# ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** ("Agreement") is made and executed as of July 19, 2010 (the "Effective Date") by and between **UNITED UTILITY COMPANIES, INC.**, a South Carolina corporation ("Seller") and **SPARTANBURG SANITARY SEWER DISTRICT**, a political subdivision of the State of South Carolina ("Buyer").

## WITNESSETH:

**WHEREAS**, Seller is the owner of all right, title and interest in the wastewater collection system infrastructure, appurtenances thereto and rights-of-way in connection therewith, located in and around the River Forest and Stonecreek subdivisions in Spartanburg County, South Carolina (the "Wastewater Collection System");

**WHEREAS**, Seller desires to sell, convey, transfer, assign and deliver to Buyer the Assets and the Assumed Liabilities (each as defined below); and

**WHEREAS**, Buyer desires to purchase, acquire, assume and accept from Seller the Assets and the Assumed liabilities (each as defined below) on the terms and conditions and for the consideration hereinafter set forth.

**NOW, THEREFORE**, in consideration of, and in reliance upon, the mutual covenants, agreements, representations and warranties herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. **Sale and Purchase of Assets.**

(a) Seller agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to purchase, acquire, assume and accept from Seller, all of the Assets of the Wastewater Collection System. For purposes of this Agreement, "Assets" shall mean, as of the Closing Date (as defined below), all assets owned by Seller and exclusively associated with or used in the operation of the Wastewater Collection System, except for the Retained Assets (as defined in Section 1(b) below), including but not limited to:

(i) all licenses, permits, consents, authorizations, approvals and certificates of any regulatory, administrative or other governmental agency or body relating to the Wastewater Collection System, to the extent the same are transferable;

(ii) goodwill and all rights to customers of the Wastewater Collection System as of the Closing Date (each, a "Customer", and collectively, "Customers"), Customer lists, and telephone numbers of the Wastewater Collection System;

(iii) copies of all books of account, accounting records, files, papers and records used in or relating to the conduct of the Wastewater Collection System;

(iv) any existing wastewater collection lines, mains, laterals, transmission pipes or other impoundments, rights-of-way, and any and all other interests in real property, as further described on Exhibit A attached hereto and incorporated herein (the "Transferred Real Property Rights"), which form a part of or contribute to the transportation of wastewater collection within the River Forest and Stonecreek subdivisions in Spartanburg County, South Carolina (the "System Service Area"); and

(v) all agreements, applications, invoices and other contractual arrangements for wastewater collection service within the System Service Area between Seller and any Customer (full copies of all such agreements and contractual arrangements shall be delivered by Seller to Buyer no later than ten (10) days following the Effective Date).

(b) "Retained Assets" shall mean the assets as further described on Exhibit B attached hereto and incorporated herein. None of the Retained Assets shall be sold, conveyed, transferred, assigned or delivered to Buyer pursuant to this Agreement, and such Retained Assets shall remain the property of Seller after the Closing Date.

2. **Purchase Price.** The purchase price for the Assets shall equal Four Hundred Seventy-Five Thousand Five Hundred Dollars ($475,500) (the "Purchase Price"), payable to Seller by wire transfer in full and in immediately available funds, to an account or accounts designated by Seller prior to the Closing Date (as hereinafter defined).

3. **Liabilities of Seller.** Except for the Assumed Liabilities (as defined below), Buyer shall not assume or otherwise be liable for any liabilities, obligations or commitments of Seller (the "Retained Liabilities"). Buyer shall assume, be liable and responsible for, and accept assignment from Seller and thereafter pay, perform or discharge when due all of the following liabilities, obligations and commitments (the "Assumed Liabilities"):

(a) any and all obligations under any licenses, permits, consents, authorizations, approvals and certificates transferred by Seller to Buyer hereunder;

(b) any and all obligations under any agreements, applications, invoices and other contractual arrangements transferred by Seller to Buyer hereunder;

(c) any and all obligations to provide services to Customers from and after the Closing Date; and

(d) any and all obligations and liabilities related to the Wastewater Collection System arising from or relating to any event, circumstance or condition occurring after the Closing Date.

4. **Closing.** Subject to the terms and conditions of this Agreement, the sale and purchase of the Assets and the assumption of the Assumed Liabilities, all as contemplated hereby, shall take place at a closing (the "Closing") to be held at the offices of Buyer in Spartanburg, South Carolina, or such other place as Buyer and Seller may mutually agree, on or before July 19, 2010, provided that all the terms and conditions of this Agreement have been

satisfied as provided for herein. Buyer and Seller shall agree upon the specific closing date that is at the end of a wastewater collection supply service period for billing purposes, but that is also on or before July 19, 2010, as stated above (hereafter, the "Closing Date").

