185127

George B. Bishop, Jr., P.A.
Attorney at Law

Post Office Box 848
223 E. Main Street
Moncks Corner, SC 29461

(843) 761-8213
(843) 873-5875
Fax (843) 761-2776

March 27, 2007

S. C. PUBLIC SERVICE COMMISSION
RECEIVED
MAR 28 2007
RECEIVED

The Honorable Charles L. A. Terreni
Chief Clerk and Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210

Re: Petition of A. D. Hare Waterworks, Inc. For the Approval of the Transfer of Its Water System to Berkeley County Water and Sewer Authority

Dear Mr. Terreni:

A.D. Hare Waterworks, Inc., through counsel, hereby files its Petition For Approval of Transfer of Its Water System to Berkeley County Water and Sewer Authority.

Based on the facts shown in the Petition, A. D. Hare Waterworks, Inc. respectfully requests that the Public Service Commission of South Carolina ("Commission") inquire into this matter and, if appropriate, approve this matter. I feel there will be no public intervention and request that the comment period be expedited to fifteen days, with this matter being handled at a regular weekly meeting.

I will also by U. S. mail forward the original and one copy, as required by the Commission's current e-filing protocol.

Petitioner is also serving the South Carolina Office of Regulatory Staff with this Petition, transmittal correspondence and Exhibit "1."

Very truly yours,

GEORGE B. BISHOP, JR.

cc: See enclosed Certificate of Service

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2007-109-W/S

RECEIVED
MAR 28 2007

IN RE: Petition of A. D. Hare Waterworks, Inc. For the Approval of the Transfer of Its Water System to Berkeley County Water and Sewer Authority	)	PETITION

A. D. Hare Waterworks, Inc. hereby petitions the Public Service Commission of South Carolina ("Commission") for approval of the transfer of its Water System to Berkeley County Water and Sewer Authority ("Berkeley County"), effective upon approval by this Commission. A fully executed copy of the Asset Purchase Agreement between A. D. Hare Waterworks, Inc. and Berkeley County is attached and incorporated herein as **Exhibit "1".** This Petition is made pursuant to 26 S.C. Code Regs §103-704 and other applicable Rules, Regulations, and Statutes. In support of this Petition, A. D. Hare Waterworks, Inc. shows the Commission the following:

1. Its general office is located at A. D. Hare Lane, Pinopolis, SC 29469, and its mailing address is:

A. D. Hare Waterworks, Inc.
Post Office Box 122
Pinopolis, SC 29469

2. The name and address of Petitioner's attorney is:

George B. Bishop, Jr.
223 E. Main Street
Post Office Box 848
Moncks Corner, SC 29461

3. Copies of all pleadings, orders or correspondence in this proceeding should be

served upon the attorney listed above.

4. A. D. Hare Waterworks, Inc. is a public utility engaged in providing water service to residents of the Pinopolis area in Berkeley County, pursuant to rates approved by this Commission, and is subject to the jurisdiction of this Commission.

5. The Berkeley County Water and Sewer Authority already provides water and sewer service to residents in the surrounding area and elsewhere in Berkeley County. A rate comparison is shown below:

A.D. HARE WATERWORKS, INC.

RESIDENTIAL CHARGES PER SINGLE RESIDENCE OR SFE
(Flat)

Monthly rate $9.95 base rate
$1.50 recoup fee (DHEC)
$2.95 per 1,000 gallons or part thereof

BERKELEY COUNTY WATER AND SEWER AUTHORITY RATES
(Existing water customers based on metered water consumption)
(Based on metered water consumption)

$12.88 First 2,000 gallons
$ 3.23 Next 1000 gallons or part thereof
$ 3.23 Next 1,000 gallons or part thereof

•
•
•

6. Petitioner and Berkeley County have agreed that Petitioner will transfer its water system to Berkeley County, subject to approval by this Commission.

7. Consistent with filing requirements for this Petition, Petitioner will provide appropriate notice and file proof of the same with this Commission. Petition is also providing notice by copy of this Petition to the South Carolina Department of Health and Environmental Control.

8. Petitioner is also serving the South Carolina Office of Regulatory Staff with this Petition.

9. Customer accounts will be handled in accordance with the Commission's regulations.

10. Based on the foregoing, approval of this Petition by the Commission is in the public interest.

CONCLUSION

Petitioner requests this Commission to: (i) Inquire into the relief sought in this Petition; (ii) Review the Petition and find that the Petitioner has complied with applicable Rules, Regulations, and Statutes because of the facts set forth in the Petition; (iii) If substantial opposition does not arise, find that a formal hearing is not required or if a hearing is required, that hearing this matter at an appropriate Commission weekly Agenda Session will suffice; (iv) Conclude that the approval sought by Petitioner should be granted; and (v) for such other and further relief, as this Commission deems just and reasonable.

