

**RECORDING COVER SHEET**

ORS 205.234

This cover sheet has been prepared by:

**2018-002532**

Klamath County, Oregon

03/07/2018 11:28:01 AM

Fee: \$237.00

Any error in this cover sheet DOES NOT affect the transaction(s) contained in the instrument itself.

Reference: 1396-11964

Please print or type information.

**1 AFTER RECORDING RETURN TO –**

Required by ORS 205.180(4) &amp; 205.238:

Name: Sussman Shank LLPAddress: 1000 SW Broadway, Suite 1400City, ST Zip: Portland, OR 97205**2 TITLE(S) OF THE TRANSACTION(S) – Required by ORS 205.234(1)(a)**

Note: "Transaction" means any action required or permitted by law to be recorded, including, but not limited to, any transfer, encumbrance or release affecting title to or an interest in real property. Enter descriptive title for the instrument:

**Document Title(s):** Order Upon Stipulation Appointing CFO Solutions, LLC**3****Grantor Name:** Umpqua Holdings Corporation, dba Umpqua Bank**Grantor Name:** \_\_\_\_\_**4****INDIRECT PARTY / GRANTEE Names and Addresses – Required by ORS 205.234(1)(b)**

for Conveyances list Buyer; for Mortgages/Liens list Beneficiary/Lender/Creditor

**Grantee Name:** Carleton Farms**Grantee Name:** \_\_\_\_\_**5**

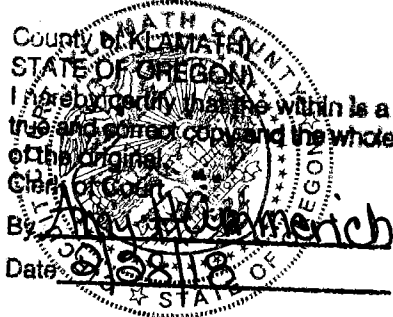
For an instrument conveying or contracting to convey fee title, the information required by ORS 93.260:

**UNTIL A CHANGE IS REQUESTED, ALL  
TAX STATEMENTS SHALL BE SENT TO  
THE FOLLOWING ADDRESS:**Name: N/A

Address: \_\_\_\_\_

City, ST Zip: \_\_\_\_\_

**6****TRUE AND ACTUAL CONSIDERATION –**  
Required by ORS 93.030 for an instrument conveying or contracting to convey fee title or any memorandum of such instrument:**\$** 0**7****TAX ACCOUNT NUMBER OF THE PROPERTY if the instrument creates a lien or other interest that could be subject to tax foreclosure. – Required by ORS 312.125(4)(b)(B)**Tax Acct. No.: N/A



17CV56444

IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF KLAMATH

UMPQUA HOLDINGS CORPORATION, dba  
UMPQUA BANK, an Oregon chartered bank,

Case No. 17CV56444

Plaintiff,

v.

ORDER UPON STIPULATION APPOINTING  
CFO SOLUTIONS, LLC AS RECEIVER  
OVER THE "BANK LOAN COLLATERAL,"  
AND ISSUING A PRELIMINARY  
INJUNCTION

CARLETON FARMS, an unregistered Oregon  
general partnership; RICHMOND JAMES  
CARLETON; JAMES ALFRED CARLETON;  
GREGORY GEORGE CARLETON;  
CARLETON FARMS, LLC, an Oregon limited  
liability company; JAMES CARLETON and  
GREGORY CARLETON, successor trustees of  
the Alfred C. Carleton and Helen A. Carleton  
Trust dated July 25, 1985; GREGORY G.  
CARLETON and CYNDEE O. SMITH-  
CARLETON, Trustees of the Carleton Family  
Trust, dated October 27, 2016; AGCO  
FINANCE LLC, a Delaware limited liability  
company; DEERE & COMPANY, a Delaware  
corporation; WESTERN MILLING, LLC, a  
California limited liability company; and  
BASIN FERTILIZER & CHEMICAL CO.,  
LLC, an Oregon limited liability company,

Defendants.

This matter came before the Court on Plaintiff Umpqua Holdings Corporation, dba  
Umpqua Bank ("Bank" or "Plaintiff") *Combined Motion and Memorandum in Support for (A)*  
*Appointment of a Receiver, (B) Issuance of a Temporary Restraining Order, and (C) the*  
*Subsequent Issuance of a Preliminary Injunction (the "Motion").* In the Motion Bank requests,

1 among other relief, the entry of an Order appointing CFO Solutions, LLC, a Utah limited liability  
2 company dba Advanced CFO ("**Advanced CFO**"), as the receiver for the "**Bank Loan**  
3 **Collateral.**"

4 The "**Bank Loan Collateral**" is more particularly described as follows:

5 1. The following personal property assets owned, individually or collectively or in  
6 whole or in part, by any of Carleton Farms, Richmond Carleton, James Carleton, Gregory  
7 Carleton, and Carleton Farms, LLC (collectively, the "**Carleton Defendants**"):

8 (a) all accounts, accounts receivable, contract rights, documents, documents of  
9 title, payment intangibles, investment property, chattel paper, instruments, and checking, savings  
10 and all other deposit accounts;

11 (b) all inventory;

12 (c) all equipment;

13 (d) all fixtures;

14 (e) all farm products, including crops grown, growing or to be grown, livestock  
15 born or unborn, supplies used or produced in the Carleton Defendants' farming operation, and  
16 products of crops and livestock in their unmanufactured state;

17 (f) all general intangibles, including all intellectual property ;

18 (g) all deposit accounts, including any operating account at Umpqua Bank.;

19 (h) all investment property now or hereafter acquired;

20 (i) all proceeds of any crop insurance, price support payment or other  
21 government program;

22 (j) accessions, attachments and other additions to the Bank Loan Collateral;

23 (k) substitutes or replacements for any of the Bank Loan Collateral, all  
24 proceeds, products, rents and profits of any of the Bank Loan Collateral, all rights under warranties

1 and insurance contracts covering the Bank Loan Collateral, and any causes of actions relating to  
2 the Bank Loan Collateral; and

3 (l) books and records pertaining to any of the Bank Loan Collateral, including  
4 but not limited to any computer-readable memory and any computer hardware and software  
5 necessary to process such memory; and

6 The real property, fixtures and improvements and related property, including leases and  
7 rents described in the following recorded documents:

8 (a) That certain Deed of Trust dated May 2, 2016 and recorded in the Official  
9 Records of Klamath County, Oregon on May 5, 2016, as Instrument No. 2016-004564;

10 (b) That certain Assignment of Rents dated May 2, 2016 and recorded in the  
11 Official Records of Klamath County, Oregon on May 5, 2016, as Instrument No. 2016-004565;

12 (c) Two separate Agricultural Security Agreements dated May 2, 2016,  
13 between Carleton Farms, Richmond Carleton, James Carleton, and Gregory Carleton and Bank  
14 with the security interests described therein perfected by filing one or more UCC Financing  
15 Statements with the Oregon Secretary of State's office and by recording a UCC Financing  
16 Statement relative to the certain personal property collateral described therein in the Official  
17 Records of Klamath County, Oregon on May 5, 2016, as Instrument No. 2016-04566, which was  
18 subsequently amended pursuant to the terms of a UCC Financing Statement recorded in the  
19 Official Records of Klamath County, Oregon on April 13, 2017, as Instrument No. 2017-003855;

