

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on June 24, 2015, the Order Granting Receiver's Motion to Approve Sale of Yermo Water Company and to Approve the Receiver's Proposed Distribution of Funds From the Sale of the Property was entered. A copy of the Order is attached hereto as Exhibit "A".

Dated: June 25, 2015

GRESHAM SAVAGE NOLAN & TILDEN, PC

By: *M. Allen*
Nicholas Firetag
Marlene L. Allen-Hammarlund
Attorneys for Receiver,
JOHN RICHARDSON

EXHIBIT A

100% Recycled 30% PCW



1 Nicholas Firetag, State Bar #238287
2 Marlene L. Allen-Hammarlund, State Bar #126418
3 **GRESHAM SAVAGE NOLAN & TILDEN,**
4 **a Professional Corporation**
5 3750 University Avenue, Suite 250
6 Riverside, California 92501-3335
7 Telephone: (951) 684-2171
8 Facsimile: (951) 684-2150

FILED
SUPERIOR COURT
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

JUN 24 2015

BY Olivia McDonald
DEPUTY

6 Attorneys for Receiver,
7 JOHN RICHARDSON

8 **SUPERIOR COURT OF CALIFORNIA**
9 **COUNTY OF SAN BERNARDINO**

10 CALIFORNIA PUBLIC UTILITIES
11 COMMISSION,

12 Plaintiff,

13 vs.

14 DONALD R. WALKER, AND YERMO
15 WATER COMPANY,

16 Defendants.

) CASE NO. CIVBS 1200448

) ~~RECEIVER'S~~ ORDER GRANTING
) RECEIVER'S MOTION TO APPROVE
) SALE OF YERMO WATER COMPANY
) AND TO APPROVE THE RECEIVER'S
) PROPOSED DISTRIBUTION OF FUNDS
) FROM THE SALE OF THE PROPERTY

) (*Filed concurrently with Notice of Motion and*
) *Motion for an Order to Approve the Sale of*
) *Yermo Water Company and to Approve the*
) *Receiver's Proposed Distribution of Funds*
) *from the Sale of the Property, etc.; and Request*
) *for Judicial Notice)*

) Date: June 24, 2015
) Time: 8:30 a.m.
) Dept: S30

21
22 The Receiver, JOHN RICHARDSON's ("Receiver") motion for an order: (1) for
23 approval of the sale of Yermo Water Company ("Yermo") to Apple Valley Ranchos Water
24 Company ("AVR"), and (2) for approval of the distribution of funds from the sale of Yermo
25 ("Motion") came on for hearing on June 24, 2015, at 8:30 a.m., in Department S30 of the above-
26 entitled Court, located at 247 West Third Street, San Bernardino, California. All appearances
27 were made as reflected on the record.

1 The Motion pertains to the sale of the assets of Yermo to AVR. Yermo is a consolidation
2 of three Commission-certificated water utilities located ten miles east of Barstow in San
3 Bernardino County near or within the Township of Yermo. These utilities consist of Yermo,
4 Marine Water Company ("Marine") and Hel-Bro Water Company ("Hel-Bro"). All three
5 utilities came under common ownership in 1966. Yermo was authorized to consolidate Marine
6 and Hel-Bro into Yermo's certificate of public convenience and necessity in 1983. The Marine
7 and Hel-Bro systems are interconnected. The Yermo system is not interconnected with the two
8 other systems. Yermo is a Florida corporation solely owned by Donald R. Walker.

9 The court finds that all necessary parties were properly served with the Order Appointing
10 a Receiver which became effective on December 3, 2012 (and was filed on December 5, 2012)
11 and the present Motion.

12 On proof made to the satisfaction of the Court that the Motion should be granted:

13 IT IS ORDERED and hereby confirmed that the assets of Yermo may be sold AVR for
14 \$300,000. AVR will take control of Yermo's assets and the operations of Yermo's water system.
15 The public utility assets are listed in the Advice Letter attached to the Motion as Exhibit B and
16 are referred to in the Asset Acquisition Agreement attached to the Motion as Exhibit C. The real
17 property to be acquired by AVR is described on Exhibit I to the Motion and is attached hereto as
18 *Exhibit I* (the "Real Property"). AVR will provide water service in Yermo's service territory,
19 but is not assuming any liabilities.

20 IT IS FURTHER ORDERED that AVR will take title to the assets of Yermo, including
21 the Real Property water rights, free and clear of any and all monetary liens and encumbrances,
22 except for those liens and encumbrances created by AVR or with its consent.

