

WATER SUPPLY AGREEMENT

This Agreement is made and entered into this ____ day of September 2002 by and between Osage Water Company, a Missouri Corporation ("OWC"), and Environmental Utilities, LLC, a Missouri Limited Liability Company ("Env. Util.").

Whereas, OWC is authorized by the Missouri Public Service Commission to provide public water utility service in an area described in its Tariff as "Eagle Woods"; and

Whereas, Env. Util. is authorized by the Missouri Public Service Commission to provide public water utility service in an area described in its Tariff as "Golden Glade"; and

Whereas, OWC does not own a public drinking water supply with which to supply the needs of its customers for water utility service in with Eagle Woods; and

Whereas, Env. Util. owns a public drinking water supply in its "Golden Glade" service area and has sufficient capacity therein with which to supply the needs of OWC for water in Eagle Woods; and

Whereas, OWC and Env. Util. did heretofore enter into a Water Supply Agreement dated September 1, 2002 and desire to modify the terms and conditions thereof to provide as set forth herein.

Now, Therefore, in consideration of the mutual covenants and agreements contained herein, the parties do hereby covenant, contract, and agree as follows:

1. Osage Water Company does hereby agree to purchase water from Environmental Utilities, LLC, and Environmental Utilities, LLC does hereby agree to sell water to Osage Water Company for distribution and resale to customers of Osage Water Company located in its KK Service Area at the rate of \$44.25 per month minimum, plus metered usage greater than 2,000 gallons per month at the rate of \$3.8701 per 1,000 gallons of usage. The rate charged for water shall be subject adjustment in accordance with the ratemaking procedure of the Missouri Public Service Commission.
2. Env. Util. agrees to furnish said water on a "best efforts" basis and shall not be liable to OWC or its customers for any interruption or termination of service, other than the deliberate and intentional acts of its duly authorized agents or employees acting within the scope and course of their employment and at the direction of the Manager of Env. Util.
3. Env. Util. shall render its bills for water service to OWC at the same time and in the same manner as its bills for water service to retail customers or Env. Util. In the event that any bill for service is not paid in a timely manner in accordance with the Utility Billing Practices of the Missouri Public Service Commission, Env. Util. may discontinue the provision of water service until such time as all sums due and owing from OWC to Env. Util. are paid in full, and a deposit for one (1) month's average usage by OWC is deposited with Env. Util. In the event that any bill remains unpaid for a period longer than sixty (60) days, Env. Util. may terminate this agreement upon ten (10) days written notice to OWC.
4. Env. Util. shall notify OWC of any planned disruption of service for non-emergency repairs or otherwise at least forty-eight (48) hours in advance thereof, and of any emergency repairs as soon as possible after the disruption of service occurs. Env. Util.

Appendix A

shall notify OWC of any boil orders required by applicable Missouri Law or Regulations with respect to said water supply immediately upon receipt of the same in the same manner as notice thereof is supplied to Env. Util.'s customers. OWC shall be responsible for all notices to OWC's customers in Eagle Woods.

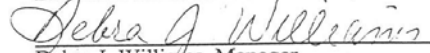
5. It is contemplated under this agreement that water shall be supplied hereunder only to the Eagle Woods Service Area as that area exists on the date hereof and as described in OWC's Water Tariff in effect on the date hereof, and which is contemplated to include not more than fifty-three (53) single family homes. Any expansion of said service area by OWC or any change in the scope or plan of development therein to include more than fifty-three (53) single family homes shall require the prior consent and agreement of Env. Util. to continue to supply water to OWC, which consent may be withheld in the sole discretion of Env. Util.
6. It is contemplated under this agreement that OWC will maintain its water distribution system in good repair at all times and that water shall be supplied only for normal residential purposes to not more than fifty-three (53) homes in the Eagle Woods development. In the event that excessive water leaks or other high volume usages occur which would or could cause the inability of Env. Util. to supply water within its Golden Glade Service Area, Env. Util. may discontinue the provision of water to OWC until such time as said excessive water leaks are repaired, notwithstanding the agreement and undertaking by OWC hereunder to pay for all water taken from Env. Util., it being expressly acknowledged and agreed that Env. Util. is not required to furnish an unlimited supply of water to OWC under this agreement.
7. It is not contemplated that water will be supplied hereunder for fire protection purposes, and Env. Util. shall have no obligation as a result of this agreement to furnish water for such purposes.
8. This Agreement shall be for a term of five (5) years from the date of execution hereof, and thereafter may be terminated by either party hereto, without cause, upon six (6) months written notice to the other.
9. This Agreement shall inure to and be binding upon the parties hereto and their respective successors and assigns.

In witness whereof the parties have set their hands the day and year first above written.

OSAGE WATER COMPANY


William P. Mitchell, President

ENVIRONMENTAL UTILITIES, LLC


Debra J. Williams, Manager