

THIS MEMORANDUM OF AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1928, between P. T. LAUGENOUR, F. W. STEPHENS and W. F. STEPHENS, hereinafter designated as "First Parties", and MILES STANDISH, hereinafter designated as "Second party", is to witness the following facts and covenants:

1. That the First Parties are the owners of that certain real property situate in the County of Lake, state of California, and particularly described as follows:

The northwest quarter of the southeast quarter, and the south half of the southeast quarter of Section 8; the southeast quarter of the northwest quarter and <sup>North half</sup> ~~northeast quarter~~ of the southwest quarter, and the southwest quarter of the southwest quarter of Section 9; all of Section 16; the south half of the Northeast quarter, and all of the southeast quarter, the north half of the northwest quarter, and the southeast quarter of the northwest quarter, the east half of the southwest quarter of Section 17; the east half, and the east half of the west half of Section 20; the west half of Section 21; the west half of Section 28; the east half of Section 29; the east half of Section 32; the northwest quarter, the north half of the southwest quarter and the southwest quarter of the southwest quarter of Section 33, all in Township 15 north, Range 6 West, M.D.B. & M. The north half of Section 4, the north half of the south half of Section 4, the southwest quarter of the southeast quarter of Section 4, the east half of the northeast quarter, and all of the southeast quarter of Section 5, in Township 14 North, Range 6 West, M.D.N & M., containing 4160 acres, more or less,

and that the section party is the owner of that certain real property situate in said County, and particularly described as:

The south half (S.1/2) of the southwest quarter (SW-1/4) of Section Four (4), and the north half (N.1/2) of the Northwest quarter (NW-1/4) of Section Nine (9), in Township Fourteen (14) North, Range Six (6) West.

2. That said lands constitute a dam and reservoir site and carry riparian and other water rights.

3. That it is desirable to acquire additional lands adjacent to those above described;

4. That in the opinion of the parties hereto, sale can be more advantageously made of the foregoing lands, if the interests of the parties hereto are placed under a common control;

5. That it is desirable to agree upon a proportion of the selling price of said real property to which the respective parties would become entitled, in the event of a sale of said properties as a unit;

6. That in view of the premises, the parties hereto covenant to convey all their right, title and interest in and to the foregoing properties to \_\_\_\_\_

\_\_\_\_\_ in trust, to convey all of said premises at such price, and upon such terms, and to such person as may be designated by the parties, (who, under the arrangement hereinafter set forth, would be entitled to more than 50% of the net return of such sale;)

7. That within \_\_\_\_\_ days from the date hereof, the parties of the first part will designate, in writing, an arbitrator or appraiser, and within like period, the party of the second part shall designate, in writing, an arbitrator or appraiser, and the two arbitrators thus appointed shall designate, in writing, a third arbitrator, and the decision of a majority of said arbitrators, as to the matters submitted to them hereunder, shall be binding upon the parties hereto; that said arbitrators shall, within thirty days from

the date of their appointment, deliver to said Trustee, duly signed and certified by at least two of said arbitrators, their decision as to the relative value, or proportionate share, of the property of the respective parties, for the purposes as stated above in Paragraph "2", in the following form:

the date of their appointment, deliver to said Trustee, duly signed and certified by at least two of said arbitrators, their decision as to the relative value <sup>or proportionate share</sup> of the property of the respective parties, <sup>for the purposes as</sup> in the following form:

The undersigned arbitrators do hereby certify that it is the opinion of the undersigned that, in the event of a sale of the Little Indian Valley reservoir site, the selling price should be divided as follows:  
\_\_\_\_\_ per cent, thereof to Miles Standish and \_\_\_\_\_ per cent thereof to P. T. Laugenour, F. W. Stephens and W. F. Stephens.

\_\_\_\_\_  
Arbitrator

\_\_\_\_\_  
Arbitrator

\_\_\_\_\_  
Arbitrator

Dated: \_\_\_\_\_, 1928.

