

Decision No. 8008.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
BOULDER CREEK ELECTRIC LIGHT AND WATER)
COMPANY, a corporation, and)
MOUNTAIN LIGHT AND WATER COMPANY, a)
corporation, and W.E. BISSELL and J.C.)
HUGHES.)

Application No. 5930.

J.C. Hughes, for applicants.

DEVLIN, Commissioner.

O P I N I O N.

MOUNTAIN LIGHT AND WATER COMPANY asks permission to sell to BOULDER CREEK ELECTRIC LIGHT AND WATER COMPANY for \$55,000.00 all of its properties, more particularly described in Exhibit "A",

attached hereto. Boulder Creek Electric Light and Water Company joins in the application and asks permission to purchase the properties, execute a mortgage or deed of trust to secure the payment of \$50,000.00 of bonds, issue and sell the \$50,000.00 and \$5,000.00 of common stock in payment for the properties which it intends to acquire from MOUNTAIN LIGHT AND WATER COMPANY.

In brief, this application involves the consolidation of the properties of Boulder Creek Electric Light and Water Company and Mountain Light and Water Company. The record shows that J.C. Hughes and W.E. Bissell have recently acquired the outstanding stock of Boulder Creek Electric Light and Water Company and that they own all of the outstanding stock of Mountain Light and Water Company. The record further shows that the Mountain Light and Water Company operates in that portion of Santa Cruz County lying along both sides of the San Lorenzo River from the southern limits of the town of Glen Arbor, to the southern limits of

the town of Boulder Creek, including all of the properties located in, near and between the towns of Glen Arbor, Riverside Park, Ben Lomond, and Brookdale; that Boulder Creek Electric Light and Water Company operates in Boulder Creek and vicinity; that the towns and communities served by these two utilities are contiguous and that better service can be given if the utilities are consolidated.

In Decision No. 2958, dated December 4, 1915, (Vol. 8, Opinions and Orders of the Railroad Commission of California, pg. 615), the Railroad Commission authorized Mountain Light and Water Company to issue \$25,000 of stock and \$23,500 of bonds. In this application, applicants report the appraised value of the properties of Mountain Light and Water Company at \$61,285.02. This amount is arrived at by using the figure, \$49,518.00, appearing in Decision No. 2958 as representing the appraised value of the properties at the time the decision was rendered, adding thereto \$8,167.02 expended for additions and betterments and \$3,600.00 for non-operative property. The appraised value of the properties of Boulder Creek Electric Light and Water Company are reported by applicants at \$86,736.48. Adding the \$86,736.48 to the reported appraised value of Mountain Light and Water Company properties, \$61,285.02, makes a total of \$148,021.50.

Boulder Creek Electric Light and Water Company asks permission to issue in payment for the properties of Mountain Light and Water Company \$50,000 of bonds and \$5,000 of stock, making a total of \$55,000. The purchasing company reports \$52,000 of stock outstanding. It has no funded debt and only a nominal amount of current indebtedness. Mountain Light and Water Company reported \$25,000 of stock, \$18,500 of bonds and \$6,562.23 of notes outstanding. If this application is granted, the notes will be cancelled and the payment of the bonds assumed by Boulder Creek Electric Light and Water Company, which intends to reserve \$18,500.00 of the \$50,000.00 of bonds, which it asks permission to issue, to pay or refund the \$18,500.00 of Mountain Light and

Water Company bonds. Upon the consummation of the consolidation of these properties, there will be outstanding against the reported appraised value of \$148,021.50, stock in the amount of \$57,000.00, and \$50,000.00 of bonds, making a total capitalization of \$107,000.00.

