



Control Number: 50059



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Midway Water Utilities

A SouthWest Water Company

12535 Reed Road
Sugar Land, TX 77478
Phone: 281.207.5800
Fax: 281.207.5861
www.swwc.com

July 2, 2020

Public Utility Commission of Texas
Attention: Filing Clerk
1701 Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Re: Docket 50059 - Application of Double Diamond Utilities Company, Inc., Double Diamond Properties Construction Company, and Midway Water Utilities, Inc. for Sale Transfer, or Merger of Facilities and Certificate Rights in Hill, Palo Pinto, Johnson, and Grayson Counties

Proof that the transaction has been consummated and customer deposits have been addressed

To the Commission:

Ordering Paragraph No. 5 of Order No. 9 issued in this docket on May 11, 2020 requires the applicants file proof within 30 days of the effective date of the transaction that the transaction has been consummated and customer deposits have been addressed in satisfaction of 16 TAC § 24.239(m). With this letter, Midway reports that the transaction has been consummated on June 12, 2020, as evidenced by the attached Bills of Sale. The requirements of 16 TAC § 24.239(m) are not applicable as there were no customer deposits held by Double Diamond as of the effective date of the transaction.

Please contact me if any additional information is required at this time.

Sincerely,

/s/ George Freitag

George Freitag, P.E.
Texas Regulatory Manager
SouthWest Water Company
Monarch Utilities I, L.P. (512)
219-2288
gfreitag@swwc.com

Enclosed: Bill of Sale - Double Diamond Utilities Co. and Midway Water Utilities, Inc.
Bill of Sale - Double Diamond Properties Construction Co. and Midway Water Utilities, Inc.

BILL OF SALE

This Bill of Sale (this "*Bill of Sale*") dated as of June 12, 2020 is made by Double Diamond Utilities Co., a Texas corporation ("*Seller*"), for the benefit of Midway Water Utilities, Inc., a Texas corporation ("*Purchaser*"). Capitalized terms not otherwise defined herein shall have the meanings given to them in the Asset Purchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Purchaser have executed and delivered an Asset Purchase Agreement (the "*Asset Purchase Agreement*"), dated as of August 21, 2019, pursuant to which Seller has agreed to sell to Purchaser all of Seller's right, title and interest in and to the Assets, in exchange for the consideration set forth therein; and

WHEREAS, pursuant to the terms of the Asset Purchase Agreement, Seller desires to transfer and assign to Purchaser all of Seller's right, title and interest in and to the Assets, and Purchaser desires to acquire all of Seller's right, title and interest in and to the Assets.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and effective as of the Closing, Seller does hereby sell, transfer, convey, assign, and deliver unto Purchaser, its successors and assigns forever, all of Seller's right, title, and interest in and to the Assets, free and clear of all Liens, except Permitted Liens. Notwithstanding anything expressed herein to the contrary, the Excluded Assets are specifically excluded from the Assets and shall be retained by Seller following the Closing.

This Bill of Sale and all of the provisions hereof shall be binding upon Seller and its successors and permitted assigns and shall inure to the benefit of Purchaser and its successors and permitted assigns. Nothing in this Bill of Sale is intended to confer upon any other person except Purchaser and Seller any rights or remedies hereunder or shall create any third party beneficiary rights in any person.

This Bill of Sale is being delivered pursuant to the Asset Purchase Agreement and shall be construed consistently therewith. In the event of any conflict or ambiguity between the terms of the Asset Purchase Agreement and the terms of this Bill of Sale, the terms of the Asset Purchase Agreement shall control. This Bill of Sale is not intended to, and does not in any manner, enlarge, diminish or modify the rights and obligations of the parties to the Asset Purchase Agreement, including without limitation any representations, warranties or indemnification obligations contained therein.

The parties hereto agree to execute such documents and other papers and perform such further acts as may be reasonably required to carry out the provisions hereof and the transactions contemplated hereby.

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