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9 Attorneys for Permanent Receiver
10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 v.

17 CHARLES P. COPELAND,
18 COPELAND WEALTH
19 MANAGEMENT, A FINANCIAL
20 ADVISORY CORPORATION,
21 AND COPELAND WEALTH
22 MANAGEMENT, A REAL
23 ESTATE CORPORATION,

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**EX PARTE APPLICATION FOR
ORDER (A) AUTHORIZING THE
RECEIVER TO SELL REAL
PROPERTY, (B) APPROVING
OVERBID PROCEDURES,
(C) APPROVING THE NOTICE OF
SALE PROVIDED BY THE
RECEIVER**

DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

25 Thomas C. Hebrank ("Receiver"), Court-appointed Permanent
26 Receiver for COPELAND WEALTH MANAGEMENT, A FINANCIAL
27 ADVISORY CORPORATION, AND COPELAND WEALTH
28 MANAGEMENT, A REAL ESTATE CORPORATION, and their
subsidiaries and affiliates (collectively, the "Receivership Entities"),
applies for an order (a) authorizing the Receiver to sell real property, (b)
approving overbid procedures to be used in connection with the sale,

1 and (c) approving notice of the sale provided by the Receiver
2 ("Application").

3
4 **I.**
INTRODUCTION

5 The Receiver has negotiated a Purchase and Sale Agreement with
6 proposed buyer, NATIONAL RETAIL PROPERTIES, LP, a Delaware
7 limited partnership ("Buyer"), regarding the property located at 6103
8 Landmark Center Boulevard, Greensboro, North Carolina 27407
9 commonly referred to as the Garden Ridge Property (the "Property"). The
10 purchase price is \$8,550,000.00. Under the terms of the Purchase and
11 Sale Agreement, Buyer will deposit \$250,000.00 into escrow.

12 The Receiver has reviewed the Purchase and Sale Agreement,
13 market value information, and other documents relating to the Property,
14 and determined that the proposed transaction is in the best interests of
15 the Receivership Estate. Therefore, subject to Court approval, the
16 Receiver and Buyer entered into a Purchase and Sale Contract
17 ("Agreement"). In summary fashion, the terms of the transaction are: The
18 sales price is \$8,550,000.00. The Premises are being generally sold "AS
19 IS" in respect to both condition of title and its physical condition. Buyer
20 represents and warrants that it is relying on its own or its agents'
21 inspection of the Premises. The Premises are being sold subject to all
22 covenants, conditions, restrictions, liens, and encumbrances, reservation
23 of right and publicly recorded easements and rights of way of record. The
24 Premises are generally being sold without warranty of any kind, express
25 or implied. The sale is subject to approval by the Court and subject to
26 the overbid procedures described herein. The Agreement is attached to
27 the Declaration of Thomas C. Hebrank ("Hebrank Declaration") in
28 support of the Receiver's Motion for approval of the sale ("Sale Motion").

1 The Sale Motion, Memorandum of Points and Authorities and Hebrank
2 Declaration have been filed concurrently herewith, and are attached
3 hereto as Exhibit A.

4 This Application seeks authority for the Receiver to sell the Property,
5 approval of procedures for potential purchasers to submit overbids to the
6 Receiver, and approval of the notice provided by the Receiver. As
7 discussed below, it is critical that the sale close in no event later than
8 ten (10) days after the Order of this Court approving the sale.
9 Accordingly, the Receiver seeks the relief requested herein on an ex
10 parte basis, and has requested approval of the sale by way of a fully
11 noticed Sale Motion set for hearing on October 1, 2012.

12 Pursuant to Local Rule 7-19.1, the Receiver and his counsel have
13 generally discussed the sale and the exparte and motion proceedings with
14 counsel for the Securities and Exchange Commission. Further, the
15 Receiver is not aware of any opposition to this sale.

16 II.

17 **PROCEDURAL BACKGROUND**

18 On October 18, 2011, the Commission commenced an enforcement
19 action against CHARLES P. COPELAND, COPELAND WEALTH
20 MANAGEMENT, A FINANCIAL ADVISORY CORPORATION ("CMW"),
21 AND COPELAND WEALTH MANAGEMENT, A REAL ESTATE
22 CORPORATION ("Copeland Realty") ("Defendants"), alleging various
23 violations of securities laws. (DKT. No. 1) On the same day, the
24 Defendants consented to the Complaint. (DKT. No. 2) The following day,
25 Judgment was filed. (DKT. No. 3).

26 On October 25, 2011, the Court entered the Judgment for, among
27 other things, appointment of Thomas C. Hebrank as Permanent Receiver
28 for the Receivership Entities. On March 12, 2012, the Court clarified the

1 October 19, Judgment, issuing an Order Approving Receiver's Response
2 To Order On Receiver's Application And Report expressly stating that
3 certain limited partnerships were included in the Receivership Estate
4 pursuant to the Judgment entered on October 25, 2011, as affiliates of the
5 Defendants, CWM and Copeland Realty. (Dkt. No. 53, Page ID 990-991)
6 Among those limited partnerships was Copeland Properties 18, L.P., owner
7 of the subject Property.

8 **III.**

9 **THE PROPERTY**

10 The property is located in Greensboro, Guilford County, North
11 Carolina at 6103 Landmark Center Blvd. The property is a 122,704
12 square foot freestanding building on 11.14 acres. The site is located in
13 the southwest section of Greensboro, near the intersection of Wendover
14 and I-40. The property is located on a secondary road in the primary
15 retail "big box" submarket in Greensboro and Guilford County. The
16 property is 2 miles from the largest office concentration in the county,
17 Piedmont Centre, and in close proximity to Piedmont Triad International
18 Airport, 3 miles to the west. The Property is fully leased to Garden Ridge,
19 L.P., a Texas limited partnership pursuant to a 20 year lease that
20 commenced in April, 1998. Garden Ridge conducts the business of a
21 home décor marketplace.

22 **IV.**

23 **THE AGREEMENT**

24 The Agreement is attached to the Hebrank Declaration and its
25 terms are summarized in the Sale Motion (all of which are attached
26 hereto as Exhibit A). This Application does not seek approval of the sale,
27 which is addressed in the Sale Motion set for hearing on October 1,
28 2012. This application merely seeks authority to sell the Property,

1 approval of the proposed overbid procedures, and approval of the notice
2 of sale.

3 **V.**

4 **PROPOSED OVERBID PROCEDURES**

5 The Receiver requests that the overbid procedures provided in
6 Article 20(s) of the Agreement be approved. These procedures are
7 summarized as follows:

8 (1) Qualified Bidders. To be determined a qualified bidder, a
9 prospective purchaser must: (i) provide a fully executed purchase and
10 sale agreement for the Premises in form substantially similar to this
11 Agreement, (ii) provide evidence, in the form of a cashier's check or a
12 deposit of immediately available funds or an irrevocable letter of credit in
13 favor of the Qualified Bidder, that the Qualified Bidder has the ability to
14 pay at least the minimum overbid amount of \$8,850,000 as set forth
15 below, and (iii) provide an earnest money deposit by wire transfer or
16 cashier's check in the amount of \$250,000 payable to the Receiver, which
17 amount shall be non-refundable to the Qualified Bidder with the highest
18 bid at the Auction if for any reason (a) the high bidder fails to close the
19 sale or (b) the high bidder fails to provide the balance of the purchase
20 price to the Receiver one day prior to the closing. Each Qualified Bidder
21 must provide the executed Agreement and earnest money deposit to the
22 Receiver no later than September 24, 2012. Qualified Bidders shall
23 appear at the October 1, 2012 hearing/auction in person, or through a
24 duly authorized representative. At that hearing, the Receivership Court will
25 conduct an auction of the Premises among any Qualified Bidders. The
26 high bidder's deposit shall be applied to the purchase price at such
27 closing, if the sale is approved by the Receivership Court.

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(2) Due Diligence. All prospective bidders shall have the opportunity to inspect the Premises and any documentation relating thereto prior to the auction. Prospective bidders may also request access to information about the Premises and obtain a form purchase and sale agreement, after executing a Limited Access Agreement and the Acknowledgment and Agreement Regarding Disclosed Risks ("Risks Agreement"). The Limited Access Agreement may include confidentiality provisions as necessary and as determined by the Receiver. The Risks Agreement is required to be executed, prior to the auction, and in connection with the closing of any sale.