One-half of the cost of the trust herein provided for and of such arbitration, shall be borne by the Laugenour-Stephens interests and one-half thereof by the Standish interests. The total cost of said arbitration shall not exceed \$ \_\_\_\_\_;

8. The parties hereto undertake to acquire, and to convey to said Trustee, upon like trusts, such additional real property adjoining the property above described, as they may deem advisable, and at such price as they may agree upon. <sup>which shall be cost & expenses incurred</sup> The cost of the acquisition of such additional lands shall be borne by the respective interests in the same proportion in which they shall be entitled to share in the sale price, as determined by said arbitrators;

9. Said Trustee shall lease to the respective parties, for the term of the trust or any extension thereof, their respective holdings of real property, in consideration of the payment, by each of the interests, of all taxes and expenses accruing for the maintenance of their respective parcels;

10. Said Trust shall continue for a period of \_\_\_\_\_ months from the date hereof, or until such earlier date as said

premises may be conveyed by the Trustee, under the terms hereof. If, at the end of said period, title remains in said Trustee, it then shall convey to said Miles Standish, the property conveyed by him to said Trustee, and it shall convey to P. T. Laugenour, an undivided one-half interest in the remainder of said real property, and shall convey to F. W. Stephens and W. F. Stephens, as joint tenants, an undivided one-half interest in said remainder of said real property, and shall convey to said Miles Standish the proportion as determined by said certificate of the arbitrators, in such lands as may have been conveyed to said Trustee, under the terms hereof, for the acquisition of adjoining lands, and the remaining interest in said subsequently acquired lands shall be conveyed, one-half thereof to P. T. Laugenour and one-half thereof to F. W. Stephens and W. F. Stephens, as joint tenants, with the right of survivorship. In the event of a sale under the terms hereof, there shall be paid to Second Party the percentage of the net returns to which he shall be entitled under said arbitration, and the balance of said net returns shall be paid one-half thereof to P. T. Laugenour, and one-half thereof to F. W. Stephens and W. F. Stephens, or the survivor of them:

11. Taxes and other expenses in connection with the maintenance of said subsequently acquired lands, during the period of said trust, shall be borne by the parties hereto, in accordance with the proportion fixed by said arbitration:

12. Said trust may be extended as to all lands subject to the trust, for such additional period, not exceeding \_\_\_\_\_ years after the expiration thereof, as may be designated by a written declaration of extension, signed and executed by those entitled to more than 50% of the net returns of sale, as determined by said arbitration, and by the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set

their hands and seals the day and year first above written.

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-----  
First Parties.

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Second Party.

The real property specifically described in the foregoing Agreement, having been conveyed this day to the undersigned Trust Company, it does hereby certify and declare that it accepts the trusts thereby created and holds title upon the trusts and conditions set forth in the foregoing Memorandum of Agreement.

Dated: \_\_\_\_\_, 1928.

\_\_\_\_\_  
By \_\_\_\_\_ Its Trust Officer.

*Emphatic  
Caption  
Proposed  
Arbitration &  
Trust*

COPY.

Law Offices Of  
White, Miller, Needham & Harber  
Peoples Bank Building  
Sacramento, California.

July 27, 1928.

Mr. Miles Standish,  
Crocker Bldg.,  
San Francisco, Calif.

Dear Mr. Standish:

There has been considerable delay in getting out the proposed form of trust arrangement between yourself and the Laugenour and Stephens interests, owing to the fact that it was very difficult to get a conference with Mr. Laugenour and explain to him the situation, and there has been delay also in getting the description of the property held by Mr. Laugenour, on behalf of himself and associates. Several blanks, you will note, have been left, - to be determined after conference between us, for example: Our people think that the trust should continue, first of all, for a period of six months, but we are open to suggestions from you.

Mr. Laugenour was particularly interested in the item of the cost of the trust. Trust company charges appear to be so variable, that we are all convinced that it would be advisable to have a definite charge set before the trust is made operative. We have submitted, therefore, the form of trust to California Trust and Savings Bank, for a bid.