20 (d) That certain Modification of Deed of Trust dated June 15, 2016 and  
21 recorded in the Official Records of Klamath County, Oregon on July 1, 2016, as Instrument No.  
22 2016-006974;

23 (e) That certain Second Modification of Deed of Trust dated June 26, 2017 and  
24 recorded in the Official Records of Klamath County, Oregon on August 3, 2017, as Instrument No.  
2017-008754;

1 (f) That certain Modification of Assignment of Rents dated June 26, 2017 and  
2 recorded in the Official Records of Klamath County, Oregon on August 3, 2017, as  
3 Instrument No. 2017-008755; and

4 (g) That certain Third Modification of Deed of Trust dated June 26, 2017 and  
5 recorded in the Official Records of Klamath County, Oregon on October 6, 2017, as Instrument  
6 No. 2017-011381.

7  
8 2. As part of the motion, Bank also has requested that the Court enter a temporary  
9 restraining order and subsequent preliminary injunction in aid of the Receivership enjoining and  
10 restraining the Carleton Defendants, and each of them, and their agents, servants, employees,  
11 attorneys, and other persons and entities acting in concert or participation with them, or any of  
12 them, from, directly or indirectly, transferring, selling, leasing, disposing of, encumbering,  
13 injuring, converting, gifting or otherwise interfering with the Bank Loan Collateral without Bank's  
14 express prior written consent and the written consent of the Receiver, or further Order of the  
15 Court.

16 Based upon the Motion, the Declaration Matthew R. McKinlay, a member and authorized  
17 representative of the proposed Receiver, the other pleadings, papers and exhibits submitted in  
18 support thereof, and the arguments and evidence (if any) presented in support of the Motion, and  
19 good cause appearing therefore, the Court makes the following findings:  
20

21 1. Good and sufficient grounds exist to grant the Motion and appoint a receiver over  
22 the Bank Loan Collateral (exclusive of Parcel 9 described in the Real Estate Loan Trust Deed as  
23 more fully described as: Lot 16 in Block 2 of TRACT NO. 1099, ROLLING HILLS, according to  
24 the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon), in that:

1           A.     It appears that Bank holds a properly perfected lien on and security interest against  
2 the Bank Loan Collateral;

3           B.     The Bank Loan Collateral secures the performance and payment of substantial  
4 monetary obligations owed by the Carleton Defendants to Bank;

5           C.     The monetary obligations owed by the Carleton Defendants to Bank have been  
6 accelerated and are payable in full, have not been paid, and are in default;

7           D.     The loans evidenced by the five promissory notes described in the Motion are due  
8 and payable in full, and events of default have occurred concerning those loans. Bank is owed  
9 over \$17,000,000.00 on the five outstanding loans to the Carleton Defendants; Bank has made  
10 demand for payment in full, and the outstanding balance of each loan remains due and owing.

11           E.     The provisions of each security agreement executed by the Carleton Defendants  
12 that secures all indebtedness owed by the Carleton Defendants to Bank provides that upon the  
13 occurrence of an event of default, which has occurred here with respect to all five loans due and  
14 owing to Bank, Bank may have a receiver appointed by any court of competent jurisdiction to take  
15 possession of the Bank Loan Collateral described therein.  
16

17           F.     Similarly, the Real Estate Loan Trust Deed, as modified, states that upon the  
18 occurrence of an event of default, which has occurred here with respect to all five loans to the  
19 Carleton Defendants, Bank may have a receiver appointed by any court of competent jurisdiction  
20 to take possession of the Bank Loan Collateral described therein.  
21

22           G.     The Bank Loan Collateral consists, in part, of perishable assets such as livestock  
23 and other farm products, such as grains, potatoes and other commodities. Moreover, the Bank  
24 Loan Collateral consists of numerous items of equipment that are depreciating in value, and which

1 also may not be insured or protected. The Bank Loan Collateral also consists of rents and account  
2 receivables that can be easily diverted and siphoned off. In short, the Bank Loan Collateral is  
3 perishable and is in danger of being lost, impaired, destroyed or dissipated without a receiver  
4 being appointed to oversee it.

5 H. The Carleton Defendants appear to be insolvent. Under the Uniform Commercial  
6 Code, as adopted in Oregon, "insolvent means: (i) having generally ceased to pay debts in the  
7 ordinary course of business other than as a result of bona fide dispute; (ii) being unable to pay  
8 debts as they become due; or (iii) being insolvent within the meaning of federal bankruptcy law."  
9 ORS 71.2010(w). Federal bankruptcy law, in turn, says insolvency includes a "financial condition  
10 such that the sum of such entity's debts is greater than all of such entity's property, at a fair  
11 valuation . . . ." 11 U.S.C. § 101(32).

13 Recent inspections and appraisals of the Bank Loan Collateral obtained by Bank indicate  
14 that the aggregate market value of the Bank Loan Collateral is approximately \$13,398,350.00. The  
15 Declaration of John Sugar filed in support of the Bank's motion for the appointment of a receiver  
16 states that the aggregate unpaid balance due from the Carleton Defendants to Bank under the five  
17 promissory notes referenced in the Bank's Amended Complaint is \$17,501,627.28 plus additional  
18 accrued interest and costs. If Bank's claim for conversion proves to be valid then the amount of  
19 said indebtedness is increased to an even greater amount. In short, the information provided to the  
20 Court indicates that the indebtedness owed by the Carleton Defendants to Bank exceeds the value  
21 of the Bank Loan Collateral by approximately \$4,103,277.28.

23 2. The failure to appoint a receiver in this action over the Bank Loan Collateral could  
24 result in the immediate and irreparable injury, loss, or damage to Bank's interest in the Bank Loan

1 Collateral.

2 3. The appointment of a receiver over the Bank Loan Collateral is reasonably  
3 necessary to preserve and protect the Bank Loan Collateral, and to insure that the Bank Loan  
4 Collateral is not lost, dissipated, damaged or commingled.

5 5. Other potential remedies, including legal remedies, are either unavailable or  
6 inadequate.

7 6. With respect to Bank's request for injunctive relief, injunctive relief is appropriate  
8 in that:

9 A. Bank likely will suffer irreparable harm unless the Court grants Bank injunctive  
10 relief;

11 B. The harm to the Defendants from being restrained or enjoined by the Court, if any,  
12 is outweighed by the harm that Bank will incur if injunctive relief is not granted;

13 C. The injunctive relief requested by Bank is in the public interest; and

14 D. There is a substantial likelihood that Bank will prevail on (a) the merits of its  
15 underlying claims against the Carleton Defendants, and (b) the merits of its request that the Court  
16 appoint a receiver over the Bank Loan Collateral thereby also preserving the lien rights of other  
17 named defendants in this action such as AGCO Finance LLC and Deere & Company who appear  
18 to have a first priority purchase money security interest in various items of equipment referenced  
19 in their UCC Financing Statements filed with the Oregon Secretary of State's office and Basin  
20 Fertilizer & Chemical Co., LLC, who may have a first priority lien in certain farm products  
21 referenced in one or more Notices of Claim of Agricultural Services Lien filed with the Oregon  
22 Secretary of State's office.  
23  
24



1           10.     Furthermore, it appears that Bank is entitled to the relief demanded in its Amended  
2 Complaint and, without the entry of injunctive relief in this action; any judgment rendered by the  
3 Court could be ineffectual.

