

RECORDING COVER SHEET (Please Print or Type)

This cover sheet was prepared by the person presenting the instrument for recording. The information on this sheet is a reflection of the attached instrument and was added for the purpose of meeting first page recording requirements in the State of Oregon, ORS 205.234, and does NOT affect the instrument.

THIS SPACE RESERVED FOR USE BY
THE COUNTY RECORDING OFFICE

AFTER RECORDING RETURN TO:

Kendell H. Ferguson, Receiver
133 NW D Street
Grants Pass, OR 97526

1) TITLE(S) OF THE TRANSACTION(S) ORS 205.234(a)

Order Appointing Receiver

2) DIRECT PARTY / GRANTOR(S) ORS 205.125(1)(b) and 205.160

RED IS THE ROAD TO WELLNESS, EPIC LAWN SALON, LLC,
and CLIFFORD MICHAEL ECKENBERG,

3) INDIRECT PARTY / GRANTEE(S) ORS 205.125(1)(a) and 205.160

Kendell H. Ferguson, Receiver

4) TRUE AND ACTUAL CONSIDERATION

ORS 93.030(5) – Amount in dollars or other

\$ 0.00

☐ Other

5) SEND TAX STATEMENTS TO:

Kendell H. Ferguson, Receiver
133 NW D Street
Grants Pass, OR 97526

6) SATISFACTION of ORDER or WARRANT

ORS 205.125(1)(e)

CHECK ONE: ☐ FULL
(If applicable) ☐ PARTIAL

**7) The amount of the monetary
obligation imposed by the order
or warrant. ORS 205.125(1)(c)**

\$

**8) If this instrument is being Re-Recorded, complete the following statement, in
accordance with ORS 205.244: “RERECORDED AT THE REQUEST OF _____**

TO CORRECT _____

PREVIOUSLY RECORDED IN BOOK _____ AND PAGE _____, OR AS FEE
NUMBER _____.”

State of Oregon
County of Klamath

I certify that this is a true and correct copy of a document in the possession of the court administrator for Klamath County

Dated: **2/25/2025 4:15:27 PM**

Court Administrator for Klamath County (Identify court) or designee



Sonia Blackington

(Printed Name)

IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF KLAMATH

STATE OF OREGON, by and through its
OREGON HEALTH AUTHORITY,

Plaintiff,

v.

RED IS THE ROAD TO WELLNESS, EPIC
LAWN SALON, LLC, and CLIFFORD
MICHAEL ECKENBERG,

Defendants.

Case No. 24CV43396

ORDER APPOINTING
RECEIVER

The Court, being fully informed, and good cause appearing therefor, makes the following findings:

A. The property of Red is the Road to Wellness (hereinafter, "RRW"), including the real property identified in **Exhibit 1** hereto, which encompasses several mailing addresses, including 925 E Main St, Klamath Falls, OR 97601 and the rents and profits derived from it (the "**Property**"), are in danger of being lost or materially injured or impaired as a result of Defendant's lack of funds to continue to manage, improve, and repair the Property as necessary.

B. As a result of the foregoing, the appointment of a Receiver pursuant to ORS 37.060(1)(a) is necessary and appropriate to manage and protect the Property until the Property can be sold through a commercially reasonable sale process to avoid foreclosure, maximize the value of the property, and ensure that the tenants' interests are protected.

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1 C. Kendell Ferguson (the “**Receiver**”) is not interested in this action and is
2 competent, qualified, and eligible (including under ORS 37.070) to act as the Receiver. No bond
3 or other security is required at this time.

4 D. The property is subject to a first-position security interest held by Thomas Alan
5 Chose (“**Lender**”), which has priority over Plaintiff’s judgment lien. Lender’s note is past-due
6 and is subject to default interest at 9.0% per annum. Lender and his counsel have reviewed this
7 Order and do not object to its entry.

8 E. Notice of the relief sought under this Stipulated Order has been adequate and
9 proper for the circumstances of this case.

10 F. The powers and duties of the Receiver shall be as set forth in ORS Chapter 37,
11 except to the extent otherwise provided herein.