(3) Overbids. The initial overbid shall be at least \$8,850,000. Subsequent overbids shall be in increments of \$100,000. If no Qualified Bidder submits a bid in the amount of the initial overbid or higher, this Agreement will be submitted to the Receivership Court for approval in its current form.

(4) No Contingencies. The sale to any Qualified Bidder shall not be subject to any contingencies, including without limitation, for financing, due diligence or inspection.

(5) Break-Up Fee. If the Receivership Court does not approve this Agreement due to its acceptance of a Qualified Bidder, the Seller shall pay Buyer a break-up fee of \$50,000 (the "Break-Up Fee").

(r) These overbid procedures are proposed to induce Buyer to remain in place as the initial bidder, allow Qualified Bidders to overbid, ensure timely closing, generate the highest and best price for the Premises, and protect Buyer from loss by payment of the Break-Up Fee if Buyer is not the highest bidder. Seller's obligation to pay Buyer the Break-Up Fee shall survive the termination of this Agreement.

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VI.

NOTICE OF THE SALE

The Receiver served the Sale Motion by mail on (i) the parties, (ii) the Buyer and all known potential bidders, and (iii) all known lienholders and claimants with respect to the Property. The Receiver also posted the Sale Motion on his website (www.ethreadvisors.com).

In the action pending in U.S. District Court for the Central District of California, Western Division, Case No. 2:11-CV-08607-R-DTB, SECURITIES AND EXCHANGE COMMISSION v. CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, AND COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION,, et al., notice is hereby given pursuant to 28 U.S.C. 2001(b) that the Court-appointed Receiver has contracted to sell the real property located at 6103 Landmark Center Boulevard, Greensboro, North Carolina 27407, commonly referred to as the Garden Ridge Property, for the amount of \$8,550,000. The sale is subject to overbid and Court confirmation. The hearing is set for October 1, 2012 at 10:00 a.m., courtroom of the Honorable Manuel L. Real, United States Courthouse, 312 North Spring Street, Los Angeles, California. Minimum overbid is \$8,550,000. Overbids must be received by 5:00 p.m. Pacific Standard Time, September 24, 2012 by the Receiver at 501 West Broadway, Suite 800, San Diego, in order to be considered. If interested in submitting an overbid, please contact Thomas C. Hebrank at (619) 400-4922 or at ethreadvisors.com for the form of Purchase and Sale Agreement and other information.

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VII.

ARGUMENT

"The power of a District Court to impose a receivership or grant other forms of ancillary relief does not in the first instance depend on a statutory grant of power from the securities laws. Rather, the authority derives from the inherent power of a court of equity to fashion effective relief." SEC v. Wencke, 622 F.2d 1363, 1369 (9th Cir. 1980). The "primary purpose of equity receiverships is to promote orderly and efficient administration of the estate by the district court for the benefit of creditors." SEC v. Hardy, 803 F.2d 1034, 1038 (9th Cir 1986). As the appointment of a receiver is authorized by the broad equitable powers of the court, any distribution of assets must also be done equitably and fairly. See S.E.C. v. Elliot, 953 F.2d 1560, 1569 (11th Cir. 1992).

District Courts have the broad power of a court of equity to determine the appropriate action in the administration and supervision of an equity receivership. See SEC v. Capital Consultants, LLC, 397 F.3d 733, 738 (9th Cir. 2005). The Ninth Circuit explained:

A district court's power to supervise an equity receivership and to determine the appropriate action to be taken in the administration of the receivership is extremely broad. The district court has broad powers and wide discretion to determine the appropriate relief in an equity receivership. The basis for this broad deference to the district court's supervisory role in equity receiverships arises out of the fact that most receiverships involve multiple parties and complex transactions. A district court's decision concerning the supervision of an equitable receivership is reviewed for abuse of discretion.

Id. (citations omitted); see also Commodities Futures Trading Comm'n. v. Topworth Ina Ltd.; 205 F.3d 1107, 1115 (9th Cir. 1999) ("This court affords 'broad deference' to the court's supervisory role, and 'we generally uphold reasonable procedures instituted by the district court

1 that serve th[e] purpose' of orderly and efficient administration of the
2 receivership for the benefit of creditors."). Accordingly, this Court has
3 broad equitable powers and discretion in formulating procedures,
4 schedules and guidelines for administration of the receivership estate.

5 The Ninth Circuit has confirmed a District Court's broad authority to
6 approve a sale of assets under the control of an equity receiver. SEC v.
7 American Capital Investments, Inc., 98 F.3d 1133, 1143-1145 (9th Cir.
8 1996) abrogated on other grounds by Steel Co. v. Citizens for a Better
9 Environment, 523 U.S. 83 (1998); Gockstetter v. Williams, 9 F.2d 354,
10 357 (9th Cir. 1925) ("In authorizing the sale of property by receivers,
11 courts of equity are vested with a broad discretion as to price and
12 terms."); see also Mellen v. Moline Malleable Iron Works, 131 U.S. 352
13 (1889) (under its general equity authority, the court has the power to
14 order a sale of property); Broadway Trust v. Dill, 17 F.2d 486 (3d Cir.
15 1927) (in a receivership proceeding, the court has both the power and
16 jurisdiction to order a sale of the property). Here, the Property has been
17 marketed for sale by the Receivership Entities with the assistance of the
18 broker. A buyer has been identified and sale terms have been negotiated.
19 Accordingly, moving forward with the sale is in the best interests of the
20 Receivership Estate.

21 The proposed overbid procedures are designed to (a) induce Buyer
22 to remain in place as the initial, or "stalking horse" bidder, (b) allow
23 qualified bidders to overbid, (c) ensure that the sale closes in a timely
24 manner, and (d) generate the highest and best price for the Property.
25 Break-up fees are commonly used in court-approved sales to induce
26 potential purchasers to serve as stalking horse bidders, and to protect
27 such bidders from the substantial loss of time and money in the event
28 they are not the highest bidder. The Receiver requests that the

1 procedures be approved and that the Receiver be authorized to sell the
2 Property to the Buyer or the highest qualified bidder at the October 1,
3 2012, hearing.

4 The Notice of Sale and Sale Motion provided by the Receiver by mail
5 and publication is reasonable and should be approved. The Receiver
6 requests that to the extent 28 U.S.C. § 2002 and Local Rules require
7 further mailing or publication of notice, such provisions be waived. Further
8 mailing or publication of notice imposes significant costs of the receivership
9 estate with little or no corresponding benefit to creditors.

10 **VIII.**

11 **CONCLUSION**

12 WHEREFORE, the Receiver requests entry of an order authorizing
13 him to sell the Property, approving the overbid procedures described
14 herein, and approving the notice of sale provided by the Receiver.

15
16 DATED: August 31, 2012

MULVANEY BARRY BEATTY LINN &
MAYERS LLP

18 By: /s/ John H. Stephens

19 Everett G. Barry, Jr.
20 John H. Stephens
21 Patrick L. Prindle
22 Attorneys for Receiver
23 Thomas C. Hebrank
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“EXHIBIT A”

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8 UNITED STATES DISTRICT COURT

9 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

10 SECURITIES AND EXCHANGE
11 COMMISSION,

12 Plaintiff,

13 v.

14 CHARLES P. COPELAND,
15 COPELAND WEALTH
16 MANAGEMENT, A FINANCIAL
17 ADVISORY CORPORATION,
18 AND COPELAND WEALTH
19 MANAGEMENT, A REAL
20 ESTATE CORPORATION,

21 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**[PROPOSED] ORDER GRANTING
RECEIVER'S EX PARTE
APPLICATION FOR ORDER**

**(A) AUTHORIZING RECEIVER TO
SELL REAL PROPERTY,
(B) APPROVING OVERBID
PROCEDURES, AND
(C) APPROVING THE NOTICE OF
SALE PROVIDED BY THE
RECEIVER**

Date: October 1, 2012

Time: 10:00 a.m.