23 IT IS FURTHER ORDERED that the Receiver is authorized to execute the documents
24 necessary to effectuate the transfer of Yermo's assets to AVR and will, prior to the close of
25 escrow, execute and deliver those instruments required to release all liens and/or encumbrances
26 appearing on record title, except for those liens and encumbrances created by AVR or with its
27 consent.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IT IS FURTHER ORDERED that the proceeds of the sale of Yermo be distributed as follows:

1. To pay all escrow charges, title insurance costs, selling costs, property taxes and assessments, and all other expenses authorized by the Asset Acquisition Agreement or for which Yermo or the receivership estate is liable.
2. The remainder of the net sales proceeds will be tendered to the Receiver and deposited into the Receiver's accounts, to be held there until distributed in accordance with the court's orders.

IT IS SO ORDERED.

Dated: 10/24/15

RAFAEL A. ARREOLA

JUDGE OF THE SUPERIOR COURT

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Bernardino, State of California, described as follows:

PARCEL 1: (APN: 0537-262-01 AND 02)

LOTS 10 AND 11 OF TRACT 6795, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 87, PAGES 17 AND 18 OF MAPS; SAID LOTS ALSO BEING KNOWN AS: PORTION OF GOVERNMENT LOT 2 OF THE NORTHWEST ¼ OF SECTION 1, TOWNSHIP 9 NORTH, RANGE 1 EAST, SAN BERNARDINO BASE AND MERIDIAN, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 7 IN TRACT 6593, RECORDED IN BOOK 84 PAGE 31 OF MAPS, OF SAID COUNTY OF SAN BERNARDINO; THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID LOT 7, 120 FEET TO THE SOUTHERLY LINE OF SAID GOVERNMENT LOT 2; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID GOVERNMENT LOT 2, 120 FEET; THENCE, NORTHERLY AND PARALLEL TO THE WESTERLY LINE OF SAID LOT 7, 120 FEET; THENCE, EASTERLY AND PARALLEL TO THE SOUTHERLY LINE OF SAID GOVERNMENT LOT 2, 120 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2: (APN: 0537-261-37)

PORTION OF THE NORTH ½ OF THE NORTHWEST ¼ OF SECTION 1, TOWNSHIP 9 NORTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 46 AS SHOWN ON MAP OF TRACT 6795, RECORDED IN BOOK 87 PAGES 17 AND 18 OF MAPS OF SAID COUNTY; THENCE SOUTHEASTERLY ALONG THE SOUTHEASTERLY PROLONGATION AT THE SOUTHWESTERLY LINE OF SAID LOT 46, 44.67 FEET TO AN INTERSECTION WITH THE SOUTHERLY LINE OF THE NORTH ½ OF THE NORTHWEST ¼ OF SAID SECTION 1; THENCE NORTHEASTERLY AND PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID LOT 46, 120 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF LOT 15 AS SHOWN ON MAP OF SAID TRACT 6795; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 15, 44.67 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 46; THENCE SOUTHWESTERLY 120 FEET ALONG THE SOUTHEASTERLY LINE OF SAID LOT 46 TO THE TRUE POINT OF BEGINNING.

PARCEL 3: (APN: 0537-151-16)

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 9 NORTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO GOVERNMENT SURVEY THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER; THENCE WEST ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER 504.00 FEET; THENCE NORTH 293.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE EAST 31.00 FEET; THENCE NORTH 25 FEET; THENCE WEST 50.00 FEET; THENCE SOUTH 25.00 FEET; THENCE EAST 19.00 EAST TO THE TRUE POINT OF BEGINNING,.

PARCEL 3A:

AN EASEMENT FOR ROAD PURPOSES AND PUBLIC UTILITIES WITH RIGHTS OF ACCESS, TO INSTALL, REPAIR, ALTER AND MAINTAIN PIPE LINES OVER A STRIP OF LAND 15 FEET WIDTH, THE EAST LINE OF WHICH IS PARALLEL WITH AND MEASURED AT RIGHT ANGLES TO THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, WEST 504.00 FEET FROM THE SOUTHEAST CORNER THEREOF; THENCE NORTH 293.00 FEET TO A POINT IN THE SOUTH LINE OF THE ABOVE DESCRIBED PARCEL OF LAND.