4           11.     Notice as required by Oregon law has been properly and timely given to all parties  
5 entitled to such notice.

6           12.     The Defendants have all consented to the appointment of a Receiver over the  
7 Collateral as evidenced by their written consents on file with the Court in this action.

8           Based upon the foregoing findings of fact, and such other facts as the Court made upon the  
9 records, which are incorporated herein by this reference, and pursuant to ORCP 79, 80, 82 and the  
10 Receivership Code now in effect, it is hereby **ORDERED, ADJUDGED AND DECREED**, as  
11 follows:  
12

13           **1.     APPOINTMENT OF RECEIVER.** Advanced CFO (“**Receiver**”), whose office  
14 is located at 13601 West McMillan Road, Suite 102, PMB 320, Boise, Idaho 83713; Telephone:  
15 (208) 724-2257; Facsimile: (208) 489-2501; email: mmckinlay@advancedcfo.com, shall be, and  
16 hereby is, appointed as receiver over the Collateral, on the further terms and conditions of this  
17 Order.  
18

19           As a condition to the effectiveness of this Order and the Receiver’s appointment, the  
20 Receiver shall post a Receiver’s bond in the amount of \$250,000.00. The Receiver is authorized  
21 to act by and through its agents, representatives and employees. During the term of the Receiver’s  
22 appointment, and until further order of the Court, the Collateral shall remain under the Court’s  
23 exclusive jurisdiction. The Receiver is not interested in this action and is competent and qualified  
24 to act as the receiver over the Collateral. The Court has exclusive authority over the Receiver.

1 The Receiver shall not be subject to the control of any other parties to this matter, but shall be  
2 subject only to the Court's direction in the fulfillment of the Receiver's duties.

3 A. At all times until the Receiver is discharged by the Court, the Receiver shall  
4 maintain errors and omissions insurance with a policy limit of at least \$500,000.00 per claim.

5 B. The Receiver shall file with the Court and serve on all parties in interest a monthly  
6 report of the receivership's operations and financial affairs. The Receiver shall file each report not  
7 later than 30 days after the end of a reporting period, which reporting period shall be each calendar  
8 month. The Receiver must file and serve his initial report by no later than 60 days after the date of  
9 entry of this Order.  
10

11 **2. INCORPORATION OF OREGON RECEIVERSHIP CODE.** The Oregon  
12 Receivership Code (the "**Receivership Code**"), which was approved by the Oregon Legislature  
13 and subsequently signed by the Governor on June 14, 2017 and became effective on January 1,  
14 2018 is expressly incorporated herein by this reference. To the extent of any inconsistency  
15 between the terms, conditions and requirements of this Order and the terms, conditions and  
16 requirements of the Receivership Code, the Receivership Code shall control.

17 **3. SUBJECT TO APPLICABLE LAW THAT EXCLUDES CERTAIN TYPES**  
18 **OF COLLATERAL, ALL BANK LOAN COLLATERAL IS HEREBY PLACED IN THE**  
19 **POSSESSION OF THE RECEIVER, AND UNDER THE COURT'S CONTROL,**  
20 **PENDING FURTHER ORDERS OF THE COURT.** The Receiver, as an officer of this Court,  
21 shall have and take possession, custody and control, either physically or constructively as  
22 determined by the Receiver in his, her or its sole and absolute discretion, and subject to all existing  
23 and valid liens, claims and encumbrances of secured or lien creditors (including all liens and  
24

1 claims of Bank) of the Bank Loan Collateral, and any and all rents, income, profits or proceeds of  
2 the Bank Loan Collateral (including but not limited to all cash, checks and credit card receipts),  
3 both tangible and intangible and both choate and inchoate, whether now existing or after-acquired,  
4 and any and all books and records related to the Bank Loan Collateral (hereinafter the  
5 **“Receivership Estate”**).

6 The Receivership Estate includes, but is not necessarily limited to, the following types or  
7 categories of personal property and real property assets of the Carleton Defendants, or in which  
8 any or all of the Carleton Defendants have an interest, whether legal or equitable (but specifically  
9 excluding (a) personal property of any individual Defendant that is used primarily for personal,  
10 family or household purposes, (b) property of an individual Defendant that is exempt from  
11 execution or process under laws of this state, (c) any power or interest that a person may exercise  
12 solely for the benefit of another person, or (d) property held in trust for another person:

14 (a) all accounts, account receivables, contract rights, documents, documents of  
15 title, payment intangibles, investment property, chattel paper, instruments, checking, savings and  
16 all other deposit accounts;

17 (b) all inventory;

18 (c) all equipment;

19 (d) all fixtures;

20 (e) all farm products, including crops grown, growing or to be grown, livestock  
21 born or unborn, supplies used or produced in the Carleton Defendants’ farming operation, and  
22 products of crops and livestock in their unmanufactured state;

23 (f) all general intangibles, including all intellectual property;

24 (g) all deposit accounts, including any operating account at Bank;

(h) all investment property;

1 (i) all proceeds of any crop insurance, price support payment or other  
2 government program;

3 (j) accessions, attachments and other additions to the Bank Loan Collateral;

4 (k) substitutes or replacements for any of the Bank Loan Collateral, all  
5 proceeds, products, rents and profits of any of the Bank Loan Collateral, all rights under warranties  
6 and insurance contracts covering the Bank Loan Collateral, and any causes of actions relating to  
7 the Bank Loan Collateral; and

8 (l) books and records pertaining to any of the Bank Loan Collateral, including  
9 but not limited to any computer-readable memory and any computer hardware and software  
10 necessary to process such memory, whether kept by independent certified public accountants,  
11 bookkeepers, and/or employees or contractors of the Carleton Defendants; and

12 The real property, fixtures and improvements and related property, including leases and  
13 rents, described in the following recorded documents:

14 (a) That certain Deed of Trust dated May 2, 2016 and recorded in the Official  
15 Records of Klamath County, Oregon on May 5, 2016, as Instrument No. 2016-004564;

16 (b) That certain Assignment of Rents dated May 2, 2016 and recorded in the  
17 Official Records of Klamath County, Oregon on May 5, 2016, as Instrument No. 2016-004565;

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23 Records of Klamath County, Oregon on May 5, 2016, as Instrument No. 2016-04566, which was  
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4 (e) That certain Second Modification of Deed of Trust dated June 26, 2017 and  
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6 2017-008754;

7 (f) That certain Modification of Assignment of Rents dated June 26, 2017 and  
8 recorded in the Official Records of Klamath County, Oregon on August 3, 2017, as  
9 Instrument No. 2017-008755; and  
10

11 (g) That certain Third Modification of Deed of Trust dated June 26, 2017 and  
12 recorded in the Official Records of Klamath County, Oregon on October 6, 2017, as Instrument  
13 No. 2017-011381.