12 Based upon the foregoing, it is hereby **ORDERED** as follows:

13 **1. Appointment**

14 Subject to the terms of this Order, Ms. Ferguson is hereby appointed as Receiver with
15 exclusive possession, control and management over the Property, together with all rights,
16 entitlements, leases, interests, contracts, properties, and business affairs associated with and
17 relating to RRW (collectively, the “**Estate**”). In particular, the Receiver is charged with promptly
18 marketing and selling the Property in an expeditious but commercially reasonable manner, while
19 supporting the tenants, safeguarding the property, and collecting rents. During the Receivership,
20 and until further order of the Court, the Estate, regardless of where located, shall remain under
21 this Court’s exclusive jurisdiction in accordance with ORS 37.100. The Receiver shall not be
22 subject to the control of any of the parties to this matter and shall be subject only to the Court’s
23 direction.

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- (a) Collect, control, manage, conserve, repair, and protect property of the Estate, which shall include any insurance claims and/or related insurance proceeds;
- (b) Operate the business related to the property of the Estate, including
 - (i) preservation, use, sale, lease, license, exchange, collection or disposition of property of the Estate in the ordinary course of business, including collecting Defendant's rents and other accounts receivable attributable to property of the Estate as they become due;
 - (ii) entering into agreements on behalf of Defendant, and renegotiating, amending, or modifying any existing agreements in which Defendant is a party; and
 - (iii) redirecting mail related to property of the Estate to a location the Receiver has exclusive control of.
- (c) In the ordinary course of business as authorized by ORS 37.260(1), incur unsecured debt (which shall be allowable under ORS 37.370 as an administrative expense) and pay expenses incidental to the Receiver's administration (*i.e.*, preservation, use, sale, lease, license, exchange, collection or disposition) of property of the Estate, including utilities, operating expenses, and repairs to the Property as necessary;

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1 (d) Assert or continue to assert a right, claim, cause of action or defense of any
2 owner (as defined in ORS 37.030(11)) that relates to property of the Estate, including to recover
3 any part of the Estate that is in the possession of a third party, including but not limited to
4 turnover claims under ORS 37.130;

5 (e) Assert in the name of the Receiver any claim under ORS 95.200 to 95.310
6 (Uniform Voidable Transactions Act) assertible by any creditor of the Defendant;

7 (f) Seek and obtain instructions from the Court concerning property of the
8 Estate, the exercise of the Receiver's powers, and performance of the Receiver's duties;

9 (g) Examine and investigate as follows:

10 (i) Obtain and review Defendant's books and records (and any other
11 documents requested by the Receiver) pursuant to ORS 37.150(1),
12 including an accounting of Defendant's accounts payable, accounts
13 receivable, income, debts, profits, losses, and all other financial affairs;

14 (ii) Without the need for a subpoena, examine the Defendant (through its
15 representative(s), as designated by the Receiver) under oath concerning
16 the acts, conduct, property, liabilities, and financial condition of the
17 Defendant or any other matter relating to the Receiver's administration
18 of the Estate, pursuant to ORS 37.150.

19 (iii) On subpoena, compel any other person to submit to examination under
20 oath (in the manner of a deposition in a civil case), or to produce and
21 permit inspection and copying of designated records or tangible things,
22 with respect to property of the Estate or any other matter that may affect
23 administration of the Receivership;

24 (h) Engage/employ and pay compensation to one or more professionals (*i.e.*,
25 attorneys, accountants, investigators, consultants, contractors, and any other persons or entities

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1 deemed necessary by the Receiver to assist the Receiver in the discharge of the Receiver's duties
2 under this Order) pursuant to the notice requirements in ORS 37.310;

3 (i) Apply to a court of another state for appointment as an ancillary receiver
4 with respect to property of the Estate in that state under ORS 37.090;

5 (j) Incur debt for the use or benefit of the property of the Estate, including other
6 than in the ordinary course of business, as provided in ORS 37.260;

7 (k) Make improvements to the property of the Estate;

