

EXHIBIT A

Amended Settlement Agreement

**AMENDED AND RESTATED SETTLEMENT AGREEMENT
(AAA BOATYARD SITE)**

This AMENDED AND RESTATED SETTLEMENT AGREEMENT ("2026 Settlement Agreement") that amends and restates the Settlement Agreement that the Parties entered on September 30, 2003 ("2003 Settlement Agreement"), attached as Schedule A, is made and entered into this _____ day of _____, 2026 ("Effective Date"), by and between the CITY OF CHICAGO, an Illinois municipal corporation and home rule unit of government ("City"), and THE PEOPLES GAS LIGHT AND COKE COMPANY, an Illinois corporation ("Peoples"). The City and Peoples are sometimes referred to herein collectively as the "Parties" and each individually as a "Party."

RECITALS

Note that the Recitals A-I are included in the 2003 Settlement Agreement and are further addressed below in Section 1.

J. The Property, also known as the "AAA Boatyard Site" or "Boatyard Parcel" at 1111 N. Elston Avenue, Chicago, Illinois was purchased by the City on July 31, 2003, and is part of a Manufactured Gas Plant ("MGP Property").

K. Under the 2003 Settlement Agreement, the City was to remediate the Property under the Illinois Environmental Protection Agency ("IEPA") Site Remediation Program ("SRP") and obtain a No Further Remediation ("NFR") letter.

L. In 2007, Peoples voluntarily enrolled 11 former MGP sites along the Chicago River, including the MGP Property, in the United States Environmental Protection Agency's ("USEPA") Superfund Alternative Approach Program, and intends to remediate the Property under that USEPA program.

M. Peoples and the City are entering a Right of Entry and Remediation Agreement ("Right of Entry and Remediation Agreement") on even date herewith, allowing Peoples to enter the Property and perform the remediation as detailed in the Right of Entry and Remediation Agreement.

N. As part of the consideration for this 2026 Settlement Agreement, whereby the City no longer has a remediation duty under the SRP concerning the Property, and Peoples will perform the remediation of the Property under the USEPA program subject to the Right of Entry and Remediation Agreement, the City will return the Contribution that Peoples made under the 2003 Settlement Agreement.

NOW, THEREFORE, in consideration of the mutual covenants in this Amended Agreement, the Parties agree as follows:

1. **Recitals.**

(a) Recitals C and D in the 2003 Settlement Agreement are deleted from the recitals in this 2026 Settlement Agreement.

(b) Recital E, G and H from the 2003 Settlement Agreement are deleted in their entirety and replaced with the following:

E. Peoples denies liability for any and all contamination which may exist on the Property.

G. The Parties' 2003 Settlement Agreement induced Peoples to contribute the sum of \$1,000,000 (one million dollars) ("Contribution") to the City to facilitate the Property being owned by the City or its successors in interest to this Agreement, their respective successors, grantees and assigns (collectively, "its Successors") for the City to use in a manner consistent with the standard of remediation that was to be achieved on the Property under the 2003 Settlement Agreement.

H. This 2026 Settlement Agreement will enable Peoples, the City and its Successors to enjoy the protection of USEPA's issuance of a certificate of completion, ready for re-use determination, concurrence letter or their equivalents that will follow completion of the Remedial Action at the Boatyard Parcel ("Site Closure"), which shall be binding upon the City and its Successors and preserve the integrity of any institutional controls or engineered barriers required by the USEPA closure.

(c) The foregoing Recitals J through N, Recitals A, B, F and I from the 2003 Settlement Agreement and Recitals E, G and H as amended in subsection 1(b) above, constitute an integral part of this 2026 Settlement 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. **Amendments.** Peoples and the City agree to amend the 2003 Settlement Agreement as follows to memorialize the terms of this 2026 Settlement Agreement:

(a) Paragraph 1 is deleted in its entirety and replaced with the following:

1. The City agrees to return to Peoples the \$1,000,000 (one million dollars) Contribution paid to the City pursuant to the 2003 Settlement Agreement within ninety (90) days of the Effective Date of this 2026 Settlement Agreement pursuant to authorization by the City Council of Chicago. The City's return of the Contribution is a condition precedent to Peoples' performance under the Right of Entry and Remediation Agreement.

(b) Paragraph 2 is deleted in its entirety and replaced with the following:

2. The City, Peoples and the former owner entered into and recorded a mutually acceptable release agreement in which all the parties released liability of the others from potential first party claims pertaining to the Property ("Three Party Release Agreement") attached hereto as **Exhibit B**;

(c) Paragraph 3 is deleted in its entirety and replaced with the following:

3. Peoples will perform the remediation work as detailed in the Right of Entry and Remediation Agreement.

(d) Paragraph 4 is deleted in its entirety.

