

WATER STORAGE AND TRANSPORTATION AGREEMENT BY AND  
AMONG CITIZENS WATER RESOURCES COMPANY,  
CITIZENS UTILITIES COMPANY OF ILLINOIS  
AND THE VILLAGE OF BOLINGBROOK

COPY

This Water Storage and Transportation Agreement (this "Agreement"), dated as of April 15, 1996, is made by and among Citizens Utilities Company of Illinois ("CUCI"), an Illinois corporation and a public utility under Article 3 of "The Public Utilities Act" 220 ILCS 5/3 1-101 et seq. (1994), Citizens Water Resources Company ("CWRC"), an Illinois corporation, and the Village of Bolingbrook ("Village"), a home rule municipality of the State of Illinois.

In consideration of the recitals, covenants and agreements hereinafter set forth, the parties to this Agreement agree as follows:

ARTICLE I  
RECITALS AND DEFINITIONS

Section 1.1 Recitals. (a) The Village has entered into a contract with CWRC dated as of the date hereof (the "Village Supply Contract") for the sale and delivery of Lake Michigan Water by CWRC to the water distribution system owned and operated by the Village (the "Village System"). The Village System is generally located in the eastern and western portions of the Village, and shall include any expansion thereof by reason of the expansion of the Village's corporate boundaries.

(b) CUCI shall enter into a contract with CWRC (the "CUCI Supply Contract") for the sale and delivery of Lake Michigan Water

by CWRC to the West Suburban and Santa Fe divisions of the water distribution system owned and operated by CUCI (the "CUCI System"). The CUCI System is generally located in the central portion of the Village.

(c) The planned terminus of the pipeline to be constructed by CWRC for the delivery of Lake Michigan Water is near Joliet Road, north of Marmon Drive. The Village System is not located near that terminus of the CWRC pipeline, but it can receive Lake Michigan Water from CWRC through the CUCI System and the facilities to be constructed under this Agreement.

(d) To meet the City of Chicago water storage requirements for receipt for Lake Michigan Water, the Village and CUCI must provide certain minimum levels of storage capacity. In the Supply Contracts with the Village and CUCI, CWRC has agreed to provide each customer with 1.0 MGD capacity in the storage facilities to be constructed by CWRC as part of its pipeline project. It is in the best interests of CUCI and the Village to provide joint facilities for additional storage capacity for the Village System and the CUCI System.

(e) It is also in the best interests of CUCI and the Village to provide joint facilities for the booster station necessary to pump Lake Michigan Water to their respective Systems.

(f) The cost of providing Lake Michigan Water to users of the Village System and the CUCI System will be reduced by the provision of joint storage and booster station facilities and the use of the CUCI System to transport Lake Michigan Water to the Village System.

(g) It is in the best interests of the parties to enter into this Agreement whereby the Village will interconnect its Village System with the CUCI System at multiple locations, CUCI will transport through the CUCI System Lake Michigan Water purchased by the Village from CWRC, CUCI will construct, operate and maintain certain improvements for the joint benefit of CUCI and the Village, and the Village will pay CUCI for transportation, storage and other services provided by CUCI.

Section 1.2 Definitions.

(a) "Meters" means those measurement devices described in Exhibit 2 of the respective Village and CUCI Supply Contracts.

(b) "Lake Michigan Water" means potable water drawn from Lake Michigan by the City of Chicago.

(c) "CUCI Point of Delivery" means the physical location at which CWRC delivers Lake Michigan Water to CUCI.

(d) "Village's Points of Delivery" means the physical locations at which CWRC delivers Lake Michigan Water to the Village.

(e) "Service Commencement Date" means the date on which CWRC is prepared to deliver Lake Michigan Water to CUCI and the Village under the terms of their respective Supply Contracts.

(f) "Water Allocation" means the volume of Lake Michigan Water which the Village is authorized to withdraw from Lake Michigan for the relevant period pursuant to the terms of the Level of Lake Michigan Act, 615 ILCS 50/1 et seq., as amended, or other successor legislation which governs allocation of Lake Michigan

Water in the county or counties in which the Village provides a water supply. Exhibit 1 identifies the Water Allocation applicable to the Village upon execution of this Agreement.

(g) "Water Requirements" means the entire quantity of water needed from time to time by the Village to meet the demand of the persons purchasing water from the Village System for their use and consumption and not for resale or redelivery.

ARTICLE II  
TRANSPORTATION OF LAKE MICHIGAN WATER

Section 2.1. Water Volume & Quality.

(a) Beginning on the Service Commencement Date and continuing for the term of this Agreement, CUCI shall transport through the CUCI System Lake Michigan Water purchased by the Village from CWRC under the Village Supply Contract at a rate of flow not to exceed at any time 1.7 times the Village's Water Allocation (expressed in a million gallons per day rate) adjusted to that time.

(b) CUCI shall transport Lake Michigan Water through the CUCI System that meets a quality commensurate with Lake Michigan Water furnished by the City of Chicago to its customers. However, CUCI shall bear no responsibility for water quality beyond the Village's Points of Delivery.

Section 2.2 Increase in Water Allocation.