8 (l) Use, sell, or otherwise transfer the property of the Estate other than in the
9 ordinary course of business as provided in ORS 37.250, which provides authority to sell co-
10 owned property and allows for sales free and clear of liens;

11 (m) Assume or reject executory contracts of the Defendant with respect to the
12 property of the Estate under ORS 37.240;

13 (n) Pay compensation to the Receiver;

14 (o) Determine whether or not to establish a claims procedure under ORS 37.340;
15 provided, however, that in discharging the Receiver's duties herein, the Receiver may avoid
16 administering unsecured claims or providing notice to unsecured creditors or filing a plan of
17 distribution if, in the Receiver's business judgment, no purpose would be served thereby;

18 (p) Allow or disallow a claim of a creditor under ORS 37.360;

19 (q) Make a distribution of property of the Estate under ORS 37.370;

20 (r) Take any other actions authorized under the Oregon Receivership Code
21 (Chapter 37 of the ORS), including

22 (i) abandoning property that is burdensome or is of inconsequential value or
23 benefit under, and subject to the conditions of, ORS 37.280; and

24 (ii) seeking the appointment of a successor receiver under ORS 37.400;

25 (iii) moving for the Receiver's discharge and the termination of the
26 receivership under ORS 37.410; and

1 (s) Take any other actions that the Court deems reasonably necessary for the
2 preservation of the Estate and its property, or to avoid injustice or waste.

3 **3. Further Order Required**

4 Pursuant to ORS 37.180, some of the Receiver's powers described above and herein
5 require notice and approval of this Court, including the following:

- 6 (a) Sale or other disposition of any real property;
7 (b) Use or sale/transfer of property outside the ordinary course of business;
8 (c) Sale of a co-owner's interest in jointly-owned property;
9 (d) Assumption of an executory contract;
10 (e) Obtaining credit or incurring debt outside the ordinary course of business;
11 (f) Compromise or settlement of a controversy that might affect the distribution
12 to creditors from the Estate;
13 (g) Disallowance of all or part of a claim against the Estate;
14 (h) Abandonment of property of the Estate; and
15 (h) Termination of the receivership, as described further below.

16 **4. Duties of the Receiver**

17 Pursuant to ORS 37.120, the Receiver shall comply with all applicable law. In addition,
18 the Receiver shall notify any federal and state taxing and applicable regulatory agencies of the
19 Receiver's appointment in accordance with any applicable laws imposing this duty, including 26
20 U.S.C. 6036. Further, the Receiver shall record a certified copy of this order (with the legal
21 description of the real property) in every county where the real property is located.

22 **5. Receiver's Operation of the Business**

23 In carrying out the powers and the duties described above, and subject to the limitations
24 of such powers and duties,

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State v. Red is the Road to Wellness et al.

1 (a) while exercising the Receiver's business judgment, the Receiver may take any actions
2 that Defendant might do in the ordinary course of operation of the business, and shall be entitled
3 to make operating decisions regarding the Estate, including, without limitation:

- 4 (i) Managing the Estate itself or appointing an outside manager for the
5 Estate to conduct operations as directed by the Receiver;
- 6 (ii) Overseeing ordinary maintenance, repair, and security services for the
7 Estate and extraordinary maintenance or repair services where required;
- 8 (iii) Procuring goods and services for the Estate where necessary;
- 9 (iv) Consulting with, or obtaining records from, agents or employees of
10 Defendant or related parties regarding any business operations related to
11 the Estate; and
- 12 (v) Contracting with, or hiring, paying, directing, and discharging all
13 persons deemed necessary by the Receiver, in the Receiver's sole
14 discretion, for the operation and maintenance of the Estate.

15 (b) The Receiver shall manage, operate, and maintain and, if applicable, improve the
16 Estate subject to such rules and conditions as the Receiver may establish to ensure that rents and
17 profits are profitably preserved and to reasonably ensure that the value of the Estate is not
18 diminished.

19 (c) The Receiver may acquire, keep, or renew all governmental licenses, permits, or other
20 authorizations, in the name of Defendant, pertaining to the Estate or any business associated
21 therewith and to do all other things necessary or appropriate to maintain and protect the Estate.

