasonable requests from the Grantor for information on the Grantee's intentions and alternatives under consideration with respect to the Premises, and to give good faith consideration to the impact of different alternatives being considered on matters reasonably of concern to the Grantor, including but not necessarily limited to: the value of adjacent and nearby parcels of land, aesthetic impacts on surrounding lands (including visual impacts, odors and noise) and the use of available technologies to minimize such impacts, and use and development of other lands within the area known as the Milwaukee County Grounds. It is understood that the

foregoing shall not be construed to require the Grantee to obtain the Grantor's approval or permission for the construction of new generating facilities on the Premises.

OPTION TO PURCHASE

The Grantor hereby grants to the Grantee an option to purchase the Option Parcel for purposes of expansion of its facilities for the generation and distribution of electricity, steam and chilled water or construction of new facilities for such purposes, subject to the following:

4. **Term.** This option shall be in effect beginning on the date hereof and shall continue in effect so long as the Grantee owns the Premises (as defined above) and is using the Premises for the bona fide generation of energy (steam, chilled water and/or electricity).

5. **Manner of Exercise.** This option shall be exercised by the Grantee's delivering to the Grantor written notice of exercise. If such notice is given, the closing shall be held within six months of the date of the notice. The conveyance shall be by quit claim deed. The deed shall contain provisions identical in substance to those set forth in paragraphs 1, 2 and 3 above. The Grantor will furnish an owners policy of title insurance in an amount to be agreed upon (which shall not be greater than \$1 million).

6. **Purchase Price.** The purchase price shall be the fair market value of the Option Parcel as of the date of exercise of the option, determined as follows: the parties shall attempt to reach agreement on the fair market value by negotiation. If they are unable to reach agreement, each party at its own expense shall retain an independent

qualified appraiser to perform an appraisal of the Option Parcel. If the lower of the two values determined by such appraisers shall not be less than 80% of the greater, the average of such values shall be the purchase price. If the lower of such values shall be less than 80% of the greater, the two appraisers together shall select a third independent qualified appraiser (half of whose fees shall be paid by each party) to perform an appraisal and the fair market value determined by such third appraiser shall be the purchase price, provided, however, that if the value determined by such third appraiser shall be outside of the range of values determined by the appraisers retained by the parties, then the purchase price shall be that value determined by an appraiser retained by a party which is closer to the value determined by the third appraiser.

RIGHT OF FIRST REFUSAL

The Grantor hereby grants to the Grantee a right of first refusal to purchase the First Refusal Parcel, subject to the following:

7. Term. This right of first refusal shall be in effect beginning on the date hereof and shall continue in effect so long as the Grantee owns the Premises (as defined above) and is using the Premises for the bona fide generation of energy (steam, chilled water and/or electricity).

8. Procedure. If the Grantor receives an offer to purchase the First Refusal Parcel which it desires to accept, the Grantor shall provide to the Grantee written notice thereof and shall provide with the notice a complete copy of the offer. The Grantee shall then have a period of 60 days from the date of the Grantor's notice, during which period

the Grantor shall respond promptly to all reasonable requests by the Grantee for information on the First Refusal Parcel and the Grantee shall be permitted full access to the First Refusal Parcel for purposes of inspection, in which to deliver to the Grantor written notice that the Grantee elects to exercise its right of first refusal. If such notice is not given, the Grantor may sell the First Refusal Parcel in accordance with the terms of the offer presented to the Grantee. If for any reason the sale by the Grantor shall not be consummated in accordance with the terms of the offer presented to the Grantee, the right of first refusal provided herein shall continue in effect with respect to any subsequent offers entertained by the Grantor. If the sale of the First Refusal Parcel by the Grantor pursuant to the offer shall be consummated, the Grantee's right of first refusal provided herein shall expire. The sale shall not, however, terminate or otherwise affect the Grantee's or WISVEST's easements on the First Refusal Parcel for the distribution of steam, chilled water or electricity.

9. Terms of Purchase by Grantee. The purchase price shall be the purchase price set forth in the offer delivered by the Grantor to the Grantee. If the Grantee exercises the right of first refusal provided herein, the Grantor shall convey a fee simple title in the First Refusal Parcel to the Grantee by quit claim deed, and shall furnish title insurance in an amount to be agreed upon (which shall not be greater than \$1 million). The deed shall restrict the Grantee's use of the First Refusal Parcel to uses which are consistent with its primary use as a buffer between generation facilities and neighboring uses.