14  
15 **4. POWERS AND DUTIES OF RECEIVER WITH RESPECT TO THE**  
16 **RECEIVERSHIP ESTATE.** With respect to the Receivership Estate, the Receiver is granted all  
17 powers and is charged with all duties granted or imposed by the Receivership Code, including but  
18 not limited to the following powers and duties:

19 A. To enter upon and take possession, custody and control of the Receivership Estate,  
20 whether tangible or intangible, and all income, proceeds and profits thereof, with the power and  
21 authority to preserve, protect, and liquidate those assets and to distribute the proceeds thereof to  
22 the party or parties legally entitled thereto;

23 B. To seize and collect any and all funds or other assets which constitute income,  
24 proceeds or profits of the Receivership Estate, in whatever form and wherever located, including

1 but not limited to any and all cash, deposits, accounts, bank accounts, other cash accounts or cash  
2 equivalents, and lock box funds, and to change the signatory authority on all such accounts related  
3 to the Receivership Estate, with the power and authority to distribute such income, proceeds or  
4 profits to the party or parties legally entitled thereto;

5 C. To present or otherwise process for payment any checks, money orders, credit card  
6 receipts or payments or other forms of payment made payable to the Carleton Defendants, or any  
7 of them, which constitute rents, profits, income, or proceeds of the Receivership Estate, endorse  
8 the same and collect the proceeds thereof, such proceeds to be held, used and maintained as  
9 elsewhere provided herein;

10 D. To open and utilize bank accounts for receivership funds relating to the  
11 Receivership Estate, with such funds to be held in a federal insured financial institution with an  
12 office in Boise, Idaho;

13 E. Subject to further requirements of this Order and any requirements of the  
14 Receivership Code, and in the Receiver's business discretion, to hire, employ or contract with  
15 third parties to access computer files related to the Receivership Estate, which are password  
16 protected or not otherwise readily accessible to the Receiver;

17 F. To have and collect all rents, income, proceeds or other profits generated by or  
18 from the Receivership Estate, and to deposit the same into one or more bank or other financial  
19 accounts controlled by the Receiver;

20 G. To take any and all other actions with respect to the Receivership Estate, including  
21 managing its employees (if any), assets, vendors, creditors, debtors, tenants, customers and third-  
22 parties which in the Receiver's business discretion the Receiver finds to be reasonably necessary  
23  
24

1 and prudent to preserve and protect the Receivership Estate, and to avoid any diminution or  
2 impairment to the value of the Receivership Estate, which may include, but is not limited to, the  
3 following:

4           1.     Expending any cash or other income generated from the Receivership  
5 Estate;

6           2.     Paying for maintenance and operating expenses and taxes;

7           3.     Prosecuting and defending legal actions in respect of the Receivership  
8 Estate;

9           4.     Subject to the requirements of this Order and any requirements of the  
10 Receivership Code, employing attorneys, accountants, investigators, consultants, and any other  
11 persons or entities deemed necessary by the Receiver to assist the Receiver in the discharge of the  
12 Receiver's duties under this Order, with the costs of such services to be paid out of the  
13 Receivership Estate in the ordinary course of business as and when invoiced, so long as the fees  
14 charged for such services are deemed by the Receiver to be usual and customary;

15           5.     The Receiver shall give notice to Bank, Defendants and all other interested  
16 parties of the fees to be paid and expenses to be reimbursed to the Receiver and its professionals  
17 on a monthly basis, and shall be authorized to make such payments unless the Receiver receives a  
18 written objection within fourteen (14) days of such notice. If an objection is received, the  
19 Receiver may pay any fees and reimburse any expenses not subject to objection, and may  
20 promptly file a motion with the Court to have such objection heard and ruled upon;

21           6.     Subject to and limited by any contrary requirements set forth in the  
22 Receivership Code, purchasing such merchandise, materials, supplies, and services as the Receiver  
23  
24

1 deems necessary and advisable to assist the Receiver in performing the Receiver's duties  
2 hereunder, and to pay therefore the ordinary and usual rates and prices in the ordinary course,  
3 *provided, however*, that the Receiver shall obtain the prior approval of the Court after appropriate  
4 notice to parties in interest for any singular transaction which will cost the Receivership Estate  
5 more than \$10,000.00;

6           7. Subject to and limited by any contrary requirements set forth in the  
7 Receivership Code, transferring, disposing of, selling and/or abandoning any tangible or  
8 intangible assets of the Receivership Estate, including but not limited to any accounts, contract  
9 rights, documents, documents of title, payment intangibles, investment property, chattel paper,  
10 instruments, deposit accounts, inventory, equipment, farm products (including crops grown,  
11 growing or to be grown, supplies used or produced in farming operations, and products of crops in  
12 their unmanufactured state), general intangibles (including all intellectual property as defined in  
13 the Bank Loan Documents), trade secrets, trade processes and business lines, *provided, however*,  
14 that the Receiver shall obtain the prior approval of this Court after appropriate notice to parties in  
15 interest respecting the proposed terms of any such dispositions if the aggregate book value or  
16 market value of the same is reasonably believed by the Receiver to be greater than \$10,000.00;

17           8. Investigating the Receivership Estate and, in the Receiver's business  
18 discretion, preparing such additional report or reports (beyond those required by this Order) that  
19 the Receiver determines to be necessary and proper;

20           9. Subject to and limited by any contrary requirements set forth in the  
21 Receivership Code, entering into or modifying contracts affecting any part or all of the  
22 Receivership Estate, including, without limitation, employment contracts, independent contractor  
23  
24



1 agreements, leases, daily rental agreements, and service agreements, *provided, however*, that the  
2 Receiver shall obtain the prior approval of this Court after appropriate notice to parties in interest  
3 respecting the proposed terms of any such contracts or modifications of such contracts if the  
4 aggregate costs of the contracts or the modifications over their term are reasonably expected by the  
5 Receiver to be greater than \$10,000.00, and *provided further, however*, that subject to the  
6 foregoing dollar limitation the Receiver shall not be required to seek or obtain any prior approval  
7 of this Court prior to entering into any sales transactions involving farm products (including cattle,  
8 crops grown, growing or to be grown, supplies used or produced in farming operations, and  
9 products of crops in their unmanufactured state) so long as the terms of any such sales transactions  
10 are determined by the Receiver in the Receiver's business discretion to be usual and customary  
11 and in the ordinary course of the Carleton Defendants' business;  
12

13           10.     Subject to and limited by any contrary requirements set forth in the  
14 Receivership Code, paying and discharging out of the funds and assets coming into the hands of  
15 the Receiver all of the costs and expenses of the Receivership Estate, including all taxes,  
16 governmental assessments and charges lawfully imposed upon the Receivership Estate, *provided,*  
17 *however*, that the Receiver shall obtain the prior approval of the Court after appropriate notice to  
18 parties in interest for any singular transaction or expense which will cost the Receivership Estate  
19 more than \$25,000.00;  
20

