

ORIGINAL

Decision No. _____.

Decision No. 3272

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Southern Pacific Company, W. H. Holabird,
as Commissioner at foreclosure sale,
and New Liverpool Salt Company for approval
of transfer of properties of California Development
Company to Southern Pacific Company and of an
agreement between Southern Pacific Company
and New Liverpool Salt Company relative to their
respective interests in said properties.)

Application No. 2151.

In the Matter of the Application of
Southern Pacific Company and Imperial Irrigation
District for approval of agreement providing for
the sale of a certain irrigation system to
Imperial Irrigation District.)

Application No. 2152.

Guy V. Shoup for Southern Pacific Company,
New Liverpool Salt Company and Imperial
Valley Irrigation District.
W. H. Wadsworth for W. H. Holabird, as
Commissioner.
Alfred Kohlberg and S. W. Hudson for Dos
Palmas Mutual Water Company.

THELEN, Commissioner.

OPINION

In the above entitled proceedings the Railroad Commission is asked to make an order authorizing the transfer from the California Development Company to the Southern Pacific Company and from the Southern Pacific Company to a public irrigation district known as Imperial Irrigation District, of the irrigation system

in Imperial County, California, formerly known as the California Development Company system, together with certain other property, as will appear hereinafter in greater detail. A public hearing on these applications was held in Los Angeles on April 7, 1916, at which time the applications were, by stipulation of all parties, consolidated for hearing and decision.

The petition in Application No. 2151 alleges in effect, that on December 27, 1915, at a sale held by W. H. Holabird as commissioner in foreclosure in the action known as Title Insurance and Trust Company v. California Development Company, et al., the property described in Exhibit A attached to the petition (being substantially the property theretofore owned or controlled by California Development Company), was sold to Southern Pacific Company for \$3,875,000.00; that this sale was confirmed by the superior court of California in and for the County of Los Angeles, being the court in which said action was pending, and that thereafter, on February 23, 1916, under order of said court, said Holabird, as such commissioner, executed and delivered to Southern Pacific Company an indenture conveying said property to Southern Pacific Company; that on or about December 20, 1915, New Liverpool Salt Company, a judgment creditor of California Development Company, entered into an agreement with Southern Pacific Company by which New Liverpool Salt Company transferred to Southern Pacific Company its judgment against California Development Company for the sum of \$458,246.23 with interest thereon from January 10, 1908, and Southern Pacific Company agreed that if it should acquire said property at foreclosure sale, it would try to sell to Imperial Irrigation District for the sum of \$3,000,000.00 with interest, those portions of said property which are used and useful in the operation of the irrigation system formerly owned by California Development Company, whereupon Southern Pacific Company would make certain payments to New Liverpool Salt Company; that under said agreement between Southern Pacific Company and New Liverpool Salt Company, in the event that Southern

Pacific Company should not be successful in effecting such sale to Imperial Irrigation District, said companies were to be owners in common of all the property bought by the Southern Pacific Company at said foreclosure sale, in the proportion of four-fifths to the Southern Pacific Company and one-fifth to the New Liverpool Salt Company; and that a copy of the agreement between Southern Pacific Company and New Liverpool Salt Company is attached to the petition and marked Exhibit "D".

The petition further alleges that the question whether California Development Company was a public utility and whether Southern Pacific Company as its successor in the ownership of the property, would be a public utility with reference to said property is in dispute and has not been finally determined by the courts, and that it is accordingly desirable to secure from the Railroad Commission an order approving and ratifying the sale and conveyance of said property to the Southern Pacific Company and an order approving and ratifying the agreement between Southern Pacific Company and New Liverpool Salt Company. The petition asks that such orders be made.

The petition in Application No. 2152 alleges in effect, that Southern Pacific Company is a common carrier corporation organized under the laws of Kentucky and that Imperial Irrigation District is a public irrigation district organized under the laws of California for the purpose of supplying water to the people within its boundaries in Imperial County, California; that the lands within the boundaries of said Irrigation District are dependent upon irrigation in order to make them valuable for agricultural and horticultural purposes; that prior to February 23, 1916, said lands were supplied with water through an irrigation system owned or controlled by California Development Company, but that during the last seven years, as the result of litigation, the property has been operated by W. E. Holabird as receiver; that said property was sold on February 8, 1916, on foreclosure sale, to Southern Pacific Company for \$3,875,000.00 and