WHEREFORE, Petitioner prays that pursuant to 26 S.C. Code Regs. §103-704 and other applicable Rules, Regulations and Statutes, this Commission enter its Order granting the relief sought in this Petition, as requested hereinabove.

Respectfully submitted,

GEORGE B. BISHOP, JR.
P. O. Box 848
223 East Main Street
Moncks Corner, SC 29461
843-761-8213
Attorney for Petitioner A. D. Hare Waterworks, Inc.

Moncks Corner, South Carolina
March 27th, 2007.

EXHIBIT "1"

STATE OF SOUTH CAROLINA	)	
	)	**ASSET PURCHASE AGREEMENT**
COUNTY OF BERKELEY	)	

THIS AGREEMENT made and entered into this 12th day of February, 2007, by and between **BERKELEY COUNTY, SOUTH CAROLINA** (the "COUNTY") and the **A. D. HARE WATERWORKS, INC.** ("HARE").

SECTION ONE

BACKGROUND OF AGREEMENT

1.1 HARE is the owner of a water treatment and distribution system more fully described in Exhibit A of this Agreement (the "FACILITIES") and provides water service to commercial and residential structures located in and near the Pinopolis Community (the "Service Area").

1.2 The COUNTY is authorized to provide water treatment and distribution services.

1.3 HARE has agreed to sell, and the COUNTY has agreed to purchase the FACILITIES, as more specifically set forth hereinafter in this Agreement. The COUNTY is not acquiring any of the accounts receivable or cash on hand nor is it responsible for paying any obligations of HARE incurred up to the Closing.

NOW, THEREFORE, in consideration of the mutual covenants of the parties herein contained and other good and valuable consideration passing between the parties, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION TWO

AGREEMENT TO PURCHASE AND SELL THE FACILITIES

2.1 At the Closing (as hereinafter defined), the COUNTY agrees to purchase the FACILITIES from HARE upon the terms and conditions hereinafter set forth and HARE, upon the same terms and conditions, agrees to sell the FACILITIES to the COUNTY.

2.2 The amount of the purchase price (the "Purchase Price") for the FACILITIES is [redacted] payable at closing. The COUNTY is not purchasing the current and accrued customer accounts receivable at the date of Closing and will remit to HARE any payments which it receives for water service provided prior to Closing. Additionally, the COUNTY is not assuming any liabilities of HARE, whether current, accrued, long-term, or other.

2.3 The FACILITIES, as described in Exhibit A, include substantially all of the water utility assets owned by HARE, together with all additions between the date hereof and the Closing, excepting however:

(a) Cash on hand or in the banks; and

(b) All income and revenues, including accounts receivable, from the FACILITIES through the Closing.

2.4 At such time as the COUNTY, in its sole and absolute discretion and subject to the provisions of the 2003 General Bond Ordinance, determines that an unimproved portion of the Fee Real Estate is not being used for the continued operation of the FACILITIES or the provision of water service to the Service Area or other customers or areas served by the COUNTY, such portion of the Fee Real Estate shall be reconveyed by the COUNTY to HARE for the consideration of $1.00.

If, during the time of its ownership, the COUNTY causes environmental damage to any of the Fee Real Estate that does not occur as a normal consequence of operating the FACILITIES, the COUNTY will remediate such damage before re-conveying the property to HARE. Such reconveyance shall not require any acceptance, consent, or approval by HARE.

SECTION THREE

REPRESENTATIONS AND WARRANTIES OF HARE

3.1 HARE hereby represents and warrants to the COUNTY that:

(a) HARE is a corporation existing under the laws of the State of South Carolina with full corporate power and authority to operate and maintain a public water treatment and distribution system;

(b) The description of the FACILITIES of HARE in Exhibit A is a true and correct description of the FACILITIES of HARE to be acquired by the COUNTY pursuant to this Agreement;

(c) Except as listed on Exhibit D, there are no pending or, to the best of HARE's knowledge, threatened actions at law or suits in equity of any nature involving the FACILITIES or HARE, or any pending or, to the best of HARE's knowledge, threatened actions or proceedings before any governmental agency involving the FACILITIES or HARE;

(d) There are no contracts or obligations of a material nature relating to the FACILITIES between HARE and any other party;

