



Control Number: 42948



Item Number: 19

Addendum StartPage: 0

Callegari Law Firm, P. C.
Attorneys and Counselors at Law
15040 Fairfield Village Drive, Suite 200
Cypress, Texas 77433
281-304-1230 (voice)
281-373-5203 (fax)
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PUBLIC UTILITY COMMISSION
FILING CLERK

October 9, 2014

Ms. Tammy Benter, Team Leader
Water Utilities Division
Public Utility Commission
1701 N. Congress Avenue, Suite 8-110
Austin, Texas 78711

Re: PUC Docket No. 42948;
TCEQ Application No. 37530-S, Application from Quadvest, L.P., Convenience
and Necessity (CCN) No. 11612 to acquire facilities and to transfer and cancel
CCN No. 12281 from Bayer Water System, Inc. in Harris County, Texas

CN: 602944746; RN: 101272250 (Quadvest, L.P.)
CN: 602171670; RN: 101206324 (Bayer Water System, Inc.)

Dear Ms. Benter:

Please recall that I represent Quadvest with regard to various matters, and that I have assisted Quadvest with the referenced transaction. I am writing to make sure that appropriate final approvals are processed for this transaction.

This transaction closed and funded on July 1, 2014; and I sent the attached notice of closing to you a few days after that. Since then, I have received copies of orders filed in the two dockets referenced above; and I understand that correspondence must include docket numbers for reference.

To ensure that you have all required documentation, enclosed please find a copy of the correspondence previously sent, which included Affidavits of Closing from both Buyer and Seller evidencing the completion of the transfer, and a copy of the Bill of Sale conveying the system from Buyer to Seller.

Accordingly, please complete the CCN transfer process specified in the Applications and the Dockets at your earliest convenience. If you need additional information or documentation, please contact me at the address above. Thank you in advance for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'W. A. Callegari, Jr.', with a stylized, flowing script.

W. A. Callegari, Jr.
Attorney for Quadvest, L.P.

Callegari Law Firm, P. C.
Attorneys and Counselors at Law
15040 Fairfield Village Drive, Suite 200
Cypress, Texas 77433
281-304-1230 (voice)
281-373-5203 (fax)
wcj1304@msn.com (email)

July 2, 2014

Ms. Tammy Benter, Team Leader
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

Re: Application No. 37530-S, Application from Quadvest, L.P., Convenience and
Necessity (CCN) No. 11612 to acquire facilities and to transfer and cancel CCN
No. 12281 from Bayer Water System, Inc. in Harris County, Texas

CN: 602944746; RN: 101272250 (Quadvest, L.P.)
CN: 602171670; RN: 101206324 (Bayer Water System, Inc.)

Dear Ms. Benter:

In accordance with applicable Texas law and with TCEQ Rules and Regulations, I am happy to report that the purchase and sale referenced above closed on July 1, 2014 and funded shortly thereafter. Copies of the Buyer's Affidavit of Closing and Seller's Affidavit of Closing evidencing the completion of the transfer, and a copy of the Bill of Sale conveying the system from Buyer to Seller are enclosed for your files. Accordingly, please complete the CCN transfer process specified in the Application at your earliest convenience. If you need additional information or documentation, please contact me at the address above. Thank you in advance for your prompt attention to this matter.

Sincerely,



W. A. Callegari, Jr.
Attorney for Aqua Utilities, Inc.

Bryan W. Shaw, Ph.D., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 23, 2013

CERTIFIED MAIL

Mr. Jeff Goebel, Business Development
Quadvest, LP
P.O. Box 409
Tomball, Texas 77377

Re: Application No. 37530-S, Application from Quadvest, L.P., Certificate of Convenience and Necessity (CCN) No. 11612, to acquire facilities and to transfer and cancel CCN No. 12281 from Bayer Water System, Inc., in Harris County

CN: 602944746; RN: 101272250 (Quadvest, LP)
CN: 602171670; RN: 101206324 (Bayer Water System, Inc.)

Dear Mr. Goebel:

We have reviewed the criteria in Texas Water Code (TWC), Section 13.301(e) and determined that a public hearing will not be requested. You may complete your proposed transaction as scheduled, or any time after you receive this notification. Please note that the transaction must comply with the requirements of TWC Section 13.301(d) and therefore cannot be completed prior to the issuance of this letter.

The second part of the application, which is transferring the CCN, will occur following receipt of following documents:

- a copy of the signed contract or bill of sale, and
- documents supporting the disposition of customer deposits.

The application cannot be approved nor the CCN transferred and issued until we receive evidence that the transaction was completed. These items must be received by the Utilities & Districts Section, Water Supply Division, within 30 days after the effective date of the transaction.

After the proper documentation is received, staff will prepare a proposed map, certificate, and recommendation for both applicants to review before submitting them to the Executive Director for approval and the issuance of the CCN. A copy of this information will be sent to both the buyer and seller.

