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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

March 23, 2021

Via Electronic Filing

Mark L. Johnson, Executive Director/Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503
records@wutc.wa.gov

RE: Notification of Proposed Changes in Indirect Control of WANRack, LLC

Dear Secretary Johnson:

WANRack, LLC (“Licensee” or “WANRack”), WANRack Holdings LLC (“Holdings” or “Transferor”), and CBRE Caledon WR Holdings LP (“Transferee” or “CBRE”), (collectively, the “Parties”), hereby notify the Washington Utilities and Transportation Commission (“Commission”) of a proposed transaction that will result in a change in indirect control of the Licensee (the “Transaction”). Since Commission action is not required for the Transaction, the Parties submit this letter for informational purposes.

DESCRIPTION OF THE PARTIES

A. WANRack Holdings, LLC (Transferor) and WANRack, LLC (Licensee)

WANRack is a privately held Delaware limited liability company and a wholly-owned, direct subsidiary of Holdings. WANRack is headquartered at 15700 College Blvd., Suite 200, Lenexa, Kansas 66219. WANRack, founded in 2013, owns and operates private fiber wide area networks built for school districts across 22 states and provides services to certain other customers.

In Washington, WANRack is registered as a Competitive Telecommunications Company pursuant to Docket No. UT-200285 effective April 16, 2020. WANRack also is authorized to provide intrastate telecommunications services in the following states in addition to Washington: Alabama, Arizona, Arkansas, California,¹ Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Missouri, Montana, Nevada, Ohio, Oklahoma, Pennsylvania, Texas, Virginia, Wisconsin, and Wyoming.

B. CBRE Caledon WR Holdings LP (Transferee)

CBRE is a Delaware limited partnership with principal offices at c/o CBRE Caledon Capital Management, 141 Adelaide Street West, Suite 1500, Toronto, Ontario M5H 3L5. CBRE is an affiliate of CBRE Caledon Capital Management Inc. (“CBRE Capital”), a leading infrastructure and private equity solutions provider that seeks to create long-term value by

¹ WANRack intends to relinquish its authority to provide telecommunications services in the State of California prior to completion of this Transaction.

accessing and managing high-quality investment opportunities and building comprehensive and customized infrastructure and private equity portfolios. CBRE Capital is ultimately controlled by CBRE Group, Inc. (NYSE: CBRE).

Transferee does not itself provide telecommunications, rather Transferee is a holding company formed solely for the purpose of acquiring Holdings, and indirectly WANRack. For the purpose of accomplishing the Transaction, Transferee has created a merger subsidiary, CCWR Merger Sub LLC (“Merger Sub”), a Delaware limited liability company and direct, wholly owned subsidiary of Transferee.

DESIGNATED CONTACTS

Questions, correspondence, or other communications concerning this filing should be directed to:

For CBRE:

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With a copy to:

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DESCRIPTION OF THE TRANSACTION

CBRE, Merger Sub, Holdings, and Grain Communications Opportunity Fund, L.P. (solely in its capacity as the Unitholder Representative) entered into an Agreement and Plan of Merger on February 23, 2021 (the “Agreement”). Pursuant to and subject to the terms and conditions in the Agreement, Merger Sub will be merged with and into Holdings, with Holdings surviving the merger, at which time Merger Sub will cease to exist. Upon consummation of the Transaction, Holdings will be a direct, wholly owned subsidiary of CBRE and WANRack will be an indirect, wholly owned subsidiary of CBRE.

For the Commission’s reference, diagrams depicting the pre- and post-Transaction corporate ownership structures are provided in **Exhibit A**.

PUBLIC INTEREST CONSIDERATIONS

The proposed Transaction will serve the public interest, convenience, and necessity by providing WANRack with access to CBRE’s financial and operational expertise, permitting WANRack to continue to provide robust communications solutions to their customers and to better compete in the Washington telecommunications marketplace. The Transaction is expected to enhance the financial condition and prospects of WANRack, increase its liquidity and accelerate the introduction of new communications technologies, products and services to its customers. These enhancements, together with the operational and financial expertise of CBRE’s affiliates, are expected to allow WANRack to strengthen its competitive positions to the benefit of its customers and the telecommunications marketplace. The Transaction would allow WANRack to pursue growth strategies and to expand its operations both in terms of service area coverage and through the ability of WANRack to offer customers an expanded line of products and services. As a result of the Transaction, Parties believe WANRack will be able to compete more effectively against incumbent carriers and larger competitive carriers.