22 **6. Payment of Expenses; Optional Budget**

23 The Receiver shall pay the operating expenses of the Estate, including administrative
24 costs, from the income generated by the Estate, and to the extent Estate income is inadequate to
25 pay the operating expenses, from Receivership Advances, as defined below. The Receiver shall
26 similarly pay all amounts necessary to maintain adequate property insurance and liability

1 insurance on the Estate. Payment of loan installments or fees, payroll, payroll taxes, employee
2 benefits, property management company fees, as applicable, utilities, insurance, taxes,
3 landscaping, janitorial services, and maintenance, if any, shall not require prior approval of the
4 Court; however, the Receiver shall pay only those bills that are reasonable and necessary for the
5 operation and protection of the Estate. The Receiver may, but is not required to, prepare a budget
6 for the Receivership.

7 **7. Insurance**

8 The Receiver shall determine upon taking possession of property of the Estate whether, in
9 the Receiver's judgment, there is sufficient insurance coverage. With respect to any insurance
10 coverage in existence or obtained, the Receiver may be named as an additional insured on the
11 policies for the period of the Receivership. Defendant shall not take any steps to terminate or
12 cancel insurance belonging to the Estate that is currently in place, but following appointment of
13 the Receiver, Defendant shall have no continuing obligation to pay policy premiums or renew
14 existing insurance policies. If sufficient insurance coverage does not exist, the Receiver shall
15 promptly notify the parties to this lawsuit and shall have 30 calendar days to procure sufficient
16 property and liability insurance on property of the Estate. The Receiver shall not be responsible
17 for claims arising from the lack of procurement or inability to obtain insurance. The Receiver
18 shall have sole authority to manage, collect, and control any insurance claim and/or any related
19 insurance proceeds.

20 **8. No Obligation to Complete Tax Returns or Perform Corporate Tasks of Defendant**

21 Notwithstanding any other provision hereof, the Receiver shall be under no obligation to
22 prepare, complete, or file tax returns on behalf of Defendant, otherwise manage operations of the
23 corporate entity that do not relate to the property of the Estate, or complete Defendant's
24 corporate dissolution process. The Receiver shall furnish Defendant with such access to books
25 and records within the Receiver's custody or control as reasonably may be necessary for
26 Defendant to complete and file state and federal tax returns on its own behalf.

9. No Appraisal Required

The Receiver may but has no obligation to seek an independent professional appraisal of property of the Estate.

10. No Bond Required

Pursuant to ORCP 82A(2) and ORS 37.090, and based on the Receiver's professional experience and the nature of this engagement, the Court determines that the Receiver shall not be required to post a bond or provide other security.

11. Compensation of Receiver

The Receiver's compensation during the course of this Receivership shall be \$380 per hour for the services of Kendell Ferguson. The Receiver may use employees of the Receiver to perform tasks under this Order, with time to be billed at their current prevailing rates, which range between \$100 to \$150 per hour.

12. Compensation Procedure

The Receiver is authorized to make payment for the Receiver's fees and costs, and for the fees and costs of the Receiver's professionals, by filing a notice of intent to compensate professionals and serving such notice, together with a reasonably detailed description of the time periods, services provided, and amount requested on the special notice list maintained pursuant to ORS 37.160. If no party in interest objects to such accounting within 10 calendar days of its filing and service, the fees and costs shall be deemed approved as being fully and finally earned without further order or leave of the Court. If a party objects, the party must serve a written objection on the Receiver stating the nature and scope of the objection. Upon receipt of the objection, the Receiver and the objecting party must first attempt to resolve the objection through negotiation. If the objection cannot be so resolved, the objecting party may file its objection with the Court within 30 days after the date of the objection. Any objection not filed within 30 days after the date of service of the objection is deemed waived. Only those portions of the fees, costs, and expenses that are the subject of timely objections will be withheld from payment until the

1 objection is resolved, and all other portions of the fees, costs and expenses will be deemed
2 approved without further order or leave of the Court.