5. **Conditions to Closing.**

(a) Conditions to Obligations of Buyer. Unless waived by Buyer in its sole discretion, all obligations of Buyer under this Agreement are subject to the following conditions:

(i) all representations and warranties of Seller contained in this Agreement and in all documents delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true and accurate as of the date when made and shall be deemed to be made again at and as of the Closing Date and shall then be true and accurate in all material respects; and

(ii) Seller shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by them prior to or on the Closing Date.

(b) Conditions to Obligations of Seller. Unless waived in writing by Seller in its sole discretion, all obligations of Seller under this Agreement are subject to the following conditions:

(i) all representations and warranties of Buyer contained in this Agreement and in all documents delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true and accurate as of the date when made and shall be deemed to be made again at and as of the Closing Date and shall then be true and accurate in all material respects;

(ii) Buyer shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date; and

(iii) Seller shall have obtained all consents, approvals, orders or authorization of, or registrations, declarations or filings with, the South Carolina Public Service Commission, the South Carolina Office of Regulatory Staff, or any other governmental entity, required in connection with the execution, delivery or performance of this Agreement (the "Regulatory Approvals"), if any.

6. **Closing Deliveries by Seller.** At the Closing, Seller shall deliver to Buyer the following:

(a) sole and exclusive possession of the Assets;

(b) an executed bill of sale in the form attached hereto as Exhibit C (the "Bill of Sale") conveying to Buyer title to the Assets free and clear of all liens, security interests and encumbrances;

(c) a current list of Customers, billing records for each Customer, and any other documents or data in Seller's possession relating to Customer accounts;

(d) evidence satisfactory to Buyer that all Regulatory Approvals have been obtained, if any; and

(e) any other documents required pursuant to this Agreement or reasonably requested by Buyer.

7. **Closing Deliveries by Buyer**. At the Closing, Buyer shall deliver to Seller the following:

(a) the Purchase Price;

(b) an executed counterpart to the Bill of Sale; and

(c) any other documents required pursuant to this Agreement or reasonably requested by Seller.

8. **Representations and Warranties of Seller.** Except as provided herein, Seller makes no representations or warranties of any kind or nature, and particularly makes no warranty or covenant of fitness for particular purpose or covenant or warranty of merchantability of the Wastewater Collection System. The Wastewater Collection System and the Assets are being sold on an **AS IS, WHERE IS** basis. Seller hereby represents and warrants to Buyer as follows:

(a) Organization. Seller is a corporation validly existing and in good standing under the laws of the State of South Carolina. Seller has full corporate power and lawful authority to enter into and perform the provisions of this Agreement and all agreements and documents to be delivered by Seller in connection herewith.

(b) Authority. Seller has the full right, power and authority to convey the Wastewater Collection System and the Assets, to Buyer in accordance with the terms and conditions hereof. This Agreement, when executed and delivered by Seller, will be a valid and binding obligation of Seller in accordance with its terms.

(c) No Impediments. Neither the execution or delivery of this Agreement nor any documents and agreements delivered or to be delivered in connection herewith by Seller, nor their performance by Seller, will result in the breach of any term or provision of, or will (i) constitute a default under any indenture, mortgage, license agreement, organizational document, or other agreement or instrument to which Seller is a party or by which Seller or the Assets are bound; (ii) except for the Regulatory Approvals, if any, require Seller or any of its affiliates to make any filing with, or obtain any consent from,

any governmental or regulatory authority; or (iii) conflict with, violate or result in the breach by Seller of any law applicable to Seller with respect to the sale of the Assets.

(d) Title. Seller has, and on the Closing Date will have, good and marketable title to all of the Assets, free and clear of all liens, pledges, security interests or other encumbrances of any nature whatsoever, whether fixed or contingent, and whether due or to become due. Title and all risk of loss with respect to the Assets shall remain exclusively with Seller until the Closing.

(e) Judgments. Seller is not a party to or subject to any pending lawsuits or, to Seller's knowledge, any threatened lawsuits, nor judgment, order or decree enjoining any of them in respect of, or the effect of which is to limit, restrict, regulate or prohibit the sale of the Wastewater Collection System or the Assets.