At the same time, the Transaction will have no adverse impact on the customers of WANRack. Immediately following the Transaction, WANRack will continue to provide service at the same rates, terms, and conditions and without any interruption of service. The only change immediately following the closing from a customer’s perspective will be the new ownership of

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WANRack. CBRE and its owners further expect that existing management will continue to oversee WANRack on a day-to-day basis.

Further, the Transaction does not present any anti-competitive issues in Washington and will not harm the public interest. Significantly, there will be no diminution of competition in the Washington market as a result of the Transaction. The Transaction will not result in the elimination or addition of competitors to the marketplace in Washington. Because CBRE is neither itself a provider of telecommunications nor affiliated with any providers there will be no reduction in competition. Indeed, the purchase by CBRE will provide fresh capital for WANRack to continue and expand its operations to the benefit of competition and consumers.

Please acknowledge receipt and acceptance of this electronic filing. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/Patricia Cave

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LP*

/s/Thomas Parisi

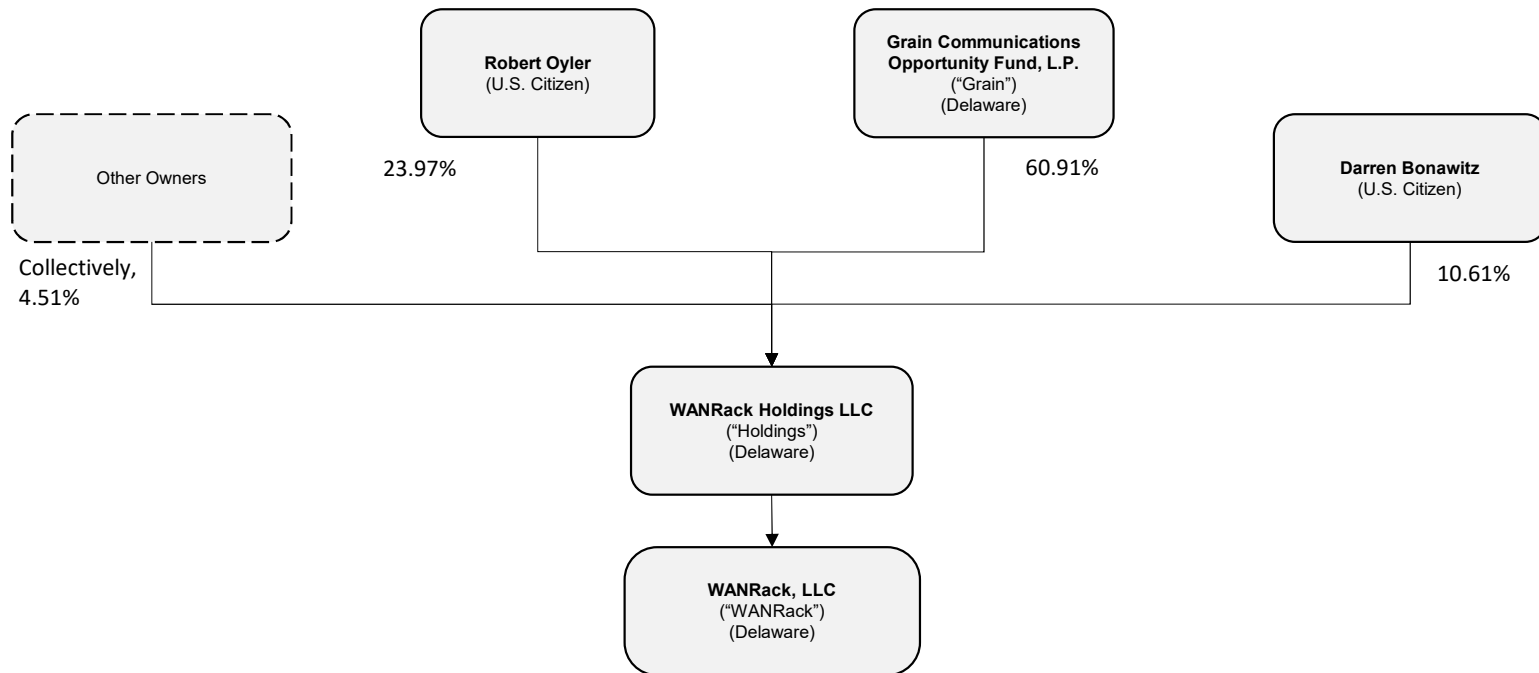
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Holdings, LLC*