Applicants estimate the operating revenues and expenses of the properties for 1920 as follows:

Operating Revenues:	From sale of water,.....	\$8,037.00
	From sale of electricity, ..	4,354.00
	Total Operating Revenues,.....	<u>\$12,391.00</u>
Operating Expenses:	Labor,.....	\$3,000.00
	Repairs and depreciation, ..	1,700.00
	Power,.....	1,000.00
	Incidentals,.....	400.00
	Total Operating Expenses,.....	<u>\$6,100.00</u>
	Net Receipts,.....	\$6,219.00

Boulder Creek Electric Light and Water Company asks permission to execute a mortgage or deed of trust to secure the payment of \$50,000.00 of first mortgage 6 per cent serial gold bonds. Bonds in the amount of \$2,000.00 are payable on the 15th of August of each of the years 1923, 1924, and 1925; \$4,000.00 on the 15th day of August of each of the years 1926, 1927, 1928, 1929, 1930 and 1931, and \$20,000.00 of the bonds on the 15th day of August, 1932. The bonds are callable at 102. The mortgage or deed of trust will be a lien on the properties of Boulder Creek Electric Light and Water Company and also on those to be acquired by it from Mountain Light and Water Company.

I herewith submit the following form of Order:

O R D E R.

MOUNTAIN LIGHT AND WATER COMPANY, W.E. BISSELL AND J.C. HUGHES having applied to the Railroad Commission for permission to sell all the properties of Mountain Light and Water Company to Boulder Creek Electric Light and Water Company, and BOULDER CREEK ELECTRIC LIGHT AND WATER COMPANY having asked permission to purchase said properties,

to execute a mortgage and/or deed of trust, to issue \$50,000.00 of 6 per cent serial bonds, \$5,000.00 of stock and assume the payment of \$18,500.00 of indebtedness, 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 for the purpose or purposes specified in this order, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that MOUNTAIN LIGHT AND WATER COMPANY, W.E. BISSELL, and J.C. HUGHES be, and they are hereby authorized to sell to BOULDER CREEK ELECTRIC LIGHT AND WATER COMPANY for the sum of \$55,000.00 all of the property of Mountain Light and Water Company more particularly described in Exhibit "A", attached hereto.

IT IS HEREBY FURTHER ORDERED, that BOULDER CREEK ELECTRIC LIGHT AND WATER COMPANY be, and it is hereby, authorized to purchase said properties of MOUNTAIN LIGHT AND WATER COMPANY, to execute a mortgage and/or deed of trust substantially in the same form as the mortgage and/or deed of trust attached to the petition herein and marked Exhibit "C"; to issue \$50,000.00 of 6 per cent serial bonds and \$5,000.00 of common stock, and assume the payment of \$18,500.00 of outstanding bonds of Mountain Light and Water Company.

The authority herein granted is subject to the following conditions:

- 1.-- Of the bonds herein authorized to be issued, \$18,500.00 shall be retained by the trustee under the mortgage and/or deed of trust herein authorized to be executed and shall be issued and sold by Boulder Creek Electric Light and Water Company for not less than par and only for the purpose of paying or refunding the \$18,500.00 of outstanding bonds of Mountain Light and Water Company, or for such other purpose

as the Railroad Commission may hereafter authorize.

2.-- The remaining \$31,500.00 of bonds and the \$5,000.00 of stock herein authorized to be issued may be delivered to Mountain Light and Water Company, W.H. Bissell and J.C. Hughes upon the transfer of the properties herein authorized and as part payment for such properties.

3.-- The consideration at which the properties are herein authorized to be transferred shall not be urged before this Commission or any other public body as a measure of value for said properties for rate-fixing or any purpose other than the transfer herein permitted.

4.-- The approval herein given of said mortgage and/or deed of trust 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 and/or deed of trust as to such other legal requirements to which such mortgage and/or deed of trust may be subject.

5.-- Boulder Creek Electric Light and Water Company shall file with the Commission for approval, within thirty days after the transfer of the properties herein authorized, all book entries necessary to record the acquisition of the properties of Mountain Light and Water Company.

6.-- Within sixty days after the acquisition of the properties of Mountain Light and Water Company, Boulder Creek Electric Light and Water Company shall file with the Commission a certified copy of the deed under which it holds title to the properties.

7.-- Boulder Creek Electric Light and Water Company shall

keep such record of the issue and sale of the bonds and stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report as required by the Railroad Commission's General Order No. 24, which order, in so far as applicable, is made a part of this order.