(e) Paragraph 5 is deleted in its entirety and replaced with the following:

5. If the USEPA requires that any engineered barriers or institutional controls be maintained at the Property as a condition of closure, the City or its Successors shall bear sole responsibility for the maintenance of such engineered barriers or institutional controls and to retain the benefit of the USEPA closure obtained through Peoples' remediation work, and Peoples shall not bear any responsibility, financial or otherwise, in connection therewith.

(f) Paragraph 8 is deleted in its entirety and replaced with the following:

8. Indemnities and Releases.

A. City Indemnity and Release. In addition to the releases and waivers of liability under the Three Party Release Agreement:

i. Upon the USEPA's determination of Site Closure, the City shall be deemed to have released Peoples, its predecessor and successor companies, and their parent and affiliate companies, shareholders, officers, directors, employees, contractors, subcontractors, consultants and agents (collectively, "Peoples Released Parties") from any and all Claims that the City Indemnified Parties now have or hereafter may have against the Peoples Released Parties based upon, arising out of, or related to: (i) the violation or alleged violation of any Environmental Laws relating to the Boatyard Parcel; (ii) any discharge, disposal or other Release of any Hazardous Materials on the Boatyard Parcel, except for any MGP-related Hazardous Materials that migrate from the Elston ROW onto the Boatyard Parcel or (iii) the presence of any Hazardous Materials on or under the Boatyard Parcel, except for any MGP-related Hazardous Materials that migrate from the Elston ROW onto the Boatyard Parcel; provided, however, that the foregoing release shall not apply to the City Indemnified Claims. Peoples shall record the USEPA Site Closure document if it is in recordable form.

ii. Upon the USEPA's determination of Site Closure, the City shall indemnify, defend (through an attorney reasonably acceptable to Peoples) and hold Peoples, its officers, officials, and Representatives (collectively, "Peoples Indemnified Parties"), harmless from and against any and all Claims of whatsoever kind and nature, made or asserted by any third parties (including, without limitation, any of the City's Representatives), for personal injury, death or property damage, occurring in connection with or in any way arising out of (a) any decision by the USEPA to void its determination of Site Closure resulting from acts or omissions of the City or its Representatives; and (b)

unless not permitted under the Site Closure approved by USEPA, any MGP-related Hazardous Materials left in place at the Boatyard Parcel that exceed the standard approved by USEPA for residential remediation objectives, but only to the extent that such Claims arise from the City or its Representatives' exacerbation of such MGP-related Hazardous Materials or their violation of the USEPA's determination of Site Closure, and in each case unless such Claims are caused by the negligence or willful misconduct of Peoples or any of the Peoples Indemnified Parties (collectively, "Peoples Indemnified Claims"). The City has no indemnification obligation for exacerbation of MGP-related Hazardous Materials that remain in place on the Boatyard Parcel that are not permitted by the Site Closure approved by USEPA, unless caused by City negligence or willful misconduct, or for migration of MGP-related Hazardous Materials from the Elston ROW onto the Boatyard Parcel. The indemnification provided herein will be effective to the maximum extent permitted by Law and is not limited by any amount of insurance the City may have.

- iii. The City shall be solely responsible for the defense of any and all Peoples Indemnified Claims against the Peoples Indemnified Parties. Peoples shall have the right, at its sole option, to participate in the defense of any such Peoples Indemnified Claims, without relieving the City of its obligations hereunder, but the City shall continue to have the sole right to control the defense of all Peoples Indemnified Claims. The City shall promptly provide copies to Peoples of any notices the City may receive of any Peoples Indemnified Claims.

B. Peoples Indemnity and Release.

- i. Peoples shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the City, its officers, officials, and Representatives, and its successors and assigns (collectively, "City Indemnified Parties"), harmless from and against any and all Claims of whatsoever kind and nature, made or asserted by any third parties (including, without limitation, any of Peoples' Representatives), for personal injury, death or property damage, occurring in connection with or in any way arising out of (a) any decision by the USEPA to void its determination of Site Closure resulting from acts or omissions of Peoples or its Representatives; (b) migration of MGP-related Hazardous Materials from the Elston ROW onto the Boatyard Parcel, and (c) except as permitted under the Site Closure approved by USEPA, any MGP-related Hazardous Materials left in place at the Boatyard Parcel that exceed the standard approved by USEPA for residential remediation objectives, in each case unless such Claims are caused by the negligence or willful misconduct of the City or any of the City Indemnified Parties (collectively, "City Indemnified Claims") or successors or assigns. The indemnification provided herein will be effective to the maximum extent permitted by Law and is not limited by any amount of insurance required under this Agreement.

