

OPERATION AND MAINTENANCE AGREEMENT

THIS AGREEMENT is made and entered into this 1st day of September, 2002 by and between Osage Water Company, a Missouri Corporation, and Environmental Utilities, LLC, a Missouri Limited Liability Company.

WHEREAS, Osage Water Company is in the public water and sewer utility business in Camden County, Missouri; and

WHEREAS, Environmental Utilities, LLC is also in the public water utility business in Camden County, Missouri; and

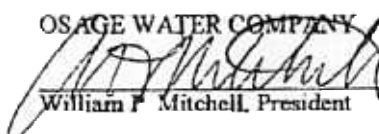
WHEREAS, Environmental Utilities, LLC is also the holder of a promissory note executed by Osage Water Company with a present principal balance thereon of \$500,000; and

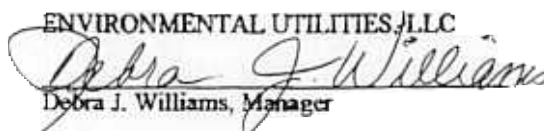
WHEREAS, Osage Water Company desires to contract to Environmental Utilities, LLC to operate and manage its various water and sewer utility properties so that water and sewer utility service to its customers can be maintained.

NOW, THEREFORE, the undersigned do hereby covenant, contract, and agree as follows:

- Osage Water Company ("OWC") does hereby appoint Environmental Utilities, LLC as its agent for the purpose of operating, maintaining, and repairing the water and sewer utility systems owned by OWC in Camden County, Missouri.
2. Environmental Utilities, LLC is hereby expressly authorized to collect all revenues due and owing to Osage Water Company, and to which Osage Water Company has hereto for granted a security interest therein now held by Environmental Utilities, LLC, and to pay therefrom all expenses incurred in the operation of the water and sewer utility systems now owned by Osage Water Company, and to reimburse therefrom the expenses incurred by Environmental Utilities, LLC for payroll, including any taxes thereon, for personnel employed by Environmental Utilities, LLC, equipment rental, transportation expenses, sales taxes, insurance premiums or any other expenses arising from or relating to the operation of said water and sewer utility systems, and to the apply the remainder of said revenues, if any, the principal and interest due under said promissory note due and owing from Osage Water Company to Environmental Utilities, LLC.
 3. This Agreement may be terminated by either party hereto at any time by delivering written Notice of Termination to the other party. Termination shall be effective at the end of the calendar month after the month in which said Notice of Termination is given.

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

OSAGE WATER COMPANY

William F. Mitchell, President

ENVIRONMENTAL UTILITIES, LLC

Debra J. Williams, Manager