(f) Tax Returns. All tax returns and reports of Seller required by law with respect to the Wastewater Collection System and Assets have been duly filed. All taxes, assessments, and other fees and governmental charges upon the Wastewater Collection System or the Assets, or upon the Seller which might affect the Wastewater Collection System or Assets after the Closing Date, which are due and payable, have been paid, and there are no claims pending against Seller for deficient or past due taxes and, to Seller's knowledge, no unassessed tax deficiencies.

(g) Employees. Seller has no employees and there is no contract or plan that is an "Employee Benefit Plan" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, as modified by regulations thereunder) that is or has been maintained by Seller covering former employees, if any, or to which Seller has been obligated to contribute.

(h) Environmental. (i) Seller has not received from any governmental authority any written notices within the past five (5) years asserting any material violation of any applicable environmental laws and regulations in connection with its ownership, use, maintenance, and operation of the Wastewater Collection System and the Assets, (ii) there is no written claim pending or, to the knowledge of Seller, threatened against the Wastewater Collection System or the Assets relating to environmental laws or regulations, (iii) to Seller's knowledge, Seller has not released or otherwise disposed of any Contaminants (as hereinafter defined) in material violation of environmental law or regulation at, on, under or around the immediate vicinity of the Assets, (iv) Seller has no knowledge of any conditions or circumstances associated with the Wastewater Collection System or the Assets which may prevent or interfere with material compliance with any applicable environmental laws and regulations, (v) to Seller's knowledge, Seller has not transported, disposed of, or otherwise released or arranged for the transportation, disposal or release of any Contaminant from the Wastewater Collection System to any other location in material violation of any environmental law or regulation, and (vi) Seller has neither placed nor, to Seller's knowledge, permitted the placement of any aboveground storage tanks, polychlorinated biphenyl, asbestos or asbestos containing material, or groundwater monitoring wells on the Assets in any way related to the Wastewater Collection System. For purposes of this Agreement, the term "Contaminant" shall

include without limitation: any waste, pollutant, chemical, hazardous material, hazardous substance, toxic substance, hazardous waste, solid waste, petroleum, or petroleum-derived substance or waste (regardless of specific gravity), or any constituent or decomposition product of any such pollutant, material, substance, or waste regulated under any environmental law or regulation.

Seller's representations and warranties are for the exclusive benefit of the Buyer and shall not be for the benefit of any other person or entity. Seller shall not have any liability for the falsity of any representation or the breach of any warranty to the extent the Buyer, its officers, directors, employees, agents or contractors, (1) had knowledge of such falsity or breach when made by Seller or (2) fails to give written notice to Seller of such falsity or breach as soon as Buyer acquires knowledge thereof. Where a representation or warranty is made as to "Seller's knowledge", a representation shall be deemed false or a warranty breached only if a supervisory employee of Seller that has a direct functional or operational responsibility for the Wastewater Collection System has actual knowledge of the falsity of such representation or the breach of such warranty.

9. **Representations and Warranties of Buyer.** Buyer represents and warrants to Seller as follows:

(a) Organization. Buyer is a Special Purpose District, validly existing and in good standing under the laws of the State of South Carolina. Buyer has full power and lawful governmental authority to enter into and perform the provisions of this Agreement and all agreements and documents to be delivered by Buyer in connection herewith.

(b) Authority. Buyer has the full right, power and authority to purchase the Wastewater Collection System and the Assets, from Seller in accordance with the terms and conditions hereof. This Agreement, when executed and delivered by Buyer, will be a valid and binding obligation of Buyer in accordance with its terms.

(c) No Impediments. Neither the execution or delivery of this Agreement nor any documents and agreements delivered or to be delivered in connection herewith by Buyer, nor their performance by Buyer, will result in the breach of any term or provision of, or will (i) constitute a default under any indenture, mortgage, license agreement, organizational document, or other agreement or instrument to which Buyer is a party or by which Buyer is bound; (ii) except for the Regulatory Approvals, if any, require Buyer or any of its affiliates to make any filing with, or obtain any consent from, any governmental or regulatory authority; or (iii) conflict with, violate or result in the breach by Buyer of any law applicable to Buyer with respect to the purchase of the Assets.

(d) Threat of Condemnation. Buyer represents and warrants to Seller that negotiations for Buyer's acquisition of the Assets arose out of the threat of condemnation of the Wastewater Collection System by the Buyer, and if the Closing occurs, the result will be a sale of the Assets by Seller to the Buyer under threat of condemnation in settlement, and in lieu, of condemnation proceedings being filed by the Buyer.