(a) In the event the Village intends to seek a change in its Water Allocation, the Village shall provide CUCI with twelve (12) months written notice of the proposed change. If the Village has requested an increase in the Water Allocation, within three (3)

months after CUCI's receipt of notice of the proposed increase, CUCI shall provide the Village with (i) a written offer to transport Lake Michigan Water up to the requested increased Water Allocation under the terms and conditions of this Agreement, or (ii) a preliminary estimate of the cost of improvements to the CUCI System necessary to transport Lake Michigan Water up to the requested increased Water Allocation. If CUCI provides the Village with the offer described in clause (i), upon issuance of a final and non-appealable Water Allocation order amending the Village Water Allocation, the Village shall be deemed to have accepted that offer, and the Village's Water Allocation shall thereupon be deemed that amended amount. The parties shall immediately thereafter prepare an amendment to Exhibit 1 to this Agreement to reflect that amended Water Allocation. If CUCI provides the Village with the estimate described in clause (ii), the parties shall negotiate in good faith regarding allocation of the cost of the improvements. If the parties reach an agreement on the allocation of the cost of the improvements, the parties shall execute an amendment to this Agreement documenting the agreement. If the parties are unable to agree on the allocation of the cost of the improvements, the Village shall either (i) withdraw its request for an increase in the amount of Lake Michigan Water to be transported by CUCI, or (ii) pay the amount estimated by CUCI, but do so under protest. In the event the Village elects to withdraw its request, CUCI shall be under no obligation to transport the requested increase in Lake Michigan Water, but this Agreement shall otherwise remain in full

force and effect. However, if the Village elects to pay the estimated amount under protest, it shall immediately thereafter seek arbitration with respect to the allocation of the cost of the improvements pursuant to Article IX. If the arbitrators determine that CUCI's estimate of the allocation of the cost of the improvements is excessive, CUCI shall promptly refund any such excess allocation to the Village.

(b) CUCI's obligation to transport an increased volume of Lake Michigan Water under this Section is contingent upon CWRC increasing its delivery of Lake Michigan Water to CUCI for transmission to the Village under Section 4.1(b) of the Village Supply Contract.

Section 2.3 Curtailment.

(a) If at any time it becomes necessary for CWRC to terminate or reduce its delivery of Lake Michigan Water under Section 4.3 of the CUCI Supply Contract or the Village Supply Contract, then the Village and CUCI together shall take all reasonable and appropriate actions to provide that any Lake Michigan Water which is delivered by CWRC is shared by the Village and CUCI on a pro rata basis in accordance with their respective Water Allocations. If it becomes necessary for CWRC to terminate or reduce its delivery of Lake Michigan Water to either the CUCI System or the Village System, but not both, under the provisions of Section 4.3 of either Supply Contract, then the party being curtailed shall take all reasonable and appropriate actions, including the imposition of water use limitations on its customers, to restrict the use of Lake Michigan

Water so that the full amount of Lake Michigan Water to which the non-curtailed System is entitled at that time is delivered during the period of curtailment.

(b) In order to perform planned maintenance or repair of the CUCI System, CUCI may terminate or reduce its transportation of Lake Michigan Water to the Village, provided that it shall give 48 hours notice to the Village of such termination or reduction. CUCI may terminate or reduce the flow of Lake Michigan Water without advance notice if there is an emergency, malfunction or failure of the CUCI System or if there has been a termination or reduction in its supply of Lake Michigan Water. If there is an emergency, malfunction or failure of the CUCI System or a termination or reduction in CUCI's supply of Lake Michigan Water, CUCI and the Village shall take all reasonable and appropriate actions to provide that any Lake Michigan Water which is delivered to CUCI is prorated between CUCI and the Village on the basis of their respective Water Allocations. The Village may, during the duration of the emergency, failure, malfunction, termination or reduction, purchase or take Lake Michigan Water from other sources or use well water to meet its Water Requirements.

(c) Neither CWRC nor CUCI shall be liable to the Village or the users of the Village's System for any costs, expenses, claims, liabilities or damages, including consequential damages, in the event of an emergency, malfunction or failure of the CUCI System or CWRC's water transmission system, or a termination of or reduction in the transportation of Lake Michigan Water to the Village.

ARTICLE III  
CONSTRUCTION OBLIGATIONS

Section 3.1. CWRC. CWRC shall construct the metering stations required under the CUCI Supply Contract and the Village Supply Contract at the respective Points of Delivery, and shall operate and maintain those facilities during the term of those contracts.

Section 3.2 CUCI

(a) CUCI shall design, construct, operate and maintain a 5 million gallon water storage reservoir at the location shown on Exhibit 2. CUCI shall provide 2 million gallons of that reservoir for the exclusive benefit of the Village, and CWRC shall credit that amount against the Village's storage obligation under the provisions of Section 5.3 of the Village Supply Contract. The Village and CUCI shall both be permitted to place their corporate name and logo on the preceding storage reservoir, provided that the design and placement of either such name and logo is approved by both parties. Said reservoir shall be constructed by CUCI on or before the Service Commencement Date (as such term is defined in the Village Supply Contract).

(b) CUCI shall, at the location shown on Exhibit 2, design, construct, operate and maintain a booster station of sufficient capacity to deliver Lake Michigan Water to the Village at the Village's Points of Delivery. For the Village's east side system, the Village Point of Delivery shall be along the Frontage Road north of I-55, east of Briarcliff Road, with a minimum sustained

pressure of 60 psi and a normal pressure of 80 psi. For the Village's west side system, a Village Point of Delivery shall be at Lily Cache, west of Thistle, with a minimum sustained pressure of 40 psi and a normal pressure of 70 psi. An additional west side Village Point of Delivery shall be at Naperville and Boughton Roads, with a minimum sustained pressure of 40 psi and a normal pressure of 70 psi. Said booster station shall be constructed by CUCI on or before the Service Commencement Date (as such term is defined in the Village Supply Contract).