(e) HARE is, and at the Closing will be, the owner of that part

of the FACILITIES described on Exhibit B (The Fee Real Estate) with good and marketable fee simple title to the said Fee Real Estate free and clear of all liens and encumbrances and, to the best of HARE's knowledge, HARE is the owner of the remainder of the facilities described in Exhibit A with good and marketable title to said facilities, free and clear of all liens and encumbrances;

(f) HARE has all necessary permits, licenses, and easements to operate the FACILITIES;

(g) To the best of HARE's knowledge, the FACILITIES are within easements relating thereto or upon real estate owned by HARE and in accordance with any necessary permits or licenses;

(h) The FACILITIES of HARE are being operated materially in accordance with at least the minimum standards, requirements, rules, and regulations of the South Carolina Department of Health and Environmental Control ("DHEC");

(i) Until the Closing, HARE will operate the FACILITIES in the ordinary course of business and HARE will, at all reasonable times, permit the COUNTY, its attorneys and agents, to examine HARE's books, accounts, and other records and physical properties relating to the FACILITIES;

(j) HARE has no active unresolved worker's compensation cases nor is HARE paying any claim related to worker's compensation for any HARE water employee for occurrences prior to the Closing. Should such claims occur prior to the Closing, a mutual understanding about how such claim or claims will be handled and resolved will be achieved between HARE and the COUNTY prior to the Closing. If a claim is made after the Closing for incidences occurring prior to the Closing and while the employee was employed by HARE, HARE shall be responsible for handling and resolving the claim, including all costs and expenses in connection with such claim.

(k) Prior to the Closing, this Agreement and the consummation of the transaction contemplated herein will have been duly authorized by all necessary corporate action on behalf of HARE;

(l) No representation or warranty by HARE in this Agreement or any statement or certificate furnished to the COUNTY pursuant hereto contains any untrue statements of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading; and

(m) Except as to South Carolina Department of Health & Environmental Control Permit # SC08200006, all of the easements, permits and other contracts of HARE with respect to the FACILITIES are assignable and/or transferable or, if consent of a third party is necessary, such consent will have been obtained, prior to Closing.

3.2 HARE covenants, represents, and warrants in favor of the COUNTY, that pending the completion of the Closing, unless otherwise agreed to in writing by the COUNTY:

(a) HARE shall not engage in any sale, enter into any transaction, contract, or commitment, incur any liability or obligation, or make any disbursement not in the ordinary course of HARE's business;

(b) HARE shall carry and continue in force through the Closing, all fire and extended coverage insurance, and theft, liability, and other insurance which is in force at the execution of this Agreement;

(c) HARE shall not amend, modify, or terminate any agreement to which it is a party, except in the ordinary course of business;

(d) HARE and its officials and staff shall use their best efforts to preserve the business organization and all of its equipment and records in good order, and to preserve for the COUNTY the goodwill of suppliers and customers having a business relationship with HARE;

(e) With regard to the FACILITIES, HARE shall maintain or cause to be maintained the real estate, buildings and improvements, fixtures, machinery, and equipment, in good state of repair through the date of Closing, ordinary wear and tear excepted, and shall not dispose of any of such items without the COUNTY's consent; and

(f) HARE shall give the COUNTY prompt notice of all events prior to the Closing which materially relate to any term of this paragraph 3.2.

SECTION FOUR

REPRESENTATIONS AND WARRANTIES
OF THE COUNTY

4.1 The COUNTY hereby represents and warrants to HARE that:

(a) The COUNTY is a governmental entity existing under the laws of the State of South Carolina;

(b) Prior to the Closing, this Asset Purchase Agreement will have been duly authorized and executed by the COUNTY, and this Agreement will be enforceable in accordance with its terms;

(c) As of the date of the execution of this Asset Purchase Agreement and continuing through Closing, there are not pending or, to the best of the COUNTY's knowledge, threatened actions at law or suits in equity of any nature involving this Agreement or the transactions contemplated therein;

(d) No representation or warranty by the COUNTY in this Agreement or any statement or certificate to be furnished by the COUNTY pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading; and

(e) Upon conveyance and acceptance of the FACILITIES, the COUNTY will become the sole owner thereof and will assume all responsibility for the operation and maintenance of the FACILITIES.

SECTION FIVE

CLOSING PURCHASE

5.1 The Closing referred to herein shall take place at the COUNTY's offices in Moncks Corner, South Carolina at such time as HARE and the COUNTY agree but no later than 30 days after HARE notifies the COUNTY that it can close in accordance with the provisions of this Asset Purchase Agreement.