8.-- The authority herein granted to issue bonds will not become effective until Boulder Creek Electric Light and Water Company has paid the fee prescribed in the Public Utilities Act.

9.-- The authority herein granted will apply only to such bonds and stock as may be issued on or before October 1, 1921.

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 26th day of August, 1920.

Edwin O. Edgerton
H. D. Loveland
Frank R. Whitt
H. B. Brundage
Irving Matten
Commissioners.

Fee \$50.00

H. G. Matheison

EXHIBIT "A"

Real and personal property situated in the County of Santa Cruz State of California, particularly described as follows to-wit:

FIRST All that real property situated in the County of Santa Cruz, State of California, bounded and described as follows to-wit:

Being part of Sections Four (4) Five (5) and Eight (8) in Township Ten (10) South of Range Two (2) West of Mount Diablo Base and Meridian, and particularly described as follows to-wit

Beginning in the middle of the County Road leading from Felton to Boulder Creek at the southeast corner of lands of S. F. Van Winkle now or formerly from which point the one-fourth northern corner of said Sections Four (4) and Five (5) bears South 84° West one hundred and thirteen links distant, and a redwood stump marked "R. W. F." six feet in diameter bears South 75° East 72 links distant thence along the southerly boundary of said lands of S. F. Van Winkle, now or formerly, South 82° West 38 links to a stake; South 88° West 3 chains and 51 links to a stake; South 77° 45' West 34 links to a stake; North 21° 15' West 22 links to the west side of a large redwood stump marked "W", which stands on the top of the ridge north of Marshall Creek; thence continuing on said boundary and along said ridge, North 45° 33' West, five chains and 56 links to a stake; North 50° 30' West, 4 chains and 18 links to a stake; North 59° 45' West, 7 chains and 41 links to a stake; North 70° 48' West, 6 chains and 14 links to a stake; North 53° West, 3 chains and 39 links to an oak tree ten inches in diameter marked "S"; North 50° 45' West 2 chains and 10 links to a stake; North 58° 30' West, 3 chains and 57 links to a stake; North 61° 45' West 2 chains and 50 links to a madrone stump "S" at the most westerly corner of said lands of S. F. Van Winkle, now or formerly, from which a redwood tree sixteen inches in diameter marked "W. E." bears North 64° East 37 links distant thence leaving said ridge and said boundary and along the boundary lands of Wesley Farming, now or formerly, due South 14 chains and 4 links to a station in an old road on the north side of Marshall Creek, from which a witness post bears north fifteen links distant, and a redwood stump marked "W. P. & D. Co." bears North 86° 30' East 14 links distant, and thence along said road North 80° West 3 chains and 50 links to a station; South 77° 30' West 2 chains and 50 links to a station; North 69° 45' West 3 chains