3 **13. Assurance of Compensation by Plaintiff**

4 The approved fees and costs of the Receiver and the Receiver's professionals shall be
5 paid from the gross receipts derived from the Estate. If property of the Estate is not sufficient to
6 pay the Receiver's fees, costs, and expenses and the Receiver's professionals' fees, costs, and
7 expenses as presented, Plaintiff shall advance funds to the Receiver sufficient to pay such
8 approved fees, costs, and expenses. Any such advance will be considered a Receivership
9 Advance as defined herein. In the event the Receivership is dismissed or otherwise terminated
10 prior to the payment in full of the allowed administrative fees and expenses of the Receiver and
11 the Receiver's professionals by the Estate, Plaintiff agrees to and shall pay such amounts. As a
12 state agency, Plaintiff's payment obligations under this paragraph 13, and under this Order
13 generally, are subject to the provisions of Article XI, Section 7 of the Oregon Constitution and
14 are conditioned on Plaintiff receiving sufficient appropriations, limitations, allotments, or other
15 expenditure authority sufficient to pay those obligations.

16 **14. Third Parties**

17 As to property of the Estate, the Receiver stands in the shoes of the Defendant. Therefore,
18 Defendant's financial institutions, credit card processors, insurance agents or underwriters, utility
19 providers, vendors, suppliers, tradesmen, materialmen, service providers, franchisors, taxing
20 agencies, and all government agencies and departments are hereby ordered to take direction from
21 the Receiver as it relates to the licenses, permits, accounts, and contracts of Defendant, to the
22 extent it relates to property of the Estate. All licenses, permits, accounts, and contracts of
23 Defendant shall remain in full force and effect as they relate to any third party. The
24 commencement of this Receivership shall not form a basis for any third party to terminate, annul,
25 rescind, revoke, suspend, or otherwise frustrate the performance of any such license, permit,
26 account, or contract.

1 **16. Collection of Rents, Profits and Proceeds**

2 Including as set forth in ORS 371.140, the Receiver shall have the power to take all steps
3 reasonably necessary to collect rents, profits, insurance proceeds, and other proceeds from the
4 Estate, if any, and shall deposit those amounts into a segregated account (the “**Bank Account**”)
5 at a federally insured bank, together with any other funds of the Estate. The Receiver shall have
6 the power to present for payment any checks, money orders, and other forms of payment made
7 payable to Defendant or similar names, indorse the same, and collect the proceeds thereof. The
8 Receiver shall have the sole and exclusive authority to disburse funds from the Bank Account.
9 As set forth in ORS 37.140, any person that owes rents to Defendant (or other debt that is
10 property of the Estate and that is matured or payable on demand) shall pay the debt to the
11 Receiver, except to the extent that the debt is subject to setoff or recoupment. Any person who
12 has notice of the appointment of a receiver and owes rent (or any other property of the Estate)
13 may not satisfy the debt by payment to the Defendant – only by payment to the Receiver.

14 **17. Defendant’s Obligations**

15 In accordance with ORS 37.150, Defendant (including its officers, directors, managers,
16 members, partners, agents, affiliates, employees and other individuals exercising or claiming to
17 have the power to exercise control over the affairs of Defendant) are directed to:

18 (a) cease and desist any operations on behalf of or in the name of the Defendant
19 with respect to the Estate (to the extent not requested or otherwise authorized by
20 the Receiver);

21 (b) assist and cooperate fully with the Receiver in the administration of the Estate
22 and the discharge of the Receiver’s duties, and comply with all orders of the
23 Court;

24 (c) supply to the Receiver information with respect to the Estate necessary to
25 enable the Receiver to carry out its duties set forth herein, including the schedules
26 of assets, liabilities, and transfers;

1 (d) deliver to the Receiver all of the property of the Estate in the person's
2 possession, custody or control, including accounts, books, papers, records, and
3 other documents; and
4 (e) submit to examination under oath by the Receiver (or by any other person
5 upon order of the Court) concerning the acts, conduct, property, liabilities, and
6 financial condition of the Defendant or any matter relating to the Receiver's
7 administration of the Estate.