5.2 HARE will transfer the FACILITIES to the COUNTY free from all liens against HARE and free from all encumbrances and obligations of any kind, including taxes, placed on the FACILITIES.

5.3 At the Closing, HARE will, upon due performance by the COUNTY of its obligations under this Agreement, deliver to the COUNTY:

(a) Such good and sufficient deeds, bills of sale, assignments, and other sufficient instruments of sale, in form and substance reasonably satisfactory to the COUNTY's counsel, as shall be required to vest in the COUNTY all of HARE's right, title, and interest in the FACILITIES. HARE shall transfer the title to the Fee Real Estate property described on Exhibit B to the COUNTY by General Warranty Deed;

(b) All of the files, documents, agreements, books of account, customer lists, original cost invoices, and records pertaining to the water utility business conducted by HARE, which are in existence and still in possession of HARE;

(c) All other records, permits, licenses, certificates, or franchises

issued or granted to HARE by any governmental authority in connection with any authorization related to the operation or maintenance of the FACILITIES or the conduct of its water and sewer utility business;

(d) An additional assignment under the terms of which HARE shall assign to the COUNTY all of its right, title, and interest in any easements, permits, licenses, contracts, agreements, franchises, certificates, or other instruments of any nature related to the operation or maintenance of the FACILITIES;

(e) An opinion of counsel for HARE, dated the date of Closing in form and substance reasonably satisfactory to the COUNTY, certifying the following:

(i) That HARE is a corporation existing under the laws of the State of South Carolina;

(ii) That HARE has the capacity and power to execute the deed, bills of sale, assignments, and other instruments of transfer set out in this Agreement;

(iii) That HARE has taken all necessary action to authorize the sale of the FACILITIES and the execution and delivery of the deed, bills of sale, assignments, and other instruments of transfer set out in this Agreement and that officers signing said instruments are authorized to do so; and

(iv) That there is no controversy or litigation pending or threatened or judgments filed against HARE which would affect the ability of HARE to conclude this transaction;

(v) That the FACILITIES are being conveyed to the COUNTY with good and marketable title and that the FACILITIES are free of all liens and encumbrances at the time of transfer to the COUNTY.

(f) Certified copies of resolutions authorizing HARE to enter into this Agreement and to execute all deeds, bills of sale, assignments, and other documents contemplated by this Agreement.

5.4 At the Closing, the COUNTY will, upon due performance by HARE of its obligations under this Agreement, deliver to HARE:

(a) The Purchase Price for the Facilities which shall be represented by a check in the amount of [redacted];

(b) A certified copy of the proceedings approving this Agreement; and

(c) An opinion of counsel for the COUNTY, dated the date of Closing, in form and substance reasonably satisfactory to HARE, to the effect that this Agreement has been duly authorized by all necessary corporate action on behalf of the COUNTY and constitutes the valid agreement of the COUNTY, enforceable in accordance with its terms.

SECTION SIX

CONDITIONS TO CLOSING

6.1 Conditions to the COUNTY's obligations:

(a) At the Closing, the FACILITIES will be in satisfactory operating condition;

(b) HARE will have performed all of the obligations to be performed by it hereunder at or prior to the Closing;

(c) The representations and warranties of HARE contained in this Agreement shall be true and correct in all material respects as though made on the date hereof;

(d) HARE shall not have suffered, on account of fire, flood, hurricane, riot, accident, or other calamity or on account of any labor trouble, any loss which substantially and adversely affects the value of the FACILITIES or the water utility business (whether or not such loss has been insured); and

(e) At or before the Closing, HARE shall obtain valid, binding and enforceable releases, satisfactions, and discharges, as the case may be, of all the liens, charges, and encumbrances affecting the FACILITIES, except those expressly assumed and accepted by the COUNTY hereunder.

6.2 Conditions to HARE's obligations:

(a) At or prior to the Closing, the COUNTY will have satisfied and performed all obligations to be performed by it under this Agreement;

(b) The representations and warranties made by the COUNTY in this Agreement will be true and correct in all material respects as if made on the date hereof.

SECTION SEVEN

TERMINATION

7.1 This Agreement may be terminated at any time prior to Closing:

(a) By the mutual agreement of HARE and the COUNTY; and

(b) By HARE or the COUNTY, on account of the material breach of any representation or warranty of the other party, or its failure to perform any agreement with respect to matters represented, warranted, or agreed to by such party in this Agreement.

