

EXHIBIT B
THREE PARTY RELEASE AGREEMENT

THREE PARTY RELEASE AGREEMENT

This THREE PARTY RELEASE AGREEMENT ("Release Agreement") is made and entered into on this 30th day of September, 2003 by and between CITY OF CHICAGO ("City") as purchaser, THE PEOPLES GAS LIGHT AND COKE COMPANY ("Peoples"), an Illinois corporation, as prior owner/operator, and VICTOR PETERSON AND JEAN PETERSON, natural persons, as current owners of all of the beneficial interest of a trust held by Aetna Bank, as trustee ("Trustee"), under trust agreement dated July 2, 1986 and known to the Trustee as Trust Number 10-4028 (jointly herein the "Owner" as to both the legal and equitable title holders) (collectively herein the "Parties" as to City, Peoples, and the Owner) of that certain parcel of real property commonly known as the AAA Boatyard and numbered as 1111 N. Elston Avenue, Chicago, Illinois, and more particularly described on Exhibit A hereto ("Property").

The Parties do hereby say and agree as follows:

Recitals

WHEREFORE:

- A. Peoples records indicate that the Property was formerly used for coal storage purposes associated with a nearby manufactured gas plant; and
- B. The City has indicated to Peoples that it plans to acquire the Property from the Owner, in furtherance of the City's proprietary and developmental objectives; and
- C. Peoples, through its consultant, Burns & McDonnell Engineering Company, Inc. has undertaken an environmental investigation at the Property, the results of which are set forth in the Site Investigation Report, Former Division Street Manufactured Gas Plant Marina Site, dated May 2001 ("Report"); and
- D. Peoples has provided the City and the Owner with a copy of the Report; and
- E. The City has indicated that the environmental condition of the Property is a material issue in the City's acquisition of the Property because it directly affects the issue of the appropriate value to be paid by the City to the Owner of the Property in order for the City to acquire the fee simple title thereto; and
- F. Without admitting liability, the City, Peoples, and the Owner each wishes hereby to settle certain potential first party (defined herein as claims and actions initiated by one or more of the Parties hereto against one or more of the remaining Parties hereto, not including claims or actions initiated by outside parties and reserving rights in each Party hereto to implead the others as necessary and appropriate in the event of an action by an outside party) disputes with the other two Parties relating to liability for the environmental condition and remediation of the

Property, and to provide that each party will mutually release the other Parties from all first party claims arising out of the environmental condition of the Property; and

- G. The Parties each intend that when the City delivers its payment for the Property, and the Owner delivers clear title to the Property, and the City accepts such title (this point in time and transaction is hereinafter referred to as the "Closing") that the Owner will have no further first party liability to the other two Parties for the environmental condition of the Property; and
- H. The Parties each intend that once the Closing has occurred the Owner will have no further first party claims against the other two parties for any damages arising out of the environmental condition of the Property; and
- I. The Owner acknowledges and agrees that the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) to be paid by the City for the purchase of the Property represents full fair market value for the Property as though it was environmentally clean, with no deduction for the environmental condition of the Property; and
- J. The City and Peoples hereby agree that as of the Closing, the City and Peoples will contemporaneously enter into a mutually acceptable Settlement Agreement ("Settlement Agreement") between themselves governing the terms and conditions under which the City will accomplish the environmental remediation of the Property, the execution and delivery of which is hereby declared by the Parties to be an essential element for the validity of this Release Agreement; and
- K. Peoples will pay the sum of One Million Dollars (\$1,000,000.00) to the City at the Closing as a contribution ("Contribution") to the costs of accomplishing the environmental remediation of the Property; and
- L. The City agrees that, subject to the terms, conditions, and limitations of the Settlement Agreement, it will enroll the Property in the Illinois Environmental Protection Agency's ("IEPA") Site Remediation Program, as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 *et seq.*, and the regulations promulgated thereunder, with the goal of obtaining a No Further Remediation Letter ("NFR") indicating that the Property has been cleaned to the standard described in the Settlement Agreement; and
- M. The City and its successors in title and Peoples hereby agree that the delivery of the Contribution will release Peoples from any further responsibility for the costs of accomplishing the environmental remediation of the Property and other costs associated with the environmental condition of the Property as provided by the Settlement Agreement.
- N. The City and its successors in title agree that to the extent provided by the

Settlement Agreement, they will be bound to preserve the integrity of any institutional controls or engineered barriers required by the IEPA in the NFR (if any).

NOW, THEREFORE, in consideration of the mutual covenants in this Release Agreement, the parties agree as follows:

1. The recitals set forth above constitute an integral part of this Release Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.
2. The City, Peoples, and the Owner hereby say and agree that upon the execution hereof by each of the three Parties, the signed copy of this Release Agreement may be delivered into escrow with the escrow agent responsible for the Closing, to take force and effect upon the occurrence of the exchanges and deliveries described in this Release Agreement, including the delivery of an executed copy of this Release Agreement to each of the three Parties, and that each party shall thereupon and forever thereafter be released of first party liability to each of the other parties.
3. Each of the Parties hereto hereby represents that it has the legal authority to enter into this Release Agreement, and has taken all necessary legal steps to ensure that their execution hereof creates a binding obligation pursuant to the terms of this Release Agreement.
4. This Release Agreement may be executed in counterparts.

SIGNATURES ON FOLLOWING PAGE

CITY OF CHICAGO

By: _____
Mara S. Georges
Corporation Counsel

THE PEOPLES GAS LIGHT AND COKE COMPANY

By: Charles L. Thompson

Name: CHARLES L. THOMPSON

Its: SR. VICE PRESIDENT

COLE TAYLOR BANK or its successor, not personally, but solely as Trustee under Trust Agreement dated July 2, 1986 known as Trust Number 10-4028 ("Trust"),

By: _____

Name: _____

Its: _____

Attest: _____

Victor G. Peterson, individually, and who with his wife are the sole beneficiaries of Trust No. 10-4028.

Jean A Peterson, individually, and who with her husband are the sole beneficiaries of Trust No. 10-4028.

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

THAT PART OF BLOCK 19 IN ELSTON'S ADDITION TO CHICAGO IN SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTHEASTERLY OF A LINE DRAWN AT NORTH 73 DEGREES 57 MINUTES 40 SECONDS EAST FROM A POINT ON THE EASTERLY LINE OF NORTH AVENUE, SAID POINT BEING 100.02 FEET, SOUTH 25 DEGREES 59 MINUTES 20 SECONDS EAST, (AS MEASURED ALONG SAID WESTERLY LINE) FROM THE POINT OF INTERSECTION OF SAID EASTERLY LINE OF NORTH ELSTON AVENUE WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF WEST DIVISION STREET, ALL IN COOK COUNTY, ILLINOIS

PIN: 17-05-307-004

Common Address: 1111-1129 N. Elston Avenue, Chicago, Illinois