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ANGELINA COUNTY LUMBER COMPANY
Southern Yellow Pine Lumber and Timbers

"SUDDEN SERVICE"

KELTYS, (ANGELINA COUNTY) TEXAS

May 21, 1949

Angelina Casualty Company
Angelina Chevrolet Company
Angelina County Lumber Company
Angelina Hardwood Sales Company
A. & N. R. Railroad Company
Lufkin Foundry & Machine Company
Perkins-Goodwin Company
Perry Brothers, Inc.
Southland Paper Mills, Inc.
Texas Foundries, Inc.
Texas Power & Light Company

Gentlemen:

Re: MEMORIAL HOSPITAL

You will find attached hereto your copy of Service Contract between your firm and Memorial Hospital, effective May 1, 1949.

Those members who have not yet sent in contribution for the month of May based on $1.67 per employee, covering total shown in Service Contract, are requested to mail your checks to the writer at an early date.

June 1st, your June contribution will be due, etc. You will recall this is for the purpose of paying interest and retiring the First Lien Notes.

Very truly yours,

D. W. Thompson, Secy.
MEMORIAL HOSPITAL

DWT:pmb
encl.

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THE STATE OF TEXAS §
§
COUNTY OF ANGELINA §

THIS AGREEMENT is made and executed, this the 28th day of March, 1949, by and between MEMORIAL HOSPITAL, a corporation duly organized, incorporated and existing under the laws of the State of Texas, with its principal office and place of business in Lufkin, Angelina County, Texas, hereinafter styled Party of the First Part, and Angelina & Neches River Railroad Company, a corporation duly organized, incorporated and existing under the laws of the state of Texas, with its principal office in Keltys, Angelina County Texas, hereinafter styled Party of the Second Part.

WITNESSETH:

WHEREAS, Party of the First Part has under construction a new hospital in Lufkin, Angelina County, Texas, which has been designed primarily for furnishing hospital services to industrial employees and members of their families; and

WHEREAS, it is desirous to add special equipment and hospital facilities necessary to furnish adequate care and services for industrial employees who might be injured and which might be necessary in the protection of the health of said employees; and

WHEREAS, in order to furnish the aforesaid hospital services and facilities, Party of the First Part will be required to expend large sums of money in the purchase, maintenance and servicing of said equipment and facilities; and

WHEREAS, Party of the Second Part, in consideration of the building of said hospital and the purchase of the equipment and facilities aforesaid, has agreed with Party of the First Part to enter into this service contract, as follows:

First

Commencing May 1, 1949, or as soon thereafter as the hospital has been completed and ready for use, and for a term of fifteen (15) years thereafter Party of the First Part agrees to furnish to the employees of Party of the Second Part the following hospital services:

1. All employees of member industries and their dependents will be given a 10% discount off of the established room rate and drugs. By "dependents" is meant "persons who are related to said employee by blood or marriage, and who are dependent in whole upon said employee for support."

2. Type all employees of member industries and set up a blood donor service.

3. Make X-Ray examination and desired laboratory tests for new employees at actual cost of material and supplies.

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4. Make periodic group X-ray films for employees of member industries when they so desire at cost of material and supplies.

5. Give emergency treatment, at the hospital, to all employees of member industries where hospitalization and a private physician are not required.

6. Maintain a call system roster of all staff physicians so that employees of member industries will have the services of a staff physician at all times.

Provided, however, that after said hospital has been in operation for one (1) year there shall be furnished by said hospital to Party of the Second Part a statement showing the cost of the services rendered aforesaid, and if the amount charged is not sufficient to pay said costs, then it is stipulated that the service charge shall be increased, or the services furnished be revised so as to come within the costs of the hospital. The Parties of the Second Part shall then have the right to elect to pay the increased costs or receive the revised services at the cost stipulated in this contract.