SECTION EIGHT

RISK OF LOSS: INSURANCE

8.1 In the event of damage to or destruction of the FACILITIES or equipment subject to the terms of this Agreement, or any part thereof, the following shall be applicable:

(a) If such damage or destruction occurs prior to the Closing and does not exceed $100,000.00 with respect to costs of repairs or replacement, the COUNTY shall be bound to purchase the FACILITIES for the full purchase price, provided that such loss is fully covered by insurance maintained by HARE with any deductible to be accounted for as hereinafter provided, and that upon the Closing, the COUNTY shall be credited in the amount of any insurance proceeds collected for such loss by HARE, or such proceeds shall be assigned to the COUNTY, if not collected prior to Closing, and in either event, any deductible shall be paid or credited by HARE to the COUNTY; and

(b) If such damage or destruction occurring prior to Closing exceeds the stated sum or the loss is not fully insured as hereinabove provided, the COUNTY may, at its option, either terminate this Agreement or proceed with the Agreement and consummate the purchase. If the COUNTY elects to proceed with the Agreement, all insurance proceeds collected by or due to HARE as a result of such damage or destruction shall be paid or assigned to the COUNTY.

SECTION NINE

MISCELLANEOUS

9.1 Service. Water service will be rendered by the COUNTY to customers in the Service Area after the Closing in accordance with the COUNTY's rates, rules, regulations, and conditions of service, as amended from time to time and then in effect.

9.2 Customer Connections. HARE will make all connections and/or taps which it obligates itself to make up until the Closing. All customers will be refunded any tap fees, connection fees, deposits, or impact fees deposited with HARE for which connections are not made or services rendered by HARE as of the Closing. The COUNTY shall not be responsible for making any connections or providing any services authorized by HARE but not completed as of the Closing.

9.3 Assumption of and Access to Records. HARE agrees to provide to the COUNTY as soon as is reasonably possible after the execution of this Agreement and prior to the Closing, copies of all available water utility records (and all original engineering documents related to the system operations) related to the administration and operation of the FACILITIES, including, but not limited to, drawings, specifications, operation manuals, maintenance records and other documents HARE

may possess that the COUNTY, after inspection of the records, deems it requires for the proper operation and maintenance of the FACILITIES.

It is further agreed that HARE will retain financial records in accordance with the South Carolina Records Retention Act and make them available to the COUNTY during the length of time that HARE is required to retain the records. Any inspection or access required by the COUNTY under this Agreement shall be during normal business hours after reasonable notice. All costs of copying shall be borne by HARE.

9.4 Prorations and Closing Costs. HARE shall pay the cost of all deed stamps and other transfer stamps or transfer taxes on the deed, bills of sale, or other instruments contemplated by this Agreement. HARE shall also pay all costs associated with the release of the Facilities from any liens. Except as set out in this Section 10.6 or elsewhere in this Agreement, the COUNTY will be responsible for paying those Closing costs that are normally paid by purchasers in Berkeley County, South Carolina, and HARE will be responsible for paying those Closing costs that are normally paid by sellers in Berkeley County, South Carolina.

9.5 Exhibits. The Exhibits to this Agreement are a part hereof and are hereby incorporated in full by reference.

9.6 HARE's Additional Obligation. From time to time at the COUNTY's request and expense, whether at or after the Closing and without further consideration, HARE shall:

(a) Execute and deliver to the COUNTY all instruments that are reasonably required to carry out the intent and purpose of this Agreement;

(b) Deliver to the COUNTY all other data and papers that are requested to assist in the operation of HARE's water utility business; and

(c) Take all other actions necessary to effectively convey and transfer to the COUNTY any of the properties sold to it hereunder or to assist the COUNTY in the collection and possession of such property.

9.7 Survival. The representations, warranties, and agreements contained in this Agreement shall survive and continue in effect after the Closing. To the extent permitted by law, the COUNTY agrees to indemnify HARE, its successors and assigns, and hold it harmless against any loss, damage, liability, expense, or cost accruing or resulting from any misrepresentation or breach of any representation, warranty, or agreement on the part of the COUNTY under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to HARE by the COUNTY. HARE agrees to indemnify the COUNTY, its successors and assigns, and hold them harmless against any loss, damage, liability, expense, or cost accruing or resulting from any misrepresentation or breach of any representation, warranty, or agreement made or to be performed by HARE under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to the COUNTY by HARE.