There is the other matter of the cost of the arbitration or appraisement. We think it would be a good idea to have some definite amount determined upon before hand, and let the appraisers know their limit, and we are open to suggestions from you as to this amount.

Yours very truly,

WHITE, MILLER, NEEDHAM & HARBER,

By Needham.

IN:1  
Encl.

COPY.

August 1, 1928.

Dear Mr. Needham;

Referring to yours of July 27th:  
First, I make 4120 acres from the descriptions  
as given, instead of 4160 acres. 4120 acres also  
agrees with my memorandum.

I would suggest certain changes, as  
interlined, in draft herewith returned.

I think the trust should continue  
for at least two years, and so far as I am concerned,  
am perfectly willing to make it for years.

I do not like the wording of paragraph  
six, which would appear to give the majority interest,  
power to make any sale they see fit, whether bona fide  
or otherwise, and at such prices as they see fit. In  
other words, it would not look as if I had a "look in".

Think it would be better that the price  
should be set by agreement of all. If the price is  
too high, the property won't be sold.

Yours truly,

MS/S

Enc.

Mr. Irving Needham,  
Peoples Bank Building,  
Sacramento, Calif.

Copy.

August 3, 1928.

Dear Mr. Needham:

The letter of August 1st, herewith  
enclosed, owing to an oversight, was not sent.

Thinking over the matter since I  
wrote the letter, I have consulted Mr. F. H. Fowler,  
whom my friend, J. D. Galloway, an engineer of note,  
recommended to me as a high-class man. He is starting  
tomorrow morning to look over generally the valley and  
damsite.

It seems to me that with this gentleman,  
with his technical knowledge, and also ability to  
find out what has been done in similar cases, together  
with your advice, we should be able to get at something  
that is equitable to both sides. This is not a question  
of either party getting an advantage. It is simply a  
question of what is fair to both sides.

Mr. Fowler is going to start earlier than  
he had expected, owing to a call upon him for consulta-  
tion from Southern California.

Yours truly,

MS/S

Enc.

Mr. Irving Needham,  
Peoples Bank Bldg.,  
Sacramento, Calif.

Law Offices of  
White, Miller, Needham & Harber  
Peoples Bank Building  
Sacramento, California

August 6th, 1928.

Mr. Miles Standish,  
908 Crocker Bldg.,  
San Francisco, Calif.

Dear Mr. Standish:

We have your letters of August 1st and August 3rd, enclosing carbon copy of proposed Memorandum of Agreement with certain emendations that you would suggest.

You did not suggest in your letter, any limitations of cost that should be placed upon the arbitration. We think it would be advisable for us to set some definite figure and let the designated arbitrators accept it as their fee or refuse to serve for the amount allowed. There is practically no limit to the extent of investigation that might be made for the purposes of such an arbitration, and we are as likely to get an equitable result for both sides from a half hour's deliberation at the site, as we are from several weeks of careful investigation.

I am inclined to think it was your own suggestion that the terms of sale should be fixed by a majority interest in the net returns. I am inclined to think though that we are missing a very essential part of the benefits that may be obtained from such an agreement, if we do not have some compulsory arrangement for sale. How would it be to leave the provision as it is and to have an agreement between ourselves for a minimum price, below which, nothing of course but a unanimous consent, would be effective?

With reference to the provision for acquiring additional real property, my own view of the matter is that we are all occupying a trust relation toward each other, and that it would be a breach of such trust to attempt to make a secret profit out of any of the additional lands, but there would be no harm, of course, in your provision that the price shall be cost and expenses, without profit.

I have not talked over with Mr. Laugenour or Mr. Stephens, (or if I have, I've forgotten their conclusions) the length of time for which the trust should run. My own idea would about eighteen months, with a proviso for an additional extension of not exceeding five years.

Your suggested change in the phrasing of the provision in Paragraph 7, no doubt makes the purpose of the arbitration clearer. I suggest the following for the last clause:

"That said arbitrators shall, within thirty days from the date of their appointment, deliver to said Trustee, duly signed and certified by at least two of said arbitrators, their decision as to the proportionate share of the total net proceeds of sale of all of

Mr. Standish

-2-

8/6/28.

said properties, for the purpose stated above in Paragraph 2, which each of the two contracting interests shall be entitled to."

