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Be it Ordained by the City Council of the City of Lufkin now in regular session on this the 12 day of March 1918 That in pursuance to a Resolution by the City Council heretofore passed for the purpose of borrowing money from the Lufkin Land & Lumber Company and giving security therefor as set out and described in said resolution And it appearing to the City Council that said Contract has been duly entered into on the part of the City of Lufkin and the Lufkin Land & Lumber Company by their duly authorized agent which Contract has been duly signed by K. Morgan mayor of the City of Lufkin and attested by R. P. Walker Secretary with seal attached and approved by the Lufkin Land & Lumber Company which Contract or obligation is as follows;

Lufkin Texas March 1918

For Value Received, I, the City of Lufkin promise to pay to the Order of the Lufkin Land & Lumber Company a Corporation, Five thousand Dollars at the Lufkin National Bank Lufkin Texas with interest at the rate of six per cent per annum from date until paid, interest payable monthly ~~and~~ money as it accrues and six per cent additional on principal and interest unpaid for attorneys fees if placed in the hands of an attorney for collection The makers and endorsers hereof hereby severally waive protest demand and notice of protest

and non payment in case this note is not paid at maturity and agree to all extensions and partial payments before and after maturity without prejudice to the holder of this obligation. This obligation is created on the part of the City of Lufkin for the purpose of procuring the above sum of money for drilling a well for the city on the real estate owned by said city on the A. Varella grant of land about two ~~and a half~~ miles and a half northwardly from the town of Lufkin on which is situated the city reservoir and pumping machinery to procure a water supply for the said city of Lufkin which is an immediate necessity in order to avoid a calamity on account of shortage of the present supply of water for the city. The payment of this obligation is to be made on the part of the city of Lufkin by furnishing to the Lufkin Land & Lumber Company such supply of water for the operation of its saw mill plant situated contiguous to the town of Lufkin as may be demanded from time to time by the Lufkin Land & Lumber Company for such price and rate for water as is now being charged and maintained by the city to the Lufkin Land & Lumber Company and to other patrons of the city of Lufkin in procuring the ordinary supply of water provided however that if the Lufkin Land & Lumber Company should not need sufficient water to discharge this obligation during the ~~operation~~ period of the operation of its mill plant as now situated in the town of Lufkin then the city of Lufkin is to pay off and discharge

said obligation in cash with the accrued interest thereon. It is contemplated by the parties to this obligation that the Lufkin Land & Lumber Company has provided and owns Reservoirs, tanks and artificial ponds of its own for a large supply of water for its own use from which source of water supply it reserves the right to use for its own use rather than to take water from the city at such time as it may have a supply of water on hand and only in the event that the Lufkin Land & Lumber Company's water supply shall be exhausted by any means will the city be authorized to furnish water for the discharge of this obligation. Provided, however that in the event it becomes necessary for the operations of the Lufkin Land & Lumber Company's mill plant at any time in the future when there is an insufficient supply of the city's water for all purposes the Lufkin Land & Lumber Company shall have the right to demand and receive such supply of water as it may need for the operation of its plant in proportion as all other customers of the city may be entitled to receive and that no preference or discrimination shall ever be shown in the distribution of water to the people or corporations of the town of Lufkin against the Lufkin Land & Lumber Company. And the city of Lufkin shall not have the right to discriminate against the Lufkin Land & Lumber Company in its reasonable supply of water in case of shortage by offering or tendering the money in discharge of this obligation, which might be

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to the great damage of the Lufkin Land & Lumber Company, The City of Lufkin reserves the right to pay of this obligation in money at any time after twelve months from this date; provided this right shall not obtain during any shortage of the water supply of the Lufkin Land & Lumber Company which shortage shall be determined by the Lufkin Land & Lumber company and not the City of Lufkin," The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation," but this obligation to be secured by a deed of Trust executed on the water plant of the City of Lufkin with the real estate on which it is situated there being no other obligation against the city for like or similar purpose to this obligation

City of Lufkin

By K. Morgan
mayor

Attest:

R. P. Walker
Secretary

By J. S. Maroney Deputy

L.S. } Approved

Lufkin Land & Lumber Company

By S. M. Morris

General Manager

which has been duly examined and in all things ratified and approved.

K. Morgan mayor

W. D. Newsom

S. M. Hawthorne

W. D. Price