to a station North 20° 15' West 2 chains and 49 links to a station on the one-fourth section line north and south through Section Five (5) above mentioned; from which a witness post bears South 0° 15' East 1 chain distant; and a redwood stump marked "R.W." three feet six inches in diameter bears South 0° West, 40 links distant; thence leaving said road and along said one-fourth section line South 0° 15' East, 5 chains and 57 links to the center of said Section Five (5) from which point a redwood stump three feet six inches in diameter marked "W.P." bears South 0° West 39 links distant, and a madrone ten inches in diameter marked "W.T." bears North 12° East, 38 links distant; thence along the one-fourth section line East and West through said Section Five (5) North 0° 30' East 24 chains and 3 links to a station on an open point about one hundred feet westerly of the southerly fork of Marshall Creek, thence leaving said quarter section line and on a line separating one hundred feet westerly of said southerly fork of Marshall Creek south 47° West (at 0.85 chains a 4" in 8" redwood post marked "B.L.L.Co." from which a redwood stump thirty inches in diameter marked "W.P.B.L.Co." bears South 20° East 27 links distant) 10 chains and 47 links to a stake, South 0° West 10 chains and 24 links to a stake on a rocky point, South 7° 15' East 3 chains and 5 links to a stake marked "B.L.Co." from which a redwood eight inches in diameter marked "W.T.B.L.Co." bears North 0° West, 30 links distant, South 15° East 3 chains and 72 links to a stake from which a redwood stump three feet in diameter marked "W.P.B.L.Co." bears South 120° West thirty-three (33) links distant; South 12° 35' West, 3 chains and 98 links to a stake on the section line between Sections Five (5) and Eight (8) aforesaid, from which a madrone 10 inches in diameter marked "W.P.B.L.Co." bears South 0° West 37 links distant, thence along said section line South 82° 10' West 4 chains and 50 links to the one-fourth section corner of Sections Five (5) and Eight (8) aforesaid from which a redwood stump four feet in diameter bears North 73° East, 74 links distant, and another redwood stump marked "W.T." bears South 51° West 21 links distant; thence along the one-fourth section line North and South through said sections 8 and leaving the boundary of said Farming's land; and to and along the boundary of lands formerly of R. W. Bean, South 15° East 3 chains and 4 links to a stake from which a leaning redwood 16" in diameter marked "W.T." bears South 60° West 27 links distant; thence leaving said one-fourth section line North 39° 30' East 1 chain and 58 links to a stake, North 50° East 22 links to a stake; North 73° East 70 links to a stake; North 69° 15' East 1 chain and 90 links to a stake; North 62° 15' East 13 links to a stake; North 49° 15' East 1 chain and 30 links to a stake; North 33° 15' East 1 chain and 30 links to a stake; North 22° 30' East 39 links to a stake; North 64° 30' East 3 chains to a stake; North 70° 15' East 1 chain and 20 links to a stake, North 120° East 4 chains and 50 links to a stake in old skid road, from which a redwood stump four feet in diameter marked "W.P." bears South 60° West 12 links distant; North 0° 15' East 3 chains and 42 links to a stake, North 2° 45' East 2 chains and 34 links to a stake on top of a ridge; thence along said ridge North 27° East 93 links to a stake; North 39° East 2 chains and 23 links to a stake from which a madrone seven inches in diameter bears North 33° East 57 links distant; North 57° 15' East 3 chains and 12 links to a stake; North 43° 30' East 1 chain and 35 links to a stake; North 33° East 2 chains and 15 links to a stake; North 40° 30' East 2 chains and 15 links to a stake from which a redwood stump 47" bears North 50° West 15 links distant; North 42° 30' East 2 chains and 15 links to a red-

then westerly along the quarter section 10 2 1 of the westerly corner of lands of Michael Costello, now or formerly; thence leaving said line and said lands formerly of A. W. Dean, and along the northerly boundary of lands of said Costello, now or formerly; North 45° 30' East 33 links to a redwood post marked "D. W. J. 2" at the northeast corner of lands of Henry L. White, now or formerly; thence along the Southwest Northwest and Northeast sides of said lands of Henry L. White, now or formerly; North 45° 30' West 17 chains and 30 links to a redwood post marked "D. W. J. 3" thence North 51° 30' East 3 chains and 70 links to the northwest corner of said lands of said Henry L. White, now or formerly; thence South 45° 30' East 13 chains and 01 links to a station at the west corner of lands conveyed by Daniel W. Johnson and wife to Oscar A. Tolle; thence along the northwest boundary of said last-mentioned lands North 45° 30' East 11 chains and 70 links to the middle of the road leading to the south side of Marshall Creek; thence along the middle of said road South 63° 30' East 1 chain and 33 links to a station; thence leaving said road South 45° 30' East 2 chains and 33 links to a station on the northwest boundary of said lands of said Michael Costello, now or formerly; and thence along the northerly boundary of said last-mentioned lands North 45° 30' East 1 chain and 14 links to a stake on the southerly bank of Marshall Creek from which a redwood stump four feet in diameter marked "D. W. J. 4" bears North 15° West 1 link distant; North 30° 15' East 3 chains and 13 links to a stake; South 39° 45' East 2 chains and 07 links to the middle of the first mentioned County Road at a station in the middle of the bridge over said Marshall Creek, from which the westerly iron rod on the southerly side of said bridge bears North 31° 45' West 15 links distant; and thence leaving said Costello's boundary, and along the middle of said County Road North 36° 30' West 33 links to a station; and North 45° West 2 chains and 13 links to the place of beginning, containing 75 00 acres.

