

THIS AGREEMENT and entered into this 16 day of April, 1970,  
 by and between Wendell A. Smith, Gertrude M. Smith, Wendell James Smith, William  
 R. Smith, <sup>WTS</sup> ~~Suzanne~~ <sup>X MASWPS RWS. A. JMS</sup> Smith and Richard W. Smith,

## WITNESSETH

WHEREAS, Wendell A. Smith and William R. Smith are each owners of 740 shares of the capital stock of Klamath Falls Brick and Tile Company, an Oregon corporation and;

WHEREAS, Alice F. Smith, mother of Wendell A. Smith, and William R. Smith, is the owner of 520 shares of the capital stock of said corporation, which she has bequeathed in her last will and testament to four of her children, Wendell A. Smith, William R. Smith, Annabelle Turner and Catherine Lumsden in equal shares, and has further provided in her will that Wendell A. Smith and William R. Smith shall have an option to purchase the shares of Annabelle Turner and Catherine Lumsden, and;

WHEREAS, Wendell A. Smith and William R. Smith are currently attempting to purchase certain of the shares now held by Alice F. Smith, and;

WHEREAS, the parties hereto agree, and it has been expressed in the last will and testament of Alice F. Smith, that the best interests of said corporation would be served by the retention of control of said corporation by Wendell A. Smith and William R. Smith, and their respective families,

NOW THEREFORE, in consideration of the mutual covenants and promises of the parties hereto, it is agreed as follows:

1. Wendell A. Smith and William R. Smith shall secure a safe deposit box at any bank or depository licensed to do business within the State of Oregon and shall agree with such depository that access to such box shall be had only upon the joint signature of both Wendell A. Smith and William R. Smith, and they shall thereupon deposit all stock certificates for shares of stock in Klamath Falls Brick and Tile Company they now hold and control, or acquire in the future, whether by purchase, gift, inheritance, or any other means, into such box, and shall continue to use such box for depository of all such stock certificates owned or controlled by each of them during the term of this agreement, for the express purposes of preventing the shares represented by such certificates from

being transferred into the hands of bona fide purchasers, in good faith, whether or not for value, who may be unaware of the terms of this agreement.

2. At all future meetings of shareholders of said corporation for the election of directors, Wendell A. Smith and William R. Smith shall vote all shares they hold or control at time of such meeting to continue the number of directors of such corporation at the present number and to reduce the number of directors to a total of three (3) after the death or retirement of Alice F. Smith, and to elect Wendell A. Smith and William R. Smith as two of such directors, and it is the desire of the parties hereto that for the best interests of the company, at all directors meetings they shall vote to continue the number of directors at three (3), and to continue Wendell A. Smith and William R. Smith as principal officers of such corporation in the positions of President, Vice-President, or Secretary. The parties further agree that for the best interests of the company they desire that the directors shall cause Glass Mountain Block, Inc., a Nevada corporation, which is now held as a subsidiary corporation of Klamath Falls Brick and Tile Company to remain as a subsidiary corporation and to cause Glass Mountain Block, Inc. to retain a board of three directors and to elect Wendell A. Smith and William R. Smith as two of such directors and to continue Wendell A. Smith and William R. Smith as principal officers of such corporation in the position of President, Vice-President, or Secretary, and to further cause a salary of not less than \$1,200.00 per month to be paid each to Wendell A. Smith and William R. Smith from Klamath Falls Brick and Tile Company or Glass Mountain Block, Inc., or both.

3. The William R. Smith family for the purposes of this Agreement, consists of William R. Smith, <sup>RWS. Ad.</sup> ~~Suzanne Smith~~ <sup>WRS</sup> ~~his wife~~ <sup>x wife of Richard W. Smith,</sup> and Richard W. Smith, his son. Upon the death of William R. Smith, Richard W. Smith shall succeed to all his rights and duties under the terms of this agreement and upon the death of Richard W. Smith, if he shall predecease her, <sup>WRS WRS RWS. Ad. bms</sup> Suzanne Smith shall succeed to all the rights and duties of William R. Smith under this agreement, except that she shall be entitled to a salary of not less than \$500.00 per month.

4. The Wendell A. Smith family for the purposes of this Agreement, consists of Wendell A. Smith, Gertrude M. Smith, his wife, and Wendell James Smith, his son. Upon the death of Wendell A. Smith, <sup>WJS</sup> Wendell James Smith shall

succeed to all his rights and duties under the terms of this agreement and upon the death of Wendell James Smith, if he shall predecease her, Gertrude M. Smith shall succeed to all the rights and duties of Wendell A. Smith under this agreement except that she shall be entitled to a salary of not less than \$500.00 per month. The rights of Wendell James Smith under the terms of this agreement are subject to his becoming an active paid employee of either Klamath Falls Brick and Tile Company or Glass Mountain Block, Inc. or both.

5. Wendell A. Smith and William R. Smith agree that they will each execute a last will and testament bequeathing all of the stock held by them in Klamath Falls Brick and Tile Company subject to the terms of this agreement.

6. This agreement shall continue in force and effect so long as any one male member of the Wendell A. Smith family or William R. Smith family survives and actively participates in the operation of the business.

7. Should either Wendell A. Smith or William R. Smith desire to terminate his relationship with the other in Klamath Falls Brick and Tile Company, the party desiring to so terminate, shall offer to sell his interest in Klamath Falls Brick and Tile Company to the other. The other party shall have the option of purchasing the stock of the party desiring to terminate under the terms and conditions set out below or selling his stock to the party desiring to terminate under the same terms and conditions. The sales price of the stock sold under the terms of this paragraph shall be determined in accordance with the provisions of Paragraph 11., commencing on page -3-, of the reorganization agreement between Klamath Falls Brick and Tile Company and Glass Mountain Block, Inc. executed contemporaneously with the memorandum agreement covering the same subject matter dated May 2, 1967. In computing the sales price of any shares sold under the provisions of this paragraph, the computation shall be based on the same formula, dates, and amounts set out in said Paragraph 11., except that the provisions of this paragraph shall be effective during the life of this agreement rather than the ten years stated in said Paragraph 11..

8. If it shall become advisable in the future to divest Glass Mountain Block, Inc. as a subsidiary of Klamath Falls Brick and Tile Company, its stock shall be subject to the terms of this agreement and shall be voted and in all other respects treated in the same manner as the stock of Klamath Falls Brick and Tile Company.

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IN WITNESS WHERE, we have affixed our hands and seals the day and year first above written.

Wendell A. Smith  
WENDELL A. SMITH

William R. Smith  
WILLIAM R. SMITH

Gertrude M. Smith  
GERTRUDE M. SMITH

Suzanne Smith  
SUZANNE SMITH

Wendell James Smith  
WENDELL JAMES SMITH

Richard W. Smith  
RICHARD W. SMITH

Det. Wendell A. Smith  
1336 El Dorado  
KFO-97601

STATE OF OREGON,  
County of Klamath ss.

Filed for record at request of:

on this 2nd day of March A.D., 19 87  
at 8:31 o'clock A M. and duly recorded  
in Vol. M87 of Misc. Page 3264  
By Evelyn Biehn, County Clerk  
By W. A. Smith, Deputy.  
Fee, \$17.00