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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION - LOS ANGELES

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, and COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION, Defendants.	CASE NO. 11-08607-R-DTB OBJECTION OF CERTAIN LIMITED PARTNERS OF COPELAND PROPERTIES TEN TO RECEIVER PRELIMINARY REPORT DATED NOVEMBER 18, 2011 *[Filed concurrently with Declarations of Vellore Muraligopal, Rickey T. Higdon, Klaus Kuehn, Richard Paul Blanford, Glenn Goodwin and Charles Copeland]* Date: December 19,2011 Time: 10:00 a.m. Ctrm: 8, 2nd Floor Judge: Hon. Manuel L. Real

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I.

INTRODUCTION

This objection is to the Preliminary Report of Receiver Thomas C. Hebrank, filed on or about November 18, 2011, and set for hearing on December 19, 2011 ("Receiver's Report"), and is made on behalf of limited partners comprising 88.38 percent of the ownership of Copeland Properties Ten ("CP-10").

The instant objection is based on the assertion of the Receiver that all limited partnerships in which one of the defendants was general partner either is or should be included within the scope of the court-ordered receivership. Objecting parties respectfully submit that this could not have been the court's intention as there is insufficient evidence warranting the inclusion of CP-10 into the receivership because CP-10 is a viable partnership producing significant income from commercial property purchased solely with funds of its own limited partners.

The Receiver generally asserts that there has been a "commingling" of assets and "ponzi-like scheme" but when the Receiver's claim is examined more closely it would appear to be a gross generalization that does not apply to CP-10. The Receiver relies on a "summary" attached to his report as Exhibit "B," indicating that CP-10 received a $31,000 loan from another partnership –hardly the millions of dollars of commingling as claimed by the Receiver. Inter-company loans by themselves are not evidence of fraud and there is no evidence that said loan was improper, unfair or caused any detriment to anyone. Moreover, the same summary indicates that CP-10 loaned $100,000 to other partnerships, which indicates CP-10 is most likely to be a creditor in this receivership rather than a debtor.

Taking control of CP-10's assets is not necessary given that there is no indication that any partner has any intention of transferring or liquidating the partnership assets and, as explained below, the defendant/general partner has been removed as a matter of law from the partnership's operation and activities.

Furthermore, the receiver ignores disastrous results that inclusion of CP-10 into the receivership could cause, including potential dissolution of CP-10 by operation of law, default and foreclosure by the bank holding a note and deed of trust against CP-10's only asset, and significant liability such a default would unfairly foist upon the limited partners who personally guaranteed CP-10's loan commitment.

Finally, inclusion of CP-10 would cause significant personal harm to many of the limited partners who are reliant on the obviously legitimate income that the partnership produces for them. As accompanying declarations show, a number of CP-10's limited partners are retirees, dependent on distributions from the partnership to pay their basic living expenses. The SEC's action was intended to protect such individuals, yet by including partnerships such as CP-10 in the receivership, this legal action would exacerbate any harm that they have already suffered.

II.

BACKGROUND

The CP-10 partnership is a limited partnership that owns a large parcel of commercial property in Troy, Michigan. The property has five buildings all of which are currently leased to one tenant, Faurecia, which, according to its website, is the world's sixth largest supplier to automobile makers, designing and producing automobile interiors and exteriors and emission control technologies. Faurecia has consistently paid its rent and there is every indication it will continue to do so. Declaration of Charles Copeland ¶3 ("Copeland Dec.")

CP-10 paid $12,752,744 for the property. CP-10 borrowed $9,450,000 towards the purchase. The current loan balance is $8,945,744. The loan is not in default. Copeland Dec. ¶4.

The partnership generates a regular profit. Based on CP-10's 2010 tax return, it received $1,327,497 in rent for the year and after expenses realized net

income of $358,763. The limited partners received distributions based on the profit. Id. at ¶7.

The down payment for the property was paid for with the money it received from its limited partners. The limited partners include doctors, an insurance agent, a business teacher, and several retirees. Id at 4.

At least three of the limited partners personally guaranteed repayment of the entire loan. Several of the limited partners acquired their interests in CP-10 through section 1031 "like-kind" exchanges. Id.