RESERVING and excepting from the property strictly above described all those certain lots, pieces or parcels of land bounded and particularly described as follows, to-wit:

(1) Being part of the Northeast quarter of the South-east quarter of Section 9 Township 10 South Range 3 West, Mount Diablo Base and Meridian, and bounded and particularly described as follows, to-wit:

Beginning on the north side of the road leading up Marshall Creek at the northwesterly corner of lands conveyed by said Frederick A. Cody and Alva B. Cody, his wife to Oscar A. Tolle, by deed dated March 7th, 1902, and recorded in the office of the County Recorder of said County of Santa Cruz, in Volume 146 of Deeds at page 199 at sec. 4 thence along the South-erly side of said road leading up Marshall Creek Westerly Seventy (70) feet to a station; thence leaving said road Southerly two hundred (200) feet, more or less to a station on the westerly boundary of said lands conveyed as aforesaid to Oscar A. Tolle, from which the point of beginning bears North 45° 30' East two hundred (200) feet distant; and thence along said first mentioned boundary North 45° 30' East two hundred (200) feet to the place of beginning.

of said two tracts of land are not excepted, but are retained, held and reserved to said water plant.

SECOND: Also all of said certain water works system, known as the "Don Leonard Water Works", including all water rights and rights to water of the San Lorenzo River, and Don and Marshall Creeks and the tributaries thereof, now owned by said party of the first part, and appurtenant to said water works, whether within the boundaries of or appurtenant to the above and foregoing described tract of land, or other lands of said party of the first part, or lands of other persons; also all reservoirs and reservoir sites, pipes, pipe lines, dams, conduits and conduits appurtenant to or used in connection with said water works, wherever situated. Intending to describe hereby and include herein all property rights, easements, franchises, privileges, bottomlands, adjunctions and appurtenances of whatsoever kind and nature belonging to said party of the first part and situated in said County of Santa Cruz, whether herein specifically enumerated or not, which now constitute a portion of said Don Leonard Water Works, or that may hereafter be constructed or acquired therefor, or added thereto in any way while this instrument is in force and effect.

THIRD: All property of whatsoever kind or character, wherever situated, in any manner used by, connected with, or belonging, (either directly, indirectly or incidentally) to the water plant situated at and near the Town of Brocksdale, Santa Cruz County, California, and which includes among other things, all springs and waters, including all underground waters, flowing or otherwise, on, over or under any lands situate in Sections 31 and 32 in Township 9, South Range 9, West N. E. S. 34; also all water rights or privileges in or to Clear Creek and the San Lorenzo River, or the waters therein or in any of the branches or tributaries of said Clear Creek or said river, or in or to the waters therein, where said creek or river or branches are located in said Sections 31 or 32 hereinaid, except the rights in said San Lorenzo River heretofore conveyed by Brocksdale Land Company, a corporation, or its predecessors in interest, by instruments of record in the office of the recorder of the County of Santa Cruz, to W. H. Brod.

(b) Also, all rights of way and easements belonging to said party or utilized by it, or its predecessors in interest, for ditches, flume lines, pipes, pipe lines, reservoirs, spillways for reservoirs and overflow of waters therefrom, and other spillways for other flows from any portion of said water system, also for roads, trails, streets, alleys and for all purposes in any manner needed or required or convenient for the reasonable maintenance, operation, extension, improvement or repair of the works or lands herein conveyed, also all necessary rights of ingress and egress to, from and over private properties in said said first party may now own, or may hereafter acquire any right, title or interest, or otherwise.

(c) Also, all reservoirs, ditches, dams, flume lines, intakes, pipes, pipe lines, drains, laterals, service pipes, spillways, drains, tools, implements, waters, machinery of every kind and character, water wheels, lumber and other materials of every kind and character owned by said first party, all now or heretofore used, or intended for the use, of said water plant, or connected therewith.