(c) CUCI shall design, construct, operate and maintain as part of the CUCI System those 12", 16" and 24" water mains shown on Exhibit 2 to this Agreement. The Village shall make public rights-of-way and appropriate permits available at no cost to CUCI for the location of those water mains. Said mains shall be constructed by CUCI on or before the Service Commencement Date (as such term is defined in the Village Supply Contract).

(d) CUCI shall begin the design of the facilities described in sections (a) - (c) above immediately after it receives notice that CWRC has satisfied the contingencies in Section 2.2 of the CUCI Supply Contract. CUCI shall complete construction of those facilities on or before the completion of the construction of the pipeline to the CUCI Point of Delivery by CWRC.

(e) CWRC covenants and agrees that the "Take-or-Pay Charge" identified in Section 7.7 of the Village Supply Contract shall not be due and payable by the Village until CUCI completes its obligation to design and construct the storage reservoir, the

booster station and the additional water mains, all as described in the preceding Sections 3.2(a), (b) and (c).

(f) In proceedings before the Illinois Commerce Commission, CUCI shall include in its rate base only the portion of the cost of the storage reservoir, the booster station or the additional water mains which benefits CUCI's customers, and CUCI shall exclude the portion of the cost of the aforesaid improvements which benefits the Village's customers.

#### ARTICLE IV MEASUREMENT

Section 4.1. In performing its obligations under Article VI of the CUCI Supply Contract and of the Village Supply Contract, CWRC shall read the Meters at the Village's Points of Delivery ("Village System Meters") and the Meters at the CUCI Point of Delivery ("CUCI System Meters") as close to simultaneously as reasonably possible. CWRC shall promptly provide CUCI and the Village with copies of the measurements taken at both the Village System Meters and the CUCI System Meters. The Village may inspect, check and read the Meters at both the CUCI and Village Points of Delivery with CWRC.

#### ARTICLE V CHARGES AND BILLING

Section 5.1 The Village shall make all required payments to CWRC in accordance with the terms of the Village Supply Contract. To the extent that those payments are based on the amount of Lake Michigan Water delivered to the Village System, the payments to

CWRC shall be based on measurements taken by CWRC of the Village System Meters.

Section 5.2 CUCI shall make all required payments to CWRC in accordance with the terms of the CUCI Supply Contract. To the extent that those payments are based on the amount of Lake Michigan Water delivered to the CUCI System, the CUCI payments shall be based on the difference between the measurements taken by CWRC of the CUCI System Meters and the measurements taken by CWRC of the Village System Meters. If for any billing period the measurement of the amount of Lake Michigan Water delivered through the Village System Meters to the Village System exceeds the measurement of the amount of Lake Michigan Water delivered through the CUCI System Meters, the difference between such readings shall be deemed to be zero.

Section 5.3

(a) As compensation for the construction of the storage, pumping and transmission facilities described in Section 3.2, the Village shall pay CUCI \$0.54 per 1000 gallons of Lake Michigan Water transported by CUCI to the Village; provided, however, such charge shall terminate, and shall no longer be due and payable, from and after May 1, 2037. When billing the Village monthly under Section 8.1 of the Village Supply Contract, CWRC shall provide the Village with a separate bill on behalf of CUCI for the amount owing CUCI under this paragraph based upon CWRC readings of the Village System Meters. CWRC shall provide CUCI with a copy of that bill.

The Village shall pay CUCI the amount billed no later than the 15th day of that month.

(b) As compensation for the operation and maintenance of the storage and pumping facilities described in Section 3.2, the Village shall pay CUCI a portion of the operation and maintenance costs directly attributable to the storage reservoir and booster station determined as follows:

(1) Simultaneously with the monthly payments required under Section 5.3(a) (or as to any renewal term, on or before the fifteenth (15th) day of each calendar month), the Village shall pay 1/12 of its share of the operation and maintenance costs directly attributable to the storage reservoir and the booster station estimated as described in the following paragraph.

(2) In the first year of this Agreement, the parties shall agree on an estimate of direct operation and maintenance costs and water volumes for the purpose of determining the monthly payments to be made during that year. For every year thereafter, the monthly payments to be made by the Village for such operation and maintenance costs shall be estimated on the basis of the actual operation and maintenance costs incurred in the prior year.

(3) No later than April 1 of each year, CUCI shall provide the Village with a statement indicating (i) the operation and maintenance costs paid by CUCI during the previous calendar year that are directly attributable to the

storage reservoir and the booster station, (ii) the volume of Lake Michigan Water delivered to the CUCI System and the Village System during that year, and (iii) the amount paid by the Village during that year on account of its share of the operation and maintenance costs under the preceding paragraph. Within 15 days thereafter, the appropriate party shall make the necessary "true-up" payment to the other party so that the Village's share of the direct operation and maintenance costs during the previous calendar year is equal to the product of (i) the ratio of the volume of Lake Michigan Water delivered to the Village System to the total volume of Lake Michigan Water delivered to the Village System and the CUCI System during the previous calendar year, multiplied by (ii) the operation and maintenance costs paid by CUCI during such previous calendar year.