Ctrm: 8, 2nd Floor

Judge: Hon. Manuel L. Real

21 The Court having considered ex parte application of Thomas C.
22 Hebrank ("Receiver"), Court-appointed Permanent Receiver for defendants
23 COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY
24 CORPORATION, AND COPELAND WEALTH MANAGEMENT, A REAL
25 ESTATE CORPORATION and their subsidiaries and affiliates (collectively,
26 the "Receivership Entities"), for an Order (a) Approving Receiver to Sell
27 Real Property, (b) Approving Overbid Procedures, and (c) Approving The
28 Notice of Sale ("Application"), and all papers in support of and opposition to

1 the Application, and good cause appearing therefor, hereby orders as
2 follows:

3 1. The Application is granted;

4 2. The Receiver is authorized to market the property located at
5 6103 Landmark Center Boulevard, Greensboro, North Carolina 27407
6 commonly referred to as the Garden Ridge Property (the "Property") for
7 sale, subject to Court review and approval of the sale terms in connection
8 with the concurrently filed Motion for Order (a) Approving Sale of Real
9 Property Free and Clear of Liens, (b) Authorizing the Receiver to Pay
10 Certain Liens and Claims from the Sale Proceeds, and (c) Approving the
11 Real Estate Broker's Commission ("Sale Motion");

12 3. The sale and overbid procedures provided in Article 20 of the
13 Purchase and Sale Contract attached to the Declaration of Thomas C.
14 Hebrank Support of the Sale Motion are approved; and

15 4. The Notice of Sale and Sale Motion given by the Receiver, as
16 described in the Application, is approved, and the Receiver is relieved of
17 any further notice or publication of the sale or Sale Motion required under
18 28 U.S.C. § 2002 or Local Rule 66-7.

19 **IT IS SO ORDERED.**

20 **Dated:** _____

Judge, United States District Court

21
22 Submitted by:

23 MULVANEY BARRY BEATTY LINN & MAYERS LLP

24 By: /s/ Patrick L. Prindle

25 Attorneys for Thomas C. Hebrank, Permanent Receiver

1 Everett G. Barry, Jr. (SBN 053119)
2 John H. Stephens (SBN 82971)
3 Patrick L. Prindle (SBN 87516)
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9 Attorneys for Permanent Receiver
10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 v.

17 CHARLES P. COPELAND,
18 COPELAND WEALTH
19 MANAGEMENT, A FINANCIAL
20 ADVISORY CORPORATION,
21 AND COPELAND WEALTH
22 MANAGEMENT, A REAL
23 ESTATE CORPORATION,

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**NOTICE OF MOTION AND
MOTION FOR ORDER
(A) APPROVING SALE OF REAL
PROPERTY FREE AND CLEAR
OF LIENS,
(B) AUTHORIZING THE
RECEIVER TO PAY CERTAIN
LIENS AND CLAIMS FROM THE
SALE PROCEEDS, AND
(C) APPROVING THE REAL
ESTATE BROKER'S
COMMISSION**

DATE: October 1, 2012

TIME: 10:00 a.m.

DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

TO ALL INTERESTED PARTIES:

PLEASE TAKE NOTICE that on October 1, 2012, at 10:00 a.m., in
Department 8 of the above-entitled Court located at 312 North Spring
Street, Los Angeles, California 90012-4701, a hearing will be held on
the motion of Thomas C. Hebrank ("Receiver"), Court-appointed
permanent receiver for COPELAND WEALTH MANAGEMENT, A

1 FINANCIAL ADVISORY CORPORATION, AND COPELAND WEALTH
2 MANAGEMENT, A REAL ESTATE CORPORATION, and their
3 subsidiaries and affiliates, for an Order (a) Approving Sale of real
4 Property Free and Clear of Liens, (b) Authorizing the Receiver to Pay
5 Certain Liens and Claims from the Sale Proceeds, and (c) Approving
6 the Real Estate Broker's Commission ("Motion").

7 The Motion is based on the Memorandum of Points and Authorities
8 and Declaration of Thomas C. Hebrank filed herewith. The Motion and
9 supporting papers are available at the Receiver's website,
10 <http://www.ethreeadvisors.com>, or may be reviewed at the Clerk's Office
11 during normal business hours 312 North Spring Street, Los Angeles,
12 California 90012-4701.

13 **Procedural Requirements:** If you oppose this Motion, you are
14 required to file your written opposition with the Office of the Clerk, United
15 States District Court, 312 North Spring Street, Los Angeles, California
16 90012-4701 and serve the same on the undersigned not later than fourteen
17 (14) calendar days prior to the hearing.

18 IF YOU FAIL TO FILE AND SERVE A WRITTEN OPPOSITION by
19 the above date, the Court may grant the requested relief without further
20 notice.

21 **Requested Relief:** The relief requested is discussed in detail in the
22 Memorandum of Points and Authorities. To summarize, the Receiver
23 requests an order approving a sale of the property located at 6103
24 Landmark Center Boulevard, Greensboro, North Carolina 27407 commonly
25 referred to as the Garden Ridge Property (the "Property"). The purchase
26 price is \$8,550,000.00, but the sale is subject to overbids by potential
27 purchasers that qualify themselves as bidders pursuant to the overbid
28 procedures discussed in the concurrently filed Ex Parte Application for

1 Order (a) Authorizing Receiver to Sell Real Property, (b) Approving Overbid
2 Procedures, and (c) Approving the Notice of Sale Provided by the Receiver
3 ("Ex Parte Application").

4 The Receiver requests that the sale be free and clear of all liens,
5 claims and encumbrances, with such liens, claims and encumbrances
6 attaching to the sale proceeds. Further, the Receiver requests authority
7 to pay from the proceeds of sale, the valid liens, taxes and any other
8 claims on the Property, subject to any objections to such liens, taxes or
9 claims by the Receiver. Finally, the Receiver requests authority to pay the
10 real estate broker a commission of 2.5% of the final purchase price.

11 WHEREFORE, the Receiver requests that the Court grant the relief
12 requested herein and such other relief as may be appropriate under the
13 circumstances.

14
15 DATED: August 31, 2012

MULVANEY BARRY BEATTY LINN &
MAYERS LLP

By: /s/ John H. Stephens

Everett G. Barry, Jr.

John H. Stephens

Patrick L. Prindle

Attorneys for Receiver

Thomas C. Hebrank

1 Everett G. Barry, Jr. (SBN 053119)
2 John H. Stephens (SBN 82971)
3 Patrick L. Prindle (SBN 87516)
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9 Attorneys for Permanent Receiver
10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 v.

17 CHARLES P. COPELAND,
18 COPELAND WEALTH
19 MANAGEMENT, A FINANCIAL
20 ADVISORY CORPORATION,
21 AND COPELAND WEALTH
22 MANAGEMENT, A REAL
23 ESTATE CORPORATION,

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**MEMORANDUM OF POINTS
AND AUTHORITIES IN
SUPPORT OF MOTION FOR
ORDER (A) APPROVING SALE
OF REAL PROPERTY FREE AND
CLEAR OF LIENS, (B)
AUTHORIZING THE RECEIVER
THE PAY CERTAIN LIENS AND
CLAIMS FROM THE SALE
PROCEEDS, AND (C)
APPROVING THE REAL ESTATE
BROKER'S COMMISSION**

DATE: October 1, 2012

TIME: 10:00 a.m.

DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

25 Thomas C. Hebrank("Receiver"), Court-appointed permanent receiver
26 for COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY
27 CORPORATION, AND COPELAND WEALTH MANAGEMENT, A REAL
28 ESTATE CORPORATION, and their subsidiaries and affiliates (collectively,
the "Receivership Entities"), submits this Memorandum of Points and

1 Authorities in Support of his Motion for Order (a) Approving Sale of Real
2 Property Free and Clear of Liens, (b) Authorizing the Receiver to Pay
3 Certain Liens and Claims from the Sale Proceeds, and (c) Approving the
4 Real Estate Broker's Commission ("Motion").

5
6 **I.**
INTRODUCTION

7 The Receiver has negotiated a Purchase and Sale Agreement with
8 proposed buyer, NATIONAL RETAIL PROPERTIES, LP, a Delaware
9 limited partnership ("Buyer"), regarding the property located at 6103
10 Landmark Center Boulevard, Greensboro, North Carolina 27407 commonly
11 referred to as the Garden Ridge Property (the "Property"). The purchase
12 price is \$8,550,000.00. Under the terms of the Purchase and Sale
13 Agreement, Buyer will deposit \$250,000.00 into escrow.