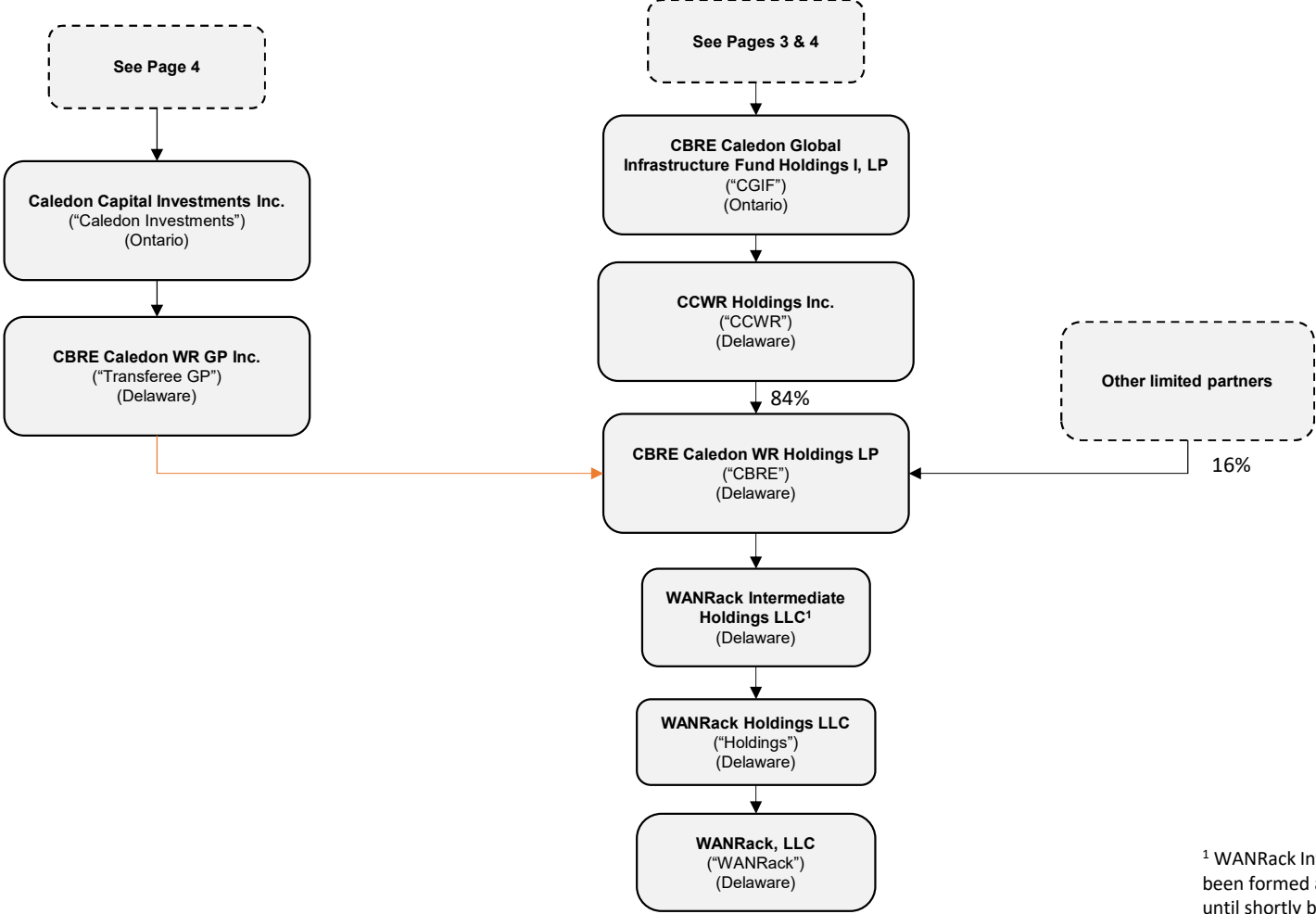
EXHIBIT A

Current and Post-Transaction Corporate Ownership Structure Charts

Current Ownership Structure of WANRack, LLC



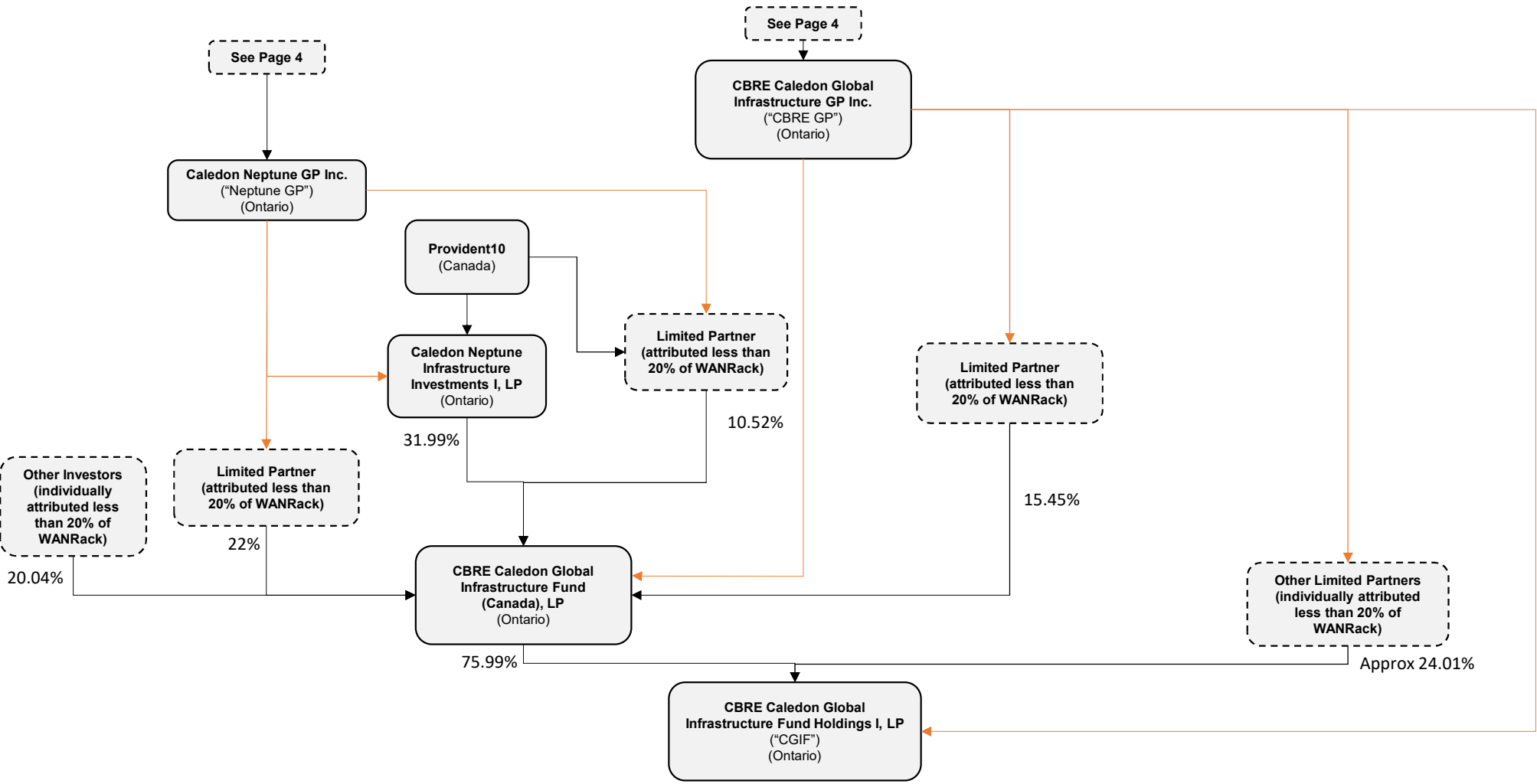
Post-Transaction Ownership Structure of WANRack, LLC



— Economic Interest
 — General Partner

¹ WANRack Intermediate Holdings LLC has not yet been formed and is not expected to be formed until shortly before closing.