Peoples shall be solely responsible for the defense of any and all City Indemnified Claims against the City Indemnified Parties. The City shall have the right, at its sole

option, to participate in the defense of any such City Indemnified Claims, without relieving Peoples of its obligations hereunder, but Peoples shall continue to have the sole right to control the defense of all City Indemnified Claims. Peoples shall promptly provide copies to the City of any notices Peoples may receive of any City Indemnified Claims.

(g) Paragraph 9 is deleted in its entirety.

(h) Paragraph 10 is deleted in its entirety.

(i) Paragraph 11 is deleted in its entirety and replaced with the following:

11. This 2026 Settlement Agreement shall inure to the benefit of and be binding upon the City and its Successors. Concurrent with the execution of the 2003 Settlement Agreement, the Parties executed the Memorandum of Environmental Settlement Agreement ("2003 Memorandum") that the City recorded on December 10, 2003, with the Recorder of Deeds of Cook County, Illinois as Document No. 334432128 and is attached hereto as **Exhibit C**. Concurrent with the execution of this 2026 Settlement Agreement, the Parties will execute the Memorandum of Amended and Restated Environmental Settlement Agreement ("2026 Memorandum"), attached hereto as **Exhibit D**, which the City shall arrange to be recorded with the Cook County Clerk's Office, Illinois, at City's sole cost and expense within thirty (30) days of the Effective Date of this 2026 Settlement Agreement. The covenants, agreements, releases and other terms and provisions that are contained in this 2026 Settlement Agreement touch and concern and shall be appurtenant to and shall run with the Property and any portion thereof. By accepting a deed, lease or other conveyance, each and every person and entity that, from time to time, acquires any fee interest, leasehold interest or other estate in all or any portion of the Property shall acquire such interest or estate subject to said covenants, agreements, indemnities and other terms and provisions, and, during the term of time that he, she or it owns such interest or estate, he, she or it shall be obligated to pay and perform any and all obligations applicable to said period of time and applicable to that portion of the Property in which he, she or it holds any interest or estate, jointly and severally with any and all of the other holders of any interest or estate in all or any portion of the Property. The provisions of the preceding sentence are self-operative; however, to ensure that all successors in interest to the Property have actual notice of the existence of this Agreement, as well as record notice, the City and each and every other person and entity that, from time to time, acquires any interest or estate in all or any portion of the Property shall recite the language set forth in paragraphs 5, 8 and this paragraph 11 (and, if USEPA closure has not been obtained prior to the date of conveyance, the language of paragraph 3) in any deed, lease, or other conveyance of any fee interest, leasehold interest, or other estate in all or any portion of the Property, with the covenant contained in this sentence being intended to touch and concern and be appurtenant to and run with the Property and any portion thereof. The Parties desire to release and terminate the 2003 Memorandum upon the Effective Date of this 2026 Settlement Agreement.

(j) The City's and Peoples' Notice details under Paragraph 13 are deleted and replaced with the following.

If to the City: City of Chicago
Department of Environment
2 North LaSalle Street, 2nd Floor
Chicago, Illinois 60602
Attn: Kimberly Worthington
Kimberly.Worthington@cityofchicago.org

City of Chicago
Department of Planning and Development
121 N. LaSalle St.
9th Floor
Chicago, IL 60602
Attn: Whitney Mungin, Director of Land Acquisition and Disposition
Whitni.Mungin@cityofchicago.org

City of Chicago
Department of Law
Real Estate and Land Use Division
2 North LaSalle Street, 4th Floor
Chicago, Illinois 60602
Attn: Lisa Misher
Lisa.Misher@cityofchicago.org

If to Peoples: Patrick F. Kenny
Manager Remediation
The Peoples Gas Light and Coke Company
c/o WEC Business Services
200 East Randolph Street
Chicago, Illinois 60601
Patrick.Kenny@wecenergygroup.com

With a copy to: Timothy P. Walsh, Esq.
The Peoples Gas Light and Coke Company
C/o WEC Business Services
200 East Randolph Street
Chicago, Illinois 60601
timothy.walsh@wecenergygroup.com

(k) Paragraph 18 is deleted in its entirety and replaced with the following:

18. The City and Peoples each represent that as of the execution date of this 2026 Settlement Agreement, no approval (not already obtained) of any party or person (other than the Parties to this 2026 Settlement Agreement) is necessary for that Party to enter into and to carry out the terms of this Agreement (except for approvals by USEPA as addressed in the Right of Entry and Remediation Agreement). The City

specifically represents that it has received Chicago City Council approval to enter this 2026 Settlement Agreement.