8 **18. Mailing & Special Notice Lists**

9 In accordance with ORS 37.160, the Receiver shall maintain a master mailing list of the
10 names and physical addresses of all parties to the receivership, all known creditors of the
11 Defendant, and interested persons who have filed a Notice of Appearance in the receivership.
12 The Receiver shall make a copy of the current master mailing list available to any person on the
13 list upon the person's request.

14 Additionally, the Receiver shall maintain a "Special Notice List" of the names, physical
15 addresses, email addresses, and preferred means of communication of (a) all parties to the
16 receivership, and (b) any other person who asks the Receiver to be placed on the list. The
17 Receiver shall make a copy of the current Special Notice List available to any person on the list
18 upon the person's request. Any person on the Special Notice List may notify the Receiver of the
19 person's preferred means of receiving notices and other communications.

20 **19. Notices Generally**

21 The Receiver shall comply with the notice requirements of ORS 37.170. As provided
22 therein, for good cause shown, the Receiver may request shortened time on any motion.
23 Furthermore, the Court may consider motions and grant or deny relief without notice or hearing
24 if it appears to the Court that no party to the receivership or interested person would be
25 prejudiced or harmed by the relief requested.

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20. Initial Notice of Receivership

Within 30 days of this Order, the Receiver shall mail or otherwise give notice of the receivership to all known creditors of the Defendant and any other known interested persons. The Notice shall comply with all applicable subsections of ORS 37.330(1). Additionally, the Receiver shall separately advise any tenants of the receivership and their continuing rights and obligations under any leases. Because of the limited nature of this receivership, the Court does not require newspaper or other publication of the notice under ORS 37.330(3).

21. Limited Schedules of Creditors; Inventory of Estate Property

Because the Receiver shall not be responsible for winding up the Defendant’s business and/or administering the corporate entity and its claims, the terms of ORS 37.190 are modified as follows: No later than 60 days after the entry of this order, the Receiver shall file schedules of all known creditors that have a lien or interest in the Property of the Estate (including their order of priority), their last known addresses, and the amount and nature of the claims. The Receiver shall also prepare and file an inventory of property of the Estate (other than legal claims, which may not be ascertained).

22. Financial Reports

Under ORS 37.200, the Receiver shall file with the Court and circulate to the Special Notice List every two months on the operations and financial affairs of the Estate. Each such report shall be due by the last day of the subsequent month and shall include: (a) a narrative summary of the Receiver’s activities and a description of any major upcoming events; (b) a report of any property dispositions outside of the ordinary course of business; (c) a balance sheet; (d) a statement of income and expenses; (e) a cash flow statement; (f) a statement of accrued accounts receivable, identifying amounts considered uncollectable; and (g) a statement of accounts payable by the Receiver, including professional fees. The Receiver’s first report shall be within 60 days of appointment. These requirements replace any reporting requirements under ORS Chapters 60 or 37.

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24. Automatic Stay Protecting Defendant and the Estate

As provided in ORS 37.220, the entry of this Order appointing the Receiver shall operate as a stay, applicable to all persons (whether or not they receive formal notice of the stay), of:

(b) the enforcement, against the Defendant or any Estate property, of a judgment obtained prior to entry of this Order;

(d) any act to create, perfect, or enforce any lien or claim against Estate property, to the extent that the lien secures a claim that arose before the entry of this Order;

(f) the exercise of a right of setoff against the Defendant.

The stay shall expire as to the acts specified in subsection (a), (b) and (e) six months after the entry of the order of appointment, unless the stay is extended by further order of this Court. If a person knowingly violates the stay, the Court may impose penalties including damages, fees, costs, and civil contempt sanctions under ORS 37.220(7). The stay is subject to certain exceptions set forth in ORS 37.220(5), including actions by any governmental unit to enforce its police or regulatory power, enforce a judgment, or establish tax liabilities. The stay shall remain in effect until the termination of the receivership.