that a conveyance thereof was thereafter duly executed and delivered, under order of the superior court, to Southern Pacific Company; that in anticipation of such sale and purchase at foreclosure sale, Southern Pacific Company and Imperial Irrigation District on December 28, 1915, entered into an agreement providing that in consideration of the receipt by Southern Pacific Company from Imperial Irrigation District of valid bonds of said Irrigation District of the face value of \$3,000,000.00 with interest, Southern Pacific Company would convey to Imperial Irrigation District the canal system of California Development Company with appurtenances and all its right in the capital stock of two Mexican corporations owning or controlling canals, franchises, lands and other property in Mexico, excepting that Southern Pacific Company would reserve from such conveyance certain property and property rights, all of which is fully set forth in said agreement of December 28, 1915, a copy whereof is attached to the petition and marked Exhibit "A"; that the Imperial Irrigation District has duly authorized the issue of bonds of the face value of \$3,500,000.00, whereof bonds of the face value of \$3,000,000.00 were on February 10, 1916, awarded to Southern Pacific Company as the highest and best bidder; and that the terms and conditions of the agreement of December 28, 1915, are fair and reasonable and provide the most practicable, economical and expeditious means by which the people within the boundaries of Imperial Irrigation District may themselves own and operate the irrigation system upon which they are all dependent.

The petition contains allegations similar to the allegations of the petition in Application No. 2151 with reference to the desirability of securing an order from the Railroad Commission and asks that the Railroad Commission make its order ratifying and approving the agreement of December 28, 1915.

For a detailed account of the irrigation system of California Development Company and its history reference is hereby made to the decision of the Supreme Court of this state in Title Insurance and Trust Company v. California Development Company et al., 50 Cal. Dec. 381, and to the decision of the Railroad Commission in Becker v. Holabird, receiver, Vol. 5, Opinions and Orders of the Railroad Commission of California, 153. By Chapter 172 of the Statutes of 1915 (St. 1915, p. 343), the legislature of California specifically authorized Imperial Irrigation District to acquire, either by condemnation or by purchase, the property of California Development Company.

In Becker v. Holabird, receiver, supra, the Railroad Commission held that the irrigation system of California Development Company is a public utility water system and is subject to the jurisdiction of the Railroad Commission. The present applications are made under Section 51 of the Public Utilities Act, which provides in part that no utility of the classes therein specified, including water utilities, "shall henceforth sell, lease, assign, mortgage or otherwise dispose of or encumber the whole or any part of its * * * plant or system, necessary or useful in the performance of its duties to the public * * * * without having first secured from the commission an order authorizing it so to do." It is provided that "every such sale, lease, assignment, mortgage, disposition, encumbrance, merger or consolidation made otherwise than in accordance with the order of the commission authorizing the same shall be void."

The conveyances and agreements referred to in the petitions herein are the result of protracted negotiations at arm's length between all interested parties, conducted with a view to terminating the litigation in which this irrigation system has been involved during the last seven years and to the acquisition and operation by the people of the Imperial Valley of the irrigation system on which their prosperity so vitally depends.

Without pausing to refer to all the details, the plans now agreed upon contemplate that Southern Pacific Company shall acquire for \$3,875,000.00 the entire property of California Development Company, including the property in Mexico owned or controlled through the ownership of the stock of two Mexican corporations; that Southern Pacific Company shall then convey to Imperial Irrigation District for \$3,000,000.00 in valid bonds of the Irrigation District all the property of California Development Company which is used and useful in its irrigation business; that Southern Pacific Company shall retain the property of California Development Company which is not used and useful in its irrigation business, being principally lands in Mexico; and that the creditors of California Development Company shall be paid from said \$3,000,000.00 in bonds and the property to be retained by the Southern Pacific Company.

I have given careful consideration to the various agreements which have been entered into and believe that they are fair and that the public interest requires that this Commission make its order in so far as necessary to enable the parties to consummate the proposed plan. While there is no satisfactory evidence with reference to the amount of money which has been invested in this irrigation system or of the estimated cost to reproduce it, if this could be done, an examination of the evidence as to the revenues and expenses reasonably to be anticipated if the Irrigation District should pay \$3,000,000.00 face value of five per cent bonds for this system convinces me that in the absence of some unexpected development, the Irrigation District will be able to meet all expenses, including interest on the investment, operating expenses and depreciation without increasing the present rates for water. Representatives of the Irrigation District testified that in their opinion, based on a study of existing conditions and of additional business reasonably to be anticipated, the District will be able in the not distant future, to decrease the rates for water now in effect.