... All property of whatsoever kind, or share of
... whatsoever estate in said County of Santa Cruz in any
manner used by, connected with or belonging (either directly,
indirectly or incidentally) to the Electric Light Plant situated
at and near the Town of Brookside, Arizona, and which property
included among other things all easements, water rights or privi-
leges, or other rights and privileges, in and to the said Electric
Plant and the San Lorenzo River, and the franchises and authorizations
thereof, and the right therein, as set forth and described
in subdivision (a) of paragraph (1) of said Article IV herein.

Also, all rights of way and easements as set forth and
described in subdivision (b) of the paragraph entitled "Article IV"
herein, and in addition operate the same rights of way and
easements for the wires, poles, pole lines, and for all other
purposes in any manner connected with the construction, opera-
tion, maintenance, improvement and repair of said electric
light plant, or any portion thereof, so that as to be done.

Also, all easements, etc. as set forth in subdivision
(c) of said paragraph entitled "Article IV" herein, in any manner
connected with said electric light wires, or operation thereof,
and in addition easements, etc. transformers, dynamos, motors,
switches, switches, switches, etc., wires, poles,
poles, lines, insulators, and all other machinery, tools, implements,
and materials in any manner connected with said electric light
plant, whatsoever kind or in said County of Santa Cruz.

Also, all easements of way to lay pipes on, over
or under the surface, or to construct or erect poles and
pole lines, transformers, wires and any other equipment over
and across, any and all streets, roads, walks, canals, or
highways and over or across, or on, over or across
or under any property owned or possessed by said first party,
or the heirs, assigns, executors, administrators, or which it or they may
hereafter acquire, in or over said town of Brookside, and
which may be deemed necessary, economical or convenient for
the construction, operation, maintenance, improvement or repair
of said water or light plant, or any portion thereof.

Also, the following tract of land: Com-
mencing at the northernmost corner of the lot conveyed by
Brookside Land Company to Jay E. Tolson by deed dated May
15, 1900, and recorded on the _____ day of _____
in volume _____ of Deeds, page _____ records of said
Santa Cruz County, which lot is situated on the west side of
Cassida Street in said Town of Brookside, and running thence
North 10 48' East (Mag. N. distance of about 120 feet to the
southeastern corner of the lot conveyed by J. H. Logan and
J. E. Jones to Edward J. _____ by deed dated March 20, 1900,
and recorded on the _____ day of _____ in volume 107
of Deeds, page 314, books and said Santa Cruz County thence
running West 112' East to the eastern line of Clark Creek,
thence Southeastly following the eastern line of said Clark Creek
to a point over which runs the line of said Clark Creek under-
neath the _____ Street (Mag. N. distance of about _____ feet the point

of commencement; thence along said line south and west to
the point of commencement being designated as lot 11,
there to be the same as provided and described on the map
entitled "Tract of Land in the County of Santa Clara, California," printed by the
Mineral Land Commission of San Francisco, California; to-
gether with all improvements thereon, including also the
right of way, with all easements and every other
incumbent of said corner land or character, whether connected
with said line and electric lines shown on said map, including
all poles, lines, equipment, wires, conduits, gutters, wires,
inches and all other appurtenances and materials of every kind
and character on said premises and elsewhere thereto or con-
nected therewith whatsoever situate in said County of Santa
Clara;

SECTION 7. The following described tract of land
commencing at the point of intersection of the Easterly
line of Red Street in said town of Brockdale, with the
southerly line of the Southern Pacific Railroad right of way
said Red Street shall be extended to said right of
way by said Brockdale Land Company, and running thence South-
easterly along said southerly line of said Red Street a distance
of eighty (80) feet; thence running Easterly along a line
parallel with said line of said right of way a distance of
one hundred and sixty (160) feet; thence running northerly
along a line parallel with said southerly line of said Red
Street a distance of eighty (80) feet to said line of said
right of way; thence running Westerly along said line of
said right of way a distance of one hundred and sixty (160)
feet to the point of commencement.

