

JONES DAY

77 WEST WACKER • CHICAGO, ILLINOIS 60601-1692
TELEPHONE: 312-782-3939 • FACSIMILE: 312-782-8585

Direct Number: (312) 269-4348
mawhitt@jonesday.com

JP104785:rlr
087865-060006

March 4, 2008

Terra Cotta Realty Co.
Chairman
3703 South Route 31
Crystal Lake, Illinois 60012

Gregory R. Andre, Esq.
Bell, Boyd & Lloyd LLC
70 W. Madison St., Suite 3100
Chicago, Illinois 60602-4207

Re: Correction/amendment of Amended and Restated Asset Purchase Agreement

Dear Gentlemen:

This letter will memorialize the agreement of Illinois-American Water Company ("IAWC") and Terra Cotta Realty Co. ("Terra Cotta") to correct the Amended and Restated Asset Purchase Agreement, dated November 4, 2005 ("Amended Agreement"). In the executed copy of the Amended Agreement, the words "plant site" were omitted from the end of Section VII.D(ii). Accordingly, IAWC and Terra Cotta, pursuant to Section XV E. of the Amended Agreement, agree to correct and amend Section VII.D(ii) of the Amended Agreement to read as follows:

(ii) A complete set of "as-built" drawings certified by a professional engineer registered in the State of Illinois, showing by measurement the locations of all components of the 1.0 mgd Plant Expansion being located completely within the plant site.

Property

COI-1394135v1

ATLANTA • BEIJING • BRUSSELS • CHICAGO • CLEVELAND • COLUMBUS • DALLAS • FRANKFURT • HONG KONG • HOUSTON
IRVINE • LONDON • LOS ANGELES • MADRID • MENLO PARK • MILAN • MOSCOW • MUNICH • NEW DELHI • NEW YORK • PARIS
PITTSBURGH • SAN DIEGO • SAN FRANCISCO • SHANGHAI • SINGAPORE • SYDNEY • TAIPEI • TOKYO • WASHINGTON

JONES DAY

Terra Cotta Realty Co.
Gregory R. Andre, Esq.
March 4, 2008
Page 2

This letter shall be incorporated and made part of the Amended Agreement as Appendix Q thereof. This letter agreement may be executed in counterparts.

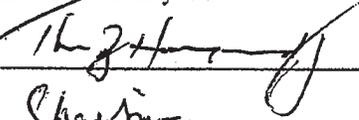
Sincerely,



Mark A. Whitt

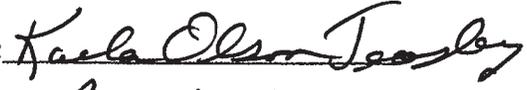
READ AND AGREED as of March 4, 2008.

Terra Cotta Realty Co.

By: 

Its: Charina

Illinois-American Water Co.

By: 

Its: President