Representatives of Dos Palms Mutual Water Company appeared at the hearing to request that the approval of the transfers herein referred to be withheld until an extension of canals to serve their land should have been made or that the construction of such extension be made a condition of the order. The lands of this water company are located outside the boundaries of Imperial Irrigation District north and west of the end of the East High Line Canal, and have an area of sixty or seventy thousand acres. This water company made no effort to have its lands included within the Imperial Irrigation District either when the Irrigation District was formed or when the boundaries were extended in October, 1915. The testimony shows that the canals of California Development Company are located more than forty miles distant from these lands and that the main canal of Irrigation Company No. 5, being the nearest mutual water company, is too small to serve this additional acreage. Under these circumstances I am unwilling to recommend that the contemplated transfers be delayed or that the Irrigation District shall take the irrigation system with a condition which might be very burdensome. I consider it more equitable to leave the parties free to deal with one another after the new owner, the Imperial Irrigation District, has acquired the irrigation system of the California Development Company.

The testimony shows that certain lands which have been regularly irrigated from the water system of California Development Company are outside the boundaries of the Imperial Irrigation District. The Irrigation District will accordingly be expected, as a condition to the order, to file the usual stipulation in such cases, that it agrees to take the irrigation system subject to all valid existing claims for water against the system.

The Railroad Commission's consent to the transfers and agreements hereinbefore referred to will, of course, be applicable only in so far as necessary.

I submit the following form of order:

O R D E R

A public hearing having been held in the above entitled proceedings, and the same having been submitted,

IT IS ORDERED AS FOLLOWS:

1. California Development Company and W. H. Holabird as commissioner under foreclosure sale, in the case of Title Insurance and Trust Company v. California Development Company, are hereby authorized to sell and convey to Southern Pacific Company for the sum of \$3,875,000.00 the irrigation system of California Development Company and the other property more particularly described in Exhibit "A", which is attached to and made a part of this order.

2. Southern Pacific Company is hereby authorized to enter into an agreement with New Liverpool Salt Company in substantially the form of Exhibit "D" attached to the petition in Application No. 2151.

3. Southern Pacific Company is hereby authorized to sell and convey to Imperial Irrigation District for the sum of \$3,000,000.00 the property used and useful in the maintenance and operation of the irrigation system of California Development Company and the other property more particularly described in Exhibit "B", which is attached to and made a part of this order, on the following condition:

- (a) Before the authority in this paragraph conferred shall become effective, Southern Pacific Company shall secure from Imperial Irrigation District and shall file with the Railroad Commission a duly

authorized stipulation from the board of directors of Imperial Irrigation District that the District takes the property to be conveyed to it by Southern Pacific Company, subject to all valid existing claims for water against said property.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 21st

day of April, 1916.

Max Thelen
H. H. Howard
Alexander

Commissioners.

EXHIBIT "A"

1. The entire capital stock consisting of 12,500 shares of the La Sociedad de Irrigacion v. Terrenos de la Baja California (sociedad Anonima) known as the Mexican Company; also all of the stock of the Compania de Terrenos y Aguas de la Baja California, otherwise known as the New Mexican Company.

2. The following real estate situated in the State of California, County of Imperial, owned by the California Development Company.

ANDRADE:

All those certain lots, pieces and parcels of land adjoining the Colorado River and known as the Hanlon heading and lying and being in the County of Imperial, State of California, United States of America and bounded and particularly described as follows:

Lots 4, 5 and 6 in Sec. 25, T. 16 S., R. 21 E; W. 1/2 of S.W. 1/4 in Sec. 25, T. 16 S., R. 21 E; S.E. 1/4 of S.E. 1/4 in Sec. 26, T. 16 S., R. 21 E; lots 1, 2, 3 and 4 in Sec. 36, T. 16 S., R. 21 E; lots 1, 3, 4, 5 Sec. 35, T. 16 S. R. 21 E; N.E. 1/4 of Sec. 35, T. 16 S., R. 21 E; N.W. 1/4 of S.E. 1/4 of Sec. 35, T. 16 S., R. 21 E; N.E. 1/4 of S.W. 1/4 in Sec. 35, T. 16 S., R. 21 E, S.B.M., containing 554.93 acres, more or less, according to the United States government survey, together with all easements, appurtenant to said land, the water rights, franchises, water heading and appropriated water rights in the Colorado River owned by said California Development Company.