PARCEL 4: (APN: 0538-041-01)

LOT 21 TRACT NO. 2192, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 33 PAGE 73 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5: (APN: 0537-091-12)

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 9 NORTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL GOVERNMENT SURVEY THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF THE WEST 20 ACRES OF THE 40 ACRES LYING EAST OF THE WEST 728 FEET OF SAID NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 9 NORTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN AND LYING NORTH OF THE NORTHERLY LINE OF STATE HIGHWAY 91 (NOW KNOWN AS STATE HIGHWAY 31), DISTANT THEREON NORTHERLY 1,210.56 FEET FROM SAID NORTHERLY LINE OF STATE HIGHWAY 91; THENCE CONTINUING NORTHERLY ALONG THE SAID WESTERLY LINE 105.28 FEET; THENCE EASTERLY AND AT RIGHT ANGLES TO SAID WESTERLY LINE 48.31 FEET; THENCE SOUTHERLY AND PARALLEL TO THE SAID WESTERLY LINE 105.28 FEET; THENCE WESTERLY 48.31 FEET TO THE TRUE POINT OF BEGINNING.

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF RIVERSIDE**

3 Re: *California Public Utilities Commission v. Donald R. Walker, et al.*
4 San Bernardino County Superior Court Case No. CIVBS 1200448

5 I am employed in the County of Riverside, State of California. I am over the age of 18
6 years and not a party to the within action; my business address is: 3750 University Avenue,
Suite 250, Riverside, CA 92501-3335.

7 On June 25, 2015, I served a true copy of the within document described as **NOTICE**
8 **OF ENTRY OF ORDER GRANTING RECEIVER'S MOTION TO APPROVE SALE**
9 **OF YERMO WATER COMPANY AND TO APPROVE THE RECEIVER'S**
10 **PROPOSED DISTRIBUTION OF FUNDS FROM THE SALE OF THE PROPERTY** on
the interested parties in this action in a sealed envelope addressed as follows:

11 **SEE ATTACHED SERVICE LIST**

12 **BY MAIL** - I am "readily familiar" with the firm's practice of collection and
13 processing correspondence for mailing. Under that practice, it would be deposited with the
14 United States Postal Service with postage thereon fully prepaid at Riverside, California, on the
same day in the ordinary course of business. I am aware that on motion of the party served,
service is presumed invalid if postal cancellation date or postage meter date is more than one
day after date of deposit for mailing in affidavit.

15 **BY PERSONAL SERVICE** - I caused such envelope to be delivered by hand
to the offices of the addressee pursuant to C.C.P. §1011.

16 **BY EXPRESS MAIL/OVERNIGHT DELIVERY** - I caused such envelope
17 to be delivered by hand to the office of the addressee via overnight delivery pursuant to
C.C.P. §1013(c), with delivery fees fully prepaid or provided for.

18 **BY FACSIMILE** - I caused such document to be delivered to the office of the
19 addressee via facsimile machine pursuant to C.C.P. §1013(e). Said document was transmitted
20 to the facsimile number of office of the addressee () - from the office of Gresham Savage
Nolan & Tilden, a Professional Corporation, in Riverside, California, on the date set forth
above. The facsimile machine I used complied with California *Rules of Court*, Rule 2.301 and
no error was reported by the machine.

21 **FEDERAL** - I am employed in the office of a member of the bar of this court at
22 whose direction the service was made.

23 I declare under penalty of perjury under the laws of the State of California that the
24 foregoing is true and correct.

25 Executed on June 25, 2015, at Riverside, California.

26 
27 TERI GALLAGHER

1 **SERVICE LIST**

2 Re: *California Public Utilities Commission v. Donald R. Walker, et al.*
3 San Bernardino County Superior Court Case No. CIVBS 1200448

4 Timothy L. McCandless, Esq.
5 Law Offices of Timothy McCandless
6 4740 Green River Road, Ste. 206
7 Corona, CA 92880
8 PH: 925-957-9797
9 Fax: 925-957-9799
10 ***Attorneys for Defendants,***
11 ***DONALD R. WALKER and YERMO WATER COMPANY***

12 Shanna C. Foley, Esq.
13 California Public Utilities Commission
14 505 Van Ness Avenue
15 San Francisco, CA 94102
16 PH: 415-703-2969
17 ***Attorneys for Plaintiff,***
18 ***CALIFORNIA PUBLIC UTILITIES COMMISSION***

19 John W. Richardson, Receiver
20 2941 Park Avenue, Suite H
21 Soquel, CA 95073
22 PH: 831-475-2404

23 Courtesy copy to:
24 Rebecca J. Winthrop, Esq.
25 Norton Rose Fulbright US LLP
26 555 South Flower Street, 41st Floor
27 Los Angeles, CA 90071
28 PH: 213-892-9346
Fax: 213-892-9494
Attorneys for Apple Valley Ranchos Water Company