SECTION 8. A tract of land along the bed and banks
of said San Lorenzo River, or said river as described in said
instrument entitled "Warrant," including all of said bed
and banks not heretofore conveyed by said Brockdale Land
Company, including the right to erect and construct dams or
dams across said river at one or more points for manufac-
turing, power, commercial or pleasure purposes and to thereby
raise the water flowing in said river to such height as
shall be necessary for either or all of such purposes.

Also, so much land adjoining the banks of said river
as may be required for securing the foundations of said dams
and for the erection of power houses and the necessary use thereof, pro-
vided, however, that the party of the first part let such

orders and notices, within one year from the date of
December, 1910, shall serve upon said Brockdale Land Com-
pany a notice in writing, containing the lands adjoining the
banks of said river as aforesaid required for such purposes,
and file for record a copy thereof, duly acknowledged and
certified, with the County Clerk of said Santa Clara County,
State of California; it being agreed that should said first
party fail to serve and file said notice as aforesaid, then
all rights herein granted to subject any lands adjoining the
banks of said river as aforesaid, for the purposes aforesaid,
shall become imperative and void.

Also, the following tract of land: Commencing at a point on the northerly line of the right of way of the Southern Pacific Railroad Company due south of the point on the south bank of the San Lorenzo River where the sewer line of the Town of Brookdale leaves said bank to cross said river, thence running Easterly along said northerly line of said Southern Pacific right of way to the south-westerly corner of the lands owned by Mrs. R. C. Judkins, formerly Mrs. Bama Judkins, thence running northerly along the north-westerly line of said lands of Mrs. R. C. Judkins to the northwesterly corner of said lands of Mrs. R. C. Judkins, and thence continuing in a straight line to the intersection of said line with the 1/16 section line of said Section 32, Township 9 south, Range 2 West, T. 9 S. & R. 2 W., said 1/16 section line being the north boundary line of the lands owned by the Brookdale Land Company; thence running West along said 1/16 section line to its intersection with the southerly bank of said San Lorenzo River; thence running Easterly along the southerly bank of said San Lorenzo River to its intersection with the said sewer line of said Town of Brookdale; thence running south to the point of commencement. It being understood that said party of the first part, its successors and assigns, shall have no right or power or authority to use any lands for dam foundations or for the erection of power houses upon any portion of the lands contained in this subdivision of paragraph "Eight" which lies west of said sewer line where it crosses said river.

The word "banks" as used in this indenture when referring to the banks of the San Lorenzo River, shall be construed to mean and cover and include all lands lying on both sides of the bed of said river between the bed thereof and lines drawn along both banks of said river parallel to and two feet above the lines on the banks of said river reached by the waters flowing in said river during the period of highest flood; and in the event of one or more dams being erected across said river as aforesaid, then the word "banks" aforesaid, shall be construed to include any additional lands lying on both sides of the banks of said river, between the bed thereof and lines drawn along both banks of said river parallel to and two feet above the water level of the top of said dam or dams.

Nothing contained in this indenture shall be construed to grant any such property, privileges, or rights which said party of the first part has no right to grant.

SEVEN: Two tracts of land consisting of one-half acre each adjoining the present sides of the two reservoirs now being used by said electric light plant and connected with the two power mains of said plant; said two tracts of one-half acre each to be selected by said first party within one year after the date of this indenture.