14 The Receiver negotiated the terms of the Purchase and Sale
15 Agreement, reviewed and analyzed market valuation information and
16 other documents relating to the Property, and determined that the
17 proposed transaction was in the best interests of the Receivership Estate.
18 Therefore, subject to Court approval, the Receiver and Buyer entered into
19 a Purchase and Sale Contract ("Agreement"). The Agreement is
20 attached to the Declaration of Patrick L. Prindle in support of the Motion
21 ("Hebrank Declaration").

22 The terms of the transaction are generally summarized, as follows:
23 The sales price is \$8,550,000. The Premises are generally sold "AS IS" in
24 respect to both condition of title and its physical condition. Buyer
25 represents and warrants that it is relying on its own or its agents'
26 inspection of the Premises. The Premises are being sold subject to all
27 covenants, conditions, restrictions, liens, and encumbrances, reservation
28 of right and publicly recorded easements and rights of way of record. The

1 Premises are generally being sold without warranty of any kind, express
2 or implied. The sale is subject to approval by the Court and subject to the
3 overbid procedures described herein. The sale is also subject to the
4 overbid procedures laid out in Article 20(s) of the Agreement and
5 summarized in the Ex Parte Application for Order (a) Authorizing
6 Receiver to Sell Property filed concurrently, herewith. The Ex Parte
7 Application seeks approval of the Receiver's proposed overbid
8 procedures, which he contemplates using in connection with an auction of
9 the Property to be held at the hearing on this Motion.

10 Any sale of the Property, whether to the Buyer or the highest
11 overbidder, is on an "AS IS," "WHERE IS," and "WITH ALL FAULTS"
12 basis, and the Receiver makes no representations or warranties
13 regarding the condition of the Property. The Receiver requests that the
14 sale of the Property be free and clear of all liens, claims and
15 encumbrances, with such liens, claims and encumbrances attaching to
16 the sale proceeds. Further, the Receiver requests authority to pay from
17 the proceeds of sale the valid liens, taxes and any other claims on the
18 Property, subject to any objections to such liens, taxes or claims by the
19 Receiver.

20 The Receiver believes that the Agreement, obtained through the
21 commercially reasonable and customary method of listing the Property
22 with a broker and conducting arm's length negotiations with Buyer,
23 reflects the fair market value for the Property. However, to ensure that
24 the highest and best price is obtained, the sale to Buyer is subject to
25 overbid by potential purchasers that qualify themselves as bidders. The
26 overbid procedures are discussed in further detail in the Ex Parte
27 Application. The Receiver, with the assistance of the Broker, has

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1 continued to market the Property with the goal of promoting active
2 overbidding at the auction.

3 Finally, the Receiver requests authority to pay the Broker a
4 commission in the amount of 2.5 % of the final purchase price. Based on
5 his extensive experience in real estate transactions, the Receiver believes
6 that such commission is commercially reasonable and in line with real
7 estate industry standards.

8
9 **II. PROCEDURAL BACKGROUND**

10 On October 18, 2011, the Commission commenced an enforcement
11 action against Charles P. Copeland, Copeland Wealth Management (A
12 Financial Advisory Corporation), and Copeland Wealth Management (A
13 Real Estate Corporation) ("Defendants"), alleging various violations of
14 securities laws. (DKT. 1) On the same day, the Defendants consented to
15 the relief sought in the Complaint, including the following:

16 (1) Imposition of a permanent injunction ; (2) Appointing a Permanent
17 Receiver; (3) Order requiring the Defendants to disgorge all ill-gotten
18 gains from their illegal conduct; (4) Order requiring Defendants to pay
19 civil penalties, and (5) that the Court retain jurisdiction of the action in
20 accordance with the principles of equity and the Federal Rules of Civil
21 Procedure in order to implement and carry out the terms of all orders
22 and decrees that may be entered by the Court. Judgment was filed on
23 October 19, 2011, and entered by the Court on October 25, 2011.
24 (DKT. 3)

25 On November 18, 2011, the Receiver filed Receiver's Preliminary
26 Report and Request For Order (A) Clarifying Scope of the Receivership,
27 and (B) Aiding Administration of the Receivership. (DKT. 14). On March
28 12, 2012, the Court entered its Order Approving Receiver's Response To

1 Order On Receiver's Application And Report (DKT. 53), among other
2 things approving the Receiver's Preliminary Report and clarifying the
3 scope of the Receivership Estate (DKT. 53, Page ID 990-991). Copeland
4 Properties 18, L.P., which owns the subject property located in Greens
5 boro, North Carolina, is expressly included in the Receivership Estate.

6 On June 7, 2012, the Receiver filed Receiver's Report #3 (DKT. No.
7 76), which provided a brief history of efforts to sell the property, including
8 a June 11, 2011, Purchase and Sale Agreement with a potential buyer
9 that was cancelled by the parties after numerous amendments and price
10 reductions. (DKT. No. 76, Page ID 1283).

11 **III.** 12 **THE REAL PROPERTY**

13 The property is located in Greensboro, Guilford County, North
14 Carolina at 6103 Landmark Center Blvd. The property is a 122,704
15 square foot freestanding building on 11.14 acres. The site is located in the
16 southwest section of Greensboro, near the intersection of Wendover and I-
17 40. The property is located on a secondary road in the primary retail "big
18 box" submarket in Greensboro and Guilford County. The property is 2
19 miles from the largest office concentration in the county, Piedmont Centre,
20 and in close proximity to Piedmont Triad International Airport, 3 miles to
21 the west. The Property is fully leased to Garden Ridge, L.P., a Texas
22 limited partnership pursuant to a 20 year lease that commenced in April,
23 1998. Garden Ridge conducts the business of a home décor marketplace.

24 **IV.** 25 **THE SALE**

26 The Agreement is attached to the Hebrank Declaration. Its
27 terms are summarized as follows:

28 ///

| | |
|---|--|
| 3 | Purchase Price. \$8,550,000.00. |
|---|--|

4 **Closing Date.** The later of October 1, 2012, or ten (10) days
5 following entry of an order confirming the sale.

6 **Deposit.** Buyer has deposited \$250,000 into escrow.

7 **As Is Purchase.** Buyer purchases the Property on an "AS IS," and
8 the Receiver makes no representations or warranties regarding the
9 condition of the Property.

10 **Overbid Procedures.** The sale is subject to the overbid procedures
11 laid out in Article 20(s) of the Agreement and summarized in the
12 concurrently filed Ex Parte Application. Pursuant to those procedures, if
13 Buyer is not the highest qualified bidder at the auction, Buyer's deposit will
14 be returned to it and Buyer shall be paid a **\$50,000** break-up fee.

15 **Broker's Commission.** By separate agreement, the Receiver has
16 agreed to pay Broker a commission of 2.5% of the final purchase price.
17 Broker has invested substantial time into locating potential purchasers for
18 the Property. Since the Agreement with Buyer was signed, Broker has
19 provided other potential purchasers with due diligence materials and
20 notice of the opportunity to overbid in an effort to promote active
21 overbidding at the auction.

22 V.
23 ARGUMENT

24 "The power of a district court to impose a receivership or grant other
25 forms of ancillary relief does not in the first instance depend on a statutory
26 grant of power from the securities laws. Rather, the authority derives from
27 the inherent power of a court of equity to fashion effective relief." *SEC v.*
28 *Wencke*, 622 F.2d 1363, 1369 (9th Cir. 1980). The "primary purpose of

equity receiverships is to promote orderly and efficient administration of the estate by the district court for the benefit of creditors." *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir 1986). As the appointment of a receiver is authorized by the broad equitable powers of the court, any distribution of assets must also be done equitably and fairly. See *S.E.C. v. Elliot*, 953 F.2d 1560, 1569 (11th Cir. 1992).

District Courts have the broad power of a court of equity to determine the appropriate action in the administration and supervision of an equity receivership. See *SEC v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th Cir. 2005). The Ninth Circuit explained:

A District Court's power to supervise an equity receivership and to determine the appropriate action to be taken in the administration of the receivership is extremely broad. The District Court has broad powers and wide discretion to determine the appropriate relief in an equity receivership. The basis for this broad deference to the District Court's supervisory role in equity receiverships arises out of the fact that most receiverships involve multiple parties and complex transactions. A District Court's decision concerning the supervision of an equitable receivership is reviewed for abuse of discretion. *Id* (citations omitted); see also *Commodities Futures Trading Comm'n. v. Topworth Intl, Ltd.*, 205 F.3d 1107, 1115 (9th Cir. 1999) ("This court affords 'broad deference' to the court's supervisory role, and 'we generally uphold reasonable procedures instituted by the district court that serve th[e] purpose' of orderly and efficient administration of the receivership for the benefit of creditors.").