10. **Indemnification.**

(a) Indemnification by Seller. Seller covenants and agrees that, notwithstanding the payment of the Purchase Price and the delivery of instruments of conveyance, from and after the Closing Date, Seller will indemnify, defend and save and hold the Buyer and its affiliates, officers, directors, agents, employees, successors and assigns (the "Buyer Indemnified Parties") harmless from and against any and all damages, losses, costs, claims, liabilities, causes of action and expenses ("Buyer Losses") arising out of or resulting from: (i) any inaccuracy of any representation or the breach of any warranty made by Seller hereunder; (ii) any failure of Seller to duly perform or observe any term, provision, covenant, agreement or condition under this Agreement, and all agreements delivered in connection with this Agreement, on the part of Seller to be performed or observed; and (iii) any Retained Liability.

(b) Claims Period. The period during which a claim for indemnification by the Buyer Indemnified Parties may be asserted under this Agreement shall begin on the Effective Date and terminate on the date that is six (6) months following the Closing Date. Notwithstanding the previous sentence, a claim for indemnification by the Buyer Indemnified Parties solely with respect to the warranty provided in the bill of sale (in the form attached hereto as Exhibit C), shall begin on the Effective Date and terminate on the date that is twenty (20) years following the Closing Date.

(c) Liability Limits. Notwithstanding anything to the contrary set forth in this Agreement, the Buyer Indemnified Parties shall not make a claim against the Seller for indemnification under this Section 10 for Buyer Losses unless and until the aggregate amount of such Buyer Losses exceeds $47,550 (the "Buyer Basket"), in which case the Buyer Indemnified Parties may claim indemnification for all Buyer Losses in excess of the Buyer Basket. The total amount of the liability of the Seller for Buyer Losses shall be limited to $117,000, except for liability of the Seller for Buyer Losses solely related to the warranty in the bill of sale (in the form attached hereto as Exhibit C) which shall be limited to the Purchase Price.

11. **Operation of the Wastewater Collection System During the Pre-Closing Period.** Seller covenants and agrees that, except as otherwise consented to in writing by Buyer, for the period beginning as of the Effective Date and ending on the Closing Date (the "Pre-Closing Period"), Seller shall use its commercially reasonable efforts to (i) operate the Wastewater Collection System in the ordinary course, consistent with past practice in all material respects and (ii) preserve the Assets and the Transferred Real Property Rights in all material respects.

12. **Refund of Security Deposits.** Seller covenants and agrees that, except as otherwise required to cover any outstanding amounts owed to Seller by a Customer, within sixty (60) days following the Closing Date, Seller shall refund to each Customer of the Wastewater Collection System the security deposit, if any, paid by such Customer to Seller.

13. **Taxes.** Seller shall be responsible for and pay, and indemnify and hold Buyer harmless from, any and all transfer taxes imposed by any tax authority in connection with this

Agreement or any transfer of the Assets. The parties shall reasonably cooperate with each other concerning all tax matters, including the filing of all material federal and state tax returns and other governmental filings associated therewith.

14. **Notices.** All notices, communications, consents and deliveries under this Agreement shall be deemed given: (a) when delivered if delivered personally (including by courier); (b) on the third day after mailing, if mailed, postage prepaid, by registered or certified mail (return receipt requested); (c) on the day of delivery if sent by a nationally-recognized overnight delivery service which maintains records of the time, place and receipt of delivery; or (d) upon receipt of a confirmed transmission, if sent by facsimile transmission, in each case to a party at the applicable address or to such other address as may be furnished in writing by such party to the other:

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|---|---|
| To Buyer: | Sue G. Schneider QEP<br>General Manager<br>Spartanburg Sanitary Sewer District<br>Post Office Box 251<br>Spartanburg, South Carolina 29304<br>Phone: (864) 583-7361<br>Fax: (864) 583-3427<br>E-mail: sschneider@spartanburgwater.org |
| With a copy to: | T. Alexander Evins<br>Partner<br>Parker, Poe, Adams & Bernstein, LLP<br>100 Dunbar Street, Suite 206<br>Spartanburg, South Carolina 29306<br>Phone: (864) 253-6101<br>Fax: (864) 591-2050 |
| To Seller: | United Utility Companies, Inc.<br>c/o Utilities, Inc.<br>2355 Sanders Road<br>Northbrook, Illinois 60062-6108<br>Attn: Lisa Sparrow, President<br>Phone: (847) 498-6440<br>Fax: (847) 498-6498 |
| With a copy to: | Utilities, Inc.<br>2355 Sanders Road<br>Northbrook, Illinois 60062-6108<br>Attn: John Stover, General Counsel<br>Phone: (847) 498-6440<br>Fax: (847) 498-6498 |

15. **Bulk Sales.** Each party hereby waives compliance by the parties with any applicable bulk sale or bulk transfer laws of any jurisdiction in connection with the sale of the Assets to Buyer.