#### ARTICLE VI INDEMNIFICATION

##### Section 6.1

(a) To the fullest extent permitted by law, Village shall defend, indemnify, save and hold harmless CUCI and CWRC, their respective officers, directors, shareholders, employees, agents and contractors, from and against all suits, liabilities, damages, losses, claims, demands and actions of any nature whatsoever, including all court costs and reasonable attorneys' fees, which arise out of, or result from, any act or omission of the Village under this Agreement.

(b) To the fullest extent permitted by law, CUCI shall defend, indemnify, save and hold harmless the Village, and its officers, directors, trustees, employees, agents and contractors, from and against all suits, liabilities, damages, losses, claims, demands and actions of any nature whatsoever, including all court costs and reasonable attorneys' fees, which arise out of, or result from, any act or omission of CUCI under this Agreement.

(c) To the fullest extent permitted by law, CWRC shall defend, indemnify, save and hold harmless the Village, and its officers, directors, trustees, employees, agents and contractors, from and against all suits, liabilities, damages, losses, claims, demands and actions of any nature whatsoever, including all court costs and reasonable attorneys' fees, which arise out of, or result from, any act or omission of CWRC under this Agreement.

#### ARTICLE VII ICC APPROVAL

Section 7.1 This Agreement is subject to the approval of the Illinois Commerce Commission. The Village shall cooperate with CUCI in support of CUCI's application for approval. If the Illinois Commerce Commission approves some, but not all, of the provisions of this Agreement, then the parties to this Agreement may, each in the exercise of its own discretion, agree by written amendment to revise the provisions of this Agreement to a form satisfactory to the Illinois Commerce Commission. In the event of such an agreed revision, this Agreement shall take effect as revised. Nothing in this Agreement shall be construed to require

any party to agree to any revision to this Agreement as a result of any action by the Illinois Commerce Commission.

ARTICLE VIII  
TERM

Section 8.1 This Agreement shall take effect upon its execution and shall have a term which is coterminous with the Village Supply Contract, as such supply contract may be terminated or extended. CUCI's obligation to transport Lake Michigan Water to the Village under this Agreement is contingent on its receipt of Lake Michigan Water from CWRC under the CUCI Supply Contract.

Section 8.2 Continued Study Period and Right of Termination. Notwithstanding anything to the contrary set forth in this Agreement, CUCI, CWRC and the Village covenant and agree that each party shall have the right to continue to review and study this Agreement until May 13, 1996. If, during this period, any party determines, in its sole judgment and discretion, that it is not in its best interests to be bound by the terms and conditions of this Agreement, it shall so notify the other parties on or before May 13, 1996 of its intent to terminate this Agreement. This Agreement shall thereupon terminate and be of no further force or effect, and all parties shall thereupon be released from any rights, duties or obligations under this Agreement. In the absence of any such notice on or before May 13, 1996, this Agreement shall thereafter remain in full force and effect.

ARTICLE IX  
ARBITRATION

Section 9.1 Arbitration. All disputes and other controversies between CUCI, CWRC and the Village arising under this Agreement shall be submitted for final determination or settlement under the provisions of the Uniform Arbitration Act, 710 ILCS 5/1, as amended from time to time. The Arbitration Board shall consist of three persons with experience in the matter to be arbitrated, one chosen jointly by CUCI and CWRC, one chosen by the Village, and the third, who shall serve as chairman, appointed by the two thus named. If the two thus named cannot agree upon the third within ten days after their appointment, they shall be dismissed and two other persons shall be appointed as described above. This procedure shall continue until a full board results. The Arbitration Board shall be entitled to reasonable compensation and to reimbursement for reasonable expenses, which amounts shall be shared equally by CUCI, CWRC and the Village.

ARTICLE X  
MISCELLANEOUS

Section 10.1 Governing Law. This Agreement shall be construed exclusively under the laws of the State of Illinois.

Section 10.2 Amendment. This Agreement shall not be modified or amended in any way except in writing approved by the parties hereto.

Section 10.3 Notices. All notices or communications provided for herein shall be in writing and shall be delivered in person or by registered United States mail, return receipt requested, postage

prepaid, addressed as follows or to other addresses specified by written notice:

To CUCI:

Citizens Utilities Company of Illinois  
1000 Internationale Parkway  
Woodridge, Illinois 60517-4924  
Attn: General Manager

To Village:

Village of Bolingbrook, Illinois  
357 West Briarcliff Road  
Bolingbrook, Illinois 60440  
Attn: Village Manager

To CWRC

Citizens Water Resources Company  
1000 Internationale Parkway  
Woodridge, Illinois 60517-4924  
Attn: General Manager

With a copy to:

Citizens Water Resources Company  
3 High Ridge Road  
Stamford, Connecticut 06905

All notices shall be deemed received on the date of delivery, if delivered in person, or if mailed, on the date which is two business days after the date the notice is deposited in the U.S. mail.

Section 10.4 Severability. The invalidity or unenforceability of any provision of this Agreement shall not impair or affect in any manner the validity or enforceability of the remainder of the Agreement.

Section 10.5 Entire Agreement. The terms and conditions of this Agreement, the Village Supply Contract and the CUCI Supply

Contract constitute the entire agreement among the parties with respect to the subject matter thereof and supersede all prior understandings, commitments and agreements, whether written or oral.

Section 10.6 Binding Nature. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

Section 10.7 Assignability. No party shall assign or transfer this Agreement or any rights or interests therein without the prior written consent of the other parties; provided that CUCI and CWRC may each assign this Agreement to any wholly-owned subsidiary, or any parent or affiliate, of either CUCI or CWRC, or for collateral purposes.

