

PROMISSORY NOTE

Exh. 8

On this 15th day of February, 2001, for value received, the undersigned promises to pay to the order of the holder hereof the sum of Five Hundred Thousand Dollars (\$500,000.00) with interest from the date hereof at the rate of Eight percent (8%) per annum, compounded monthly on the unpaid balance until paid.

Said Principal and interest shall be payable as follows:

Interest shall be due and payable in quarterly installments commencing on the 1st day of April, 2001, and on the first day of every 3rd month thereafter, until the entire principal and all accrued interest due hereunder is paid in full. Principal shall be due and payable upon demand, but if no demand is made, in equal monthly installments of \$1,000.00 each commencing on April 1, 2001, and on the first day of each month thereafter until the entire balance of principal and interest is paid in full.

In the event of default in the payment of any installment under this note, and if such default is not made good within ten (10) days of the date when such installment is due, the holder hereof may, at its option, declare the balance of the debt hereunder due and payable, with interest thereof to the date of such acceleration. Failure of the holder hereof to exercise this option shall not constitute a waiver of the right to exercise it at any other time.

Privilege is reserved by the undersigned to pay the debt in whole, or any part thereof, at any time prior to the date due, with no prepayment penalty.

The undersigned agrees to pay all expenses of the holder in collection of this note, including a reasonable attorney's fee and other costs incurred by the holder hereof as a result of default.

This note is secured by a Deed of Trust of even date herewith on property therein described. In the event that said property is sold, transferred or conveyed, including a sale under Contract for Deed, or is leased for a term of more than three (3) years, this note shall be immediately due and payable in full.

This note contemplates that the principal balance secured hereby may be advanced in one or more installments by the holder hereof. The principal balance at the date of execution hereof is \$436,328.47.

Osage Water Company



William P. Mitchell, President