16. **Assignment.** Except as explicitly provided herein, neither party may directly or indirectly transfer any of its rights or delegate any of its obligations hereunder without the prior written consent of the other party; provided that either party may assign this Agreement to any affiliate of such party without obtaining the prior written consent of the other party.

17. **Governing Law.** This Agreement shall be deemed to have been entered into and to be performed in the State of South Carolina and shall be governed and construed and enforced in accordance with the laws of such state without regard to conflict of law principles.

18. **Entire Agreement; No Oral Modification.** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior oral and written understandings relating thereto. No modification or termination of this Agreement, nor any waiver of any provision hereof shall be valid or effective unless in writing and signed by the party or parties sought to be charged therewith. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature.

19. **Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which shall constitute but one and the same instrument. Any such counterpart may be signed by one or more of the parties as long as each of them has signed one or more of such counterparts.

*[signatures to follow]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

**SELLER:**
**UNITED UTILITY COMPANIES, INC.**

By: Lisa Sparrow OK135
Name: Lisa Sparrow
Its: President

**BUYER:**

**SPARTANBURG SANITARY SEWER DISTRICT**

By: _____
Name: Sue G. Schneider
Its: General Manager

## EXHIBIT A

### Transferred Real Property Rights

***1. Legal Description for River Forest Subdivision Sanitary Sewer System***

All of the right, title, and interest in or to all those certain pipes, manholes and fittings, and all components to complete the sewer collection system for River Forest Subdivision, located in the City of Spartanburg, County of Spartanburg, State of South Carolina, commonly known as the River Forest Subdivision Sanitary Sewer System, including without limitation such pipes, manholes, fittings and components as may be shown (i) on those certain drawings prepared by Frank M. Nutt, dated February 15, 1973, Sheets 1-21 ("Plats"), said Plats being on file in the office of the Director of Public Utilities, Spartanburg, South Carolina, together with any easements shown on said Plats and (ii) an orange as "Existing River Forest Private Manholes" and "Existing River Forest Private Gravity Mains" on Exhibit A attached to that certain Condemnation Notice and Tender of Payment (Non-Jury Matter) filed by Spartanburg Sanitary Sewer District, as condemnor, on June 22, 2010, in the Court of Common Pleas for the Seventh Judicial Circuit, Spartanburg Country, South Carolina; TOGETHER WITH all those certain pipes, manholes, fittings, wastewater treatment facilities and all components to complete the sewer collection and treatment system for River Forest Subdivision, in the City of Spartanburg, County of Spartanburg, State of South Carolina, as may be located on that certain .21 acre parcel located at the end of Boxwood Lane, Spartanburg County, South Carolina, said parcel more particularly shown on that certain plat prepared for John Bagwell, Inc. recorded in Plat Book 87, page 541 (Spartanburg County Tax Map Number 2-50-06-038), Spartanburg County Register of Deeds, together with a right of ingress and egress to said parcel to allow for the operation and maintenance of said facilities.

***2. Legal Description for Stone Creek Subdivision Sanitary Sewer System***

All of the right, title, and interest in or to all those certain pipes, manholes and fittings, and all components to complete the sewer collection system for Stone Creek Subdivision, located in the City of Spartanburg, County of Spartanburg, State of South Carolina, commonly known as the Stone Creek Subdivision Sanitary Sewer System, including without limitation such pipes, manholes, fittings and components shown in orange as "Existing Stone Creek Private Manholes" and "Existing Stone Creek Private Gravity Mains" on Exhibit B attached to that certain Condemnation Notice and Tender of Payment (Non-Jury Matter) filed by Spartanburg Sanitary Sewer District, as condemnor, on June 22, 2010, in the Court of Common Pleas for the Seventh Judicial Circuit, Spartanburg Country, South Carolina; TOGETHER WITH all those certain pipes, manholes, fittings, wastewater treatment facilities and all components to complete the sewer collection and treatment system for Stone Creek Subdivision, in the City of Spartanburg, County of Spartanburg, State of South Carolina, as may be located

on that certain parcel described in that certain deed from R&R Environmental Systems, Inc. to United Utilities Company, Inc., recorded in Book 49M, page 347, Spartanburg County Register of Deeds, together with a right of ingress and egress to said parcel to allow for the operation and maintenance of said facilities; TOGETHER WITH all rights and privileges granted to Landowner by that certain Grant of Right of Way or Easement recorded in Book 69A, page 832.