9.8 Indemnity and Hold Harmless. In consideration of the execution of this Agreement, HARE, for itself, its successors and assigns, does hereby covenant and agree to indemnify, keep indemnified, and hold harmless the COUNTY, its successors and assigns and defend, including all costs and attorney's fees, against any suit or claim brought or instituted against the COUNTY arising out of the operation and maintenance of the water treatment and distribution facilities by HARE and all others prior to the Closing, whether such suit or claim be rightfully or wrongfully brought or instituted, and in case suit shall be brought or a claim made, HARE shall defend against the suit or

claim, at its own expense, using an attorney of its selection, which selection shall be subject to the approval of the COUNTY. The COUNTY shall be at liberty, at its own expense, to employ an attorney of its selection to appear in any suit. If HARE fails or refuses to select an attorney suitable to the COUNTY to defend against such suit or claim within twenty days after notice from the COUNTY of such suit or claim, the COUNTY shall be at liberty to employ an attorney of its selection with all expenses and costs incurred thereby to be paid by HARE.

9.9 Indemnity and Hold Harmless. In consideration of the execution of this Agreement, and to the extent permitted by law, the COUNTY, for itself, its successors and assigns, does hereby covenant and agree to indemnify, keep indemnified, and hold harmless HARE, its successors and assigns and defend, including all costs and attorney's fees, against any suit or claim brought or instituted against HARE arising out of the operation and maintenance of water treatment and distribution facilities by the COUNTY and all others after the Closing unless due to a cause existing at the time of the conveyance of the FACILITIES, whether such suit or claim be rightfully or wrongfully brought or instituted, and in case suit shall be brought or a claim made, the COUNTY shall defend against the suit or claim, at its own expense, using an attorney of its selection. HARE shall be at liberty, at its own expense, to employ an attorney of its selection to appear in any suit. If the COUNTY fails or refuses to select an attorney to defend against such suit or claim within twenty days after notice from HARE of such suit or claim, HARE shall be at liberty to employ an attorney of its selection with all expenses and costs incurred thereby to be paid by the COUNTY.

9.10 Contribution. HARE warrants and agrees that it will pay any legal expenses or other costs (including but not limited to payment for condemned property) incurred by the COUNTY in defending its title to any portion of the FACILITIES or in defending itself against any claim or suit

arising out of or in connection with this Agreement. In furtherance of its obligations under this section, HARE shall be at liberty to employ an attorney of its selection, which selection shall be subject to the approval of the COUNTY. The COUNTY shall be at liberty, at its expense, to employ an attorney of its selection to appear in any suit. If HARE fails or refuses to select an attorney suitable to the COUNTY to defend against such suit or claim within twenty days after notice from the COUNTY of such suit or claim, the COUNTY shall be at liberty to employ an attorney of its selection with all expenses and costs incurred thereby to be paid by HARE.

9.11 Force Majeure. No party to this Agreement shall be liable to any other party for failure, default, or delay in performing any of its obligations hereunder, if such failure, default, or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, passage of laws, orders of court, adoption of rules, ordinances, acts, failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether similar or dissimilar in nature, not within the control of the party affected and which, by the exercise of due diligence, such party is unable to prevent or overcome.

9.12 Assignment. Neither this Agreement nor any right hereunder may be assigned without the prior written consent of the other party, which shall not be unreasonably withheld. Subject to this condition, this Agreement and all the provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

9.13 Severability. This Agreement shall be binding upon all parties hereto, and the invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

9.14 Notices. Any notice or delivery required to be made hereunder may be made by mailing a copy thereof addressed to the appropriate party as follows:

If to the COUNTY:

Berkeley County
Attn: County Supervisor
1003 Highway 52
Moncks Corner, SC 29461

If to HARE:

A. D. Hare Waterworks, Inc.
c/o Law Offices of George B. Bishop, Jr., P.A.
P. O. Box 848
Moncks Corner, SC 29461

Delivery, when made by registered or certified mail, shall be deemed complete upon mailing.

9.13 Entire Agreement. This Agreement and the exhibits hereto constitute the entire understanding between the parties with respect to the subject matter hereof and supersede all negotiations, prior discussions, and preliminary agreements.

9.14 Governing Law. This Agreement shall be governed by the laws of the State of South Carolina.

9.15 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

9.16 Implied Obligations. From time to time at either party's request, whether at or after the Closing and without further consideration, the parties agree to execute and deliver all instruments that are reasonably required to carry out the intent and purpose of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on their behalf by their duly authorized officers, all on the day and year first hereinabove written.

WITNESSES:

Gloria J. Whitten

Tammy J. Robinson

As to Berkeley County

BERKELEY COUNTY (SEAL)

By: _____
County Supervisor

ATTEST:

By: Barbara B. Austin
Clerk to County Council

WITNESSES:

Jean S. Jones

Cathy S. Mason

As to A. D. Hare Waterworks, Inc.