21           11.     Applying for, obtaining, and paying any reasonable fees for any lawful  
22 license, permit or other governmental approval relating to the Receivership Estate; confirming the  
23 existence of and, to the extent permitted by law, exercising the privileges of any existing license or  
24 permit; and doing all things necessary to protect and maintain such licenses, permits and

1 approvals, subject to the further provisions of this Order;

2           12. Hiring, firing, selecting and retaining employees and independent  
3 contractors as the Receiver deems reasonable or necessary to preserve and maintain the value of  
4 the Receivership Estate;

5           13. Notifying all federal and state taxing and applicable regulatory agencies in  
6 accordance with any applicable laws imposing this duty, including 26 U.S.C. § 6036;

7           14. Presenting or recording a certified copy of this Order to all appropriate  
8 governmental entities as proof of the Receiver's authority hereunder;

9           15. The Receiver may issue demand that the U.S. Postal Service grant exclusive  
10 possession and control of mail, including postal boxes, as may have been used by Carleton  
11 Defendants and may direct that certain mail related to the Bank Loan Collateral be re-directed to  
12 the Receiver;

13           16. In discharging its above duties, the Receiver may avoid administering  
14 unsecured claims or providing notice to unsecured creditors or filing a plan of distribution if, in the  
15 Receiver's business judgment, no purpose would be served thereby; and

16           17. The Receiver is authorized to seek the assistance of the County Sheriff or  
17 other law enforcement officials as necessary or proper to preserve the peace and protect the  
18 Receivership Property, the Bank Loan Collateral, and to enforce this Order. The Sheriff of  
19 Klamath County, Oregon, is hereby authorized and directed to assist in the enforcement of the  
20 terms of this Order as may be requested by the Receiver. The Sheriff of every other county in the  
21 state of Oregon is similarly authorized and directed to assist in the enforcement of the terms of this  
22 Order as may be requested by the Receiver to the extent any of the Receivership Property is found  
23  
24

1 or located in said county and/or to the extent any person holding any portion of the Receivership  
2 Property or otherwise failing to comply with the terms of this Order is found or located in said  
3 county.

4       **5. RECEIVER COMPENSATION AND OTHER MATTERS.** The Receiver  
5 shall:

6       A. Be compensated in the ordinary course of business at the rate of \$275.00 per hour  
7 for Matthew McKinlay, plus the prevailing hourly rates, which shall not exceed \$275.00 per hour,  
8 for all Advanced CFO project managers, associates and staff, which rates will be subject to annual  
9 increases of not more than ten percent (10%) per year on January 1 of each calendar year while  
10 this receivership remains open, plus actual out of pocket expenses reimbursable at cost with no  
11 markup, for services as Receiver herein; *provided, however*, that any such compensation paid to  
12 the Receiver for such services shall be subject to the notice and approval provisions set forth in the  
13 Receivership Code and this Order;

14       B. Retain originals and/or legible electronic copies of all writings and other documents  
15 which were used or referred to in order to prepare the statements under the foregoing paragraphs  
16 of this Order, including, but not limited to, checks, contracts, agreements, and invoices.

17       C. Subject to the requirements for the employment and compensation of professionals  
18 found in the Receivership Code, nothing in this Order shall preclude the Receiver from hiring  
19 professionals and third-party providers or vendors to assist the Receiver in the performance of the  
20 Receiver's duties under this Order, so long as the fees charged for such services are deemed by the  
21 Receiver in the Receiver's business discretion to be usual and customary in the locality where the  
22 services are to be found, and any compensation for such services are subject to subsequent review  
23  
24

1 and approval of this Court after appropriate notice to parties in interest.

2       Subject to the Carleton Defendants cooperating with the Receiver in good faith, during the  
3 first sixty days of the Receivership Estate the Receiver is authorized to pay the Carleton  
4 Defendants, in the aggregate, the sum of \$10,000.00 per month (two months) in consideration for  
5 their cooperation in providing information to the Receiver regarding the location and status of all  
6 Bank Loan Collateral, all records relating to the Bank Loan Collateral, and such other information  
7 as may be requested by the Receiver. The first monthly payment shall be due within five (5)  
8 business days of the effective date of this Order and one-half of the second monthly payment be  
9 due and payable on the thirtieth (30th) day following the effective date of this Order with the  
10 remaining one-half of the second monthly payment becoming due and payable on the sixtieth  
11 (60th) day following the effective date of this Order. Thereafter, to the extent one or more of the  
12 Carleton Defendants provides services to the Receivership Estate upon the express request of the  
13 Receiver, the Carleton Defendants, in the aggregate, shall be compensated at the rate of \$275.00  
14 per hour for such services, plus actual out of pocket expenses reasonably incurred reimbursable at  
15 cost with no markup, *provided, however*, that any such compensation paid to the Carleton  
16 Defendants for such services and reimbursement of actual expenses shall be subject to the notice  
17 and approval provisions set forth in the Receivership Code and this Order.  
18

19       **6. FURTHER POWERS GRANTED TO RECEIVER.** The Receiver is further  
20 empowered and authorized to generally do such other things as may be necessary or incidental to  
21 the specific powers, directions, and general authorizations set out in this Order, including any and  
22 all actions permitted or authorized by the Receivership Code or Oregon common law, and may  
23 take any further actions relating to the Receivership Estate that are necessary and appropriate to  
24

1 fulfill the Receiver's duties hereunder beyond the scope contemplated by the provisions set forth  
2 above, *provided however*, that the Receiver obtains the prior approval from this Court for any such  
3 additional actions after appropriate notice to parties in interest.

4       **7. GRANT OF IMMUNITY.** To the fullest extent allowed by law, and except as  
5 may otherwise be provided under the Receivership Code dealing with the personal liability of a  
6 receiver, the Receiver and the Receiver's agents, attorneys, consultants and employees, shall be  
7 immune from and shall be held harmless from and against any and all suits, liabilities, claims,  
8 losses, lawsuits, judgments, and/or expenses, including but not limited to attorney fees', costs and  
9 monetary damages, arising out of or related to, either directly or indirectly, his, her, it's or their  
10 performance of duties or obligations pursuant to the terms of this Order.  
11

12       **8. RECEIVERSHIP LOANS AND ADVANCES.** If the Receivership Estate does  
13 not generate sufficient revenue following the appointment of the Receiver sufficient to pay the  
14 operating expenses and approved charges and expenses of the Receiver and the fees and expenses  
15 of any attorneys, accountants, or other professionals employed by the Receiver in accordance with  
16 the requirements of this Order, the Receiver may and is hereby authorized without further order of  
17 the Court to borrow money from Bank in order to pay such expenses. All funds borrowed from  
18 the Bank shall be deemed to be borrowings of the Carleton Defendants under one or more loans  
19 and related security documents described in the Amended Complaint and Motion as determined by  
20 the Bank in its sole discretion, and said borrowings shall be added to the balance due and owing  
21 under the applicable loan(s) and secured by the Bank Loan Collateral. The Receiver may execute,  
22 issue and deliver (but is not required to do so to effectuate the prior sentence) in favor of Bank one  
23 or more promissory notes or other instruments and documents evidencing the additional  
24