Section 10.8 Conflict. In the event of any conflict or inconsistency between this Agreement and the Village Supply Contract, or between this Agreement and the CUCI Supply Contract, the terms and provisions of this Agreement shall govern and control.

Section 10.9 Incorporation by Reference. All exhibits attached hereto are hereby incorporated into this Agreement by this reference and expressly made a part of this Agreement.

Section 10.10 Authority to Execute. Each party represents and warrants to the others that this Agreement has been duly authorized, executed and delivered by and on behalf of each such party, and constitutes the valid and binding agreement of said parties.

IN WITNESS WHEREOF, CUCI, the Village, and CWRC have caused this Agreement to be signed and attested to by their duly authorized officers, and their seals affixed hereto, all as of the date first hereinabove set forth.

Citizens Utilities Company of  
Illinois

By: X *Ronald G. Walker*  
Title: Vice President

WITNESS: *Lisa Lombardo*

X  
Title \_\_\_\_\_

Village of Bolingbrook, Illinois  
By: *[Signature]*  
Title: \_\_\_\_\_

WITNESS: *Cecile S. Penning*  
*Village Clerk*  
Title

Citizens Water Resources Company

By: X *Ronald G. Walker*  
Title: Vice President

WITNESS: *Lisa Lombardo*

X  
Title \_\_\_\_\_

Village Water Allocation

<u>Annual Accounting Period*/</u>	<u>Water Allocation</u>
1997	2.053 MGD**/
1998	2.129
1999	2.215
2000	2.311
2001	2.420
2002	2.542
2003	2.680
2004	2.836
2005	3.011
2006	3.209
2007	3.432
2008	3.683
2009	3.967
2010	4.288
2011	4.477
2012	4.679
2013	4.764
2014	4.764
2015	4.764
2016	4.764
2017	4.764
2018	4.764
2019	4.764
2020	4.764 MGD
2021-2037***/	(See Comment Below)

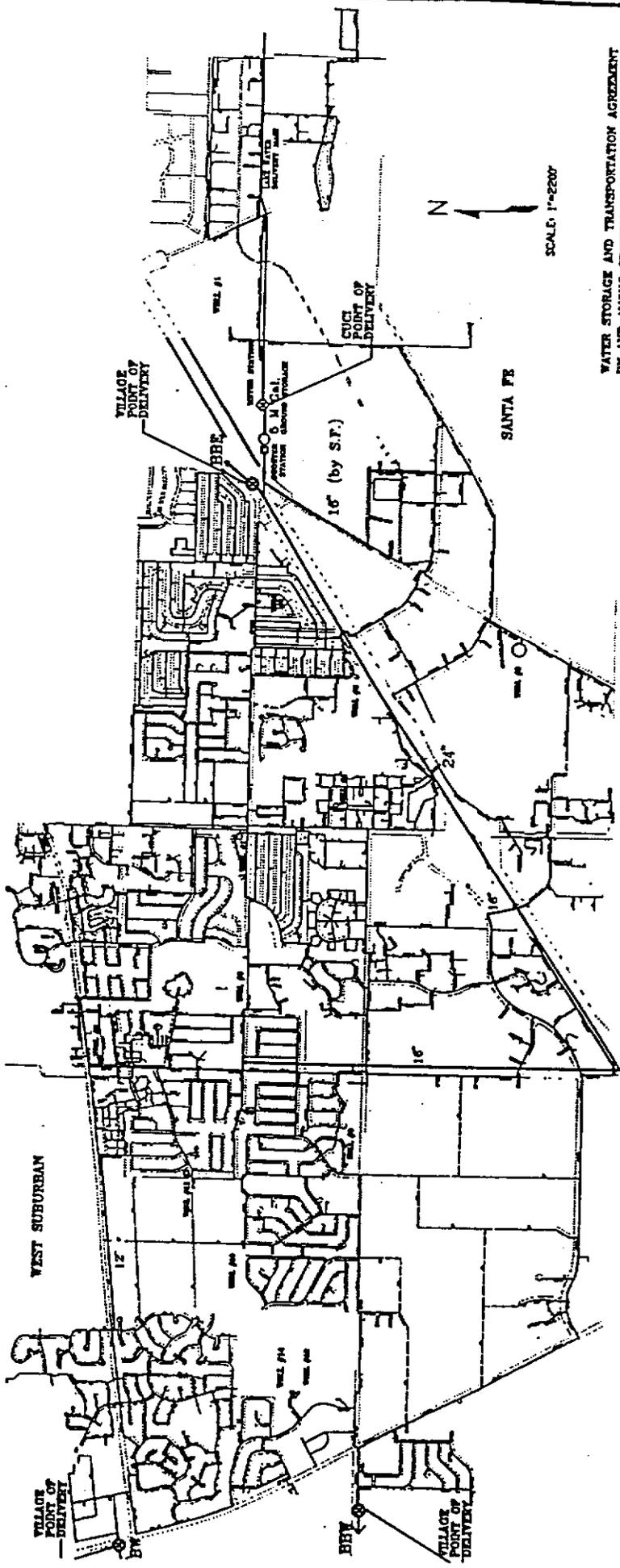
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\*/ (as such term is defined in the Village Supply Contract)

\*\*/ MGD = million gallons per day

\*\*\*/ Any Water Allocation during this period which is greater than 4.764 MGD shall be deemed as a requested increase in the Village's Water Allocation as contemplated by the terms and provisions of Section 2.2(a), and shall not be effective unless CUCI and the Village mutually agree as to such increase in accordance with the procedure set forth in said Section 2.2(a). In the event the parties fail to agree upon any such increased amount, this Agreement shall nevertheless remain in full force and effect and the Water Allocation for the period in question shall be deemed 4.764 MGD.

