

ORIGINAL

Decision No. 35265

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
YOSEMITE PARK AND CURRY CO.
for authority to execute a promissory
note.

Application
No. 25233

BY THE COMMISSION:

O P I N I O N

Yosemite Park and Curry Co. is engaged in the operation of hotels, camps and other facilities in Yosemite National Park, and also in connection therewith operates passenger stage service between Yosemite National Park and other places specified in Decision, No. 31396, dated October 31, 1938, as amended in Application No. 21861.

For 1941, the company reports total revenues of \$2,881,779.10. This includes transportation revenues of \$272,979.25. Its profit from all operations is reported at \$255,695.13.

Because of the seasonal character of applicant's business and because of uncertainties created due to war conditions, applicant believes it should provide itself with

additional cash in the amount of \$300,000. It, therefore, has made arrangements to borrow such sum from American Trust Company and asks permission to issue to said American Trust Company its promissory note in the sum of \$300,000, payable five years after date, with interest from the date of the note on the unpaid principal, payable monthly. The interest rate until the expiration of three years is at the rate of 2½% per annum and thereafter at the rate of 3% per annum. Applicant reserves the right to prepay on account of the principal, the sum of \$5,000 or more on any interest date, without payment of any penalty.

A copy of the proposed note and the agreement between Yosemite Park and Curry Co. and American Trust Company is on file in this proceeding as Exhibit "A." Yosemite Park and Curry Co., among other things, agrees that so long as the note shall remain unpaid, it will not without the prior written consent of the bank -

- (a) Incur any indebtedness except for charges and expenses incident to the operation and maintenance of its business and properties, all of which indebtedness will be paid by it prior to delinquency;
- (b) Voluntarily sell, mortgage, hypothecate, pledge, encumber or otherwise dispose of any substantial part of its capital assets and properties;
- (c) Make capital expenditures in any fiscal year in excess of the amount of the depreciation charge for that year unless such expenditures shall have been required by the Secretary of the Interior or the Director of the National Park Service;
- (d) Pay any cash dividends on its capital stock, or distribute or permit to be distributed to its stockholders any liquidating dividends of any nature whatsoever.

Applicant's petition shows that the proceeds realized through the issue of the \$300,000 note will be used to pay expenses which must be incurred in preserving and maintaining its properties in the event normal operations cannot be conducted.

O R D E R

Yosemite Park and Curry Co. having asked permission to issue to American Trust Company its note in the face amount of \$300,000; the Commission having considered applicant's request and it being of the opinion that this is not a matter on which a hearing is necessary; that applicant has need for said \$300,000, and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED as follows:

1. Yosemite Park and Curry Co. be, and it is hereby, authorized to issue after the effective date hereof, and on or before April 1, 1943, to American Trust Company, its note in the principal sum of \$300,000, said note to be issued in substantially the same form as the note filed in this proceeding as Exhibit "A," and to use the proceeds of said note to meet expenses which must be incurred in preserving and maintaining its properties in the event normal operations cannot be conducted.

2. The authority herein granted will become effective when Yosemite Park and Curry Co. has paid the fee prescribed by Section 57 of the Public Utilities Act, which

fee is Three Hundred (\$300.00) Dollars.

3. Within thirty (30) days after the issue of the note herein authorized, Yosemite Park and Curry Co. shall file with the Railroad Commission a true and correct copy of said note, together with a copy of any other agreement that may be executed incident to the issue of said note.

Dated at San Francisco, California, this 15th day of September, 1942.

Justin J. Caseman

[Signature]

Francis D. Havenue

Richard K. Kasse

Commissioners.