GRANTOR'S RETAINED EASEMENTS

The Grantor reserves to itself the rights and interests reserved in the Easement Agreement, including but not necessarily limited to the rights and interests reserved in secs. 2.04(A), (B), (D) and (E) of the Easement Agreement. In the event the Grantee hereafter shall acquire the Option Parcel and/or the First Refusal Parcel, such acquisition also shall be subject to the rights and interests reserved to the Grantor in the Easement Agreement, including but not necessarily limited to the rights and interests reserved in secs. 2.04(B), (D) and (E) of the Easement Agreement.

GRANTOR'S RETAINED OPTION TO REACQUIRE

In the event that there shall elapse an unbroken period of 10 years during which neither the Grantee nor WISVEST shall have generated energy on the Premises or the Option Parcel, the Grantor shall then have an option to reacquire all, but not less than all, of the Premises, the Option Parcel and the First Refusal Parcel (to the extent they are then owned by the Grantee), subject to the following:

10. Energy generation defined. For purposes of determining whether the condition specified in the foregoing sentence is satisfied, any bona fide generation or production for distribution to customers of steam, chilled water or electricity by either the Grantee or WISVEST shall be deemed the generation of energy and shall prevent or stop the running of the 10 year period. The Grantee shall give the Grantor prompt written notice that bona fide energy generation has ceased, specifying in the notice the last date such generation took place.

11. Expiration date. Unless extended pursuant to para. 17 below, the Grantor's option shall expire on the date which is two years from the date on which the period of 10 years without generation of energy ended or the date which is six months from the date the Grantee's notice of cessation was received by the Grantor, whichever is later. On such expiration date, the use restriction set forth in para. 1 above, the corresponding restriction set forth in a quit claim deed of the Option Parcel from the Grantor to the Grantee and the use restriction described in para. 9 above with respect to the First Refusal Parcel shall terminate. Prior to termination, the Grantee shall respond promptly to all reasonable requests by the Grantor for information concerning the lands in question and shall permit the Grantor to have full access thereto for purposes of inspection.

12. Method of exercise; demolition and remediation. The option shall be exercised by the Grantor's delivering to the Grantee written notice of exercise prior to the expiration date determined as set forth above. If the Grantor exercises such option, the Grantee, at its expense, shall demolish and remove generation structures, facilities and equipment owned by the Grantee and conduct such environmental remediation of the land as may be necessary to conform with environmental standards in effect under then-applicable law unless the Grantor agrees otherwise.

13. Purchase price. The purchase price shall be the fair market value determined as of the date the Grantor exercised the option with reference to the condition of the property after completion of demolition and remediation activities (if such activities were performed by the Grantee) and shall not include any component of value for

improvements. Fair market value shall be determined by the procedure set forth in sec. 6 above. The Grantee shall commence and complete demolition and remediation activities as promptly as reasonably possible following the Grantor's exercise of the option, and the transaction shall be closed promptly thereafter.

14. Method of conveyance. The conveyance shall be by quit claim deed subject to existing liens and encumbrances, including but not limited to distribution easements granted to the Grantee and WISVEST under the Easement Agreement, provided, however, that the title to be conveyed shall be clear of any mortgages, liens or encumbrances (other than utility easements) created by the Grantee or resulting from the Grantee's activities. At the Grantee's request, the Grantor will execute and deliver a document confirming the distribution easements (including an exclusive electric substation easement) to the Grantee.

GRANTOR'S RETAINED RIGHT OF FIRST REFUSAL

The Grantor shall have at all times after the date hereof a right of first refusal to purchase the Premises (and/or the Option Parcel and the First Refusal Parcel if owned by the Grantee) in the event that the Grantee entertains a bona fide offer to purchase one or more of such parcels (or any portion thereof) in a transaction in which it is contemplated that the purchaser will use any such parcel or parcels (or portion thereof) for purposes other than the generation of energy (steam, chilled water or electricity) for distribution to customers, subject to the following:

15. Method of exercise. If the Grantee receives such an offer which it desires to accept, it shall so notify the Grantor in writing, including with the notice a complete copy of the offer, and the Grantor shall have a period of 90 days, during which period the Grantee shall respond promptly to all reasonable requests by the Grantor for information concerning the parcel or parcels (or portion thereof) in question and provide the Grantor with full access thereto for purposes of inspection, in which to advise the Grantee in writing that it is exercising the right of first refusal. If the right of first refusal is exercised, the transaction shall be closed reasonably promptly thereafter in accordance with the terms of the offer.