A. D. HARE WATERWORKS, INC.

By: Daniel J. Hare
Its President

LIST OF EXHIBITS

Exhibit A: Description of Water System

Exhibit B: Fee Real Estate

Exhibit C: Pending Legal and Regulatory Actions

EXHIBIT A

The Water System and all real and personal property used for the transmission, distribution, and sale of potable water serving the Service Area, Berkeley County, South Carolina, including but not limited to all water treatment plants, wells, buildings, water tanks, pumps, pipes, valves, hydrants, underground water lines; all accessories and appurtenant fixtures to water lines and water service equipment; all easements, leases, permits, contract rights and/or rights-of-way for wells, underground water lines, connections, and equipment located in or connecting to the Service Area, Berkeley County, South Carolina; all apparatus, real estate, equipment, and water supplies and all other property, equipment, rights, and privileges as are a part of said water system, including tools, replacement parts and material inventory.

It being the intention of A. D. Hare Waterworks, Inc. to transfer all of its interest in the water system which is owned by A. D. Hare Waterworks, Inc.

EXHIBIT B

PROPERTY DESCRIPTIONS

2053 PINOPOLIS ROAD

ALL that certain piece, parcel or lot of land, including the improvements thereon and being triangular in shape, situate, lying and being in the Village of Pinopolis, Tax District No. 6, County of Berkeley, State of South Carolina, MEASURING AND CONTAINING twenty-eight hundredths (0.28) of an acre, BUTTING AND BOUNDED, generally, as follows, to-wit: on the north along lands of S. C. Public Service Authority; on the east along the right of way of Road S-8-5; and on the south along Cain Estate; said lot having such shape, form, courses, distances, buttings, boundaries and delineations as are more fully shown on a plat captioned "PLAT OF LOT Owned by ALBERTHA SILER Second St. Johns Parish – in Pinopolis Berkeley County South Carolina", dated May 1, 1985, prepared by Hager E. Metts, R.L.S. No. 4183, a copy of which is recorded in the Office of the Register of Deeds for Berkeley County, South Carolina, in Plat Cabinet "F", at Page 79; reference is hereby craved to said plat and same is made a part and parcel of this description.

Being the same property conveyed to the Grantor herein by deed of Alberta Siler dated December 10, 1985 and recorded in the Office of the Register of Deeds for Berkeley County in Book A629, page 346.

TMS #: 102-13-02-043

1443 PINOPOLIS ROAD

ALL that certain piece, parcel or lot of land, together with the buildings and improvements thereon, situate, lying and being in Second St. Johns Parish, County of Berkeley and State of South Carolina, containing a fractional part of an acre of land and being more particularly described as follows, to-wit: Begin at a triangular point formed by the intersection of the east margin of South Carolina Highway # S-8-16 and the southwest margin of south Carolina Highway # S-8-5 and from said point of beginning run thence along the east margin of Highway # S-8-16 south 22 degrees 45 minutes east a distance of 117 feet to an iron pipe; thence east and perpendicular to the east margin of Highway S-8-16 a distance of 54.4 feet to an iron pipe on the southwest margin of Highway S-8-5; thence northward along the southwest margin of Highway S-8-5 a distance of 128.2 feet to the point of beginning; said fractional part of one acre of land is triangular in shape and is the same parcel of land designated on a plat entitled "LOT OWNED BY MODERN HOME CONSTRUCTION CO. NEAR PINOLOPIS, ST. JOHNS PARISH, BERKELEY COUNTY, S.C.", prepared by Surveyor, R. D. Guerry on February 26, 1962, all of which can be more fully shown and delineated on that certain plat recorded in the Office of the Register of Deeds for Berkeley County in Plat Book Q, at Page 52.

BEING the same property conveyed to the Grantor herein by Deed of Distribution from the estate of Dorothy Bolen Hare dated December 13, 2003 and recorded in the Office of the Register of Deeds for Berkeley County in Book 3777, Page 318.