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25. Utility Services

Any deposits held by a utility company in the name of the Defendant are now property of the Estate and therefore subject to exclusive control of the Receiver. Pursuant to the automatic stay, any utility company providing a service to property of the Estate (including but not limited to gas, electricity, water, sewer, trash collection, phone, or internet communications) is prohibited from discontinuing service to the Estate based solely upon unpaid bills incurred by Defendant prior to entry of this Order. To the extent any utility believes it has grounds for discontinuing or denying service to property of the Estate, the utility must first give the Receiver 14 days’ notice under ORS 37.230, along with a reasonable opportunity for the Receiver to provide adequate assurance of payment (such as a deposit or other security) as to the services to be provided to the Estate after the entry of this Order. (Services provided prior to the appointment of the Receiver shall constitute a claim for which the Defendant remains liable.)

26. Assumption or Rejection of Executory Contracts

Under ORS 37.240, the Receiver may assume or reject executory contracts (as defined in ORS 37.030(6)). Unless the Court orders otherwise, the Receiver shall have 180 days to evaluate whether to assume any executory contracts. Otherwise, the Receiver is deemed to have rejected the contract under ORS 37.240(8).

27. Sales Free & Clear of Liens

In accordance with ORS 37.250 and upon proper notice and approval of this Court, the Receiver has the right to sell property of the Estate free and clear of liens, including property held by a co-owner.

28. Receivership Advances

In accordance with ORS 37.260(2), the Receiver is authorized to request advances from Plaintiff in such amounts as may be necessary to satisfy the costs and expenses of the receivership (each, a “**Receivership Advance**”). Plaintiff shall not be required to make or loan any Receivership Advance, except as otherwise provided in this Order. Any such Receivership

1 Advance will be secured by a first-priority lien on Estate property in favor of Plaintiff, which
2 shall be binding, perfected, and enforceable without the necessity for any or further action by
3 Plaintiff. Notwithstanding the foregoing, the lien described in this paragraph will be subordinate
4 to any lien in favor of the Receiver as allowed by law, including under ORS 37.270.

5 **29. Limited Personal Liability of Receiver**

6 Other than the Limitation of Liability Exceptions in ORS 37.300, no obligation incurred
7 by the Receiver in the good faith performance of the Receiver's duties in accordance with the
8 orders of this Court shall be assessed against the Receiver. Rather, the recourse of any person or
9 entity to whom the Receiver becomes obligated in connection with the performance of the
10 Receiver's duties and responsibilities shall be solely against the assets of the Estate. To the
11 fullest extent allowed by law, the Receiver and the Receiver's agents, attorneys, consultants and
12 employees, shall be immune from and shall be held harmless from and against any and all suits,
13 liabilities, claims, losses, lawsuits, judgments, and/or expenses, including but not limited to
14 attorney fees, costs and monetary damages, arising out of or related to, either directly or
15 indirectly, his, her, it's or their performance of duties or obligations pursuant to the terms of this
16 Order. Furthermore, the Receiver shall not be liable for any design, construction, state of repair
17 or other defect relating to the Property, or for any damage to the same, whether now known or
18 later discovered, or for any hazardous materials presently existing under, on, or about property of
19 the Estate. The Receiver shall have no obligation to advance the Receiver's own funds to pay
20 any costs and expenses of the Estate.

21 **30. Limitations on Duties and Obligations**

22 The Receiver shall have no duties or obligations except for duties and obligations
23 specifically identified in this Order. Pursuant to ORS 37.110(2), upon proper notice and Court
24 order, the powers and duties of the Receiver may be expanded, modified, or limited at any time.

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31. Further Instructions

The Receiver may at any time apply to this Court for further or other instructions or for modification of this order or for further powers necessary to enable the Receiver properly to perform the Receiver’s duties, or for termination of the Receiver’s appointment.

32. Termination of Receivership

The Receivership shall not be terminated, and the rights and parties subject to this order shall remain in full force, until this Court enters an order discharging the Receiver and terminating the Receivership pursuant to ORS 37.410.

33. Continuing Jurisdiction

Under ORS 37.100, this Court has exclusive jurisdiction over any disputes arising from the Receivership, including relating to the Receiver’s actions therein. As to such matters, the Court’s jurisdiction shall survive the termination of the Receivership.