1 indebtedness with respect to all sums borrowed by the Receiver on behalf of the Carleton  
2 Defendants. All sums advanced by Bank to the Receivership Estate pursuant to this Order,  
3 together with interest thereon at the rates set forth in the applicable loan documents, shall be  
4 secured by Bank's existing liens on and security interests in the Bank Loan Collateral, and  
5 otherwise shall constitute a first and senior lien with respect to all such assets exclusive of first  
6 priority purchase money security interests and first priority statutory liens in favor of other named  
7 Defendants. In addition, all funds that the Receiver borrows from Bank shall be deemed  
8 administrative expenses of the Receivership Estate. The Receiver, however, shall bear no  
9 obligation or responsibility for repayment of any such loans or advances.  
10

11 **9. FILING OF TAX RETURNS FOR THE DEFENDANTS.** Notwithstanding any  
12 other term or provision of this Order, the Receiver shall be under no obligation to file any tax  
13 returns or other governmental returns or forms for or on behalf of the Defendants. Upon  
14 reasonable notice to the Receiver, the Receiver shall provide to the Defendants and their  
15 authorized representatives reasonable access to financial information necessary for the Defendants  
16 to prepare and file such governmental returns or forms.

17 **10. PAYMENTS TO BANK.** Notwithstanding any other provisions of this Order, the  
18 Receiver may distribute to Bank as soon as reasonably practicable all surplus cash of the  
19 Receivership Estate, not reasonably necessary for the operation and administration of the  
20 Receivership Estate (including any reserves the Receiver believes are appropriate), as well as all  
21 income, profits and proceeds resulting from the sale of the Bank Loan Collateral upon which Bank  
22 has a lien or security interest, after such notice and hearing as may be required by this Order or the  
23 Receivership Code. Bank shall apply all distributions received from the Receiver to the  
24

1 outstanding indebtedness due Bank from the Carleton Defendants under the terms of the  
2 promissory notes, security agreements, assignment of rents, trust deed and related loan agreements  
3 described in the Amended Complaint and the Motion.

4       **11. FURTHER ORDERS.** The Receiver or the parties hereto may at any time apply to  
5 this Court for any further orders or other instructions and powers necessary to enable the Receiver  
6 to perform its duties properly. Any motion by the Receiver or the parties hereto for Court  
7 approval of any act of the Receiver shall be served on each party hereto and each other person who  
8 has filed and served on the Receiver a request for special notice. Further, the Receiver may file  
9 requests for special notice on behalf of any party; however, such requests filed by the Receiver  
10 shall not be deemed consents to the jurisdiction of this Court. In addition to service by mail or  
11 hand-delivery, service in this action may be made by facsimile or electronic mail.

12 Notwithstanding any provision of this Order requiring Court approval of any act of the Receiver,  
13 the Receiver may nonetheless undertake an action without prior Court approval if the Receiver  
14 obtains the written consent of each party hereto and each other person who has filed and served on  
15 the Receiver a request for special notice. Such acts shall, as soon as practicable thereafter, be  
16 identified to the Court.

17  
18       **12. RESTRAINING ORDER/NON-INTERFERENCE WITH RECEIVER.** It is  
19 hereby further ordered that Defendants, and each of them, and any other parties with actual or  
20 constructive notice of this Order who are subject to the jurisdiction of this Court, including,  
21 without limitation, Defendant's agents, servants, employees, attorneys, and other persons and  
22 entities acting in concert or participation with them, or any of them, are hereby enjoined and  
23 restrained from, directly or indirectly, transferring, selling, leasing, disposing of, encumbering,  
24

1 injuring, converting, gifting or otherwise interfering with the Bank Loan Collateral without Bank's  
2 express prior written consent and the written consent of the Receiver, or further Order of the  
3 Court, including but not limited to from taking or engaging in the following actions:

4       A.     Interfering, directly or indirectly, with the Receiver or the Receiver's custody and  
5 control of the Receivership Estate, including, without limitation, withholding access codes and  
6 computer passwords;

7       B.     Interfering, directly or indirectly, with the Receiver's effort to collect or take  
8 possession of the Receivership Estate, or the rents, income, profits or proceeds thereof;

9       C.     Collecting or attempting to collect the Receivership Estate, or the rents, income,  
10 profits or proceeds thereof, other than at the written direction of the Receiver;

11       D.     Extending, dispersing, transferring, assigning, selling, conveying, devising,  
12 pledging, mortgaging, creating a security interest in or disposing of the whole or any part of the  
13 Receivership Estate or the rents, income, profits or proceeds thereof, without the prior written  
14 consent of the Receiver;

15       E.     Taking any actions which would damage or dissipate the assets of the Receivership  
16 Estate; and/or

17       F.     Doing any act which will, or which will tend to, impair, defeat, divert, prevent or  
18 prejudice the preservation of the Receivership Estate and the rents, income, profits or proceeds  
19 thereof, or this Court's jurisdiction over the Receivership Estate.

20       Furthermore, the Carleton Defendants, and all of them, shall (subject to the remainder of  
21 this Section 12):

22       A.     Within five (5) business days of the effective date of this Order, deliver to the  
23



1 Receiver all Bank Loan Collateral, and all income, proceeds, rents and profits received from the  
2 Bank Loan Collateral;

3 B. Within five (5) business days of the effective date of this Order, supply the  
4 Receiver with information necessary to enable the Receiver to complete any schedules that the  
5 Receiver may be required to file, and otherwise assist the Receiver in the completion of the  
6 schedules;

7 C. Within five (5) business days of the effective date of this Order, provide the  
8 Receiver with all books and records referring or relating to the Bank Loan Collateral;

9 D. Within five (5) business days of the effective date of this Order, provide the  
10 Receiver with copies of such financial and business records of the Carleton Defendants as the  
11 Receiver may request; and  
12

13 E. Submit, by and through their most knowledgeable representatives, to an  
14 examination by the Receiver or Bank, under oath and subject to penalty of perjury, concerning the  
15 acts, conduct, property, liabilities and financial condition of or concerning the Receivership Estate,  
16 or any matter relating to the Receiver's administration of the Receivership Estate;  
17 PROVIDED HOWEVER, that if Carleton Defendants, or any of them, are after reasonable  
18 diligence unable to fully perform any or all of the above items by the stated deadlines, the party or  
19 parties responsible for such performance shall not be deemed in violation of this Order so long as  
20 such party or parties commence performance within the stated period (or with reasonable  
21 promptness as to item E) and diligently prosecute the same to completion.  
22

23 **13. UTILITY SERVICES.** Any utility company providing services to the  
24 Receivership Estate, including gas, electricity, water, sewer, trash collection, telephone,

1 communications or similar services, shall be prohibited from discontinuing service to the  
2 Receivership Estate for any non-payment by the Carleton Defendants prior to the Receiver's  
3 appointment by this Court based upon unpaid bills incurred by the Carleton Defendants. Further,  
4 such utilities shall transfer any deposits held by the utility to the exclusive control of such Receiver  
5 and shall be prohibited from demanding that the Receiver deposit additional funds in advance to  
6 maintain or secure such services. To the extent the Receiver deems it prudent in the Receiver's  
7 business discretion, the Receiver may, but shall not be required to, open new utility accounts in the  
8 name of the Receivership. Utility companies are prohibited from discontinuing service while the  
9 new Receivership accounts are in process of being established.  
10

11       **14. AUTOMATIC STAY.** The automatic stay of certain proceedings imposed by  
12 Section 22 of the Receivership Code shall be in effect upon entry of this Order except as to Bank  
13 including, without limitation, the continuance of the above-entitled action or any other action or  
14 proceeding brought by Bank to enforce its rights under the loan and security documents related to  
15 the Bank loans described in the Amended Complaint.