Copeland Realty, Inc. was CP-10's general partner and later changed its name to Copeland Wealth Fund Management (hereafter "Copeland"). Copeland is one of the defendants in this action, and although it was CP-10's general partner, it has no ownership interest in the partnership. Id at 8.

Most of the limited partners are reliant on income from CP-10 and will suffer extreme prejudice if the income stops or the assets of CP-10 are sold for the payment of money to persons who lost money in other investments. See Declarations of Klaus Kuehn, Rickey T. Higdon, Richard Paul Blanford and Charles Copeland.

Klaus and Lynda Kuehn own a 10.89 percent interest in CP-10. In the declaration by Mr. Kuehn accompanying this objection, he states:

> For the past several years, we have received monthly distributions from the CP-10 Partnership, which represents a significant portion of our retirement income. The loss of this income would make it difficult for us to meet basic expenses, such as housing and health insurance.

Kuehn Declaration ¶5.

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III.

ARGUMENT

A. Receivership is a Harsh Remedy That Should Be Exercised only as a Last Resort

Under federal law, appointment of a receiver is considered an extraordinary remedy that should be applied with caution and only if no less drastic remedy is available. Canada Life Assur. Co. v. LaPeter, 563 F.3d 837, 844 (9th Cir. 2009) ("receiver is an extraordinary equitable remedy which should be applied with caution.") Bracco v. Lackner, 462 F. Supp. 436, 456 (N.D. Cal. 1978) ("Receivership is a remedy of last resort."). Receivership is a harsh remedy because it interferes with property rights and is costly. Solis v. Matheson, 563 F.3d 425, 437-38 (9th Cir. 2009) ("receivership may interfere seriously with a defendant's property rights by ousting him or her from control"); Schwarzer, et al., California Practice Guide, Federal Civil Procedure Before Trial ¶ 13.17.3 (The Rutter Group 2011) ("expenses may substantially diminish the value of the receivership assets"). These concerns are even greater here because the receivership seeks control of property belonging to third parties.

B. Receivership in the Instance Violates Due Process Unless an Order to Show Cause is Issued

Imposition of a receiver on individuals or business entities that are not parties to the action creates due process concerns. Solis, 563 F.3d at 437-38 ("a receiver should not be appointed without notice being given"). The concern about including non-party limited partnerships in a Securities Exchange Commission ("SEC") receivership was addressed in In re San Vicente Med. Partners Ltd., 962 F.2d 1402, 1408 (9th Cir. 1992). In that case, an Order to Show Cause was issued and served on the limited partnerships at issue specifically directing the partnerships to address whether they should be included. The Ninth Circuit found inclusion in the receivership permissible because minimum contacts had been

satisfied and the limited partnership had received *actual notice and an opportunity for a hearing.*" Id. (italics added).

In the present case, no formal notice has been sent to the limited partnerships letting them know that they have an opportunity to contest the claimed scope of the receivership. All that has been provided is a "report" mail served by the Receiver to "creditors" asserting that the issue of the limited partnerships' inclusion in the receivership was already decided. The "report" additionally seeks authority to "amend, execute or terminate" leases relating to real property owned by the limited partnerships and to engage real estate brokers and appraisers to sell said real property. At the very least, due process requires issuance of an Order to Show Cause allowing every limited partnership sufficient opportunity to weigh in on this very important issue.

C. Inclusion of the Limited Partnerships Is an Improper Bootstrapping of the Defendants "Consent" as There Has Been No Admission of Liability or Determination on the Merits

As of yet, the merit of the SEC's allegations have yet to be determined. Although the defendants in this action consented to the judgment, they did so without any admission of liability. See Consent, para. 2. Yet the Receiver has bootstrapped the "consent" into allowing the Receiver to take action that the defendants could not do on their own and which is contrary to California law.