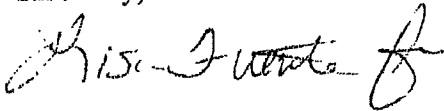
Mr. Jeff Goebel, Business Development
Page 2
September 23, 2013

As an alternative to the seller's continued involvement in the process, the closing document(s) and any accompanying correspondence may include a statement that the seller consents with the transfer of the CCN to the buyer with specific references to the statute and rule noted above. The statement will serve to authorize the Executive Director to take action upon receipt of the buyer's signed consent form. In this situation, however, the seller is relying on the buyer to provide the final consent on the CCN transfer.

Finally, please note that from the time the application is filed until the CCN is issued, it is the applicants' (buyer and seller) responsibility to notify and update the Utility & Districts Section, Water Supply Division, of changes in the financial, managerial, or technical information provided in the application.

If you have any questions, please contact Ms. Sheresia Perryman by phone at 512/239-3654, by fax at 512/239-6972, by email at Sheresia.perryman@tceq.texas.gov, or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,

A handwritten signature in black ink, appearing to read "Tammy Benter", followed by a stylized flourish.

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division

TB/SP/mmg

cc: TCEQ, Region 12 Office

**BILL OF SALE FOR PROPERTY CONSTITUTING
THE OLD TOWN SPRING UTILITY SYSTEM**

Date: July 1, 2014

Grantors: Bayer Water System, Inc., a Texas corporation;
Bayer Investments, LLC, a Texas limited liability company;
DAC Ltd., a Texas limited partnership

Grantors' Mailing Addresses:

Bayer Water System, Inc.
P. O. Box 127
Spring, Texas 77383

Bayer Investments, LLC
P. O. Box 127
Spring, Texas 77383

DAC, Ltd.
P. O. Box 127
Spring, Texas 77383

Grantee: Quadvest, L.P., a Texas limited partnership

Grantee's Mailing Address:

Quadvest, L.P.
P. O. Box 409
Tomball, Texas 77377

Consideration: Cash and other good and valuable consideration.

Transferred Properties:

All of Grantors' interest in all of the real and personal property owned and/or controlled by Grantor associated with the operation and/or ownership of the water and wastewater system which is owned and/or operated by Grantor, whether held in fee simple, by easement, lease or otherwise, in any way related to the provision of water and/or wastewater service to current and future property owners located in the Old Town Spring service area (the "System") including but not limited to the following:

1. All the land, buildings, pipes, pipelines, water mains, wells, pumping stations, storage tanks, standpipes, fire hydrants, structures, improvements, fixtures, rights of way, rights, uses, licenses, and easements owned by Seller or in which Seller has an interest, and all hereditaments, tenements, and appurtenances belonging or appertaining thereto, including but not limited to, all of the underground water, percolating water, artesian water, and any other water from any and all depths and reservoirs, formations, depths and horizons beneath the surface of the real property which is part of the System;
2. All the land, buildings, pipes, pipelines, mains, lift stations, pumping stations, storage tanks, standpipes, structures, improvements, fixtures, rights of way, rights, uses, licenses, and easements related to the Sewer Assets owned by Seller or in which Seller has an interest, and all hereditaments, tenements, and appurtenances belonging or appertaining thereto;
3. All supplies and inventories related to the System;
4. All rights of Sellers under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, surface water right, surface water permit, groundwater right, groundwater permit, groundwater conservation district right, groundwater conservation district permit, certificate or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating in any way to the System, including but not limited to all active and inactive water and/or wastewater accounts and all agreements with third parties regarding the provision of retail or wholesale water and/or wastewater;
5. All rights and choses in action of Sellers relating to the System arising out of occurrences before and/or after the date of this conveyance, including but not limited to those associated with prescriptive rights, adverse possession, easements, and ownership of the real and personal property of the System;

6. All information, files, records, data, plans, contracts, and recorded knowledge, including customer and supplier lists and property records in any way related to the System;
7. All of Sellers' interest in all of the personal property owned and/or controlled by Sellers associated with the operation and/or ownership of System, including without limitation Seller's interests in any customer records, business records, applications for licenses, permits or other related governmental authorizations which are part of the System; and
8. All the water utility easements used and useful in operating and owning the System, including but not limited to the easements listed on the attached exhibit and all equitable easement rights to easement in any way associated with the System.

PROVIDED, HOWEVER, that the Parties expressly agree that the transferred properties do not include the following:

- 1) Any and all customer water service lines that run from the curb line (or edge of road) to each individual residences, commercial or industrial structures served by the Assets;
- 2) All piping and fixtures internal to each of the individual customer's structure;

Warranties and Representations:

1. Seller herein expressly agrees and acknowledges that except as otherwise expressly stated in this Bill of Sale, all of the Representations and Warranties given and made by Seller or its predecessors in the Contract for the Purchase of Bayer Utility Company, Inc. between the parties remain true and correct as of the effective date of this Bill of Sale.
2. Buyer expressly agrees and acknowledges that except as otherwise expressly stated in this Bill of Sale, all of the Representations and Warranties given and made in the Contract for the Purchase of Bayer Utility Company, Inc. between the parties remain true and correct as of the effective date of this Bill of Sale.