Second

That for furnishing the aforesaid services, Party of the Second Part agrees and obligates itself to furnish to Party of the First Part on or before the 10th day of May, 1949, a list of all employees on the payroll of Party of the Second Part as of date May 1, 1949, and shall pay for each employee so listed the sum of One & 67/100 Dollars ($1.67), which shall cover the monthly payment for said employee for the month of May, 1949, and on or before the 10th day of each month during the term of this contract a like statement shall be furnished and a like amount shall be paid monthly for each employee. However, it is expressly stipulated that the number of employees during each month of the contract shall not be below seventy-five (75%) percent of the number of employees on the payroll of Party of the Second Part as of January 1, 1949, which number was Fifty Three (53). During any month when the number of employees on the payroll as of the first of the month shall be less then seventy-five (75%) percent of the aforesaid number, the payment shall be made on the basis of seventy-five (75%) percent of January 1, 1949 payroll.

Party of the First Part shall have the right to examine the books and records of Party of the Second Part if it so desires in order to verify said list.

Third

That this contract is binding upon the parties hereto, their successors and assigns, and it is specifically stipulated that Party of the First Part

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shall have the right to assign this contract for the entire term or any part thereof, as security for any loan or advances.

Fourth

That it is further stipulated that if in the event the physical properties of Parties of the First Part should ever be destroyed or damaged by fire or by any other casualty, Party of the First Part shall have the right to cancel this contract by giving notice in writing to Party of the Second Part.

Fifth

It is stipulated that the discounts allowed to employees as hereinbefore specified shall only be allowed if payments are made in full within ten (10) days from date of discharge of said employees, or dependents of said employees, as a patient from said hospital.

Sixth

All sums collected by Party of the First Part under the terms and provisions of this contract shall be placed in a special account in the depository bank and can only be used for the payment of principal and interest on first lien building notes; provided, however, that after funds have been set aside for principal and interest requirements, then by a vote of two-thirds (2/3) of the Directors any surplus may be used for general operating expenses.

Seventh

It is further stipulated that if in the event any paragraph or sections or any portion whatever of this contract should ever be held illegal or void for any reason, said contract shall continue to be in force and effect, as the parties hereto intend that the consideration stipulated herein shall cover all of the services specified in the first paragraph hereof, or any portion of said services.

EXECUTED IN TRIPLICATE, this the 28th day of ~~March~~ April, 1949.

MEMORIAL HOSPITAL

By, G. J. Kurth, President

ATTEST:

D. R. Thompson
Secretary

Angelina & Neches River Railroad Company

By, E. L. Pruett, President

ATTEST:

R. W. Henderson Jr.
Secretary

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THE STATE OF TEXAS)
)
COUNTY OF ANGELINA)

I, S. W. Henderson, Jr., Secretary of Angelina & Neches River Railroad Company, a corporation, do hereby certify that at a meeting of the Board of Directors of said corporation, held on the 28 day of April, 1949, the following resolution was unanimously adopted:

"Resolved, that the President of the Corporation be authorized to sign, on behalf of the corporation, a service contract with Memorial Hospital of Lufkin, Texas, under such terms and conditions as may be agreed upon between the President of the Company and Memorial Hospital for a term of fifteen (15) years."

Signed E. L. Kurth
Chairman

ATTEST:

(signed) S. W. Henderson, Jr.
Secretary

Given under my hand and seal of office, this the 28 day of April, 1949.

S. W. Henderson Jr.
Secretary

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THE STATE OF TEXAS)
)
COUNTY OF ANGELINA)

I, D. W. Thompson, Secretary of MEMORIAL HOSPITAL, a corporation, do hereby certify that at a meeting of the Board of Directors of said corporation, held on the 20th day of March, 1949, the following resolution was unanimously adopted:

"Resolved, that the President of the Corporation be authorized to enter into service contract with ANGELINA & NECHES RIVER RAILROAD COMPANY for a period of fifteen (15) years, under such terms and conditions as may be agreed upon between the President of the Corporation and ANGELINA AND NECHES RIVER RAILROAD COMPANY."

Given under my hand and seal of office, this the 16th day of May, 1949

E. L. Kurth
Chairman

ATTEST:

D. W. Thompson
Secretary

Given under my hand and seal of office, this the 16th day of May, 1949.

D. W. Thompson
Secretary