With reference to the description, it was not carefully checked over after dictating it from the map and deeds in our possession, and on a more close scrutiny, we find that in the fourth line of the description, the first two words, "Northeast quarter" should have inserted in lieu thereof the words "North Half". The records show that the Kowalskies have deeded to Mr. Laugenour, all of the North Half of the southwest quarter of Section 9. This would leave the acreage at 4160, as recited in the description. You state that 4120 acres is in accord with your information as to the Laugenour holdings. Therefore, we should be very appreciative of your trouble if you would check up on the description as given.

Yours very truly,

WHITE, MILLER, NEEDHAM & HARBER,

By

Needham.

IN:1

The undersigned, MILES STANDISH, owner of that certain real property situate in Little Indian Valley, Lake County, California, described as follows:

The South Half (S.½) of the Southwest Quarter (S.W.¼) of Section Four (4) and the North Half (N.½) of the Northwest Quarter (N.W.¼) of Section Nine (9), in Township Fourteen (14) North, Range Six (6) West,

and the undersigned, P. T. LAUGENOUR, FRANK W. STEPHENS and W. F. STEPHENS, owners of that certain real property situate in Little Indian Valley, Lake County, California, described as follows:

The Northwest quarter of the southeast quarter and the South Half of the southeast quarter of section 8; the Southeast quarter of the Northwest quarter and North Half of the Southwest quarter, and the Southwest quarter of the Southwest quarter of section 9; all of section 16; the South Half of the Northeast quarter, and all of the southeast quarter, the North Half of the Northwest quarter, the Southeast quarter of the Northwest quarter, the East Half of the southwest quarter of section 17; the East Half, and the East Half of the West Half of section 20; the West Half of section 21; the West Half of section 28; the East Half of section 29; the East Half of section 32; the Northwest quarter, the North Half of the southwest quarter and the southwest quarter of the southwest quarter of section 33, all in Township 15 North, Range 6 West, M. D. B. & M. The North Half of section 4, the North Half of the south Half of section 4, the southwest quarter of the southeast quarter of section 4, the East



Half of the Northeast Quarter, and all of the Southeast Quarter of Section 5, in Township 14 North, Range 6 West, M. D. B. & M., containing 4160 acres, more or less, do hereby agree, for and in consideration of the sum of One Hundred (\$100.00) Dollars, this day paid to the undersigned at The BANK OF WOODLAND, N. A., receipt whereof is hereby acknowledged, to convey, on or before midnight December 31, 1928, free from liens and encumbrances, other than current taxes, (which shall be pro-rated) their respective parcels of real property hereinabove described, to EDWARD MORRIS, his heirs, executors, administrators, successors or assigns, upon the payment, or on before said date, of the sum of Two Hundred Thousand Dollars (\$200,000.00), to the joint credit of the undersigned at the BANK OF WOODLAND, N. A., Woodland, California.

The offer herein made shall terminate absolutely at the expiration of the time hereinabove designated.

Dated: October , 1928.

Miles Standish

P. T. Laugenour

Frank W. Stephens

Wm. F. Stephens

STANDISH & HICKEY LANDS  
REDWOOD AND PINE TIMBER  
Office, 907-908 CROCKER BUILDING  
Telephone Kearny 714  
SAN FRANCISCO, CAL.

September 13, 1929.

Colonel Ed. Fletcher,  
1020 - Ninth St.,  
San Diego, Calif.

Dear Mr. Fletcher:

As per our talk, enclosed find copies of  
proposed arbitration, option and correspondence, regarding  
Little Indian Valley.

Everything has been at a standstill since, I  
think, about the first of January.

Sincerely,

MS/S  
Encs.