1. The General Partner Became Dissociated By Virtue of Its Consent to The Receiver

Pursuant to the California Uniform Limited Partnership Act, by consenting to appointment of a receiver, a general partner is "dissociated" from the limited partnership. California Corporations Code ("Corp. Code") §15906.03 (f) (3). Dissociation terminates the general partner's right to participate in the management of the partnership. Corp. Code § 15906.05 (a) (1)

Upon dissociation, it is incumbent on the limited partners to elect a new general partner. If they fail to do so within 90 days, the partnership dissolves. Corp. Code § 15908.01 (c)(2) (further discussion of possible dissolution is discussed below). Only a new general partner elected by its members has the authority to manage, direct, and control the assets and activities of the CP-10 Partnership.

2. Even if Dissociation Did Not Occur, No General Partner Could Undertake the Action Proposed By the Receiver

Even assuming that Copeland remained as general partner, and that the Receiver could assume the general partner's authority, no general partner could undertake the actions that the Receiver presupposes it is allowed to do. Unlike shareholders of a corporation who have virtually no control over the corporation's assets, limited partners have a substantial voice in a partnership's conduct. Without the approval of limited partners comprising at least 67% of the total ownership of CP-10, the general partner has no right to sell real property owned by the partnership (See Ex. A to Goodwin Dec. -- Partnership Agreement §§ 11.01 (5); 11.01 (7); 7.06 (2)).[1]

Additionally, the general partner's authority is limited to using the assets of the CP-10 Partnership for "the full and exclusive benefit of all of its partners." Partnership Agreement §11.02. Use of the proceeds of the sale of the property of the CP-10 partnership, or any other assets of the CP-10 for the benefit of any partners of creditors of any other of the Copeland partnerships would violate this strict prohibition, upon which the members of the CP-10 Partnership have relied

[1] The only exception would be if the sale resulted in a 20% non-compounded annual return to the Limited Partners. Partnership Agreement § 9.06. However, not only has the Receiver presented no evidence that a sale of the property of the CP-10 Partnership would produce such a return but, in the current economy and considering the almost universal decline in value in real property in the United states in recent years, it is more than unlikely that any such return would be produced.

and which constitutes a legally enforceable right. The California Limited Partnership Act contains a similar prohibition. Corp. Code § 15904.08.

D. <u>There Is No Evidence to Support a Receivership over CP-10</u>

The Receiver contends the limited partnerships should be included in the receivership because the Receiver might otherwise have to file multiple lawsuits seeking to recover amounts that certain limited partnerships *may* owe to the defendants or other limited partnerships. (See, Receiver Report. P. 13, lines 19-21). To support this assertion, the Receiver asserts that the limited partnerships and "related parties" owe as much as $16.1 million in loans to one another.

In the case of CP-10, however, there is no evidence that it was the recipient of millions of dollars in misdirected funds. As noted previously, CP-10 is a successful enterprise generating a significant amount of positive cash flow.

As evidence of commingling, the receiver relies on Exhibit B to its report. Although the Receiver's report asserts that it is a summary of intercompany/related part loans and investments, it is not authenticated nor are the underlying documents provided. Assuming Exhibit "B" is a credible document, it indicates that CP-10 borrowed only $31,000 from another partnership – Copeland Fixed Income Three. Exhibit B also indicates that CP-10 made loans of approximately $100,000 to other limited partnerships.

While the Limited Partners of CP-10 are attempting to determine the details of these alleged loans, it would suggest that CP-10 is a creditor and Exhibit B falls woefully short of suggesting that CP-10 was the recipient of millions of dollars in ill-gotten funds. Moreover, the fact that the Receiver has been able to document these intercompany loans involving CP-10 is evidence not of fraud, but of maintenance of books and records adequate to protect the interests of the CP-10 limited partners.

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E. There is No Danger of Imminent Harm Now That Copeland is No Longer General Partner of CP-10

The Receiver also asserts that receivership is necessary to preserve the partnership assets. Now that Copeland is no longer general partner, however, there is no basis to suggest that there is any danger that assets will be dissipated. Indeed, CP-10's asset, which is a significant parcel of commercial real property, cannot be sold and discreted in the dark of the night. Standing in the shoes of Copeland as a limited partner, the Receiver would receive notice of any proposed transfer of CP-10 assets and therefore would have an opportunity to object and even seek court relief if it believed proposed action by the partnership would be harmful.