- (l) Paragraph 21 is deleted in its entirety and replaced with the following:

21. The provisions of Paragraphs 3, 5, 8, 11 and 27 shall survive termination of this Agreement.

- (m) A new Paragraph 22 is added as follows:

22. The section headings in this 2026 Settlement Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or construction of this 2026 Settlement Agreement.

- (n) A new Paragraph 23 is added as follows:

23. This 2026 Settlement Agreement embodies the entire agreement and understanding between the Parties with respect to the matters stated herein and supersedes any prior oral or written agreements with respect to the matters stated herein.

- (o) A new Paragraph 24 is added as follows:

24. This 2026 Settlement Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original instrument and all of which together shall constitute one and the same instrument. A facsimile, electronic, or photocopy signature shall have the same legal effect as an original signature.

- (p) A new Paragraph 25 is added as follows:

25. Nothing contained in this 2026 Settlement Agreement shall be deemed or construed by the Parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the Parties hereto.

- (q) A new Paragraph 26 is added as follows:

26. All exhibits and schedules referred to herein and attached hereto shall be deemed part of this 2026 Settlement Agreement.

- (r) A new Paragraph 27 is added as follows:

27. This 2026 Settlement Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without giving effect to its conflicts of laws principles. The Parties waive any objection to the venue of any action filed in any court situated in the jurisdiction in which the Property is located.

- (s) A new **Exhibit B** as addressed in Section 2(b) above is added to the Agreement.

(t) A new Exhibit C as addressed in Section 2(i) above is added to the Agreement.

(u) A new Exhibit D as addressed in Section 2(i) above is added to the Agreement.

3. **Effect of the Amendments.** Except as specifically amended above, the terms of the 2003 Settlement Agreement shall remain in full force and effect and become part of this 2026 Settlement Agreement. All references to "Agreement" and "Memorandum of Environmental Settlement Agreement" in the 2003 Settlement Agreement, adopted in this 2026 Settlement Agreement shall mean the 2026 Settlement Agreement and 2026 Memorandum, respectively.

IN WITNESS WHEREOF, the Parties hereto have duly executed this 2026 Settlement Agreement as of the Effective Date.

CITY OF CHICAGO, an Illinois municipal corporation

By: _____
Angela Tovar
Commissioner
Department of Environment

By: _____
Ciere Boatright
Commissioner
Department of Planning and Development

THE PEOPLES GAS LIGHT AND COKE COMPANY, an Illinois corporation
By WEC Business Services LLC its affiliate and agent

By: _____
Brian F. Bartoszek
Vice President Environmental

SCHEDULE A

**SETTLEMENT AGREEMENT BETWEEN THE CITY OF CHICAGO AND THE
PEOPLES GAS LIGHT AND COKE COMPANY (2003 SETTLEMENT AGREEMENT)**

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement") is made and entered into on September 30, 2003 by and between the City of Chicago (the "City"), and The Peoples Gas Light and Coke Company ("Peoples"), an Illinois corporation;

This Agreement is made under the following circumstances:

Recitals

- A. Peoples' records indicate that a manufactured gas plant ("MGP") was formerly located on certain property in the area bounded by Division Street, Cortez Street, the Chicago & Northwestern Railway, and Elston Avenue in Chicago, Illinois (the "MGP Property"). Peoples' records indicate that certain property located to the east of the MGP Property (on the east side of Elston Avenue) was used for associated coal storage purposes. Such property, which is legally described on Exhibit A, attached hereto, is hereinafter referred to as the "Property."
- B. 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 for the Property by Burns & McDonnell dated May 2001 ("Report"). Peoples previously provided a copy of the Report to the City.
- C. The Property is currently held in Trust Number 10-4028 by Aetna Bank, as trustee, under a trust agreement dated July 2, 1986, with Victor Peterson and Jean Peterson as current owners of all of the beneficial interest of the trust (collectively, "Owner").
- D. The City has indicated to Peoples that it plans to acquire title to the Property and perform an environmental remediation of the property as further described below, provided that the City and Peoples can reach agreement on the terms and conditions of a settlement agreement regarding payment for the environmental remediation of the Property.
- E. The City has requested that Peoples pay certain costs and expenses that it will incur as a result of conducting such environmental remediation of the Property. Peoples denies liability for any and all costs arising from the contamination which may exist on the Property.
- F. The parties wish to settle certain disputes relating to the Property in order to avoid potential litigation costs and other expenses arising from such disputes.
- G. The parties' settlement, as further set forth below, ("Settlement") will induce Peoples to contribute the sum of \$1,000,000 (one million dollars)

("Contribution") to the City to facilitate the City's remediation of the Property and will thereby enable the Property to be owned by the City or its successors in interest to this Agreement, their respective successors, grantees and assigns (collectively, "its Successors") to be used in a manner consistent with the standard of remediation that is achieved on the Property, as more fully set forth below.