IT IS SO ORDERED

2/20/2025 3:01:28 PM

Kelly Kritzer

Kelly Kritzer,
Circuit Court Judge

Presented By:
Thomas Hojem, OSB #162304
Senior Assistant Attorney General
Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
Telephone: (503) 934-4400
Fax: (503) 373-7067
Thomas.Hojem@doj.oregon.gov
Attorney for Plaintiff



2022-012845
Klamath County, Oregon
10/31/2022 09:53:02 AM
Fee: \$87.00

THIS SPACE RESERVED FOR RECORDER'S USE

After recording return to:

Red is the Road to Wellness, an Oregon non-profit
corporation

PO Box 1621

Klamath Falls, OR 97601

Until a change is requested all tax statements shall be
sent to the following address:

Red is the Road to Wellness, an Oregon non-profit
corporation

PO Box 1621

Klamath Falls, OR 97601

File No. 555156AM

STATUTORY WARRANTY DEED

TJC Holdings, LLC, an Oregon Limited Liability Company,

Grantor(s), hereby convey and warrant to

Red is the Road to Wellness, an Oregon non-profit corporation,

Grantee(s), the following described real property in the County of Klamath and State of Oregon free of encumbrances except
as specifically set forth herein:

**Lots 685, 686 and 687 in Block 107 of MILLS ADDITION TO THE CITY OF KLAMATH FALLS,
according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.**

The consideration paid for the transfer is \$750,000.00, PURSUANT TO AN IRC 1031 TAX DEFERRED EXCHANGE ON
BEHALF OF GRANTOR/GRANTEE.

The above-described property is free of encumbrances except all those items of record, if any, as of the date of this deed and
those shown below, if any:

2022-2023 Real Property Taxes, a lien not yet due and payable

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 17th day of August, 2022

TJC Holdings, LLC, an Oregon limited liability company

By: The Chose Family Trust, Member

By: Thomas Alan Chose
Thomas Alan Chose, Trustee

By: Janet Marie Chose
Janet Marie Chose, Trustee

State of Oregon } ss
County of Klamath }

On this 17 day of August, 2022, before me, Emily Jean Coe a Notary Public in and for said state, personally appeared Thomas Alan Chose and Janet Marie Chose, Trustees of the Chose Family Trust, Members of TJC Holdings, LLC known or identified to me to be the person(s) whose name(s) is/are subscribed to the within Instrument and acknowledged to me that he/she/they executed same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Emily Jean Coe
Notary Public in the State of Oregon
Residing at: Klamath Falls, OR
Commission Expires: 9/27/2025




1 **CERTIFICATE OF READINESS**

2 This proposed order is ready for judicial signature because:

- 3 1. ☐ Each opposing party affected by this order or judgment has stipulated to the order
4 or judgment, as shown by each opposing party's signature on the document being
submitted.
- 5 2. ☐ Each opposing party affected by this order or judgment has approved the order or
6 judgment, as shown by signature on the document being submitted or by written
confirmation of approval sent to me.
- 7 3. ☒ I have served a copy of this order or judgment on all parties entitled to service and
8 provided written notice of the objection period, and:
- 9 a. ☒ No objection has been served on me as of the date below.
- 10 b. ☐ I received objections that I could not resolve with the opposing party
11 despite reasonable efforts to do so. I have filed with the court a copy of the
objections I received and indicated which objections remain unresolved.
- 12 c. ☐ After conferring about objections, *[role and name of opposing party]*
13 agreed to file any remaining objection with the court by *[date]*, which
predated my submission.
- 14 4. ☐ The relief sought is against an opposing party who has been found in default.
- 15 5. ☐ An order of default is being requested with this proposed judgment.
- 16 6. ☐ Service is not required pursuant to UTCR 5.100(3), or by statute, rule, or
otherwise.
- 17 7. ☐ This is a proposed judgment that includes an award of punitive damages and
18 notice has been served on the Director of the Crime Victims' Assistance Section
as required by UTCR 5.100(4).

19 DATED: this 7th day of February, 2025.

20
21 
22 _____
Thomas Hojem, OSB #162304
Senior Assistant Attorney General