CALEXICO:

Lot 13, block 72, Calexico townsite; fractional lots 13, 14, 15, 16, 17, 18 and 19, block 68, Calexico townsite;
A triangular piece of land located south of the right of way of the Inter-California Railroad, north of the United States-Mexico international boundary line and east of Lot 13, being a portion of lots 7, 8, 9, 10, 11 and 12, Block 72, Calexico townsite.

MISCELLANEOUS:

A parcel of land containing .80 acres and lying in Tract No. 67, T. 16 S., R. 16 E., S.B.M., Gov. Resurvey;
A parcel of land containing 7.59 acres and lying in Tract 88, T. 16 S., R. 16 E., S.B.M., Gov. Resurvey;
A parcel of land containing 7.77 acres and lying in Tract 89, T. 16 S., R. 16 E., S.B.M., Gov. Resurvey;
A parcel of land containing 1.68 acres and lying in the S.W. 1/4 of Sec. 1, T. 17 S., R. 14 E., S.B.M.
A parcel of land containing 43.45 acres and lying in Secs. 28 and 29, T. 15 S., R. 15 E., S.B.M., Gov. Resurvey;
A parcel of land containing 16.23 acres and lying in Lot 14, of Sec. 28, T. 15 S., R. 15 E., S.B.M., Gov. Resurvey;
A parcel of land containing 7.5 acres lying in Secs. 20 and 29 T. 15 S., R. 15 E., S.B.M., Gov. Resurvey.

A parcel of land containing .33 acres and lying in Sec. 28, T. 15 S., R. 15 E., S.B.M., Gov. Resurvey;

A parcel of land containing 7.15 acres and lying in Sec. 28, T. 15 S., R. 15 E., S.B.M., Gov. Resurvey;

A parcel of land containing 7.7 acres and lying in Sec. 16, To. 17 S., R. 15 E. S.B.M., Gov. Resurvey.

A parcel of land containing .95 acres, and lying in Tract 53, T. 17 S., R. 15 E., S.B.M., Gov. Resurvey;

A parcel of land containing 2.38 acres, and lying in Tract 42, T. 17 S., R. 15 E., S.B.M., Gov. Resurvey;

A parcel of land containing 2.95 acres, and lying in Tract 53, T. 17 S., R. 15 E., S.B.M., Gov. Resurvey;

A parcel of land containing 29.38 acres, and lying in Sec. 16, T. 17 S., R. 15 E., S.B.M., Gov. Resurvey (deed reads 29.38 acres; according to description should read 20.48 acres);

A parcel of land containing 3.72 acres, and lying in Tract 39, T. 16 S., R. 13 E., S.B.M., Gov. Resurvey;

A parcel of land containing 8.985 acres, and lying in Sec. 31, T. 16 S., R. 14 E., S.B.M., Imperial Land Company Survey;

A parcel of land containing 14.76 acres, and lying in Sec. 36, T. 16 S., R. 13 E., S.B.M., Imperial Land Company Survey;

A parcel of land containing 8.22 acres, and lying in Sec. 31, T. 16 S., R. 14 E., S.B.M., Imperial Land Company Survey;

A parcel of land containing 4.54 acres, and lying within the N.E. 1/4 of Sec. 1, T. 17 S., R. 13 E., S.B.M.

A parcel of land containing 2.67 acres, and lying within Tract 42 of Sec. 36, T. 16 S., R. 13 E., S.B.M.

A strip of land 20 feet wide in the W. 1/2 of the N.W. 1/4 of Sec. 21, and in Lot No. 1 of Section 21, T. 16 S., R. 12 E., S.B.M.

A strip of land 30 feet wide lying within the S. 1/2 of the S.E. 1/4 of Sec. 17, and the N. 1/2 of the N.E. 1/4 of Sec. 20, T. 16 S., R. 12 E., S.B.M.

A strip of land 60 feet wide lying within the N. 1/2 of the S.E. 1/4 of Sec. 20, T. 16 S., R. 12 E.; also a strip of land 40 feet wide lying within the N.E. 1/4 of the S.E. 1/4, and the S.E. 1/4 of the N.E. 1/4 of Sec. 20, T. 16 S., R. 12 E., S.B.M.;

A strip of land 20 feet in width lying within the N.W. 1/4 of the S.W. 1/4 of Sec. 21, T. 16 S., R. 12 E., S.B.M.;

A strip of land varying in width from 50 feet to 100 feet, across Lots 1, 2, 3, 4 and 5, located in Sec. 16, T. 16 S., R. 12 E., S.B.M.