16       Further, except as expressly authorized herein or under the Receivership Code, no person  
17 or entity shall file suit against the Receiver or its agents or professionals, or take other action  
18 against the Receiver or its agents or professionals, without an order of this Court permitting the  
19 suit or action after appropriate notice to parties in interest, *provided, however*, that no prior court  
20 order is required to file a motion in this action to enforce the provisions of this Order or any other  
21 order of this Court in this action and, *provided, further*, that nothing set forth herein shall preclude  
22 or prejudice any party from asserting claims in this proceeding, provided that adjudication of such  
23 claims shall be subject to any agreements executed by or affecting any party. All defenses to such  
24

1 claims are reserved and unaffected by this paragraph.

2 To the extent the Court allows any such litigation against the Receiver or its agents or  
3 professionals to proceed, the costs and expenses of defending such litigation may be paid from the  
4 Receivership Estate, except to the extent that the Court expressly determines otherwise in the order  
5 authorizing such litigation. Further, Bank shall indemnify the Receiver for and hold the Receiver  
6 harmless from any and all actions, causes of action, claims, costs, damages, liabilities, or expenses,  
7 including reasonable attorney fees (collectively, "**Claims**") incurred by the Receiver by reason of,  
8 during, and/or arising from its appointment and service as receiver, except to the extent that they  
9 arise from the Receiver's bad faith, gross negligence, willful malfeasance, reckless disregard of  
10 duty or fraud, excluding any Claims to the extent same are covered and satisfied by insurance.

11 The Receiver shall promptly provide Bank with written notice of any Claims, litigation or other  
12 proceedings under which the Receiver shall request a defense and/or indemnification. If and to the  
13 extent that Bank agrees to defend and/or indemnify the Receiver as requested, Bank shall have the  
14 exclusive right to (a) select counsel and any other professionals to represent the Receiver and its  
15 agents or professionals, and (b) settle, compromise or otherwise resolve any such Claims, litigation  
16 or other proceedings. Further, the Receiver and its agents and professionals shall fully cooperate  
17 with Bank and Bank's professionals with respect to any such defense or indemnification matters.  
18

19 **15. TURNOVER.** It is hereby further ordered that Defendants, and any other parties  
20 with actual or constructive notice of this Order who are subject to the jurisdiction of this Court,  
21 including, without limitation, Defendant's managers, officers, directors, employees, agents,  
22 representatives, attorneys and consultants, and all persons or entities acting for or in concert with  
23 them, shall:  
24

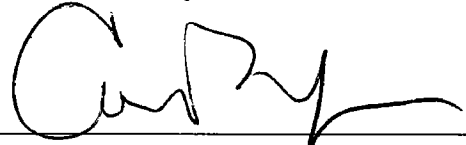
1           A.     Turn over to the Receiver the Bank Loan Collateral that is included in the  
2 Receivership Estate, the rents, income, profits and proceeds there from, and all other property  
3 incidental thereto or that is or may be necessary or useful to allow and assist the Receiver in  
4 operating or in collecting the property and assets of and relating to the Receivership Estate,  
5 including, but not limited to, all mail and other correspondence, all post office boxes, all keys to  
6 all locks, and the contracts, records, books of account, ledgers, files and all business records for  
7 the Bank Loan Collateral or the Receivership Estate or the rents, income, profits or proceeds  
8 thereof, wherever located and in whatever mode maintained (including, without limitation,  
9 information contained on computers and any and all software relating thereto as well as all  
10 banking records, statements and canceled checks); and

12           B.     Turn over to the Receiver all documents which constitute or pertain to all contracts,  
13 leases, subleases, royalty agreements, assignments, insurance policies, liens, security interests,  
14 licenses, permits or governmental approvals, or other agreements of any kind whatsoever, whether  
15 currently in effect or lapsed, which relate to the Bank Loan Collateral or the Receivership Estate or  
16 any interest therein, or to the rents, income, profits or proceeds there from.

17           **16.     DISCHARGE OF RECEIVER.** The Receiver may at any time file a motion  
18 requesting that the Receiver be exonerated, discharged and/or released from the Receiver's  
19 appointment under this Order. Such motion may be heard by the Court on no less than five (5)  
20 business days' notice. The receivership shall not be terminated, and the rights and obligations of  
21 the parties subject to this Order shall remain in full force, until this Court approves the Receiver's  
22 final report or until the Court enters an order terminating the receivership and discharging the  
23 Receiver.  
24

1           **17. EFFECTIVE DATE OF ORDER.** This Order shall be effective when signed  
2 and upon the posting of the Receiver's Bond in the amount of \$250,000.00 as required by the  
3 terms of this Order.

Signed: 2/2/2018 10:33 AM



**Circuit Court Judge Cameron F. Wogan**

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8 Submitted by:  
9 Bradley S. Copeland, OSB No. #871964  
10 Attorney for Plaintiff  
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I have served a copy of the **Combined Motion and Memorandum in Support for (A) Appointment of a Receiver, (B) Issuance of a Temporary Restraining Order, and (C) the Subsequent Issuance of a Preliminary Injunction** to each party entitled to service on January 16, 2018 and to date, no objection has been served on me. All Defendants, with the exception of Richmond James Carleton, have stipulated to the entry of the proposed order as shown by each party's signature on the stipulations filed with the Court on January 31, 2018 and February 1, 2018.

ARNOLD GALLAGHER P.C.

s/ Bradley S. Copeland  
Bradley S. Copeland, OSB #871964  
Of Attorneys for Plaintiff

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

PARCEL 1: All that portion of the S1/2 SE1/4 lying North of the Burlington Northern Railroad, and that portion of the SW1/4 NE1/4 lying Southerly of the Klamath Irrigation District Canal, and also the N1/2 SE1/4, EXCEPTING THEREFROM that portion deeded to the United States recorded October 13, 1908 in Volume 25, page 135, Deed Records of Klamath County, Oregon, all in Section 1 in Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2: Parcels 1 and 3 of Land Partition 16-14 situated in the N 1/2 SW 1/4 of Section 1, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, recorded September 18, 2014 in Book 2014, page 009711, records of Klamath County, Oregon.

