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Decision No. 2277.

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

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In the Matter of the Application of )  
SAN BENITO COUNTY LAND AND WATER )  
COMPANY, a corporation, for permis- )  
sion to renew two certain promissory )  
notes and to execute a mortgage to )  
secure one of said notes. )

Application Number 5421.

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P.F. Brown, for applicant.

MARTIN, Commissioner.

O P I N I O N.

SAN BENITO COUNTY LAND AND WATER COMPANY asks permission to issue to Bank of Italy two notes, one for \$25,000.00, the other for \$50,000.00, and to execute a mortgage to secure the payment of the \$50,000.00 note. The \$25,000.00 note, according to the testimony of P.F. Brown, manager and president of San Benito County Land and Water Company, will be endorsed by the stockholders of the company but will not constitute a lien on the company's properties. Applicant asks permission to issue the \$25,000.00 note for a term of three months and renew the same from time to time during a period of three years. The \$50,000 note it intends to issue for a term of one year.

The notes applied for in this application will be issued by applicant for the purpose of paying or refunding the notes which it issued pursuant to the authority granted in Decision Number 2779, dated September 23, 1915, (Vol. 8, Opinions and Orders of the Railroad Commission of California, pg. 146).

Applicant reports \$200,000 of stock outstanding,

\$50,000 of which is owned by W.K. Brown, \$50,000 by P.F. Brown, \$66,600 by George E. Sykes, \$33,300 by H.J. Macomber, and \$100 by A.K. Macomber. Its indebtedness consists of \$75,000, represented by the notes to which reference has been made, and \$1,022.89 of accounts payable.

A copy of the proposed mortgage, which applicant asks permission to execute is attached to the petition and marked Exhibit "C". This mortgage is substantially in the same form as that which the Commission authorized applicant to execute in the decision mentioned above.

I herewith submit the following form of Order:

C R D E R.

SAN BENITO COUNTY LAND AND WATER COMPANY having applied to the Railroad Commission for permission to execute a mortgage and issue \$75,000.00 of notes, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant and that the expenditures are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that SAN BENITO COUNTY LAND AND WATER COMPANY be, and it is hereby, authorized to execute a mortgage substantially in the same form as the mortgage attached to the petition herein and marked Exhibit "C", provided that the approval herein given of said mortgage is for the purpose of this proceeding only and an approval 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 as to such other legal requirements to which said mortgage may be subject.

IT IS HEREBY FURTHER ORDERED, that SAN BENITO COUNTY LAND AND WATER COMPANY be, and it is hereby, authorized to issue to the

Bank of Italy its one-year 6 per cent note for the principal sum of \$50,000.00, for the purpose of paying or refunding the \$50,000.00 note to which reference is made in this application.

IT IS HEREBY FURTHER ORDERED, that SAN BENITO COUNTY LAND AND WATER COMPANY be, and it is hereby, authorized to issue to the Bank of Italy its three-month 6 per cent note for the principal sum of \$25,000.00 for the purpose of paying or refunding the \$25,000.00 note, to which reference is made in this application.

IT IS HEREBY FURTHER ORDERED, that SAN BENITO COUNTY LAND AND WATER COMPANY may, without further order from the Railroad Commission, issue renewal or renewals or extensions of the notes herein authorized to be issued, provided that the rate of interest and all other terms shall not be made more burdensome, and that the combined term or terms of the note or notes herein authorized to be issued, with the renewals or extensions thereof, shall not exceed a total period of three years from the date of the first issue under this authorization.

The authority herein granted is subject to the condition that San Benito County Land and Water Company will file with the Railroad Commission within thirty days after the issue of any note herein authorized a report as required by the Railroad Commission's General Order No. 24.

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 17<sup>th</sup> day of March, 1920.

Edwin O. Edgerton

Frank R. Denton

H. V. Boudreau

Irving Martin  
Commissioners.