## EXHIBIT B

### Retained Assets

1. All billing systems, computers, software and other information systems

2. The names "Utilities, Inc.", "United Utility Companies, Inc.", any trademarks, domain names or other intellectual property rights owned or used by Seller

3. All logos and signage owned or used by Seller

4. All deposits with third-party service providers

5. All security deposits received from Customers

6. Any cash on hand

7. That certain real property more particularly described on Exhibit A to that certain Deed dated January 1, 1984 from John Bagwell, Inc. to United Utility Companies, Inc. recorded on December 10, 1985, in Deed Book 51W, Page 177, Spartanburg County, South Carolina real property records. (River Forest).

8. That certain real property more particularly described in that certain Deed dated April 8, 1983 from R&R Environmental Systems, Inc. to United Utilities Company, Inc. recorded on April 13, 1983, in Deed Book 49M, Page 347, Spartanburg County, South Carolina real property records. (Stone Creek).

9. Accounts Receivable incurred prior to the Closing Date

**Exhibit C**

**Form of Bill of Sale**

Prepared by:
John Stover
General Counsel
2335 Sanders Road
Northbrook, IL 60062

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**BILL OF SALE**

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***KNOW ALL MEN BY THESE PRESENTS:***

That **UNITED UTILITY COMPANIES, INC.**, a South Carolina corporation, ("Grantor") for and in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged do hereby grant, bargain, sell, transfer and deliver to **SPARTANBURG SANITARY SEWER DISTRICT**, a political subdivision of the State of South Carolina ("Grantee"), its successors and assigns, all of the personal property owned by the Grantor described in EXHIBIT "A" attached hereto.

Grantor does hereby covenant with Grantee that Grantor has good right to sell, transfer, convey, and assign the right, title and interest conveyed herein and will, warrant and defend the same in favor of Grantee, its successors and assigns, for a period of twenty (20) years from the date hereof against the claims and demands of all persons claiming by, through or under Grantor, and no further.

**TO HAVE AND TO HOLD** the same unto the Grantee, its successors and assigns forever.

**IN WITNESS WHEREOF**, the Grantor has executed this Bill of Sale this ____ day of July, 2010.

**UNITED UTILITY COMPANIES, INC.,**
a South Carolina corporation

Witness Signature: _____
Print Witness Name: JAMES JAPCZYK

By: Li Sparrow
Name: Lisa Sparrow
Title: President

Witness Signature: Agnes Svenda
Print Witness Name: AGNES SVERIDA

Address: *2335 Sanders Road*
*Northbrook, IL 60062*

*STATE OF ILLINOIS*
*COUNTY OF COOK*

The foregoing instrument was acknowledged before me this _____ day of July, 2010, by LISA SPARROW as PRESIDENT of United Utility Companies, Inc., a South Carolina corporation, who [X] is personally known to me or [____] produced a driver's license as identification.

OFFICIAL SEAL
LESLIE A. STONE
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5-29-2011

Leslie A. Stone
NOTARY PUBLIC
Print Name: Leslie A Stone
My Commission #:
My Commission Expires 5-29-2011

# CLOSING STATEMENT

**July 19, 2010**

Reference is hereby made to that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as the date hereof, by and between United Utility Companies, Inc., a South Carolina corporation ("Seller") and Spartanburg Sanitary Sewer District, a political subdivision of the State of South Carolina ("Buyer"). Seller hereby instructs Buyer to make the wire transfers specified below on the Closing Date. Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Purchase Agreement.

A. PAYMENT TO SELLER UNDER THE PURCHASE AGREEMENT

$475,500 as follows:

Wire Transfer Instructions:

Bank: JP Morgan Chase
Account Name: Water Services Corp Depository Account
Acct #: 100074351
ABA Routing #: 021000021
Address: 10 S. Dearborn, Chicago, IL 60603
Telephone #: (630) 221-2157
Contact: Raquel Velazquez

IN WITNESS WHEREOF, the undersigned have executed this Closing Statement as of the date first above written.

**SELLER:**
**UNITED UTILITY COMPANIES, INC.**

By: Li Sparrow OK BS
Name: Lisa Sparrow
Its: President

**BUYER:**

**SPARTANBURG SANITARY SEWER DISTRICT**

By: _____
Name: Sue G. Schneider
Its: General Manager