- H. The Settlement will enable Peoples, the City and its Successors to enjoy the protection of an IEPA-issued No Further Remediation ("NFR") letter, which shall be binding upon the City and its Successors and preserve the integrity of any institutional controls or engineered barriers required by the IEPA in the NFR letter
- I. The Settlement will enable Peoples to obtain a release of certain potential future claims from the Owner and from the City and its Successors, as further set forth below.

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

- 1. The foregoing Recitals are incorporated herein and made a part hereof.
- 2. Without admitting to liability for the contamination which may exist on the Property, Peoples will make the Contribution, upon completion of the following: (1) The City acquires clear title to the Property (the "Closing"); (2) the City, Peoples and the Owner enter into a mutually acceptable release agreement in which all parties release the others from potential first party claims pertaining to the Property ("Three Party Release Agreement") in substantially the same form as attached hereto as Exhibit B; and (3) the parties execute this Agreement.
- 3. In exchange for the Contribution, the City or its Successors agree to take the following actions with respect to the remediation of the Property: (1) enroll the Property in the Illinois Site Remediation Program ("SRP"); (2) prepare (or require its consultant to prepare) a Remedial Objectives Report ("ROR") and Remedial Action Plan ("RAP") consistent with the City's intended future use of the Property (which reports collectively shall set forth the "Remediation Work"); (3) obtain Illinois Environmental Protection Agency ("IEPA") approval of the ROR and the RAP prior to performance of the Remediation Work; and (4) complete the Remediation Work and obtain IEPA approval of a Remedial Action Completion Report ("RACR"); and (5) obtain from IEPA either a comprehensive or a focused No Further Remediation Letter ("NFR Letter"), which the City shall record within 45 days of receipt. If the City obtains a focused NFR Letter, such focused NFR Letter shall at a minimum indicate that such compounds identified in the Report as exceeding Tier One site

remediation standards have been remediated. The City will cause the Remediation Work on the Property to be undertaken and completed, solely at its own expense, as provided in the ROR and RAP and in accordance with Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 *et seq.*, and the regulations promulgated under that Act. The IEPA will oversee the Remediation Work pursuant to a Review and Evaluation Services Agreement to be entered into between the City and IEPA. Upon completion of the Work, the City will seek either a comprehensive or a focused (as described above) No Further Remediation letter ("NFR Letter") from IEPA with respect to the Property within the meaning of Part 740 of Title 35 of the Illinois Administration Code.

4. The City will provide Peoples with copies of all submittals to the IEPA made after the date of this Agreement. The City shall also promptly transmit to Peoples copies of any written communications received from IEPA or other regulatory agencies with respect to the matters referred to in this Agreement.
5. If the IEPA requires that any engineered barriers or institutional controls be maintained at the Property as a condition of the NFR letter, the City or its Successors shall bear sole responsibility for the maintenance of such engineered barriers or institutional controls in order to retain the benefit of the NFR letter obtained through Peoples' Contribution, and Peoples shall not bear any responsibility, financial or otherwise, in connection therewith.
6. Should the City fail to comply in any material respect with its obligations under this Agreement and should the City fail to cure that shortcoming within thirty (30) days of receipt of written notice by Peoples, the City shall be considered to have committed a material breach of this Agreement. In the event of a material breach of this Agreement by the City, Peoples shall have any remedy available to it at law or in equity.
7. Should Peoples fail to comply in any material respect with its obligations under this Agreement and should Peoples fail to cure that shortcoming within thirty (30) days of receipt of written notice by the City, Peoples shall be considered to have committed a material breach of this Agreement. In the event of a material breach of this Agreement by Peoples, the City shall have any remedy available to it at law or in equity.
8. In exchange for Peoples' Contribution, upon receipt by the City of the Contribution, the City and its Successors shall be deemed to release and hold harmless, Peoples, its predecessors or successor companies, shareholders, officers, directors, employees, attorneys and agents (collectively, for purposes of this Paragraph 8, the "Released Parties") from any further responsibility for the costs of accomplishing the

Remediation Work and any other costs associated the environmental condition of the Property identified within the Report, unless otherwise provided by the Settlement Agreement. Notwithstanding the foregoing, nothing in this section shall be understood to: a.) create liability in the City and/or its successors for claims that arose prior to the date that title passed to the City; b.) create liability in the City and/or its successors to defend or indemnify People's against claims brought by third parties; and/or c.) act as a waiver of any rights the City and/or its successors may have to join or implead Peoples as a party in the event of any third party claim or action.

