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Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of LAWNDALE LAND & WATER COMPANY
for authority to purchase the water
system of Lawndale Water Company,
to issue stock, to execute a mort-
gage upon its property, to issue
bonds and change its rates from
a flat basis to a meter basis; and
of LAWNDALE WATER SYSTEM to sell its
water system.

Application No. 370
and
Application No. 426

BY THE COMMISSION.

THIRD SUPPLEMENTAL ORDER

WHEREAS this Commission in Decision Number 660,
dated May 9, 1913, (Vol. 2, Opinions and Orders of the Railroad
Commission of California, page 886,) authorized Lawndale Land
and Water Company to mortgage its property to Los Angeles Title
and Trust Company and to issue \$25,000 of bonds under said mort-
gage at not less than 90% of their par value for the following
purposes:

(a)-Meters and installation.....	\$2,500
(b)-Pipes, installation thereof, connections, etc., and extend- ing applicant's system.....	22,500
Total,.....	\$25,000

Decision No. 3346-

and;

WHEREAS this Commission in certain orders issued supplemental to said Decision Number 660 authorized said Lawndale Land & Water Company to sell its bonds at not less than 85% of their par value and accrued interest and to execute a mortgage to Los Angeles Trust and Savings Bank, dated July 1, 1914 in lieu of the mortgage heretofore approved by the Commission; and

WHEREAS said Lawndale Land & Water Company has now represented to this Commission that because of its inability to sell any of said bonds it was compelled to borrow the sum of \$12,596.48 from its stockholders in order to make the necessary extensions and additions to its plant and system; and

WHEREAS said Lawndale Land & Water Company has now applied to this Commission for authority to sell a sufficient amount of said bonds at 85% of their par value and accrued interest to net \$12,596.48 and to use said sum in repaying its stockholders for moneys borrowed and used for additions and betterments or in lieu of selling said bonds to issue said bonds direct to the order of its stockholders at the ratio of \$1,000.00 of bonds for each \$850.00 borrowed.

And it appearing to this Commission that the request of said Lawndale Land & Water Company is reasonable and should be granted and that the purposes for which it is proposed to issue said bonds are not reasonably chargeable in whole or in part to operating expenses or to income;

IT IS HEREBY ORDERED that Lawndale Land and Water Company be and it is hereby authorized to issue and sell \$15,000 face value of the bonds authorized by this Commission's Decision Number 660, dated May 9, 1913, at not less than 85 per cent of their face value and accrued interest and to use the proceeds in re-paying its stockholders for moneys advanced and used for extensions and additions and betterments to applicant's plant and

system in accordance with an exhibit filed in connection with this supplemental application and marked Exhibit "A".

In lieu of the above authority Lawndale Land & Water Company may issue all or any part of said \$15,000 of said bonds direct to its stockholders at not less than 85 per cent of their face value and accrued interest in repayment of moneys advanced for extensions and additions and betterments in accordance with said Exhibit "A".

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

1.-Lawndale 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 bonds herein 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 or sales of said bonds during the preceding month, the terms and conditions of the sale, the moneys 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.

2.-This order is subject to all the conditions contained in Decision Number 660, dated May 9, 1913, and such orders as have been issued supplemental thereto in so far as the same are not in conflict with the order herein.

3.-The authority herein granted Lawndale Land
& Water Company to issue bonds shall apply
only to such bonds as shall have been issued
on or before December 31, 1916.

Dated at San Francisco, California, this 19th day
of May, 1916.

Max Thelen

H. H. Howard

Francis R. Worbi

Commissioners.