EIGHT: Two rights of way each ten feet in width along the two power mains of said electric light plant running from said plant on said Lot 11, Block B, above described in paragraph marked "Sixth" herein, to the two reservoirs described in paragraph "Fourth" herein, being five feet on each side of the center line of each of said power mains; also, two rights of way each thirty feet in width running

stone and stone mound; North $75^{\circ} 45'$ West 2 chains and 70 links to a station; North $50^{\circ} 50'$ West 3 chains and 35 links to a station; North 50° West 1 chain and 16 links to a station on the township line between Ranges Two (2) and Three (3) West; thence leaving said ridge North $42^{\circ} 28'$ East 8 chains along said township line to the corner of Section Thirty (30), Thirty-one (31), Twenty-five (25) and Thirty-six (36); thence South $82^{\circ} 45'$ West 43 chains and 84 links to the quarter section corner between Sections Twenty-five (25) and Thirty-six (36), Township Nine (9) South, Range Three (3) West, from which a madrone tree 16 inches in diameter bears North $84^{\circ} 30'$ East 34 links distant and another madrone tree 2 feet in diameter bears North 80° East 12 links distant; thence due South 16 chains and 35 links to the northeast-erly boundary of the Rancho San Vicente; thence along said boundary South $57^{\circ} 15'$ East 38 links to an oak tree marked "S.V. 2"; thence South 2° West 2 chains and 2 links to a station at a corner of Lot Three (3) of said Section Thirty-six (36); thence along the boundary of said Lot Three (3) North $80^{\circ} 22'$ East 30 chains and 35 links to the Northeast corner of said Lot Three (3); thence South $2^{\circ} 13'$ West 19 chains and 15 links to a stake at the southeast corner of said Lot Three (3); thence due West along the south boundary of said Lot Three (3) 7 chains and 72 links to the middle of the County Road; thence along the middle of said road 58° degrees $15'$ East 3 chains and 45 links to a station; South $40^{\circ} 15'$ East 2 chains and 30 links to a station; South 37° East 2 chains and 24 links to a station; South 54° East 1 chain and 34 links to a station; South 42° East 2 chains and 30 links to a station; South $3^{\circ} 59'$ East 2 chains and 70 links to a station; South $50^{\circ} 15'$ West 2 chains and 30 links to a station; South $55^{\circ} 20'$ West 2 chains and 50 links to a station; South $56^{\circ} 15'$ West 2 chains and 20 links to a station; South $53^{\circ} 45'$ West 3 chains to a station; South $29^{\circ} 30'$ West 2 chains and 30 links to a station; South $19^{\circ} 30'$ West 2 chains to a station from which a witness post bears due East 35 links distant; thence leaving said road and along the boundary of the aforesaid Cooper lot East 11 chains and 48 links to a stake; South 48° East 19 chains and 33 links to the place of beginning; containing over 300 acres.

Also a clear and uninterrupted use and occupation of the rights of way and privileges described and mentioned in that deed from E. P. Reed and wife to Irwin S. Bloom and Patrick Patton, dated June 25th, 1895, and recorded in the office of the County Recorder of said County of Santa Cruz, in Volume 107 of Deeds, at page 6 at seq., to which deed and the record thereof reference is hereby had for greater particularity.

RESERVED and excepted herefrom the lot of land in the form of the east and south branch of Clear Creek heretofore conveyed to Mr. David Stuart Jordan.

WARRANT: All rights and privileges which said first party may now own or have or may hereafter in any manner acquire in or to any of the property hereby conveyed, or any portion thereof, or any other property in any manner, for any purpose, necessary, proper or convenient for the maintenance, operation, extension, improvement or repair of said water or light plants, or any portion thereof, which may by virtue of any contractual or other right or interest be reserved to, or which may revert for any purpose or cause to said first party or to said Stockdale Land Company; also

the right to enforce, collect and receive any such property rights or privileges to the same extent that said first party might or could do; but nothing herein contained shall grant any portion of the real estate, other than the water rights therein, conveyed by said Brookdale Land Company, or its predecessors in interest, to the County of Santa Cruz for the purpose of maintaining and operating a fish hatchery thereon.

Also, the right to enforce the full and complete performance in good faith of any and all restrictions and obligations of every kind and character set forth in any deed or other instrument which has heretofore, or which may hereafter be given by said Brookdale Land Company, or its predecessors in interest, or by its successors or assigns, conveying any right, title or interest in or to any property in said Town of Brookdale.

AND also all the estate, interest, homestead, property and other claim or demand, in law or equity, which the Company now has or may hereafter acquire in and to the aforesaid premises herein with the appurtenances.