Location of the Storage Reservoir, the  
Booster Station, and the Additional Water Mains



WATER STORAGE AND TRANSPORTATION AGREEMENT  
 BY AND AMONG CITIZENS WATER RESOURCES  
 COMPANY AND CITIZENS UTILITIES COMPANY OF  
 ILLINOIS AND THE VILLAGE OF BOLINGBROOK

SCALE: 1"=2200'

PROPOSED WATER SYSTEM IMPROVEMENTS  
 EXHIBIT 2

- EXISTING MAINS
- FUTURE MAINS
- LAKE WATER DELIVERY FACILITIES BY CTRC
- CUCI IMPROVEMENTS
- Future CUCI Improvements
- ⊙ CTRC METER STATION
- BOLINGBROOK IMPROVEMENTS

DATE: 02/21/98  
 DRAWN BY: D.J.P.

STAVES

ADDENDUM TO  
WATER STORAGE AND TRANSPORTATION AGREEMENT BY AND  
AMONG CITIZENS WATER RESOURCES COMPANY,  
CITIZENS UTILITIES COMPANY OF ILLINOIS  
AND THE VILLAGE OF BOLINGBROOK

THIS ADDENDUM, executed this 8th day of October, 1996, by and among the VILLAGE OF BOLINGBROOK, CITIZENS UTILITIES COMPANY OF ILLINOIS, and CITIZENS WATER RESOURCES COMPANY, contemporaneously amends and, as amended, ratifies the WATER STORAGE AND TRANSPORTATION AGREEMENT BY AND AMONG CITIZENS WATER RESOURCES COMPANY, CITIZENS UTILITIES COMPANY OF ILLINOIS AND THE VILLAGE OF BOLINGBROOK ("WATER STORAGE AND TRANSPORTATION AGREEMENT"), is executed in conjunction therewith, and is an integral part thereof.

1. Notwithstanding anything to the contrary in the WATER STORAGE AND TRANSPORTATION AGREEMENT, or any other agreement between the parties, in the event that Bolingbrook and Citizens Utilities Company of Illinois do not, for whatever reason (excluding only the failure to close on the Asset Exchange Agreement due to any wilful act, omission or default by Bolingbrook), close on the Asset Exchange Agreement, executed contemporaneously herewith, then this WATER STORAGE AND TRANSPORTATION AGREEMENT shall immediately, and without further action on the part of any of the parties, be rendered null, void and of no further force and effect.

2. To the extent that this Addendum may conflict with the terms of the WATER STORAGE AND TRANSPORTATION AGREEMENT, this Addendum shall control over any such conflicting terms.

3. Section 8.2 of Article VIII of the WATER TRANSPORTATION AND STORAGE AGREEMENT is hereby deleted.

4. There are no understandings between the parties hereto as to the subject matter of this Addendum and the WATER STORAGE AND TRANSPORTATION AGREEMENT other than as set forth herein and in the WATER STORAGE AND TRANSPORTATION AGREEMENT. Except for the WATER STORAGE AND TRANSPORTATION AGREEMENT, all previous communications between the parties hereto concerning the subject matter of this Addendum and WATER STORAGE AND TRANSPORTATION AGREEMENT, whether written or oral, are hereby abrogated and withdrawn, and this Addendum and the WATER STORAGE AND TRANSPORTATION AGREEMENT constitute the entire agreement and understanding between the parties relative to the subject matter thereof.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed this 8th day of October, 1996.

CITIZENS UTILITIES COMPANY OF ILLINOIS

*Ronald H. ...*  
Vice President

WITNESS:

*Ch, W*

VILLAGE OF BOLINGBROOK

*Paul ...*  
Mayor

ATTEST:

*Carol S. ...*  
Village Clerk

CITIZENS WATER RESOURCES COMPANY

*Ronald H. ...*  
Vice President

ATTEST:

*Ch, W*

41444.1\REV9/17/96

SECOND AMENDMENT TO WHEELING CONTRACT

THIS SECOND AMENDMENT (this "Second Amendment") TO THE WATER STORAGE AND TRANSPORTATION AGREEMENT BY AND AMONG CITIZENS WATER RESOURCES COMPANY, CITIZENS UTILITIES COMPANY OF ILLINOIS AND THE VILLAGE OF BOLINGBROOK (the "Wheeling Contract") is made and entered into this 16th day of MAY, 1996, by and among the VILLAGE OF BOLINGBROOK, Will and DuPage Counties, Illinois ("Bolingbrook"), CITIZENS UTILITIES COMPANY OF ILLINOIS ("CUCI"), and CITIZENS WATER RESOURCES COMPANY ("CWRC").