F. Receivership Would do More Harm than Good

Receivership over CP-10 would be more likely to diminish CP-10's assets than if CP-10 were not part of the receivership.

Of significant concern, and not addressed by the Receiver's report, is whether receivership will trigger a default under the terms of the loan encumbering CP-10's real property. It is fairly standard for loan documents to provide that the appointment of a receiver accelerates the loan and allows for foreclosure if the full amount of the loan is not immediately paid. Several individuals who are also limited partners of CP:-10 have personally guaranteed the loan and therefore will suffer extreme prejudice if the receivership were to trigger a default under the loan's terms.[2]

The Receiver's report also overlooks the fact that receivership will trigger mandatory dissolution of CP-10 unless its limited partners are allowed to replace the general partner. As pointed out above, neither the Receiver nor Copeland has any authority to act as a general partner of the CP-10 Partnership because of the

[2] As the Receiver has seized all records of the Partnership, it is impossible, especially with the lack of legal notice given to the limited partners, to determine if the proposed actions of the Receiver will cause a default on the loan. However, before the Receiver's draconian request is granted, he should be required to demonstrate that it will not harm the partnership.

acquiescence of the general partner to the Receivership. That being the case, unless the Limited Partners are allowed to elect a successor general partner, one of the very acts the Receiver seeks to prevent, the Partnership will, by operation of law, dissolve. Corp. Code §15908.01.

The result of that action would be a forced liquidation, with the resulting loss in value of Partnership assets, potential foreclosure on the real property of the Partnership, if it could not be promptly sold, and resulting in loss of all equity in such property, and, even if the property could be sold, further dissipation of Partnership property due to the resulting tax liability to the partners resulting from the dissolution of the Partnership. Such negative consequences will be exacerbated by the fact that several of the limited partners in CP-10 acquired their interests through a section 1031 "like-kind" exchange, meaning that significant, additional taxable gain may be triggered to such partners.

The only way to avoid such dissolution and resulting loss of property of the CP-10 Partnership is to do exactly the opposite of what the Receiver is asking, and to deny the Receiver control over the CP-10 Partnership, thereby permitting the limited partners of CP-10 to elect a substitute general partner and avoid dissolution.

The Receiver's report overlooks the harm that Receivership will cause to the individuals who are limited partners of CP-10. Accompanying this objection are statements made by these individuals explaining that they are reliant on the regular income they had been receiving for CP-10, income which appears entirely appropriate and warranted given that the existing lease generates positive cash flow far in excess of CP-10's expenses. The Receiver has stopped all such distribution without any consideration of the harm his conduct is causing these individuals, even though they are the very investors who the SEC intended to protect when it commenced this legal proceeding.

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G. CP-10 is Not an Affiliate

The Receiver asserts that inclusion of the limited partnerships has already been decided because the judgment states that the receivership includes "affiliates" of the Copeland entities. Objecting parties respectfully disagree.

The Receiver cites Black's Law Dictionary for the proposition that an "affiliate is any corporation related to or controlled by another corporation. Of course, the limited partnerships are not corporations so the Receiver's reliance on this definition is of questionable applicability.

Reference to the SEC's own regulation, 17 C.F.R. §230.405 (herein "Rule 405"), defines "affiliate," for purposes of Securities laws, as: "a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified." In S.E.C v. Platforms Wireless International Corporation, 617 F.3d 1072, (9th Cir. 2010), the Ninth Circuit cautioned against defining "control" by artificial tests, but stated that "control" for purposes of Rule 405 and its definition of affiliate is to be "determined from the particular circumstances of the case." Id. at 1087.

In the instant matter, none of the defendants has control over the CP-10 Partnership at this time or for the purposes sought by the Receiver. As noted previously, Copeland was dissociated from CP-10 and the partners of CP-10 have not voted to admit the Receiver as a substitute general partner. Therefore no Receivership Entity has any authority to direct or control an aspect of the operation of CP-10, except as to a minority, limited partner to vote on matters submitted to the vote of the limited partners of the CP-10 Partnership. Moreover, as explained above, no general partner has authority to sell the property of the CP-10 Partnership nor does it have the authority to use the assets of the CP-10 Partnership for any purpose other than the full and exclusive benefit of the CP-10 partners.

Because no defendant has the authority to exercise the control for the purposes sought by the Receiver, the CP-10 Partnership is NOT an "affiliate" of

the any of the defendants. Therefore, the Receiver does not have the authority sought to take control of the CP-10 Partnership pursuant to the Judgment.

IV.

CONCLUSION

For all the foregoing reasons, it is respectfully requested that CP-10 be excluded from the Receivership.

DATED: December 12, 2011

MIRAU, EDWARDS, CANNON, LEWIN & TOOKE, a Professional Corporation

By: _____
William P. Tooke
Attorneys for Third-Party Objectors, Robert Allen; Elayne Allen; Vellore Muraligopal; Vellore Muraligopal, Trustee of the Muraligopal Living Trust; Myron and Ruby Cinque, Trustees of the Cinque Family Trust; Rick and Blanche Higdon, Trustees of the Higdon Revocable Trust; Klaus Kuehn; Lynda Kuehn; Richard Paul Blanford; Glenn Goodwin, Trustee of the Glenn Goodwin Trust; and James Powell

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION - LOS ANGELES

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, and COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION, Defendants.	CASE NO. 11-08607-R-DTB DECLARATIONS OF VELLORE MURALIGOPAL, RICKEY T. HIGDON, KLAUS KUEHN, RICHARD PAUL BLANFORD, GLENN GOODWIN AND CHARLES COPELAND *[Filed concurrently with Objection of Certain Limited Partners of Copeland Properties Ten to Receiver Preliminary Report Dated November 18, 2011]* Date: December 19,2011 Time: 10:00 a.m. Ctrm: 8, 2nd Floor Judge: Hon. Manuel L. Real

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Third-Party Objectors (listed above) submit the attached declarations in support of their Objection of Certain Limited Partners of Copeland Properties Ten to Receiver Preliminary Report Dated November 18, 2011.

DATED: December 12, 2011

MIRAU, EDWARDS, CANNON, LEWIN & TOOKE, a Professional Corporation

By: _____
William P. Tooke
Attorneys for Third-Party Objectors, Robert Allen; Elayne Allen; Vellore Muraligopal; Vellore Muraligopal, Trustee of the Muraligopal Living Trust; Myron and Ruby Cinque, Trustees of the Cinque Family Trust; Rick and Blanche Higdon, Trustees of the Higdon Revocable Trust; Klaus Kuehn; Lynda Kuehn; Richard Paul Blanford; Glenn Goodwin, Trustee of the Glenn Goodwin Trust; and James Powell

DECLARATION OF VELLORE MURALIGOPAL

I, Vellore Muraligopal, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and, if called upon to testify as a witness, would and could testify competently thereto.

2. Through my family trust, I invested $852,626 into Copeland Properties Ten ("CP-10"). In return, the trust received an approximately 24 percent interest in the partnership. The investment was part of a section 1031 "like-kind" exchange.

3. Our investment, along with the other limited partners of CP-10, was used as the down payment for CP-10 to purchase a commercial property in Troy, Michigan that it leases to Faurecia, a large manufacturer of automobile components. The remainder of the purchase price was financed. The amount of the loan was approximately $9,400,000. There are limited partners of CP-10 that personally guaranteed the loan. The lease income exceeds the expenses related to the property and therefore generates a regular and consistent profit for the limited partners.

4. My income has been reduced substantially because of the economic downturn and I rely on monthly distributions from CP-10 to pay other financial obligations that I have. If the distributions stop, I may have to prematurely draw on pension funds at a substantial financial detriment to me.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on December 6, 2011 at Redlands, California.

Vellore Muraligopal

DECLARATION OF RICKEY T. HIGDON

I, Rickey T. Higdon, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and, if called upon to testify as a witness, would and could testify competently thereto.

2. I am married to Blanche Higdon. We are retired and live on a fixed income. We invested $239,788.53 in Copeland Properties Ten ("CP-10"). In return, we received a 6.96 percent interest in the partnership. The investment was part of a section 1031 "like-kind" exchange. This was a substantial investment for my wife and me.

3. Our investment, along with the other limited partners of CP-10, was used as the down payment for CP-10 to purchase a commercial property in Troy, Michigan that it leases to Faurecia, a large manufacturer of automobile components. The lease income exceeds the expenses related to the property and therefore generates a regular and consistent profit for the limited partners.

4. We use the monthly distributions that we receive from CP-10 to pay our home mortgage and living expenses.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on December 6, 2011 at _____, California.

Rickey T. Higdon

DECLARATION OF KLAUS KUEHN

I, Klaus Kuehn, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and, if called upon to testify as a witness, would and could testify competently thereto.

2. I am married to Lynda Kuehn. We are retired and live on a fixed income. We invested $375,000 in Copeland Properties Ten ("CP-10") to receive income during our retirement.

3. Our investment, along with the other limited partners of CP-10, was used as the down payment for CP-10 to purchase a commercial property in Troy, Michigan that it leases to Faurecia, a large manufacturer of automobile components. The lease income exceeds the expenses related to the property and therefore generates a regular and consistent profit for the limited partners.

4. For the past several years, we have received monthly distributions from the CP-10 Partnership, which represents a significant portion of our retirement income. The loss of this income would make it difficult for us to meet basic expenses, such as housing and health insurance.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on December 6, 2011 at Yucaipa, California.

Klaus Kuehn

TO WHOM IT MAY CONCERN:

The funds to participate in the Copeland Properties represent the bulk of my IRA Accounts.

I have worked and saved my adult life, the goal being, to have an amount saved and invested to enable me to accomplish this workingman's dream. The funds generated from this account will allow me the opportunity to do so.

Without these funds will be continues strain on my budget. The income from this investment is to take care of my house payment in the near future.

If I lost the CP 10 I would be harmed by the standard of life forced on me.

Richard Paul Blandford
Dec 2, 2011

DECLARATION OF GLENN GOODWIN

I, Glenn Goodwin, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and, if called upon to testify as a witness, would and could testify competently thereto.

2. I invested $340,000 into Copeland Properties Ten ("CP-10"). I own approximately 10 percent of CP-10 as a limited partner and have until recently received regular distributions from the partnership.

3. CP-10 owns commercial property in Troy, Michigan that it leases to Faurecia, a large manufacturer of automobile components. The lease income exceeds the expenses and therefore generates a regular and consistent profit for the limited partners.

4. Attached as Exhibit "A" are pages from the CP-10 partnership agreement that are pertinent to various issues addressed in the accompanying objection.

5. I object to the inclusion of CP-10 in the Receivership because I believe the limited partners are capable of electing a new general partner with sufficient expertise to manage said commercial property and leasing arrangement. Further, I am concerned that CP-10 may be dragged into a proceeding of which it has no connection other than Copeland Wealth Management having been its general partner. I believe inclusion in the Receivership will harm CP-10 and its limited partners.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on December 9, 2011 at [illegible] California.

Glenn Goodwin

Salaries of General Partner

7.05. The General Partner shall be paid a flat fee annually as outlined in paragraph 4.02.2.

Voting Rights of Limited Partners

7.06. (a) In addition to any other voting rights granted the Limited Partners under this Agreement, the Limited Partners have the right to vote on the following matters:

(1) The dissolution and winding up of the Partnership, pursuant to Paragraph 12.02;

(2) The merger of the Partnership or the sale, exchange, lease, mortgage, pledge, or other transfer of, or granting a security interest in, all or a substantial part of the assets of the Partnership other than in the ordinary course of its business;

(3) The incurrence of indebtedness by the Partnership other than in the ordinary course of its business;

(4) A change in the nature of the Partnership's business;

(5) Transactions in which the General Partner has an actual or potential conflict of interest either with the Limited Partners or the Partnership;

(6) The removal of a General Partner;

(7) An election to continue the business of the Partnership when a General Partner ceases to be a General Partner.

(b) All of the actions specified in Subparagraph (a) of this Agreement may be taken following the vote of 67% of the Limited Partners.

(c) The Limited Partners have the right to vote on the admission of an additional General Partner. Except as specifically provided in Paragraphs (d) and (e) of this Paragraph 7.06 or any other provision of this Agreement, the admission of an additional General Partner may be accomplished on the affirmative vote of 67% in interest of the Limited Partners or provide for vote by greater than majority in interest of limited partners.

(d) The Limited Partners have the right to vote on an election to continue the business of the Partnership and the admission of one or more General Partner after a General Partner ceases to be a General Partner under Corporations Code 15642 (b) , (c) , or (d) and there is no remaining General Partner. These actions may only be taken on 67% interests of the Limited Partners.

(e) The Limited Partners have the right to vote on any other matters related to

the business of the Partnership that are made subject to the approval or disapproval of the Limited Partners by this Agreement.

Loans to the Partnership

7.07. Nothing in this Agreement prevents a Partner from lending money to the Partnership on a promissory note or similar evidence of indebtedness for a reasonable rate of interest. Any Partner lending money to the Partnership has the same rights and risks regarding the loan as would any person or entity making the loan who was not a member of the Partnership.

Transaction of Business With Partnership

7.08. Except as otherwise provided in this Agreement, a Partner may not transact other business with the Partnership.

Partners Engaging in Other Business

7.09. Except as otherwise provided in Paragraph 7.02 of this Agreement, any of the Partners may engage in or possess an interest in other business ventures of every nature and description independently or with others. Neither the Partnership nor the Partners have any right by virtue of this Agreement in and to any such independent ventures or to the income or profits derived from them.

ARTICLE 8. PARTNERSHIP MEETINGS

Call and Place of Meetings

8.01. (a) Meetings of the Partners will be held at the Principal Executive Office of the Partnership or at any place selected by the person or persons calling the meeting or specify place of meeting within or without California at the call and pursuant to the written request of the General Partner, or of Limited Partners representing more than 67 percent of the interests of Limited Partners, for consideration of any of the matters as to which Limited Partners are entitled to vote pursuant to Paragraph 7.06 of this Agreement.

(b) In addition, the Partners may participate in a meeting through the use of conference telephones or similar communications equipment providing that all Partners participating in the meeting can hear one another. Participation in this type of telephone meeting constitutes presence in person at the meeting.

Notice of Meeting

8.02. Immediately on receipt of a written request stating that the Partner or Partners request a meeting on a specific date which date shall not be less than 10 nor more than 60 days after the receipt of the request by the General Partner, the General Partner must give notice to all Partners entitled to vote, as determined in accordance with Paragraph 13.01 of this Agreement. Valid notice may not be given less than 10 nor more than 60 days before the date of

Sale to New General Partner

9.04. When any General Partner ceases to be a General Partner, pursuant to Corporations Code Section 15642, the interest of the withdrawing General Partner may be purchased by a new General Partner during the option period set forth in Paragraph 9.04, on admission of the new Partner to the Partnership and on payment of the value of that interest determined as provided in Paragraph 9.06.

Duties of Remaining Purchasing General Partner

9.05. On the purchase and sale of a Withdrawing General Partner's interest, the new General Partner will assume all obligations of the Partnership and shall hold the withdrawing General Partner, the personal representative and estate of the withdrawing General Partner, and the property of the withdrawing General Partner free and harmless from all liability for those obligations. Further, the remaining General Partners, at their own expense, must immediately amend the Certificate of Limited Partnership as required by the California Revised Limited Partnership Act, and cause to be prepared, executed, acknowledged, filed, served, and published all other notices required by law to protect the withdrawing General Partner or the personal representative and estate of the withdrawing General Partner from all liability for the future obligations of the Partnership business.

Sale of Partnership by General Partner

9.06. At any time during the term of the Partnership, the General Partner may sell the real estate holdings of the partnership without further approval of the limited partners if such sale will result in a 20 percent non-compounded annual return to the Limited Partners. Any sale not meeting this amount must be approved by at least 50% of the Limited Partners.

Distribution Upon Sale

9.07. Net proceeds from the sale shall be distributed (a) first to the Limited Partners as specified in Exhibit A attached hereto (b) the balance of the distributions will be distributed 50% to the Limited Partners and 50% to the General Partner as more fully specified in Exhibit A.

ARTICLE 10. LIABILITIES OF PARTNERS

Liability of General Partner

10.01. Except as otherwise provided in this Agreement, the liability of the General Partner arising from the conduct of the business affairs or operations of the Partnership or for the debts of the Partnership is unrestricted.

Liability of Limited Partners

10.02. The liability of the Limited Partners is restricted and limited to the amount of the actual capital contributions that each Limited Partner makes or agrees to make to the Partnership.

ARTICLE 11. PROHIBITED TRANSACTIONS

Specified Acts

11.01. During the time of the organization or continuance of this Partnership, neither the General nor Limited Partners may take, and the Partners specifically promise not to do, any of the following actions:

(1) Use the name of the Partnership (or any substantially similar name) or any trademark or trade name adopted by the Partnership, except in the ordinary course of the Partnership business.

(2) Disclose to any non-partner any of the Partnership business practices, trade secrets, or any other information not generally known to the business community.

(3) Do any other act or deed with the intention of harming the business operations of the Partnership.

(4) Do any act contrary to this Agreement, except with the prior express written approval of all Partners.

(5) Do any act that would make it impossible to carry on the intended or ordinary business of the Partnership.

(6) Confess a judgment against the Partnership.

(7) Abandon or transfer or dispose of Partnership property, real or personal.

(8) Admit another person or entity as a General or Limited Partner.

Use all Partnership Assets

11.02. The General Partner may not use, and specifically promises not to use, directly or indirectly, the assets of this Partnership for any purpose other than conducting the business of the Partnership, for the full and exclusive benefit of all its Partners.

ARTICLE 12. DISSOLUTION OF THE PARTNERSHIP

Dissolution and Winding Up

12.01. The Partnership will be dissolved, and its affairs will be wound up on the

DECLARATION OF CHARLES COPEALND

I, Charles Copeland, declare and state as follows:

1. I was personally involved with managing the affairs of Copeland Properties Ten. I have personal knowledge of the facts set forth in this declaration and if called as a witness I would and could testify competently thereto.

2. The following persons are among the limited partners in Copeland Properties Ten ("CP-10"). Their respective ownership interests and capital contribution amounts are also listed below.

Name:	Percent of Ownership:	Dollar Amount:
Robert & Elayne Allen	11.9216900	$ 410,447.36
Paul Blandford	2.9045600	$ 100,000.00
Myron & Ruby Cinque, Trustees of the Cinque Family Trust	9.4398200	$ 325,000.00
Glenn Goodwin, Trustee of the Glenn Goodwin Trust	9.8755000	$ 340,000.00
Rick & Blanche Higdon, Trustees of Higdon Revocable Trust	6.9648000	$ 239,788.53
Klaus & Lynda Keuhn	10.8921000	$ 375,000.00
Vellore Mauraligopal,	11.8919900	$ 443,202.39
Vellore Mauraligopal, Trustee of the Mauraligopal Living Trust	12.8790700	$ 409,424.84
James Powell	11.6182400	$ 400,000.00

3. CP-10 owns a large parcel of commercial property in Troy, Michigan, which property is held in the name of CP-10. That property has five buildings all of which are currently leased by CP-10 to one tenant, Faurecia. CP-10 is the "landlord" under such lease.

4. CP-10's property was purchased with proceeds from investors and with a loan of approximately $9,400,000., which loan is secured by the above described property. The loan was undertaken in the name of CP-10 and was personally guaranteed by several of the above-named limited partners. Several of the limited partners acquired their interests in CP-10 through section 1031 "like-kind" exchanges.

5. Monthly lease payments for the CP-10 property are 110,040.11

6. Monthly loan payments for the CP-10 property are $64,118.06

7. For 2010, CP-10 reported on its Federal Income Tax return that it received $1,327,497 in rent and, after expenses, realized net income of $358,763. The income realized allowed for monthly distributions to the limited partners of CP-10.

8. The general partner of CP-10 has no capital interest in the partnership.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on December 6, 2011 at Redlands, California.

Charles Copeland