Ownership Structure of CGIF

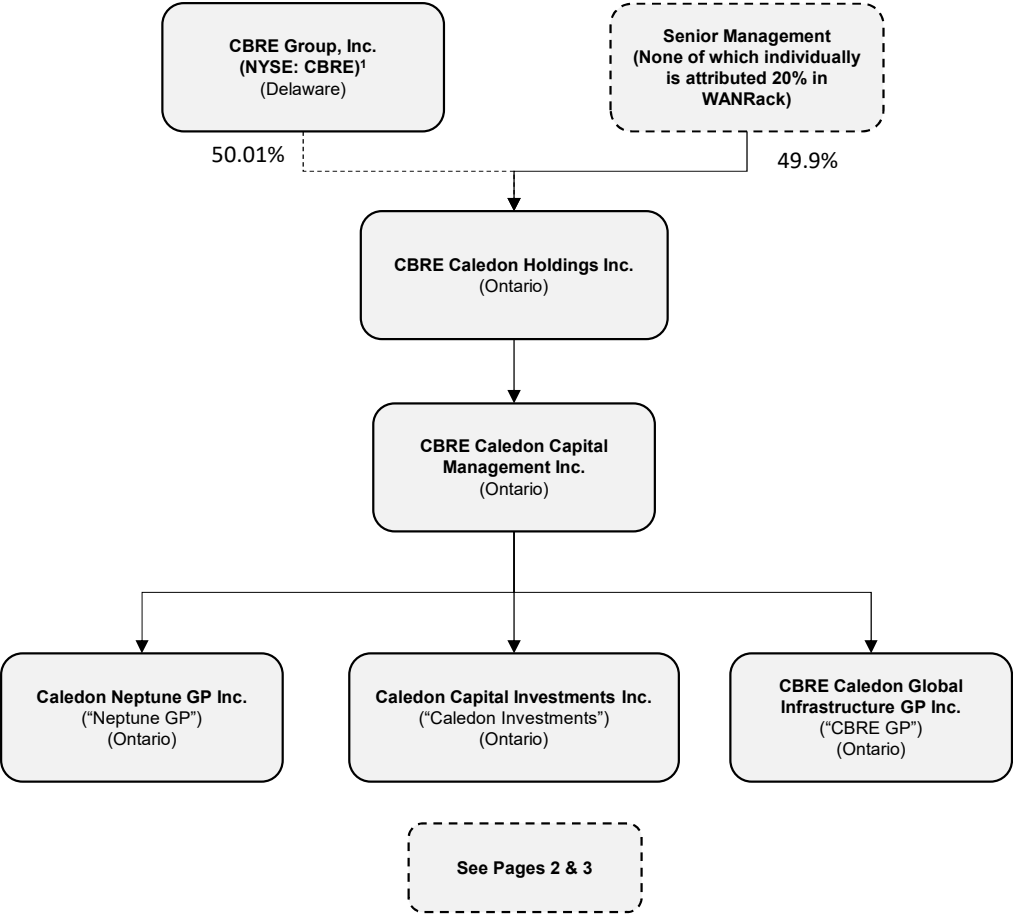


→ Economic Interest
→ General Partner

Unless otherwise indicated, all ownership/control percentages are 100%.

Ownership Structure of Caledon Investments, Neptune GP, and CBRE GP

¹ CBRE Group, Inc. holds 50.01% of CBRE Caledon Holdings Inc. through numerous intermediate entities.



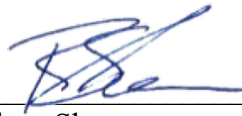
— Economic Interest
 — General Partner

VERIFICATIONS

VERIFICATION

I, Robert Shaw, state that I am the Secretary of CBRE Caledon WR GP Inc., the general partner of CBRE Caledon WR Holdings LP (“CBRE”); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents thereof and the certifications contained therein regarding the Company and its affiliates, are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 22nd day of March 2021.



Robert Shaw
Secretary
CBRE Caledon WR GP Inc., general partner
of CBRE Caledon WR Holdings LP

VERIFICATION

I, Michael L. Brigman, state that I am the President, Chief Operating Officer, and Secretary of WANRack Holdings LLC and its subsidiary WANRack, LLC (together, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents thereof and the certifications contained therein regarding the Company and its affiliates, are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this

17 day of March 2021.



Michael L. Brigman
President, Chief Operating Officer, and Secretary
WANRack Holdings LLC
WANRack, LLC