W I T N E S S E T H:

WHEREAS, Bolingbrook, CUCI and CWRC have previously entered into the Wheeling Contract and have executed an amendment thereto (the "First Amendment"); and

WHEREAS, the parties believe that it is in their mutual best interests to extend the Continued Study Period and Right of Termination contained within the Wheeling Contract;

NOW, THEREFORE, in consideration of the foregoing and the mutual recitals, promises, and covenants herein contained, it is agreed by and between the parties as follows:

1. Section 8.2 of the Wheeling Contract is hereby amended to read as follows:

Section 8.2 Continued Study Period and Right of Termination. Notwithstanding anything to the contrary set forth in this Agreement, CUCI, CWRC and the Village covenant and agree that each party shall have the right to continue to review and study this Agreement until June 14, 1996. If during this period, any party determines, in its sole judgment, and discretion, that it is not in its best interests to be bound by the terms and conditions of this Agreement, it shall so notify the other parties on or before June 14, 1996 of its intent to terminate this Agreement. This Agreement shall thereupon terminate and be of no further force or effect, and all parties shall thereupon be released from

any rights, duties or obligations under this Agreement. In the absence of any such notice on or before June 14, 1996, this Agreement shall thereafter remain in full force and effect.

2. The remaining provisions of the Wheeling Contract, not hereinabove expressly amended, shall remain in full force and effect.

3. The First Amendment to the Wheeling Contract is hereby canceled by mutual agreement.

IN WITNESS WHEREOF, the parties hereto have each caused these presents to be executed by their duly authorized officers as of the date first above written.

VILLAGE OF BOLLINGBROOK  
By: [Signature]  
Mayor

ATTEST:  
[Signature]  
Village Clerk

CITIZENS UTILITIES COMPANY OF ILLINOIS  
By: [Signature]

WITNESS:  
[Signature]

CITIZENS WATER RESOURCES COMPANY  
By: [Signature]

WITNESS:  
[Signature]

23944.1/3/23/96

<sup>Th. 20</sup>  
SECOND AMENDMENT TO WHEELING CONTRACT

<sup>Th. 20</sup>

THIS SECOND AMENDMENT (this "Second Amendment") TO THE WATER STORAGE AND TRANSPORTATION AGREEMENT BY AND AMONG CITIZENS WATER RESOURCES COMPANY, CITIZENS UTILITIES COMPANY OF ILLINOIS AND THE VILLAGE OF BOLINGBROOK (the "Wheeling Contract") is made and entered into this <sup>11th</sup> day of <sup>June</sup> May, 1996, by and among the VILLAGE OF BOLINGBROOK, Will and DuPage Counties, Illinois ("Bolingbrook"), and CITIZENS UTILITIES COMPANY OF ILLINOIS ("CUCI"), and CITIZENS WATER RESOURCES COMPANY ("CWRC").

W I T N E S S E T H:

WHEREAS, Bolingbrook, and CUCI and CWRC have previously entered into the Wheeling Contract and have executed an amendment thereto (the "First Amendment"); and

WHEREAS, the parties believe that it is in their mutual best interests to extend the Continued Study Period and Right of Termination contained within the Wheeling Contract;

NOW, THEREFORE, in consideration of the foregoing and the mutual recitals, promises, and covenants herein contained, it is agreed by and between the parties as follows:

1. Section 8.2 of the Wheeling Contract is hereby amended to read as follows:

Section 8.2 Continued Study Period and Right of Termination. Notwithstanding anything to the contrary set forth in this Agreement, CUCI, CWRC and the Village covenant and agree that each party shall have the right to continue to review and study this Agreement until June 26, 1996. If during this period, any party determines, in its sole judgment, and discretion, that it is not in its best interests to be bound by the terms and conditions of this Agreement, it shall so notify the other parties on or before June 26, 1996 of its intent to terminate this Agreement. This Agreement shall thereupon terminate and be of no further force or effect, and all parties shall thereupon be released from any rights, duties or obligations under this Agreement. In the absence of any such notice on or before

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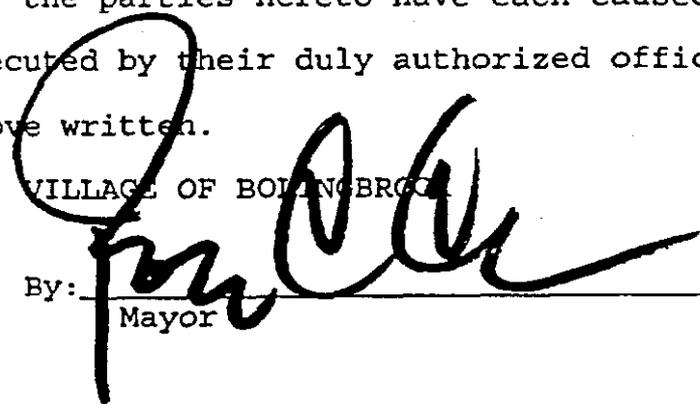
June 26, 1996, this Agreement shall thereafter remain in full force and effect.

2. The remaining provisions of the Wheeling Contract, not hereinabove expressly amended, shall remain in full force and effect.

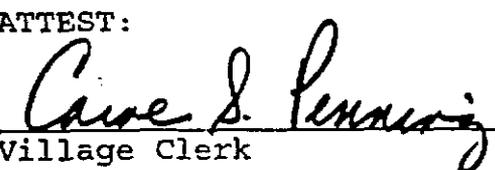
3. The First Amendment to the Wheeling Contract is hereby canceled by mutual agreement.

IN WITNESS WHEREOF, the parties hereto have each caused these presents to be executed by their duly authorized officers as of the date first above written.

