

**PROMISSORY NOTE
(SERIES 2008)**

\$970,000

Dated as of September 26, 2008

FOR VALUE RECEIVED, the undersigned **THE RAYTOWN WATER COMPANY** (the "Company"), promises to pay to the order of the **STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY** (the "Authority"), at its office in Jefferson City, Missouri, or such other place as the owner hereof may designate in writing, the sum of **NINE HUNDRED SEVENTY THOUSAND DOLLARS (\$970,000)**, with interest thereon from the date of delivery hereof at the rates per annum on the outstanding principal balance hereon from time to time as provided in the below defined Indenture. Terms not otherwise defined in this Note have the respective meanings as set forth in the Indenture.

The principal and interest on this Note shall be payable in installments at the times and in the amounts determined as provided in the Loan Agreement dated as of July 1, 1999, as amended by the First Supplemental Loan Agreement dated as of September 1, 2008 (as amended and supplemented in accordance with its terms, the "Loan Agreement"), between the Company and the Authority (the "Loan Agreement"), with the final payment of all outstanding principal and interest on this Note to be paid on December 1, 2014. Both principal and interest under this Note shall be payable at the principal corporate trust office of UMB BANK, N.A., Kansas City, Missouri (the "Trustee"). This Note is subject to mandatory and optional prepayment as provided in the Loan Agreement, with such prepayments being first applied to interest and next to principal.

This Note is made pursuant to the Loan Agreement wherein, among other things, the Authority has agreed to loan to the Company and the Company has agreed to take a loan in the principal amount above, being the proceeds from the sale of the Authority's Water Facilities Refunding and Improvement Revenue Bonds (The Raytown Water Company) Series 2008 (the "Bonds"). The Bonds are being issued by the Authority pursuant to the Indenture of Trust dated as of July 1, 1999, as amended by the First Supplemental Indenture of Trust dated as of September 1, 2008 (as amended and supplemented in accordance with its terms, the "Indenture").

Upon the occurrence of any Event of Default as described in the Loan Agreement, all unpaid principal of and interest on this Note may be declared to be forthwith due and payable in the manner and with the effect provided in the Loan Agreement. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent occurrence of such an Event of Default. If this Note shall be placed in the hands of an attorney or attorneys for collection, the Company agrees to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection, including reasonable attorneys' fees.

The obligations of the Company to make Loan Payments and Additional Payments shall be absolute and unconditional, and the Company shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Company may have or assert against the Authority, the Trustee or any other Person.

If this Note is placed in the hands of an attorney or attorneys for collection, the Company agrees to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection, including reasonable attorneys' fees. All parties to this Note, whether principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice or protest and notice of dishonor.

Oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable. To protect you (borrower) and us (creditor) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.

This Note shall be governed by the laws of the State of Missouri.

THE RAYTOWN WATER COMPANY

[SEAL]

ATTEST

Matthew J. Clwenger
Secretary

By:

Neal S. Clwenger
President

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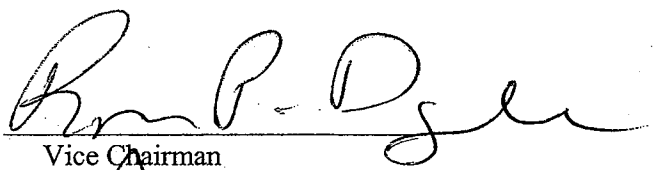
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ENDORSEMENT

Pay to the order of UMB Bank, N.A., as Trustee, pursuant to the Indenture between the undersigned and said bank, the Trustee to hold and apply all funds received under this Note as provided in the Indenture. This assignment is without recourse against the undersigned.

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

By:


Vice Chairman

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