16. Effect of non-exercise. If the Grantor does not exercise its right of first refusal, the Grantee may sell the parcel or parcels (or portion thereof) in question in accordance with the offer presented to the Grantor, and in that event, such parcel or parcels (or portion thereof) shall not thereafter be subject to (i) the use restriction set forth in para. 1 above, the corresponding restriction in a quit claim deed of the Option Parcel from the Grantor to the Grantee or the use restriction described in para. 9 above with respect to the First Refusal Parcel; (ii) the Grantor's retained option to reacquire, or (iii) the Grantor's retained right of first refusal. If such transaction for any reason shall not be closed in accordance with the offer presented to the Grantor, the Grantor's right of first refusal shall remain in effect with respect to any subsequent offers entertained by the Grantee and all other rights of the Grantor in respect to the parcel or parcels (or portion thereof) in question shall continue as if such offer had never been

presented to the Grantor. The Grantee shall give the Grantor prompt written notice upon learning that the transaction will not close.

17. Relationship to Grantor's option to reacquire. The Grantee's right to tender offers to the Grantor shall expire 30 days after the delivery by the Grantor to the Grantee of a notice of exercise of the Grantor's option to reacquire set forth above. An offer tendered by the Grantee prior to the end of such 30 day period shall render the Grantor's notice of exercise of the option to reacquire inoperative. In addition, if the Grantee shall have tendered an offer to the Grantor prior to the expiration of the Grantor's option to reacquire set forth above and the Grantor shall not have exercised its right of first refusal with respect to such offer, then (i) if the sale by the Grantee to the offerer for any reason shall not be closed in accordance with the offer, then the Grantor's option to reacquire shall remain in effect until the later of the expiration date of the option determined as set forth in para. 11 above or the date which is six months from the date the Grantee notifies the Grantor in writing that the sale to the offerer did not close, and (ii) if the sale by the Grantee to the offerer shall close in accordance with the offer, then the Grantor's option to reacquire shall remain in effect with respect to so much of the Premises, the Option Parcel and the First Refusal Parcel as shall remain in the Grantee's ownership until the later of the expiration date determined as set forth in para. 11 above or the date which is six months from the closing date of the sale to the offeror.

OTHER

18. Rights Run with Land. The rights, obligations, covenants and agreements of the parties set forth herein shall run with the land and shall be binding upon and inure to the benefit of the parties, their successors and assigns.

IN WITNESS WHEREOF, the undersigned County Executive and County Clerk of the Grantor have set their hands and seals as of the date first written above

MILWAUKEE COUNTY

By: F. Thomas Ament
F. Thomas Ament, County Executive

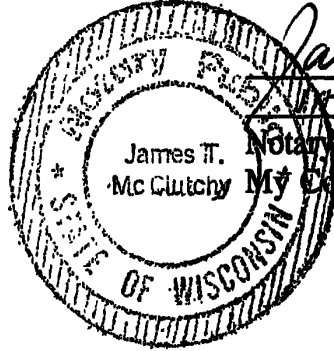
By: Rod Lanser
Rod Lanser, County Clerk

APPROVED
FOR
CORPORATION
COUNSEL

ACKNOWLEDGEMENT

STATE OF WISCONSIN)
) SS.
MILWAUKEE COUNTY)

Personally came before me this 26 day of NOV, 1996, F. Thomas Ament, whose signature appears on the foregoing quit claim deed, and acknowledged that he executed the same as the County Executive of Milwaukee County, by its authority.

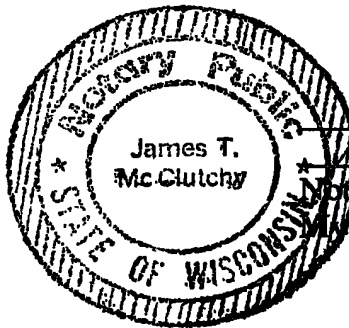


James T. McClutchy
Notary Public, State of Wisconsin
My Commission: is permanent

ACKNOWLEDGEMENT

STATE OF WISCONSIN)
) SS.
MILWAUKEE COUNTY)

Personally came before me this 26 day of NOV, 1996, Rod Lanser,
whose signature appears on the foregoing quit claim deed and acknowledged that he
executed the same as the County Clerk of Milwaukee County, by its authority.



