

1 THIS AGREEMENT made and entered into this 3rd day
2 of January, 1967, by and between Alice P. Smith of Jackson
3 County, Oregon, hereinafter known as "Alice" and William R.
4 Smith and Wendell A. Smith of Klamath County, Oregon, herein-
5 after known as "sons",

WITNESSETH:

7 THAT WHEREAS Alice and her late husband Ralph W. Smith
8 founded the Klamath Brick & Tile Company and operated the same
9 for many years, with sons subsequently becoming partners in said
10 business, and

11 WHEREAS said partnership has now been dissolved and the
12 assets thereof transferred to Klamath Falls Brick & Tile Company,
13 an Oregon corporation, with stock having been issued to Alice,
14 sons and the late Ralph W. Smith in proportion to their ownership
15 in said partnership, and

16 WHEREAS the estate of Ralph W. Smith, deceased, is the
17 owner of 520 shares of the capital stock of said Klamath Falls
18 Brick & Tile Company, and

19 WHEREAS Alice is the sole legatee and devisee of the
20 Will of the said Ralph W. Smith, deceased, and

21 WHEREAS sons are presently operating said Klamath Falls
22 Brick & Tile Company and are presently the owners of 48% of the
23 stock of said corporation, and

24 WHEREAS sons are administrators of the estate of Ralph
25 W. Smith, deceased, and will be able to vote the stock in said
26 estate, subject to directions given by Alice, and

27 WHEREAS there are three savings accounts in Klamath Falls,
28 Oregon totalling \$38,733.31, plus interest, which said accounts
29 belong to the parties hereto, said accounts being in

30 First Federal Savings & Loan Assn., Klamath Falls, Oregon,
31 First National Bank of Oregon (Klamath Falls Branch)
32 Bank of Klamath Falls

32 WHEREAS the parties do not agree as to the extent of

1 ownership of each in said accounts, and

2 WHEREAS Alice deems that it is to her best interests
3 to have her estate rendered as liquid as conveniently possible
4 at the present time, and

5 WHEREAS Alice believes that it is in the best interests
6 of herself, her children and the estate of Ralph W. Smith, deceased,
7 that sons be assured of actual voting control of said Klamath Falls
8 Brick & Tile Company,

9 NOW THEREFORE, for and in consideration of the premises
10 and of the covenants and agreements herein contained, all to be
11 fully kept and faithfully performed, Alice does hereby assign and
12 transfer to sons all of her right, title, estate, lien and interest
13 in and to said 520 shares of stock now contained in the estate of
14 Ralph W. Smith, deceased, delivery to be made to sons whenever
15 probate of said estate has progressed to the point where delivery
16 can be made. Alice hereby directs sons, as such administrators,
17 to arrange for delivery of the certificate representing such stock
18 whenever the same can be done pursuant to the orders of the court,
19 the necessity for proper probate procedures and the requirements
20 of the inheritance tax laws of Oregon. Alice further agrees that
21 as between the parties hereto sons shall forthwith be deemed as
22 owners of all of said 520 shares of stock in said Klamath Falls
23 Brick & Tile Company.

24 Alice hereby agrees that pending actual delivery of the
25 stock certificate contained in the estate of Ralph W. Smith, de-
26 ceased, the sons may vote said stock at any regular or special
27 stockholders meeting without the necessity of any further consent
28 on the part of Alice thereto. Alice expressly agrees that sons
29 may vote said stock in favor of merging said Klamath Falls Brick
30 & Tile Company with another corporation, providing both of the sons
31 agree to such merger and providing further that in any such merger,
32 if consummated, Alice will continue to have the same proportionate

1 amount of stock, insofar as the Smith family is concerned, as
 2 she now holds. Alice realizes that in the event of merger she
 3 will no longer own 26% of the total issued stock of the surviv-
 4 ing corporation, but the purpose of the proviso contained in
 5 this paragraph is to make certain that whatever stock is issued
 6 to either herself or sons either directly or indirectly, she
 7 will have 26% of the same and sons or sons and their nominees
 8 will have 74% of the same.

9 Full and sole ownership of the three savings accounts
 10 hereinabove mentioned shall immediately be transferred to Alice.
 11 Sons agree to execute any and all documents which may be necessary
 12 in order to permit Alice to reduce the funds in said savings
 13 accounts to her possession.

14 The parties hereto further agree that to the extent the
 15 value of the stock herein assigned to sons exceeds the shares of
 16 sons in said savings accounts, such excess will constitute a gift
 17 from Alice to sons.

18 Alice F. Smith SEAL
 19 Alice F. Smith

20 William R. Smith SEAL
 21 William R. Smith

22 Wendell A. Smith SEAL
 23 Wendell A. Smith

24
 25
 26
 27 Ret: Wendell A. Smith
 28 1336 El Dorado
 29 KIFO 97601

30 STATE OF OREGON,
 31 County of Klamath ss.

32 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. MB7 of Misc. Page 3268

Evelyn Biehn, County Clerk

By Wm Smith

Deputy.

Fee, \$13.00

Agreement -3-