PARCEL 3: Commencing at the Southwest corner of Section 31, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, and extending thence East along the South section line of said Section 31 a distance of 1320 feet, more or less, to a point in the center line of a certain private drain ditch, which point is the true point of beginning; extending thence North along the line of said drain ditch to its intersection with the center line of the U.S. Bureau of Reclamation "D" Canal, formerly the "Adams Canal"; thence Southeasterly along the center line of said "D" Canal to the North line of the SW1/4 SE1/4 of said Section 31; thence East along the North line of said SW1/4 SE1/4 to the East line of said SW1/4 SE1/4; thence South along the East line of said SW1/4 SE1/4 to the South section line of said Section 31; thence West along said South section line of said Section 31 a distance of 2640 feet, more or less, to the true point of beginning.

Excepting therefrom any portion lying within the boundaries of Anderson Road and Bureau of Reclamation canals, drains or ditches.

Also excepting therefrom the following:

A Parcel of land in Section 31, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at the Southwest corner of Section 31 and running along the Southerly section line, East 2239.94 feet; thence North 30.00 feet to the Northerly right of way line of Anderson Road and the point of beginning; thence North 304.67 feet; thence East 460.00 feet; thence South 304.67 feet to the Northerly right of way line of Anderson Road; thence along said right of way line, West 460.00 feet to the point of beginning.

Together with that portion of the SE1/4 SE1/4 of Section 31, Township 40 South, Range 11 East of the Willamette Meridian, lying Westerly of the USBR "D" Canal right of way, in the County of Klamath, State of Oregon.

Excepting therefrom any portion lying within the boundary of County Road 984 (Anderson Road).

PARCEL 4: Commencing at the Southwest corner of Section 31, Township 40 South, Range 11 East of the Willamette Meridian, and extending thence North along the West section line of said Section 31 to the East-West center line of said Section 31; thence East along said center line to the Southeast corner of the W1/2 SW1/4 NW1/4 of said Section 31; thence North along the East line of said W1/2 SW1/4 NW1/4 to the center line of the U.S. Bureau of Reclamation "D" Canal, formerly the "Adams" Canal; thence Southeasterly along the center line of said "D" Canal to the center line of a certain private drain ditch located 1320 feet, more or less, East of the West line of said Section 31; thence South along the center line of said drain ditch to the South section line of said Section 31; thence West along said South section line 1320 feet, more or less, to the point of beginning.

PARCEL 5: The NW1/4 of Section 36, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, except the following:

A. That portion of the S1/2 NW1/4 of Section 36, lying and being Southerly and Westerly of the Klamath Irrigation District Drain right of way which crosses said S1/2 NW1/4.

B. That portion of the NW1/4 NW1/4 lying and being North of the United States "D" Canal right of way.

C. That portion of the NW1/4 NW1/4 described as follows:

Beginning at the intersection of the section line between Sections 35 and 36 in said Township and Range and the right of way line of the South side of said canal; thence South along said section line 305.5 feet; thence East 714 feet; thence North parallel to said section line to the said South right of way line of said canal; and thence Westerly along said right of way line of said canal to the point of beginning.

D. Any portion lying within the boundaries of Taylor Road, Anderson Road and Bureau of Reclamation canals, drains or ditches.

PARCEL 6: All of Lots 2 and 7 and that portion of Lots 1 and 8 lying in and corresponding to the SE1/4 NE1/4 of Section 11, Township 41 South, Range 11 East of the Willamette Meridian, said tract also being described as S1/2 NE1/4 of Section 11, Township 41 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 7: Lot 13 of MERRILL TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. SAVING AND EXCEPTING THEREFROM the following.

Beginning at the Northwest corner of said Lot 13, thence North  $89^{\circ} 46' 46''$  East, along the North line of said Lot 13, 73.17 feet, thence South  $00^{\circ} 53' 10''$  East 330.02 feet to a point on the South line of said Lot 13, thence South  $89^{\circ} 46' 46''$  West 75.60 feet to the Southwest corner of said Lot 13, thence North  $00^{\circ} 27' 48''$  West 330.00 feet to the point of beginning.

PARCEL 8: E1/2 SW1/4 of Section 36, Township 40 South, Range 10 East, Willamette Meridian, Klamath County, Oregon. SAVING AND EXCEPTING therefrom the following described parcel:

Beginning at the Southeast corner of said SW1/4, said point of beginning being on the North right of way line of existing county road; thence Northerly along the Westerly right of way line of the existing canal a distance of 600 feet; thence Westerly a distance of 200 feet; thence South and parallel to the Westerly right of way line of said canal a distance of 600 feet to the Northerly right of way line of the county road; thence East along said Northerly right of way line a distance of 200 feet, more or less, to the point of beginning. ALSO SAVING AND EXCEPTING any portion conveyed to the United States of America for ditches, canals, drains or laterals.



**State of Oregon**

Department of Consumer and Business Services  
Building Codes Division  
1535 Edgewater St NW

Salem, OR 97309-0404

(503) 378-4530, FAX (503) 378-4101, TTY (503) 373-1358

Email: mhods.bcd@oregon.gov

Web: mhods.oregon.gov

**Manufactured Structure Ownership Document**

Certificates of title are no longer issued for manufactured homes. This ownership document reflects all owners and security interests recorded as of the print date listed below. For the most current recording status, please check the website mhods.oregon.gov or call the Department of Consumer and Business Services at (503) 378-4530.

<b>Home ID Number:</b>	<b>230483</b>	<b>Print Date:</b>	<b>2/16/18 11:14 am</b>
<b>Status:</b>	<b>Active</b>	<b>Status Date:</b>	

**Home Information**

<b>Manufacturer:</b>	<b>SKYLINE</b>	<b>Dwelling Type:</b>	<b>Manufactured Dwelling</b>
<b>Manufacture Year:</b>	<b>1979</b>	<b>Model:</b>	<b>UNKNOWN</b>
<b>Date of Sale:</b>	<b>Unknown</b>	<b>Purchase Price:</b>	<b>\$0</b>
<b>Square Footage:</b>	<b>888</b>	<b>No. of Bedrooms:</b>	<b>2</b>
<b>Roofing Material:</b>	<b>Composition</b>	<b>Includes Land:</b>	<b>Unknown</b>
<b>Siding Type:</b>	<b>Vinyl</b>	<b>No. of Bathrooms:</b>	<b>1</b>
		<b>Heating Type:</b>	<b>Heat Pump</b>
		<b>Cooling Type:</b>	<b>None</b>

**Section Information**

	<b>Serial Number</b>	<b>HUD Number</b>
<b>1</b>	<b>01910846MA</b>	<b>ORE 057296</b>
<b>2</b>	<b>01910846MB</b>	<b>ORE 057295</b>

**Site Information**      530 N MAIN ST  
MERRILL, OR 97633

**County:** Klamath

**Right of Survivorship:** Yes

**Owner**

**CARLETON FARMS**  
**CARLTON, GREGORY G**  
**CARLTON, JAMES A**  
PO BOX 362  
MERRILL, OR 97633

**Owner Type**

Business  
Person  
Person

**Security Interest**

**UMPQUA BANK**  
333 MAIN STREET  
RED BLUFF, CA 96080

**Perfected Date**

08/18/2014