*Wm Standish*

*Thank you for note, lunch &  
counter's shown MS*

*Sept 24 1929*

*Mr Ed Fletcher  
San Diego Cal.  
Dear Sir;*

*We will not give a joint option  
of the Indian Valley properties with  
Mr Standish as outlined in your  
letter of Sept 17.*

*Very Truly yours  
F.W. Stephens*

STANDISH & HICKEY LANDS  
REDWOOD AND PINE TIMBER  
OFFICE: 806 CROCKER BUILDING  
SAN FRANCISCO, CALIFORNIA  
TELEPHONE GARFIELD 2876

March 29, 1933.

Mr. A. F. McEwan,  
Seattle, Washington.

Dear Mr. McEwan:

This will introduce to you an old Michigan lumberman, who you must know owned a great deal of timber in Michigan. He also owns a very large tract of timber in the redwood belt. I think you would like to talk over conditions with Mr. Ward, as you certainly must have known his father. Mr. Ward, I hope, can persuade you to come into our country.

We think things are picking up a little. Whether they are or not, I do not know.

Expect to get up to Seattle before long.

Respectfully,

*A. J. Hickey*

HRH/S

STANDISH & HICKEY, INC.  
REDWOOD AND PINE TIMBER  
OFFICE: 608 CROCKER BUILDING  
SAN FRANCISCO, CALIFORNIA  
PHONE GARFIELD 2876

March 31, 1934.

Col. Ed. Fletcher,  
1020 - Ninth Avenue,  
San Diego, California.

Friend Fletcher:

I was very sorry to have missed you the other day while you were here and if you had let me know by letter or some way I certainly would have been here to meet you.

Enclosed you will find copy of a letter sent to me by the Pope & Talbot people. Among other things, it refers to the Ward timber, and its reference to you I wish you would hold confidential or, that is, not to mention it as coming through me and for that reason I wanted to show it to you while here.

The unit put up to the Government takes in the widest strip of redwood on the coast and within a short distance of San Francisco. We are now interested in making a map covering this property.

~~I knew that the Ward timber had been submitted to the Forest Service and 25¢ a thousand has been spring at me several times of late.~~

We are within three hours of trucking distance from San Francisco and the entire Sacramento Valley country. In other words, can truck right from our mill to the consumer, which we are doing with a small plant now, and the idea of getting in touch with you on that was to find out just what was doing.

Mr. Holter of the Sage Company and I exchange views many times on valuations and I would liked to have had you meet him while here and talk this situation over more thoroughly. We have some timber ourselves on the Klamath River with quite a little sprinkle of cedar.

There has been so much talk about the Ward timber by people that knew nothing about it. I have several cruises made by different parties. Fentress Hill, as you are aware, made the cruise that you gave me. He was in the other day seeking some information on another issue. The next time you are up here drop in. I know we have by far the best unit that has been put up to the National Forestry Service, for I have been more or less in touch with them right along. They can get in this unit over 300,000 acres of land and about 3,000,000,000 of timber, with a great deal of cut over lands. About 180,000 acres of virgin timber and as much more cut over lands could be used for reforestation. There has been a splendid report made of it on account of its accessibility to San Francisco, not only in a commercial way but for recreational parks, as it is easy to get to.

Sincerely yours,

*A. J. Hickey*

HRH/S

cc. Strong  
76. C. Ward

COPY.

The following is an extract from Pope & Talbot's letter, in re Ward timber: (Sent to H. B. Hickey.)

"We have no knowledge whatever of the property to which Mr. Patten refers but with the wish of helping him out if possible, we consulted Mr. E. T. W. Wohlenberg, Valuation Engineer of the Internal Revenue Service who has informed us that he was quite sure that you had a thorough knowledge of the property. We, therefore take the liberty of asking that you give us such information as you care to along the lines indicated by Mr. Patten's inquiry".

The following is an extract from letter of David L. Patten:

"I am writing at the request of one of the owners of the property and it is my belief that although Colonel Fletcher mentioned above has been working on the sale of this tract, he is not authorized officially to do so by the owners".

**Ed Fletcher Papers**

**1870-1955**

**MSS.81**

**Box: 27 Folder: 17**

**General Correspondence - Standish and Hickey Lands**



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