Accordingly, the Court has broad equitable powers and discretion in formulating procedures, schedules and guidelines for administration of the receivership estate and disposition of

1 receivership assets.

2 **A. The Sale Subject to Overbid.**

3 It is generally conceded that a court of equity having custody and
4 control of property has power to order a sale of the same in its
5 discretion. See, e.g., *S.E. C. v. Elliott*, 953 F.2d 1560, 1566 (11th Cir.
6 1992) (the District Court has broad powers and wide discretion to
7 determine relief in an equity receivership). "The power of sale
8 necessarily follows the power to take possession and control of and to
9 preserve property." See also *S.E.C. v. American Capital Invest., Inc.*, 98
10 F.3d 1133, 1144 (9th Cir. 1996), *cert. denied* 520 U.S. 1185 (decision
11 abrogated on other grounds) (*citing* 2 Ralph Ewing Clark, Treatise on
12 Law & Practice of Receivers § 482 (3d ed. 1992) (*citing* *First Nat'l Bank*
13 *v. Shedd*, 121 U.S. 74, 87 (1887))). "When a court of equity orders
14 property in its custody to be sold, the court itself as vendor confirms the
15 title in the purchaser." 2 Ralph Ewing Clark, Treatise on Law and
16 Practice of Receivers § 487).

17 "A court of equity, under proper circumstances, has the power to
18 order a receiver to sell property free and clear of all encumbrances."
19 *Miners' Bank of Wilkes-Barre v. Acker*, 66 F.2d 850, 853 (2d Cir. 1933).
20 See also, 2 Ralph Ewing Clark, Treatise on Law & Practice of Receivers
21 § 500 (3rd ed. 1992). To that end, a federal court is not limited or
22 deprived of any of its equity powers by state statute. *Beet Growers*
23 *Sugar Co. v. Columbia Trust Co.*, 3 F.2d 755, 757 (9th Cir. 1925)

24 Generally, when a court-appointed receiver is involved, the receiver,
25 as agent for the court, should conduct the sale of the receivership
26 property. *Blakely Airport Joint Venture II v. Federal Sav. and Loan Ins.*
27 *Corp.*, 678 F. Supp. 154, 156 (N.D. Tex. 1988). The receiver's sale
28 conveys "good" equitable title enforced by an injunction against the owner

1 and against parties to the suit. See 2 Ralph Ewing Clark, Treatise on Law
2 and Practice of Receivers §§ 342, 344, 482(a), 487, 489, 491 (3d ed.
3 1992). "In authorizing the sale of property by receivers, courts of equity are
4 vested with broad discretion as to price and terms." *Gockstetter v.*
5 *Williams*, 9 F.2d 354, 357 (9th Cir. 1925).

6 Here, the Receiver has reviewed documents and financial
7 statements relating to the Property. He has reviewed the efforts by the
8 Receivership Entities, with the assistance of the Broker, to market and
9 sell the Property, and the offers that were received. He has consulted
10 with the Broker and continued to market the Property to potential
11 purchasers to promote active overbidding. As noted above, the Receiver
12 has also advertised the sale and the opportunity to overbid on three (3)
13 separate days in the Los Angeles Times.

14 Based on this investigation and analysis, the Receiver believes that
15 the proposed sale to Buyer, subject to overbids at the auction, will
16 generate the highest and best recovery for the receivership estate from the
17 Property. Accordingly, the Receiver requests approval of the Agreement,
18 or a sale on the same terms (other than purchase price) to the high bidder
19 at the auction.

20 **B. Additional Relief.**

21 Pursuant to its broad equitable powers with respect to the
22 administration of receivership assets, the Receiver requests that the Court
23 authorize him to pay from the proceeds of sale of the Property, the valid
24 liens, taxes, and any other claims on the Property, subject to any
25 objections to such liens, taxes, or claims by the Receiver.

26 Finally, the Receiver requests authority to pay the Broker a
27 commission in the amount of 2.5 % of the final purchase price. Based on
28 his extensive experience in real estate transactions, the Receiver believes

1 that such commission is commercially reasonable and consistent with real
2 estate industry standards.

3 **VI.**
4 **CONCLUSION**

5 WHEREFORE, the Receiver requests entry of an order (a)
6 approving the sale of the Property to Buyer or the highest bidder free
7 and clear of liens, claims and encumbrances, with such liens, claims and
8 encumbrances attaching the sale proceeds in the sale validity and
9 priority that they had with respect to the Property; (b) authorizing the
10 Receiver to pay from the proceeds of sale of the Property, the valid liens,
11 taxes, and any other claims on the Property, subject to any objections to
12 such liens, taxes, or claims by the Receiver; and (c) authorizing the
13 Receiver to pay commission of 2.5% of the final purchase price to the
14 Broker.

15
16 DATED: August 31, 2012

MULVANEY BARRY BEATTY LINN &
MAYERS LLP

17
18 By: /s/ John H. Stephens
19 Everett G. Barry, Jr.
20 John H. Stephens
21 Patrick L. Prindle
22 Attorneys for Receiver
23 Thomas C. Hebrank

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HEBCO.100.328818.1

1 Everett G. Barry, Jr. (SBN 053119)
2 John H. Stephens (SBN 82971)
3 Patrick L. Prindle (SBN 87516)
4 MULVANEY BARRY BEATTY LINN
5 & MAYERS LLP
6 401 West A Street, 17th Floor
7 San Diego, CA 92101-7994
8 Telephone: 619-238-1010
9 Facsimile: 619-238-1981

10 Attorneys for Thomas C. Hebrank,
11 Permanent Receiver

12 UNITED STATES DISTRICT COURT

13 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

14 SECURITIES AND EXCHANGE
15 COMMISSION,

16 Plaintiff,

17 v.

18 CHARLES P. COPELAND,
19 COPELAND WEALTH
20 MANAGEMENT, A FINANCIAL
21 ADVISORY CORPORATION,
22 AND COPELAND WEALTH
23 MANAGEMENT, A REAL
24 ESTATE CORPORATION,

25 Defendants.

CASE NO. 11-cv-08607-R-DTB

**NOTICE OF LODGMENT OF
ORDER APPROVING: MOTION
OF RECEIVER (A) AUTHORIZING
THE RECEIVER TO SELL REAL
PROPERTY, (B) APPROVING
OVERBID PROCEDURES, (C)
APPROVING THE NOTICE OF
SALE PROVIDED BY THE
RECEIVER**

Date: October 1, 2012
Time: 10:00 a.m.
Ct rm: 8, 2nd Floor
Judge: Hon. Manuel L. Real

26 Mulvaney Barry Beatty Linn & Mayers LLP (hereafter "Mulvaney
27 Barry"), counsel for Receiver Thomas C. Hebrank (hereafter "Receiver"),
28

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1 and their subsidiaries and affiliates (collectively, "Receivership Entities"),
2 hereby lodges the following:

3 (1) [Proposed] Order (a) Authorizing the Receiver to Sell Real Property,
4 (b) Approving Overbid Procedures, and (c) Approving the Notice of
5 Sale Provided by the Receiver

6
7 DATED: August 31, 2012

MULVANEY BARRY BEATTY LINN &
MAYERS, LLP

8
9 By: /s/ Patrick L. Prindle
10 Patrick L. Prindle
11 Attorneys For Receiver
12 THOMAS C. HEBRANK
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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

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. 2:11-cv-08607-R-DTB

**[PROPOSED] ORDER GRANTING
RECEIVER'S MOTION FOR ORDER**

**(A) APPROVING SALE OF
REAL PROPERTY FREE AND
CLEAR OF LIENS,**

**(B) AUTHORIZING THE
RECEIVER TO PAY CERTAIN
LIENS AND CLAIMS FROM THE
SALE PROCEEDS, AND**

**(C) APPROVING THE REAL
ESTATE BROKER'S COMMISSION**

DATE: October 1, 2012

TIME: 10:00 a.m.

DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

The Court having considered Motion of Thomas C. Hebrank ("Receiver"), Court-appointed permanent receiver for COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, AND COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION and their subsidiaries and affiliates (collectively, the

1 "Receivership Entities"), for an Order (A) Approving Sale Of Real Property
2 Free And Clear Of Liens, (B) Authorizing The Receiver To Pay Certain
3 Liens And Claims From The Sale Proceeds, and (C) Approving The Real
4 Estate Broker's Commission, and all papers in support of and opposition to
5 the Motion, and good cause appearing therefor, hereby orders as follows:

6 1. The Motion is granted.

7 **IT IS SO ORDERED.**

8
9 **Dated:** _____

10 **Judge, United States District Court**

11
12
13 Submitted by:

14 **MULVANEY BARRY BEATTY LINN & MAYERS LLP**

15
16 By: /s/ Patrick L. Prindle

17 Attorneys for Thomas C. Hebrank, Permanent Receiver

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27 HEBCO.125.329309.1
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1 Everett G. Barry, Jr. (SBN 053119)
2 John H. Stephens (SBN 82971)
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8 Facsimile: 619-238-1981

9 Attorneys for Permanent Receiver
10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 v.

17 CHARLES P. COPELAND,
18 COPELAND WEALTH
19 MANAGEMENT, A FINANCIAL
20 ADVISORY CORPORATION,
21 AND COPELAND WEALTH
22 MANAGEMENT, A REAL
23 ESTATE CORPORATION,

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**DECLARATION OF PATRICK L.
PRINDLE IN SUPPORT OF
MOTION FOR ORDER (A)
APPROVING SALE OF REAL
PROPERTY FREE AND CLEAR
OF LIENS, (B) AUTHORIZING
THE RECEIVER THE PAY
CERTAIN LIENS AND CLAIMS
FROM THE SALE PROCEEDS,
AND (C) APPROVING THE REAL
ESTATE BROKER'S
COMMISSION**

DATE: October 1, 2012

TIME: 10:00 a.m.

DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

25 I, PATRICK L. PRINDLE, declare as follows:

26 1. I am an attorney, licensed to practice before the above-entitled Court,
27 and associated with Mulvaney Barry Beatty Linn & Mayers LLP, attorney for the
28 Permanent Receiver, Thomas C. Hebrank.

2. I am familiar with the facts of this case, and make this declaration based

MEMORANDUM OF POINTS AND AUTHORITIES AUTHORIZING THE RECEIVER TO SELL
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7944
TELEPHONE 619 238-1010
FACSIMILE 619 238-1981

1 upon my personal knowledge. If called as a witness herein, I could and would
2 competently testify in a manner consistent with the facts hereafter set forth.

3 3. Attached hereto as Exhibit "A" is a true and correct copy of the Real
4 Estate Purchase And Sale Contract by and between National Retail Properties, LP, a
5 Delaware limited partnership, or assigns as Buyer and Thomas C. Hebrank, as the
6 Receiver For Copeland Properties 18, LP.

7 I declare under penalty of perjury under the laws of California that this
8 Declaration was executed on August 31, 2012, in San Diego, California.

9
10 /s/ Patrick L. Prindle
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“EXHIBIT A”

REAL ESTATE PURCHASE AND SALE CONTRACT
by and between

NATIONAL RETAIL PROPERTIES, LP,
a Delaware limited partnership, or assigns,
as BUYER

and

THOMAS C. HEBRANK, AS THE RECEIVER FOR COPELAND PROPERTIES 18, LP,
appointed by U.S. DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA,
as SELLER

Premises: Garden Ridge, 6103 Landmark Center Boulevard, Greensboro, North Carolina 27407

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| 1. Definitions..... | 1 |
| 2. Purchase and Sale of Premises..... | 4 |
| 3. Purchase Price for Premises | 4 |
| 4. Closing Date..... | 4 |
| 5. Conditions to Buyer's Obligation to Close | 4 |
| 6. Deliveries at Closing | 7 |
| 7. Closing and Other Costs, Adjustments and Prorations | 8 |
| 8. Inspections | 9 |
| 9. Title to Premises; State of Title to be Conveyed | 10 |
| 10. Escrow Agent..... | 10 |
| 11. Representations | 11 |
| 12. Receiver's Agency | 12 |
| 13. Financial and Title Risk | 12 |
| 14. Covenants of Seller Pending Closing. | 12 |
| 15. Eminent Domain | 13 |
| 16. Casualty | 13 |
| 17. Default and Remedies. | 13 |
| 18. Notices | 14 |
| 19. Brokerage Commissions..... | 15 |
| 20. Miscellaneous Provisions..... | 15 |

ATTACHMENTS:

- EXHIBIT A** - Description of the Premises
- EXHIBIT B** - Permitted Exceptions
- EXHIBIT C** - Form of Assignment and Assumption of Lease and Guaranty
- EXHIBIT D** - Form of Tenant Estoppel Certificate
- EXHIBIT E** - Form of Assignment of Licenses, Permits, Plans, Contracts and Warranties
- EXHIBIT F** - Form of Deed
- EXHIBIT G** - Form of Bill of Sale
- EXHIBIT H** - Applicable Lease Terms
- EXHIBIT I** - Complete Copy of Lease and Guaranty

REAL ESTATE PURCHASE AND SALE CONTRACT

THIS REAL ESTATE PURCHASE AND SALE CONTRACT (this "Agreement") made and entered into as of the Effective Date set forth herein, by and between **THOMAS HEBRANK AS THE RECEIVER FOR COPELAND PROPERTIES 18, LP**, a California limited partnership, ("Seller"), and **NATIONAL RETAIL PROPERTIES, LP**, a Delaware limited partnership, or its assigns ("Buyer");

WITNESSETH:

WHEREAS, Thomas C. Hebrank has been appointed as the permanent receiver in the matter of the *Securities and Exchange Commission v. Charles P. Copeland, et al.* (the "Receivership Action") pending in the United States District Court for the Central District of California (the "Receivership Court"), Case No. 11-08607-R-DTB.

WHEREAS, Copeland Properties 18, L.P., is among the limited partnerships included in the receivership ("Receivership Entities") pursuant to judgment entered by the Receivership Court on October 25, 2011 (the "Judgment").

WHEREAS, the Receivership Court has authorized the receiver Thomas C. Hebrank to market the real properties owned by the Receivership Entities, including the real property owned by Copeland Properties 18, L.P., and to submit any terms of sale with a buyer for approval by the Receivership Court.

WHEREAS, the receiver has been designated as the "Seller" for convenience in this Agreement, however, the receiver is only an agent of the Receivership Court, which is the actual seller of the real property.

WHEREAS, Seller is willing to sell a certain premises of real property located in Greensboro, North Carolina, as more fully described in Exhibit A attached hereto and by reference incorporated herein, and Buyer is willing to purchase such real property from Seller, upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Definitions. In addition to other words and terms defined elsewhere in this Agreement, as used herein the following words and terms shall have the following meanings, respectively, unless the context hereof otherwise clearly requires:

(a) "Closing" shall mean the consummation of the purchase and sale of the Premises (as defined below) in accordance with the terms of this Agreement. "Closing Date" shall mean the date on which the Closing actually occurs.

(b) **"Earnest Money Deposit"** shall mean the deposit of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00) to be given by Buyer to Escrow Agent pursuant to Section 3(a) of this Agreement, as well as all interest earned thereon in the interest-bearing money market account in which Escrow Agent is required to place the Earnest Money Deposit.

(c) **"Effective Date"** of this Agreement shall mean that date upon which the last of the Buyer and Seller has executed this Agreement.

(d) **"Escrow Agent"** shall mean Republic Commercial Title Company of Florida, LLC, whose address is set forth in Section 18 below.

(e) **"Guarantor"** shall mean Garden Ridge Corporation, Inc., a Delaware corporation.

(f) **"Guaranty"** shall mean the Guaranty executed by the Guarantor in the form attached to the Lease.