A parcel of land 60 feet x 60 feet, located where the Ash Canal crosses the International Boundary Line, being situate in T. 17 S., R. 15 E., S.B.M.

A parcel of land containing 3.5 acres and lying in Lot 12 of Sec. 16, T. 17 S., R. 16 E., S.B.M., Gov. Resurvey.

3. The following canals and canal structures situated in the County of Imperial, State of California, and constituting parts of the canal system of said California Development Company.

CANALS.

INTAKE:

Length 0.36 miles, from river to concrete gate and 0.21 miles from concrete gate to international boundary line.

EAST SIDE MAIN CANAL:

Length 8 miles.

CENTRAL MAIN CANAL:

Length 26 miles.

WEST SIDE MAIN CANAL:

Length 21 miles.

WEST SIDE DRAIN DITCH:

Length 2 miles.

BRIAR MAIN CANAL:
Length 2.54 miles.
ROSITAS CANAL:
Length 0.95 miles.
DAHLIA WASTEWAY CANAL:
Length 1.08 miles.

CANAL STRUCTURES.

MAIN CANAL:
Henlon Headgate, including bridge over same- concrete.
Bulkhead below same- concrete.

CALEXICO:
Concrete rating flume,
Boundary wasteway- concrete.

EAST SIDE MAIN CANAL:
Allison Heading, including
East High Line Headgate- metering flume and wagon bridge.
Imperial East Side headgate.
I.W. Co. No. 2 headgate, metering flume and wagon bridge.
Hemlock headgate, metering flume and wagon bridge.
East Side Main headgate.
Imperial Water Co. No. 7 headgate- metering flume.
Imperial Water Co. No. 5 Heading including
I.W. Co. No. 5 headgate and metering flume.
Holton Power Co. headgate.
Holt North headgate.
Holt South headgate.
Holt City Canal:
Concrete foundation for Venturi meter (the meter which is
installed is owned by the Builders' Iron Foundry of Providence,
R.I.)

ROSITAS CANAL:
Rositas concrete wasteway.
Rositas concrete heading.
Rositas double 4-1/2 ft. drop.

CENTRAL MAIN CANAL:
Briar Canal:
Boundary Canal headgate- concrete.
Briar Nos. 1 and 2 headgates- concrete.
Birch check and headgate- concrete.
Briar Nos. 3, 4 and 5 headgates- concrete.
Briar No. 6 check and headgate- concrete.
Briar flume, check and waste.
Beech and Beechside headgates.
Alder headgates.
Acacia and Acacia Side Nos. 1 and 2 headgates.
Double Weir check and automatic gate.
Dogwood headgates.
Date headgates.
Date Side headgates Nos. 1 and 2.
George headgate- concrete.
Dahlia heading;
Dahlia headgate.
Evergreen headgate.
Brawley main check.
Central main check.
Barley headgate.
Dahlia wasteway, including automatic gate and wagon bridge.
Dahlia wasteway intake and drop structures Nos. 1 and 2.
Foster headgate.

Five gates, including
 Eucalyptus headgate.
 Elder headgate.
 Rice headgate.
 Acorn headgate.
 Wasteway into Brawley main.
 Daisy headgate and side delivery.
 Sixteen-foot drop- automatic gate.
 New side heading, including
 New side check-concrete.
 New side deliveries Nos. 1 and 2- concrete.
 Dandelion headgate- concrete.
 Lilac and Lilac No. 1 headgates
 Lavender and Lavender No. 1 headgates.
 Old No. 8 ~~xxx~~ East headgate.
 Old No. 8 West headgate.
 No. 4 heading and bridge.
WEST SIDE MAIN CANAL:
 Fern headgate.
 Fuchsia headgate.
 Foxglove heading, including
 Foxglove check- masonry.
 Foxglove Nos. 1 and 2 deliveries- masonry.
 West Side drain headgate.
 West Side drain wagon bridges (2).
 West Side drain Foxglove culvert.
 Also all canals, ditches, headworks, dams, structures and
 appurtenances of every kind and nature whatsoever, constituting
 any part of a canal system of the California Development Company
 in the County of Imperial, State of California.