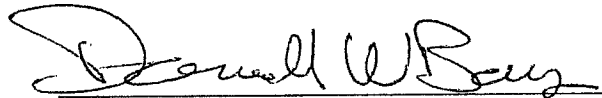
Sellers, for the Consideration recited above, hereby, sells, transfers, and delivers the Transferred Properties to Buyer, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold the Transferred Properties to Buyer and Buyer's employees, agents, representatives, successors, and assigns forever. Seller binds Seller and Seller's heirs and successors to warrant and forever defend all and singular the title to the Transferred Properties to Buyer and Buyer's employees, agents, representatives, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under Seller, but not otherwise.

THIS CONVEYANCE IS AN 'AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NO PREPRESENTATIONS, DISCLOSURES, OR EXPRESS OR IMPLIED WARRANTIES, EXCEPT FOR THE WARRANTY OF TITLE IMPLIED IN THE CLOSING DOCUMENTS.

When the context requires, singular nouns and pronouns include the plural.

Signatures appear on the succeeding pages.

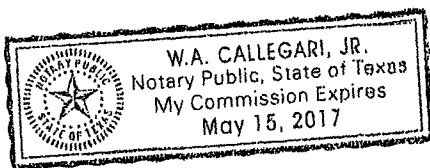
BAYER INVESTMENTS, LLC, GRANTOR:

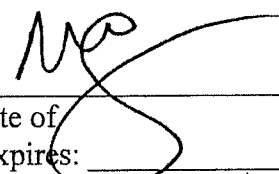

By Donald W. Bayer, Member and Manager

STATE OF TEXAS §

COUNTY OF HARRIS §

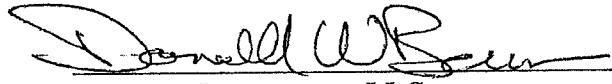
This instrument was acknowledged before me on 7/1/14, by Donald W. Bayer, Member and Manager of Bayer Investments, LLC, a Texas limited liability company, on behalf of said limited liability company.





Notary Public, State of
My commission expires: _____

DAC, LTD., GRANTOR:



By Bayer Investments, LLC,
Donald W. Bayer, Member and Manager

STATE OF TEXAS §

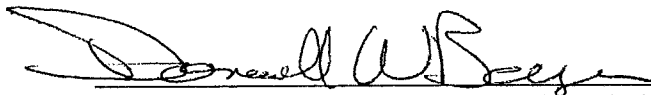
COUNTY OF HARRIS §

This instrument was acknowledged before me on 7/1/14, by
Donald W. Bayer, Member and Manager of Bayer Investments, LLC, the General Partner of
DAC, Ltd., a Texas limited partnership, on behalf of said limited partnership.



Notary Public, State of
My commission expires: _____

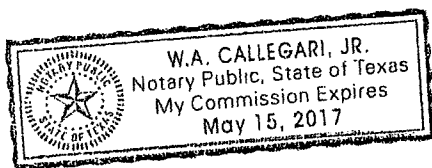
BAYER WATER SYSTEM, INC., GRANTOR:



By Donald W. Bayer, Successor to Shareholder

STATE OF TEXAS §

COUNTY OF HARRIS §

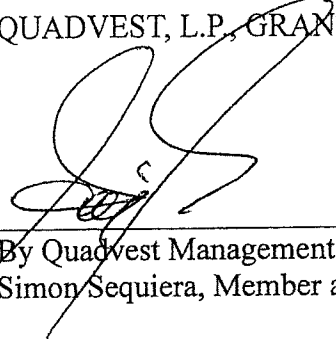
This instrument was acknowledged before me on 7/1/14, by Donald W. Bayer, successor owner following dissolution of Bayer Water System, Inc., a Texas corporation, on behalf of said corporation.





Notary Public, State of
My commission expires: _____

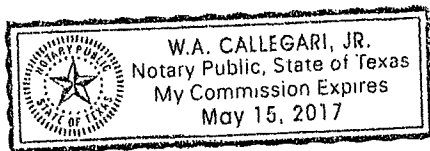
QUADVEST, L.P., GRANTEE

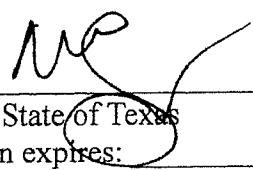

By Quadvest Management, LLC
Simon Sequiera, Member and Manager

STATE OF TEXAS)

COUNTY OF HARRIS)

This instrument was acknowledged before me on 7/1/14, by
Simon Sequiera, Member and Manager of Quadvest Management, LLC, General Partner of
DAC, Ltd., a Texas limited partnership, on behalf of said limited partnership.




Notary Public, State of Texas
My commission expires: _____