(g) **"Hazardous Materials"** shall mean all toxic or hazardous materials, chemicals, wastes, pollutants or similar substances, including, without limitation, Petroleum (as hereinafter defined), asbestos insulation and/or urea formaldehyde insulation, which are regulated, governed, restricted or prohibited by any federal, state or local law, decision, statute, rule, regulation or ordinance currently in existence or hereafter enacted or rendered (hereinafter collectively referred to as the **"Hazardous Materials Laws"**) including, but not limited to, those materials or substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "pollutants" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., the Clean Water Act, 33 U.S.C. Section 1251 et seq., and any applicable statutes, ordinances or regulations under the laws of the State in which the Premises is located, and any rules and regulations promulgated thereunder, all as presently or hereafter amended. **"Petroleum"** for purposes of this Agreement shall include, without limitation, oil or petroleum of any kind and in any form including but not limited to oil, petroleum, fuel oil, oil sludge, oil refuse, oil mixed with other waste, crude oil, gasoline, diesel fuel and kerosene.

(h) **"Improvements"** shall mean the buildings consisting of approximately one hundred twenty-two thousand four hundred (122,400) rentable square feet on the Premises and other related improvements occupied by Tenant pursuant to the terms of the Lease, and all appurtenances thereto, including but not limited to all pavement, access ways, curb cuts, parking, drainage systems and facilities, landscaping, canopies, and utility facilities and connections for sanitary sewer, potable water, irrigation, electricity, telephone and natural gas, if applicable or required by the Lease, to the extent the same form a part of the Premises.

(i) **"Inspection Period"** shall mean that period of time starting on the Effective Date of this Agreement and terminating forty five (45) days thereafter.

(j) **"Lease"** shall mean that certain Lease Agreement dated April 17, 1998 as amended by that certain First Amendment to Lease dated November 12, 2004, for the Premises between Seller's predecessor in interest, Wendover Greensboro, Ltd., a Texas limited partnership, as lessor, and Tenant, as lessee, a true, correct and complete copy of which is attached hereto on **Exhibit I**.

(k) **"Permits"** shall mean all of the governmental permits, including licenses and authorizations, required for the construction, ownership and operation of the Improvements on the Premises, including without limitation certificates of occupancy, building permits, signage permits, site use approvals, zoning certificates, environmental and land use permits and any and all necessary approvals from state or local authorities.

(l) **"Permitted Exceptions"** shall mean those items described on **Exhibit B** attached hereto and those items approved in writing by Buyer and Seller during the Inspection Period.

(m) **"Personalty"** shall mean all items of tangible personal property owned by Seller which are located on and which are used or useful in connection with the maintenance and operation of the Premises; specifically excluding, however, any personal property owned by Tenant and any personal property used solely to facilitate the construction of the Improvements.

(n) **"Phase I Reports"** shall mean a Phase I Environmental Site Assessments prepared by a licensed environmental consulting firm acceptable to Buyer that carries professional liability insurance in such amounts acceptable to Buyer, prepared in accordance with the requirements of ASTM E 1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, and certified to Buyer and its successors and assigns.

(o) **"Plans"** shall mean the final "as-built" plans and specifications for the Improvements.

(p) **"Premises"** shall mean all of the Seller's interest in the real property being more particularly described on **Exhibit A** attached hereto, together with any and all of the Improvements, tenements, hereditaments and appurtenances belonging or in any way appertaining to such real property, and all of Seller's rights, title and interest, if any, in and to (i) any and all property lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining such real property to the center line thereof, (ii) any strips and gores of land adjacent to, abutting or used in connection with such real property, and (iii) any easements and rights, if any, inuring to the benefit of such real property or to Seller in connection therewith.

(q) **"Purchase Price"** shall mean the purchase price of the Premises which is EIGHT MILLION FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$8,550,000.00).

(r) **"Tenant"** shall mean Garden Ridge, L.P., a Texas limited partnership.

(s) "Title Company" shall mean Republic Commercial Title Company of Florida, LLC, which shall issue the owner's policy of title insurance required hereunder.

2. Purchase and Sale of Premises. Subject to the terms, provisions and conditions set forth herein, Seller hereby agrees to sell the Premises to Buyer, and Buyer hereby agrees to purchase the Premises from Seller.

3. Purchase Price for Premises. The Purchase Price for the Premises shall be payable in the following manner:

(a) Earnest Money Deposit. Not later than five (5) days following the date on which Buyer shall receive a counterpart of this Agreement fully executed by Seller, Buyer shall deposit with Escrow Agent the Earnest Money Deposit hereunder, to be held and disbursed in accordance with the terms of this Agreement.

After clearance of funds, Escrow Agent shall only hold the Earnest Money Deposit in an interest bearing money market account (which holds only U.S. treasuries) at a federally insured financial institution reasonably acceptable to Escrow Agent, and interest earned thereon shall be reported under the United States Taxpayer Identification Number 56-1431377 of Buyer. All interest earned on the Earnest Money Deposit, or any portion thereof, shall be deemed to constitute a portion of the Earnest Money Deposit and shall be disbursed in accordance with the terms of this Agreement. The Earnest Money Deposit shall be credited to the cash due from Buyer at Closing.

(b) Balance of Purchase Price. The balance of the Purchase Price, less any apportionments set forth in Section 7 hereof and interest earned on the Earnest Money Deposit, shall be paid in full by Buyer at the Closing by wire transfer of immediately available federal funds, as Seller shall direct.

(c) Independent Contract Consideration. Buyer and Seller hereby acknowledge that ONE HUNDRED AND 00/100 DOLLARS (\$100.00) of the Earnest Money Deposit constitutes independent contract consideration (the "Independent Contract Consideration") for this Agreement, which sum shall be paid to Seller upon any termination of this Agreement (except arising from a default by Seller hereunder) and shall be non-refundable to Buyer, but which shall be applied against the Purchase Price at Closing.

4. Closing Date. The Closing shall take place on a date mutually acceptable to Buyer and Seller, but in no event later than ten (10) days after the Order (as defined in Section 5(c)(viii) below) is entered and final.

5. Conditions to Buyer's Obligation to Close. Buyer's obligation to purchase the Premises on the Closing Date is subject to the satisfaction of the following contingencies and conditions in the manner and within the time limits herein specified:

(a) Within ten (10) days after the Effective Date of this Agreement:

(i) Seller shall deliver to Buyer (at no cost to Buyer) copies of any and all tests, surveys, examinations, plans, appraisals, permits, licenses, environmental studies or

reports and other studies or investigations for or regarding the Premises which the Seller may have in its actual possession, specifically including, without limitation, the following:

- (1) All existing environmental reports, studies or surveys of the Premises.
- (2) Final "as-built" Plans for the Improvements for the Premises.
- (3) All Permits, including without limitation, a certificate of occupancy for the use and occupancy of the Premises by Tenant.
- (4) All warranties and guaranties pertaining to the Improvements, specifically including the manufacturer's roof membrane warranty issued with respect to the Premises.
- (5) A copy of the deed vesting title to the Premises in Seller, together with a copy of the owner's policy of title insurance issued to Seller for the Premises, if any.
- (6) A copy of the approval from the Receivership Court appointing Seller as the valid receiver for the sale of the Premises.
- (7) Seller shall have made such filings (the "**Motion**") with the Receivership Court as are necessary or appropriate to seek approval of the Receivership Court of the terms and conditions of this Agreement and the entry of the Order (as defined in Section 5(c)(viii) below).
- (8) Seller shall have served all persons required by the Receivership Court with a copy of the Motion and notice of hearing in a proper manner as required by the Receivership Court, and shall exercise reasonable efforts diligently and in good faith to obtain approval by the Receivership Court.
- (9) A copy of the Judgment.
- (10) Seller shall deliver to Buyer a copy of the fully signed Lease and Guaranty.

(b) Within the Inspection Period:

- (i) The terms of this Agreement and Buyer's obligations hereunder shall have been approved by Buyer.
- (ii) Buyer shall have obtained, reviewed and approved a Commitment from the Title Company for an owner's title insurance policy (ALTA form) with respect to the Premises, naming Buyer as the Proposed Insured in the amount of the Purchase Price (the "**Title Commitment**"), and an ALTA as-built survey of the Premises in a form acceptable to Buyer.

(iii) Buyer shall have reviewed and approved any Phase I Reports in Seller's possession or that Buyer obtains at its expense, and the environmental condition of the Premises.

(iv) Buyer shall have reviewed and approved the physical condition of the Improvements.

(v) Buyer shall have received and approved the zoning of the Premises.