4. The following buildings, wagon sheds, barns and other
 buildings situated in the said County of Imperial, State of
 California, owned by the California Development Company or in
 the possession of the receiver, viz:

SITUATED AT ANDRADE:

Superintendent's office and living quarters.
 Wood storage.
 Commissary and dining quarters.
 Power house.
 Motor car and watchman's quarters.
 Machine and blacksmith shop.
 Oil pumping plant.
 Fuel oil reservoir (concrete).
 Oil house.
 Tool house No. 1.
 Storehouse No. 1.
 Storehouse No. 2.
 Lumber shed.
 Powder magazine.
 Water and oil tanks- elevated.
 El Centro dredgermen's tent house.
 Laborers' tent house.
 Outhouses (3).
 Cooks' helpers' tent house.
 Cooks' tent house.
 Two-story building (old cabin of "Silas J. Lewis.")
 Rock Point ramada.
 Tent houses (3) in canyon.
 Barn and corral.

SITUATED AT CALEXICO:

Main office building.
Main office annex.
Arbor camp.
Screen sleeping houses (2).
Blacksmith shop.
Machine shop.
Garrage.
Warehouse.
Ice house.
- Tank tower (enclosed)
Carpenters' shed.
Oil house.
Oil platform.
Barn.
Corral and ramada.

SITUATED AT ALLISON HEADING.

Tent house.

SITUATED AT NO. 5 HEADING.

Tent houses (2).

SITUATED AT ROSITAS:

Tent houses (3).

Tool shed.

Powder magazine.

SITUATED AT SEVEN-FOOT DROP:

Tent house.

SITUATED AT DOUBLE WEIR:

Frame and screen house.

SITUATED AT DAHLIA HEADING:

Tent houses (2).

SITUATED AT WOODBINE HEADING:

Tent house.

SITUATED AT FOXGLOVE HEADING:

Tent house.

SITUATED AT NO. 8 HEADING:

Tent house.

5. All railroad tracks and equipment, and all telephone lines and equipment, constructed by said California Development Company or the receiver, or used in the operation of or in connection with said irrigation system.

6. All dredgers, automobiles and other property, either real or personal, owned by said California Development Company, and in possession and control of the receiver, W. E. Holabird, which has been used in the maintenance, operation, repair or extension of said irrigation system.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining; and all water, water rights, easements, rights of way, maps, surveys, contracts or concessions, necessary for the maintenance or operation of said irrigation system, or used in connection therewith; also all rights, claims, causes of action held or claimed by said receiver as such receiver against any person whatsoever.

EXHIBIT "B"

The Hall Hanlon ranch: all intakes, headgates, canals, ditches, flumes, rights of way, dams, structures, buildings, dredges, pumps, railroads, telephone lines, and appurtenances of every kind and nature constituting any part of the canal system of the California Development Company in the County of Imperial, State of California, together with all water, water rights, contracts, franchises, concessions, rights and privileges appurtenant thereto: also, all right, title and interest that the Southern Pacific Company now has or may acquire in and to the following described properties conveyed by the California Development Company to W. J. Doran, Trustee--(1) all Metropolitan Trust Company debenture receipts and collateral mortgage and interest notes; (2) all dredges now in the possession or under the control of W. J. Doran, Trustee; (3) all water stock in Imperial Water Companies Nos. 1, 4, 5, 6, 7 and 8, now held by W. J. Doran as Trustee; (4) also in and to all causes of action against either of said Imperial Water Companies; (5) in and to all causes of action to recover the price of any stock of either of said companies sold by, or on behalf of, said California Development Company; and (6) all its right, title and interest in and to all shares of the capital stock of each of the Mexican Companies (La Sociedad de Irrigacion y Terrenos de la Baja California (Sociedad Anonima) and the Compania de Terrenos y Aguas de la Baja California (Sociedad Anonima)):also any and all property claims and demands described in the judgment in the case of Title Insurance & Trust Company vs. California Development Company, No. 81,926 of Los Angeles County, as modified by the decision of the Supreme Court on appeal from said judgment.

The foregoing property description shall not be construed to include any properties conveyed by or on behalf of California Development Company to W. J. Doran, Trustee, or the Southern Pacific Company except the properties specifically described in the foregoing

paragraph, or to include any claims, demands or causes of action, if any, which the California Development Company or W. H. Holabird, as receiver of the property of California Development Company, may have against Southern Pacific Company or W. J. Doran or any agent or agents of Southern Pacific Company.