9. The City shall require each consultant and each subcontractor working on the environmental remediation of the Property, provided that such consultant and/or subcontractor is otherwise contractually obligated to name the City as an additional insured on their insurance coverages, to name Peoples as an additional insured on all such insurance coverages during the period while the Remediation Work is being undertaken.
10. The City agrees that the Remediation Work shall be performed in compliance with all local, state and federal laws, rules and regulations, including any and all required permits.
11. This Agreement shall inure to the benefit of and be binding upon the City and its Successors. Concurrent with the execution of this Agreement, the parties will execute the Memorandum of Environmental Settlement Agreement (attached hereto as Exhibit C), which the City shall arrange to be recorded with the Recorder of Deeds of Cook County, Illinois, at City's sole cost and expense, following receipt by the City of the Contribution. The covenants, agreements, releases and other terms and provisions contained in this Agreement touch and concern and shall be appurtenant to and shall run with the Property and any portion thereof. By accepting a deed, lease or other conveyance, each and every person and entity that, from time to time, acquires any fee interest, leasehold interest or other estate in all or any portion of the Property shall acquire such interest or estate subject to said covenants, agreements, indemnities and other terms and provisions, and, during the term of time that he, she or it owns such interest or estate, he, she or it shall be obligated to pay and perform any and all obligations applicable to said period of time and applicable to that portion of the Property in which he, she or it holds any interest or estate, jointly and severally with any and all of the other holders of any interest or estate in all or any portion of the Property. The provisions of the preceding sentence are self-operative; however, to ensure that all successors in interest to the Property have actual notice of the existence of this Agreement, as well as record notice, the City and each and every other person and entity that, from time to time, acquires any interest or estate in all or any portion of the Properties shall recite the language set forth in paragraphs 5, 8 and this paragraph 11 (and, if an NFR Letter has not been

obtained prior to the date of conveyance, the language of paragraph 3) in any deed, lease, or other conveyance of any fee interest, leasehold interest, or other estate in all or any portion of the Property, with the covenant contained in this sentence being intended to touch and concern and be appurtenant to and run with the Property and any portion thereof.

12. This Agreement shall bind the parties and their respective successors and assigns and shall be governed and construed in accordance with the laws of the State of Illinois.

13. Any notice required or permitted to be given to either party shall be deemed to be received by such party (i) three days after deposit in the United States Registered or Certified Mail, Return Receipt Requested, or (ii) one business day after deposit with a nationally recognized overnight delivery service for next day delivery, (iii) upon personal delivery to the party to whom addressed, provided that, in any case, a receipt of such delivery is obtained addressed to the parties at the following addresses:

If the City: City of Chicago
 Commissioner of Environment
 30 N. LaSalle Street, 25th Floor
 Chicago, Illinois 60602

And City of Chicago
 Corporation Counsel
 City Hall Room 600
 121 N. LaSalle Street
 Chicago, Illinois 60602
 Att: Real Estate

If to Peoples: Steven J. Matuszak
 Director, Environmental Affairs
 The Peoples Gas Light and Coke Company
 130 East Randolph Drive, 20th Floor
 Chicago, Illinois 60601

With a copy to: Elizabeth Ritscherle

McGuire Woods LLP

77 West Wacker

Suite 4300

Chicago, IL 60601

or to the parties at such other addresses as they may designate by notice to the other party as provided in this Agreement.

14. In the event that any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, the balance of the Agreement shall remain in full force and effect to the extent that it may so be given effect.
15. Any modification of the terms of this Agreement must be in writing and signed by the parties.
16. This Agreement may be executed in any number of counterparts, and if so executed, shall be effective as against each of the respective parties when that party has executed at least one such counterpart.
17. Each party to this Agreement represents that it is has full power and authority to enter into and perform this Agreement. Each party further represents that the execution, delivery and performance of this Agreement have been authorized by all necessary corporate actions of such party (if it is a corporation) and that this Agreement constitutes the legal, valid and binding obligation of the party, is fully enforceable against it in accordance with the terms of this Agreement except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors rights generally or by general principles of equity (whether considered in a proceeding at law or in equity), will not violate any judgment, law or regulation or agreement binding on or affecting it and will not cause or constitute a default under any existing lien, charge, encumbrance or security interest upon any of its assets.
18. The City and Peoples each represent that as of the execution date of this Agreement, no approval (not already obtained) of any party or person (other than the parties to this Agreement) is necessary for that party to enter into and to carry out the terms of this Agreement (except for approvals by IEPA as described above).
19. This Agreement is entered into in compromise of disputed claims. It is fully acknowledged by both parties to this Agreement that the execution of this Agreement shall not be construed in any way as an admission of wrongdoing or liability on the part of the City or Peoples and that the City

and Peoples affirmatively deny any liability and intend merely by their actions pursuant to this Agreement to avoid litigation. This Agreement and any acts in the performance of this Agreement are not intended to be admissible, discoverable or relevant in any case or other proceeding for any purpose, except to enforce the terms of this Agreement. Furthermore, this Agreement shall be deemed to fall within the protection afforded compromises and offers to compromise under Rule 408 of the Federal Rules of Evidence and any similar state law provision.

20. Subject to the provisions of paragraph 11 regarding the recording of the Memorandum of Environmental Settlement Agreement, the City and Peoples and their respective attorneys agree that the terms of this settlement, while acknowledged to be a public matter due to the governmental nature of the City, shall not be used for publicity purposes by either party. To the extent permitted by law, and subject to the City's right to use its actual knowledge of this matter in connection with the exercise of its police powers and in the event of any other dispute or litigation with Peoples, and subject also to the acknowledged right and need of the City to disclose the terms hereof in response to inquiries that may be made regarding this matter, the parties agree that they will not publicize the terms of this Agreement. Notwithstanding the foregoing, the parties acknowledge that the terms of this Agreement will be shared with other parties under the following circumstances: (a) disclosure may be permitted in connection with any lawsuit; (b) disclosure may be permitted in connection with any proceeding before a governmental agency or any report to or audit by a governmental agency; (c) disclosure may be permitted to either party's auditors and insurers, whether or not in connection with any lawsuit or proceeding, provided that the party's auditors and insurers agree to keep this Agreement confidential; and (d) as required by the City to comply with the provisions of the Illinois Freedom of Information Act ("FOIA"), 5 ILCS §§ 140/1, et seq. Nothing in this paragraph 20, however, shall prevent either party from disclosing, publicizing or characterizing any environmental report that has been submitted to the IEPA pursuant to the SRP. Nothing in this paragraph 20 or any other provision of this Agreement shall serve or act to limit or impair in any respect, the City's rights, duties or obligations under FOIA.
21. The provisions of Paragraphs 3, 5, 8 and 11 shall survive termination of this Agreement.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS OF THIS AGREEMENT, the parties to this Agreement
have duly executed this Agreement as of September 30, 2003.

THE PEOPLES GAS LIGHT AND COKE
COMPANY

By: 
Title: SR. VICE PRESIDENT

CITY OF CHICAGO

By: _____

Title: _____

IN WITNESS OF THIS AGREEMENT, the parties to this Agreement
have duly executed this Agreement as of Sept 30, 2003.

THE PEOPLES GAS LIGHT AND COKE
COMPANY

By: _____
Title: _____

CITY OF CHICAGO

By: Mara S. Georges

Mara S. Georges

Corporation Counsel

EXHIBIT A

Legal Description of the 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: 1129 N. Elston Avenue, Chicago, Illinois

EXHIBIT C

This document prepared by and after recording
should be mailed to:

Elizabeth Ritscherle, Esq.

The Peoples Gas Light and Coke Company
130 East Randolph Drive, 23rd Floor
Chicago, Illinois 60601

This Memorandum of Environmental Settlement Agreement is entered into as of the 30th day of September, 2003, by and between THE CITY OF CHICAGO, an Illinois home rule municipal corporation, 121 N. LaSalle St., Chicago, Illinois 60602, (Grantor), and THE PEOPLES GAS LIGHT AND COKE COMPANY, 130 E. Randolph Drive, Chicago, Illinois 60601 (Grantee).

Recitals

Grantee's records indicate that the property legally described on Exhibit A attached hereto (the "Property") was formerly used for coal storage purposes associated with a former manufactured gas plant ("MGP").

Grantor indicated to Grantee that it planned to purchase the Property, provided that the Grantor and Grantee reached agreement regarding certain issues related to the environmental condition of the Property.

Grantor demanded that Grantee pay all costs and expenses incurred as a result of the need to conduct an environmental remediation of the Property. Grantee denied liability for any and all costs arising from the contamination which may exist on the Property.

Grantor and Grantee have consequently entered into that certain "Settlement Agreement" dated September 30, 2003 and "Three Way Release Agreement" dated September 30, 2003 to settle certain disputes relating to the environmental condition of the Property, while reserving all rights with respect to any other disputes associated with any portion of the Property.

The Grantor has purchased the Property and is the current fee owner of the Property.

Memorandum

PURPOSE OF MEMORANDUM. Pursuant to Section 11 of the Settlement Agreement, the parties agreed to prepare a short-form Memorandum stating the existence of the Settlement Agreement to be recorded with the Recorder of Deeds of Cook County, Illinois by Grantee at Grantee's sole cost and expense. This Memorandum is prepared for purposes of recording and in no way modifies the provisions of the Settlement Agreement. For purposes of this Memorandum, capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Settlement Agreement by and between Grantor and Grantee.

TERMS OF THE SETTLEMENT AGREEMENT. The Settlement Agreement contains provisions which address topics which include, but are not limited to the following, on the terms and conditions set forth therein: the Grantee's Contribution to facilitate the City's environmental remediation of the Property; the Grantor's responsibilities for remediation of the Property and maintenance of engineered barriers or institutional controls as may be required by the Illinois Environmental Protection Agency subsequent to receipt of an NFR Letter; the Grantor's release of Grantee and Released Parties from certain claims upon payment of the Contribution; and the parties' acknowledgment that the Settlement Agreement is entered into in compromise of disputed claims and is not to be publicized except as described in the Settlement Agreement.

SUCCESSORS IN INTEREST. The Settlement Agreement inures to the benefit of and is binding upon the successors in interest of the Grantor, its respective successors, grantees, and assigns. Pursuant to Section 11 of the Settlement Agreement, the agreements, easements, and other terms and provisions contained in the Settlement Agreement touch and concern and shall be appurtenant to and shall run with the Property and any portion thereof. By accepting a deed, lease or other conveyance, each and every person and entity that, from time to time, acquires any fee interest, leasehold interest or other estate in all or any portion of the Property shall acquire such interest or estate subject to said agreements, easements and other terms and provisions, and, during the term of time that he, she or it owns such interest or estate, he, she or it shall be obligated to pay and perform any and all obligations applicable to said period of time and applicable to that portion of the Property in which he, she or it holds any interest or estate, jointly and severally with any and all of the other holders of any interest or estate in all or any portion of the Property. The provisions of the preceding sentence are self-operative; however, to assure that all successors in interest to the Property have actual notice of the existence of the Settlement Agreement, as well as record notice, each and every other person and entity that, from time to time, acquires any interest or estate in all or any portion of the Property shall recite the language set

forth in Sections 5, 8 and 11 (and, if an NFR Letter has not been attained prior to the conveyance, the language set forth in paragraph 3) in any deed, lease, or other conveyance of any fee interest, leasehold interest, or other estate in all or any portion of the Property, with the covenant contained in this sentence being intended to touch and concern and be appurtenant to and run with the Property and any portion thereof.

INQUIRIES. Inquiries concerning the precise terms of the Settlement Agreement may be made to:

Grantor:

Grantee:

City of Chicago

The Peoples Gas Light and Coke Company

c/o Corporation Counsel

c/o General Counsel

City Hall

130 E. Randolph Dr.

121 N. LaSalle Street

Chicago, IL 60601

Chicago, IL 60602

INCORPORATION AND CONFLICTS. All of the terms and conditions of the Settlement Agreement are incorporated herein by reference as though set forth fully herein. In the event of any conflict between the terms hereof and of the Settlement Agreement, the Settlement Agreement shall prevail.

COUNTERPARTS. This instrument may be executed simultaneously or in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Memorandum of Settlement Agreement is executed as of the date first above written.

GRANTOR:

THE CITY OF CHICAGO,

an Illinois home-rule municipal corporation

By Michael P. Kelly
Its attorney

Attest:

By: _____

Its: _____

GRANTEE:

THE PEOPLES GAS LIGHT AND COKE
COMPANY,

a Illinois corporation

By 
Its Sr. Vice President

Attest:

By: 
Its: Assistant Secretary

STATE OF ILLINOIS)

)

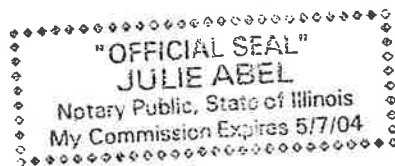
COUNTY OF COOK)

I, Julie Abel a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Michael, and P. Klesz, personally known to me to be the Attorney and for, respectively, of the CITY OF CHICAGO, an Illinois home rule municipal corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that as such Attorney, and he they signed and delivered the said instrument as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 30th day of Sept, 2003.

Julie Abel

Notary Public



Commission expires:

STATE OF ILLINOIS)

COUNTY OF COOK)

I, S. Nowaczyk, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that C.L. Thompson, and J. Nassos personally known to me to be SR. VICE PRESIDENT and ASST. SECRETARY, respectively, of THE PEOPLES GAS LIGHT AND COKE COMPANY, an Illinois corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that as such SR. VICE PRESIDENT and ASST. SECRETARY they signed and delivered the said instrument as their free and voluntary act, and as their free and voluntary act and deed of said company, for the uses and purposes therein set forth.

Given under my hand and official seal, this 30TH day of SEPTEMBER 2003.

Suzanna Nowaczyk



Notary Public

Commission expires: 2/29/2004

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

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