TMS #: 121-12-01-003

STARBRIGHT LANE

ALL that certain piece, parcel or lot of land, together with the buildings and improvements thereon, situate, lying and being in Second St. Johns Parish, County of Berkeley, Sate of South Carolina, measuring 53 feet on the north and south boundaries and 50 feet on the east and west boundaries, bounded on the north by Tract No. 4-A; on the east by Lot 24; on the south by end of 50 foot street; and on the west by Lot No. 16. Said parcel is shown as an "inked-out" area on plat of "Crescent Estates Subdivision", revised September 20, 1977, all of which can be more fully shown and delineated on that certain survey entitled "PLAT OF LOT CRESENT ESTATE SUBDIVISION OWNED BY L. W. PRUITT TO BE CONVEYED TO A. D. HARE WATER WORKS, 2nd ST. JOHNS TAX DISTRICT NO., BERKELEY COUNTY, SOUTH CAROLINA", prepared by R. D. Guerry, R.L.S. and dated September 20, 1977, a copy of which is recorded in the Office of the Register of Deeds for Berkeley County in Plat Book W, at Page 239 and to which reference is hereby craved for a more accurate and complete description of the tract of land conveyed herein.

BEING the same property conveyed to the Grantor herein by Deed of Distribution from the estate of Dorothy Bolen Hare dated December 13, 2003 and recorded in the Office of the Register of Deeds for Berkeley County in Book 3777, Page 318.

TMS #: 141-11-00-030

EXHIBIT C

PENDING LEGAL AND REGULATORY ACTIONS

1. Consent Order (06-207-DW) between A. D. Hare Waterworks, Inc. and the Department of Health and Environmental Control.

CERTIFICATE OF SERVICE

I, Joan S. Jones, employee of George B. Bishop, Jr., Attorney at Law, hereby certify that I placed in the U.S. Mail with sufficient postage thereto copies of A. D. Hare Waterworks, Inc.'s Correspondence and Petition for Approval of the Transfer of Its Water System to Berkeley County Water and Sewer Authority on this date to each individual, as shown below:

Nanette S. Edwards, Esquire
South Carolina Office of Regulatory Staff
P. O. Box 11263
Columbia, SC 29201

Joseph M. Melchers, Esquire
Dr. James Spearman
Jocelyn Boyd, Esquire
F. David Butler, Esquire
Public Service Commission of South Carolina
101 Executive Center Drive
Saluda Building, Suite 100
Columbia, SC 29210-8411
(All without enclosure)

David G. Jennings, Esquire
Attorney at Law
Post Office Box 893
Charleston, SC 29402

Mark Noble
Bureau of Water
South Carolina Department of Health and Environmental Control
2600 Bull Street
Columbia, SC 29201

GEORGE B. BISHOP, JR., P.A.

Joan S. Jones

Joan S. Jones

March 27, 2007.

Public Service Commission of South Carolina

Docketing Department

NOTICE OF FILING

DOCKET NO. 2007-_____-W

A.D. WATERWORKS, INC. - PETITION FOR APPROVAL OF THE TRANSFER OF ITS WATER SYSTEM SERVING THE PINOPOLIS AREA IN BERKELEY COUNTY TO BERKELEY COUNTY WATER AND SEWER AUTHORITY

Pursuant to S. C. Code Ann. §58-2-10 (1976) and 26 S. C. Code Ann. Regs. 103-704 (Supp. 2005), A. D. Hare Waterworks, Inc. (Hare) has filed a Petition with the Public Service Commission of South Carolina (the Commission) for approval of a proposed transfer of the Company's water system serving the Pinopolis area in Berkeley County to Berkeley County Water and Sewer Authority.

In support of its Petition, Hare asserts, among other things, that the public interest will be served by a transfer of this system to the Berkeley County Water and Sewer Authority, because customers will benefit from reduced rates and receive improved services from Berkeley County Water and Sewer Authority.

A copy of the Petition is on file in the offices of the Public Service Commission of South Carolina, 101 Executive Center Drive, Synergy Business Park, Columbia, South Carolina 29210, the Commission's website at .www.psc.sc.gov and is available from George B. Bishop, Jr., P. O. Box 848, Moncks Comer, South Carolina 29461.

A public hearing, if scheduled, will be held in Columbia, South Carolina, in the offices of the commission at the above address for the purpose of receiving testimony and other evidence from all interested parties regarding this Petition. The time and date of this hearing will be furnished to all interested parties at a later date.

Any person who wishes to testify and present evidence at a hearing concerning these matters should notify, in writing, the Docketing Department at the address below, the Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and George B. Bishop, Jr., P. O. Box 848, Moncks Comer, South Carolina, on or before _____, *2007.* ***Please refer to Docket No. 2007-_____.***

Any person who wishes to participate in this matter, as a Party of Record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before _____ _____, 2007, and indicate the amount of time required for his presentation. Please include an E-mail address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. 2007-_____.***

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before _____ _____2007. ***Please refer to Docket No. 2007-_____.***

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding MUST present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 292/1