

TRIAD MANAGEMENT, INC.

5901 N. CICERO AVE. - #404 CHICAGO, ILLINOIS 60646
(773) 282-4849 Fax: (773) 282-0880

September 22, 2001

Mr. Jeffrey Schaffer
Special Services
Peoples Energy
130 E. Randolph Drive
Chicago, Illinois 60601

Re: 46 N. Parkside, Chicago -- Account No. 9 5000 1289 2355

Dear Mr. Schaffer:

Thank you for returning my call yesterday afternoon. I had at first called your co-worker, Ms. Johnson, to learn if we were to receive the courtesy of a reply to my letters of Sept. 7 and Aug. 28 to her (copy of each enclosed). Ms. Johnson responded that we would have to speak with you, since that file had been transferred away from her.

When you then phoned, your response to my inquiry was that "we [Peoples] are through writing letters." I said that exactly one letter was written to us by Peoples Energy—that of Ms. Johnson's of Aug. 14 (to which we had replied in detail on Aug. 28, and to which any reasonable person would expect to have an intelligent reply).

You "weren't having any of this," as the saying goes. You stated that "our time is up," and the gas will now be shut off. Thank you for a clear response. Here is mine.

We understood late last year that something was very wrong with the whole situation at Peoples Energy. We tried to bring both the billing problems and our desire for decentralization to the attention of appropriate persons at Peoples Energy. Every attempt at dialogue or discussion was initiated by us and either rebuffed or ignored by your company. Nevertheless, early in January of this year, we sent a letter to your department with a "stopgap" payment of \$5,000 as a good-faith gesture expecting a response from Peoples. We didn't receive any response.

In April, we wrote twice (copies enclosed) to your president to see if that would help. It did not, on the billing matters, until we heard from Ms. Johnson, who wrote that one letter in August. Therefore, it took eight months for us to get anything worth mentioning from your company, not including many telephone efforts in 2000. You now take it upon yourself to terminate a process that Peoples Energy made onerous and ridiculous for both sides.

If you do terminate gas service at our property, you will do our tenants and us great harm, financially and otherwise, and we will hold both Peoples Energy and you, since you take this decision upon yourself, personally responsible for the damages.

We have not refused to make payment on this account, but we are as entitled as anyone to reasonable business dealing and accountability, especially from a public utility that has a monopoly on gas distribution. I do not ever remember in 40 years of corporate experience, ever dealing with an organization, large or small, as unbusinesslike as yours and so unable or, more likely, unwilling to have a written record of the discussion.

Sincerely,



David I. Korman

Enclosures