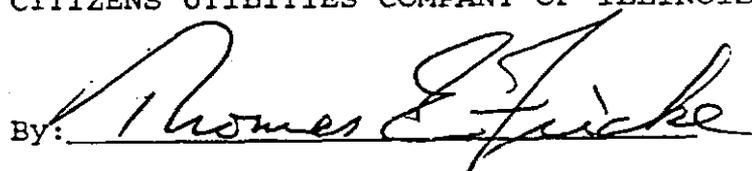
VILLAGE OF BOILING BROOK

By:   
Mayor

ATTEST:

  
Village Clerk

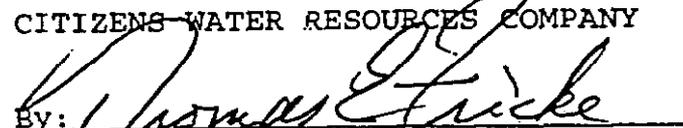
CITIZENS UTILITIES COMPANY OF ILLINOIS

By: 

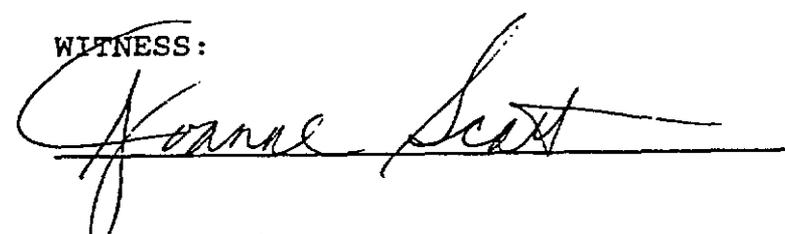
WITNESS:



CITIZENS WATER RESOURCES COMPANY

By: 

WITNESS:



FOURTH AMENDMENT TO WHEELING CONTRACT

THIS FOURTH AMENDMENT (this "Fourth Amendment") TO THE WATER STORAGE AND TRANSPORTATION AGREEMENT BY AND AMONG CITIZENS WATER RESOURCES COMPANY, CITIZENS UTILITIES COMPANY OF ILLINOIS AND THE VILLAGE OF BOLINGBROOK (the "Wheeling Contract") is made and entered into this 21<sup>st</sup> day of JUNE, 1996, by and among the VILLAGE OF BOLINGBROOK, Will and DuPage Counties, Illinois ("Bolingbrook"), CITIZENS UTILITIES COMPANY OF ILLINOIS ("CUCI"), and CITIZENS WATER RESOURCES COMPANY ("CWRC").

W I T N E S S E T H:

WHEREAS, Bolingbrook, CUCI and CWRC have previously entered into the Wheeling Contract and have executed amendments thereto (the "First Amendment", "Second Amendment" and "Third Amendment"); and

WHEREAS, the parties believe that it is in their mutual best interests to extend the Continued Study Period and Right of Termination contained within the Wheeling Contract;

NOW, THEREFORE, in consideration of the foregoing and the mutual recitals, promises, and covenants herein contained, it is agreed by and between the parties as follows:

1. Section 8.2 of the Wheeling Contract is hereby amended to read as follows:

Section 8.2 Continued Study Period and Right of Termination. Notwithstanding anything to the contrary set forth in this Agreement, CUCI, CWRC and the Village covenant and agree that each party shall have the right to continue to review and study this Agreement until July 12, 1996. If during this period, any party determines, in its sole judgment, and discretion, that it is not in its best interests to be bound by the terms and conditions of this Agreement, it shall so notify the other parties on or before July 12, 1996 of its intent to terminate this Agreement. This

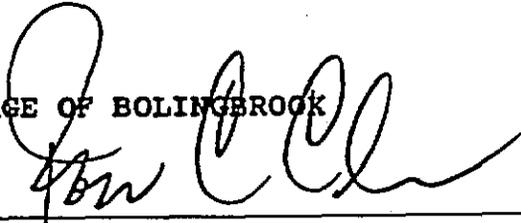
Agreement shall thereupon terminate and be of no further force or effect, and all parties shall thereupon be released from any rights, duties or obligations under this Agreement. In the absence of any such notice on or before July 12, 1996, this Agreement shall thereafter remain in full force and effect.

2. The remaining provisions of the Wheeling Contract, not hereinabove expressly amended, shall remain in full force and effect.

3. The First Amendment, Second Amendment, and Third Amendment to the Wheeling Contract are hereby canceled by mutual agreement.

IN WITNESS WHEREOF, the parties hereto have each caused these presents to be executed by their duly authorized officers as of the date first above written.

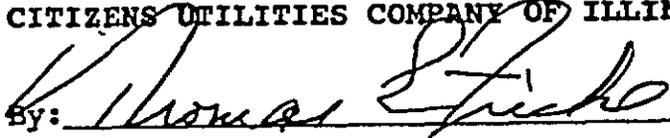
VILLAGE OF BOLINGBROOK

By:   
Mayor

ATTEST:

  
Village Clerk

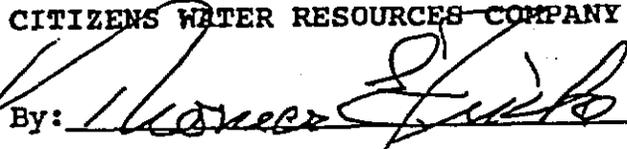
CITIZENS UTILITIES COMPANY OF ILLINOIS

By: 

WITNESS:



CITIZENS WATER RESOURCES COMPANY

By: 

WITNESS:

