

Decision No. \_\_\_\_\_

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

In the Matter of the Application  
of the SOUTH LOS ANGELES WATER  
COMPANY (1) for an order author-  
izing the sale of all of its proper-  
ty to the South Los Angeles Land  
and Water Company; and (2) for an  
order authorizing The South Los  
Angeles Water Company to acquire  
1700 shares of the capital stock  
and \$100,000. of First Mortgage  
Bonds of the South Los Angeles Land  
and Water Company; and (3) for an  
order authorizing THE SOUTH LOS  
ANGELES LAND AND WATER COMPANY to  
purchase the property of the South  
Los Angeles Water Company.

ORIGINAL

Application No. 1430.

Decision No. 2140-

BY THE COMMISSION.

THIRD SUPPLEMENTAL ORDER.

WHEREAS this Commission, by Decision Number 2178 dated  
February 27, 1915, (Vol. 6, Opinions and Orders of the Rail-  
road Commission of California, page 226), authorized South Los  
Angeles Water Company to sell its water system to South Los  
Angeles Land and Water Company for \$75,000.00 par value of stock  
and \$75,000.00 face value of six per cent bonds; and

WHEREAS the order found in said Decision Number 2178  
provides that it shall not become effective until this Com-  
mission has issued a supplemental order approving the deed and  
contract of transfer from South Los Angeles Water Company to  
South Los Angeles Land and Water Company nor until South Los  
Angeles Land and Water Company shall have stipulated that it  
will undertake all obligations of service now properly binding

upon South Los Angeles Water Company and shall have submitted to the Commission for its approval a copy of its proposed deed of trust; and

WHEREAS, this Commission in a First Supplemental Order dated November 23, 1915, (Decision Number 2929) approved a deed of trust submitted by South Los Angeles Land and Water Company and in a Second Supplemental Order, dated December 31, 1915 (Decision Number 3018) approved a grant deed and agreement of sale (said agreement of sale including a stipulation as to service), all in accordance with the conditions of the Commission's original Decision Number 2178, as set forth above; and

WHEREAS, South Los Angeles Water Company has now applied to the Commission for an order authorizing it to sell its water system to South Los Angeles Land and Water Company for \$75,000 par value of stock and \$60,000 face value of 6% first mortgage bonds; and

WHEREAS, South Los Angeles Land and Water Company has applied to this Commission for an order authorizing it to issue \$75,000.00 par value of stock and \$60,000.00 face value of 6% first mortgage bonds in payment for the property to be acquired from South Los Angeles Water Company and to execute a new mortgage or deed of trust in substantially the same form and tenor as the mortgage or deed of trust attached to the application herein and marked Exhibit No. 4; and

WHEREAS, applicants herein have asked permission to execute a new agreement of sale substantially in the same form and tenor as the agreement of sale attached to the application herein and marked Exhibit No. 5, said agreement of sale containing a stipulation whereby South Los Angeles Land and Water Company agrees to assume all existing contracts of whatever kind or nature and all obligations of service now properly

binding upon South Los Angeles Water Company in connection with the production, sale or distribution of water for domestic or irrigation purposes, and

Good Cause Appearing,

IT IS HEREBY ORDERED that South Los Angeles Water Company and South Los Angeles Land and Water Company be granted authority, and they are hereby granted authority, to execute an agreement of sale substantially in the same form and tenor as the agreement of sale attached to the application herein and marked Exhibit No. 5, by which it is proposed that South Los Angeles Water Company shall sell to South Los Angeles Land and Water Company for \$75,000.00 par value of capital stock and \$60,000.00 face value of 6% first mortgage bonds the following described property:

"Lots thirty-one (31) to forty (40) inclusive, in Block "C"; lots six (6), seven (7), eight (8), ten (10), eleven (11), twelve (12) and thirteen (13) in Block "D" of Nadeau Vineyard Tract No. 1, as per map recorded in Book 28, page 21, Miscellaneous Records of said County.

Lot fifty-nine (59), Block two (2) of the Aldine Square Tract, in the City of Vernon, County of Los Angeles.

TOGETHER with all rights-of-way, franchises, buildings, wells, pumping machinery, towers and tanks, distributing system, motors, service connections, hydrants, and all other property of any kind and character situate on or appurtenant to said above described real property."

IT IS HEREBY FURTHER ORDERED that South Los Angeles Land and Water Company be given authority, and it is hereby given authority, to issue at not less than the par value thereof \$75,000.00 par value of common capital stock in lieu of a like amount of stock, the issue of which was authorized by Decision No. 2178, dated February 27, 1915 (Volume 6, Opinions and Orders of the Railroad Commission of California, page 226).

IT IS HEREBY FURTHER ORDERED that South Los Angeles Land and Water Company be given authority, and it is hereby given

authority, to issue at not less than the face value thereof \$50,000.00 face value of 6% first mortgage bonds in lieu of \$75,000.00 face value of 6% first mortgage bonds, the issue of which was authorized by Decision No. 2178, dated February 27, 1915 (Volume 6, Opinions and Orders of the Railroad Commission of California, page 226).

IT IS HEREBY FURTHER ORDERED that South Los Angeles Land and Water Company be given authority, and it is hereby given authority, to execute a mortgage or deed of trust to Los Angeles Trust and Savings Bank, trustee, to secure the payment of \$75,000.00 face value of 6% first mortgage bonds, said mortgage or deed of trust to be substantially in the same form and tenor as the mortgage or deed of trust attached to the application herein and marked Exhibit No. 4. The authority herein granted to execute said mortgage or deed of trust is in lieu of the authority granted by Decision No. 2929, dated November 23, 1915.

The authority herein granted is granted upon the following conditions and not otherwise:

- 1.- The stock and bonds herein authorized to be issued shall be transferred to South Los Angeles Water Company in full payment for the water properties to be acquired as herein before set forth.
- 2.- The stock and bonds herein authorized to be issued shall not be binding upon this Commission, or any other body, as a measure of the value of the water properties which South Los Angeles Land and Water Company is herein authorized to acquire.
- 3.- The properties herein authorized to be sold and transferred are to be transferred to South Los Angeles Land and Water Company free from any and all encumbrances.
- 4.- The approval herein given of the aforesaid mortgage or deed of trust is for the purpose of this proceeding only and an approval only in so far as this Commission has jurisdiction

under the terms of the Public Utilities Act and is not intended as an approval of said mortgage or deed of trust as to any other legal requirements to which said mortgage or deed of trust may be subject.

5.- South Los Angeles Land and Water Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of the stock and bonds hereby authorized to be issued; and on or before the twenty-fifth day of each month the company shall make verified reports to the Commission stating the sale of said stock and bonds during the preceding month, the terms and conditions of the sale, the monies realized therefrom, and the use and application of such moneys, all in accordance with this Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

6.- The authority herein granted is conditioned upon the payment by applicants of the fee prescribed in the Public Utilities Act, as amended.

7.- The authority herein given to issue stock and bonds shall apply only to such stock and bonds as may be issued prior to July 31, 1916.

IT IS HEREBY FURTHER ORDERED that the order of this Commission found in Decision No. 2178, dated February 27, 1916 (Volume 6, Opinions and Orders of the Railroad Commission of California, page 226) and the order found in Decision No. 2929, dated November 23, 1915, in so far as

said orders relate to the issue of stock and bonds and to the execution of a mortgage or deed of trust, shall be vacated and set aside.

Dated at San Francisco, California, this 3rd.  
day of March, 1916.

FEE PAID ON ORIGINAL APPLICATION

No. 1430 Decision No. 2178

Dated 27<sup>th</sup> day of February 1915

H. MacKenzie  
Assistant Secretary.  
Land Commission State of California.

Max Thelen

H. L. Howard

W. L. Gordon

Edwin O. Edgerton

Frank R. DeWitt

Commissioners.