James T. McClutchy
JAMES T. MCCLUTCHY
Notary Public, State of Wisconsin
Commission: i perant

THIS INSTRUMENT DRAFTED BY:
William B. Guis
Friebert, Finerty & St. John, S.C.
330 East Kilbourn Avenue - Suite 1250
Milwaukee, WI 53202

MILWAUKEE REGIONAL MEDICAL COMPLEX
POWER PLANT SITE - PARCEL 1
SURVEY NO. 156222-P-1

THAT PART OF THE SE 1/4 OF SECTION 20, THE SW 1/4 OF SECTION 21, THE NW 1/4 OF SECTION 28 AND THE NE 1/4 OF SECTION 29, T 7 N, R 21 E, IN THE CITY OF WAUWATOSA, MILWAUKEE COUNTY, WISCONSIN, WHICH IS BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 20;
THENCE NORTH 86° 24' 32" EAST 300.94 FT. TO A POINT;
THENCE SOUTH 00° 41' 00" EAST 59.01 FT. TO THE POINT OF BEGINNING OF LAND TO BE DESCRIBED;
THENCE SOUTH 82° 07' 23" WEST 784.10 FT. TO A POINT;
THENCE NORTH 01° 35' 22" WEST 790.61 FT. TO A POINT;
THENCE NORTH 87° 54' 17" EAST 305.00 FT. TO A POINT;
THENCE NORTH 01° 35' 22" WEST 153.00 FT. TO A POINT;
THENCE NORTH 89° 00' 00" EAST 340.10 FT. TO A POINT;
THENCE SOUTH 01° 20' 44" EAST 467.34 FT. TO A POINT;
THENCE SOUTH 18° 26' 14" EAST 312.20 FT. TO A POINT;
THENCE SOUTH 30° 25' 05" EAST 99.51 FT. TO A POINT;
THENCE SOUTH 00° 41' 00" EAST 136.71 FT. TO THE POINT OF BEGINNING.
SAID PARCEL CONTAINS 15.3225 ACRES.

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MILWAUKEE REGIONAL HEALTH COMPLEX
POWER PLANT - PARCEL 2
SURVEY NO. 156222

THAT PART OF THE SE 1/4 OF SECTION 20, AND THE SW 1/4 OF SECTION 21,
T 7 N, R 21 E, IN THE CITY OF WAUWATOSA, MILWAUKEE COUNTY, WISCONSIN,
WHICH IS BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SE 1/4 OF SAID SECTION 20;
THENCE SOUTH 88° 15' 23" WEST ALONG THE SOUTH LINE OF THE SE 1/4 OF
SECTION 20 AFORESAID 479.56 FT. TO A POINT;

THENCE NORTH 01° 35' 22" WEST 790.61 FT. TO THE POINT OF BEGINNING OF THE
LANDS TO BE DESCRIBED;

THENCE CONTINUING NORTH 01° 35' 22" WEST 541.22 FT. TO A POINT ON THE
NORTH LINE OF THE SE 1/4 OF THE SE 1/4 OF SAID SECTION 20;

THENCE NORTH 88° 13' 16" EAST 494.49 FT. TO A POINT ON THE SECTION LINE
BETWEEN SAID SECTIONS 20 AND 21;

THENCE NORTH 86° 37' 25" EAST ALONG THE NORTH LINE OF THE SW 1/4 OF THE
SW 1/4 OF SECTION 21 AFORESAID 152.34 FT. TO A POINT;

THENCE SOUTH 01° 20' 44" EAST 395.42 FT. TO A POINT;

THENCE SOUTH 89° 00' 00" WEST 340.10 FT. TO A POINT;

THENCE SOUTH 01° 35' 22" EAST 153.00 FT. TO A POINT;

THENCE SOUTH 87° 54' 17" WEST 305.00 FT. TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 6.8342 ACRES.

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MILWAUKEE REGIONAL HEALTH COMPLEX
POWER PLANT.- PARCEL 3
SURVEY NO. 156222

THAT PART OF THE SW 1/4 OF SECTION 21, T 7 N, R 21 E, IN THE CITY OF WAUWATOSA, MILWAUKEE COUNTY, WISCONSIN, WHICH IS BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID 1/4 SECTION;
THENCE NORTH 86° 24' 32" EAST ALONG THE SOUTH LINE OF SAID 1/4 SECTION 300.94 FT. TO A POINT;
THENCE NORTH 00° 41' 00" WEST 77.70 FT. TO THE POINT OF BEGINNING OF THE LANDS TO BE DESCRIBED;
THENCE NORTH 30° 25' 05" WEST 99.51 FT. TO A POINT;
THENCE NORTH 18° 26' 14" WEST 312.20 FT. TO A POINT;
THENCE NORTH 01° 20' 44" WEST 862.76 FT. TO A POINT ON THE NORTH LINE OF SW 1/4 OF SAID 1/4 SECTION;
THENCE NORTH 86° 37' 25" EAST ALONG THE NORTH LINE OF THE SW 1/4 OF SAID 1/4 SECTION 148.91 FT. TO A POINT;
THENCE SOUTH 00° 56' 51" EAST 1253.45 FT. TO THE POINT OF BEGINNING.
SAID PARCEL CONTAINS 3.6021 ACRES

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