(vi) Buyer shall have obtained the approval of Buyer's Real Estate Investment Committee and its Board of Directors.

(vii) Buyer shall have otherwise determined, in its sole and absolute discretion, that the Premises and Lease are satisfactory to Buyer.

In the event that Buyer does not terminate this Agreement prior to the expiration of the Inspection Period, Buyer shall be deemed to have approved all of the matters to be reviewed and approved by Buyer pursuant to Sections 5(a) and 5(b) above.

(c) On or before the Closing Date:

(i) Seller shall satisfy all of the accrued obligations of lessor pursuant to the Lease.

(ii) Tenant shall be in exclusive and sole possession of and open and operating on the Premises and paying rent pursuant to the Lease.

(iii) The representations and warranties of Seller set forth in Section 11 hereof shall be true, correct and complete in all material respects on and as of the Closing Date.

(iv) There shall exist no known uncured Event of Default (as defined in the Lease) or any event which, with the giving of notice or the passage of time or both, would constitute an Event of Default under the Lease.

(v) The Phase I Report, if any, approved by Buyer during the Inspection Period shall continue to accurately reflect the environmental condition of the Premises.

(vi) The financial condition of Tenant, and Guarantor shall not have significantly deteriorated at any time during the term of this Agreement, or from the financial condition disclosed to Buyer in the financial reports provided to Buyer prior to the date of this Agreement, and in any event none of those parties shall file or have filed against it a petition seeking relief under the bankruptcy or other similar laws of the United States or any state thereof.

(vii) Buyer shall have received the Title Commitment for the Premises "marked-up" and effectively dated as of the Closing, deleting all requirements thereunder so as to obligate the Title Company unconditionally to issue to Buyer an original owner's policy of

title insurance for the Premises in the amount of the Purchase Price, subject only to the Permitted Exceptions.

(viii) Seller shall have obtained a final order issued by the Receivership Court (the "**Order**"), in form and substance acceptable to Buyer, including in any event, provisions for the following relief: authorizing and approving the Seller's entry into this Agreement and Seller's performance of its obligations hereunder; and (2) authorizing the Seller to sell the Premises in accordance with the terms of this Agreement. The Order shall become a final order when it has been entered by the Court and all times for appeal or rehearing have passed without the filing of a notice of appeal or motion for rehearing.

(ix) Title Company shall deliver to Buyer a "closing protection" or "insured closing" letter, evidencing the authority of any agent of Title Company which conducts the Closing and issues the Buyer's owner's policy of title insurance for or on behalf of Title Company.

If the foregoing contingencies set forth in this Section 5 are not satisfied within the respective time periods set forth above, then in addition to any rights afforded by Section 17 of this Agreement Buyer shall be entitled to terminate this Agreement, by delivering written notice thereof to Seller and Escrow Agent in accordance with and subject to the provisions of Section 10(b) below, whereupon the Earnest Money Deposit and all interest earned thereon shall be returned to Buyer.

6. Deliveries at Closing. At Closing the parties shall deliver to each other the documents and items indicated below, which shall be delivered to the Escrow Agent, to hold in escrow, two (2) business days prior to Closing (unless otherwise set forth below):

(a) Seller shall deliver to Buyer:

(i) An appropriate "Seller's Affidavit" or other evidence attesting to the absence of known liens, lien rights, rights of parties in possession (other than Tenant) and other encumbrances arising during the time Seller has been acting as the receiver (other than the Permitted Exceptions) so as to enable Title Company to delete the "standard" exceptions for such matters from Buyer's owner's policy of title insurance for the Premises and otherwise insure any "gap" period occurring between the Closing and the recordation of the closing documents.

(ii) A duly executed Quitclaim Deed with respect to the Premises, subject to no exceptions other than the Permitted Exceptions, in substantially the form attached as **Exhibit F**, and otherwise as approved by the Title Company and revised as needed to conform to the requirements of state law for the state in which the Premises is located.

(iii) A duly executed Assignment and Assumption of Lease and Guaranty for the Lease (the "Assignment") in the form attached as **Exhibit C**.

(iv) A duly executed Assignment of Licenses, Permits, Plans, and Contracts with respect to the Premises in the form attached as **Exhibit E** together with all of the documents assigned thereby.

(v) A duly executed Quit Claim Bill of Sale with respect to the Personalty in the form attached as Exhibit G.

(vi) Duly executed counterparts of the closing statement.

(vii) The original executed Lease and Guaranty, if in Seller's actual possession. If the same are not in Seller's possession, Seller shall deliver copies of the Lease and Guaranty.

(viii) A notice addressed to the Tenant, signed by Seller, advising Tenant of the sale of the Premises and directing Tenant to send future rent and notices to Buyer.

(ix) An appropriate FIRPTA Affidavit or Certificate by Seller, evidencing that Seller is not a foreign person or entity under Section 1445(f)(3) of the Internal Revenue Code, as amended.

(x) A Tenant Estoppel Certificate from the Tenant and Guarantor with respect to the Lease, dated within thirty (30) business days prior to the Closing Date, in the form and substance of the Certificate attached as Exhibit D attached hereto and by reference incorporated herein.

(xi) A letter from the Guarantor, ratifying and confirming its obligations under the Guaranty.

(xii) All certificates of insurance which are required by the Lease to be furnished by the Tenant to the landlord, if in the Seller's possession.

(xiii) Such other closing documents as are reasonably necessary and proper in order to consummate the transaction contemplated by this Agreement, including those (if any) required to be delivered by Seller pursuant to Section 5(c) above.

(b) Buyer shall deliver to Seller:

(i) The Purchase Price, less all the deductions, prorations, and credits provided for herein, which shall be delivered to Escrow Agent on the Closing Date.

(ii) Duly executed counterparts of the closing statement.

(iii) An executed counterpart of the Assignment.

7. Closing and Other Costs, Adjustments and Prorations. The Closing costs shall be allocated and other closing adjustments and prorations made between Seller and Buyer as follows:

(a) The Seller shall be charged with all closing costs (except for the closing costs which are the responsibility of Buyer as set forth in Subsection 7(b) below), including but not limited to the following items, all of which shall be credited against, and shall reduce dollar-for-dollar, the Purchase Price payable to Seller at the Closing: (i) all real estate conveyance taxes

and other transfer taxes, if any, imposed by state or local authorities (including those transfer taxes customarily paid by a grantee) and all recording charges; (ii) intentionally deleted; (ii) legal fees and expenses of Seller; (iii) the recording costs for the deed; (and (v) one-half (1/2) of the costs and fees charged by the Escrow Agent.

(b) The Buyer shall be charged with the following items in addition to the Purchase Price payable to Seller at Closing: (i) fees and expenses of Buyer's counsel; (iii) the cost of the owner's policy of title insurance and all endorsements requested by Buyer; (iv) the cost of the survey obtained by Buyer for the Premises; (v) all of Buyer's other costs in connection with Buyer's inspection of the Premises, including the costs of any environmental reports; and (vi) one-half (1/2) of the costs and fees charged by the Escrow Agent.

(c) At Closing, Seller shall give Buyer a credit against the Purchase Price in the amount of any security deposit, +and other sums, if any, prepaid by Tenant to the receiver as Seller under the Lease, but not those paid to the previous owner. Minimum rent shall be prorated at Closing and minimum rent attributable to the period on and after the Closing Date shall be the property of Buyer; except that, if there is any unpaid minimum rent from Tenant for any period prior to the Closing Date, such amount shall not be charged or credited to either party but shall be paid after Closing only if and when actually received by Buyer. From and after the Closing Date, all minimum rent and additional charges received by Buyer shall be first applied to current monthly rent and additional charges. Seller shall promptly remit to Buyer any minimum rent or other sums received by it from Tenant after Closing and attributable to the period on or after the Closing Date. Buyer shall have no obligation to incur any expense or to commence any legal action or proceeding against Tenant with respect to such delinquencies, but Seller shall have the right to take such measures as may be available to it to collect amounts owed Seller. The provisions of this subsection shall survive the Closing.

(d) Any taxes, assessments or other charges not payable by Tenant under the Lease shall be prorated as of Closing. Certified, confirmed and ratified special assessments liens as of the Closing Date are to be paid pro rata by Seller. Pending liens as of the Closing Date shall be assumed by Buyer.

(e) To the extent any taxes, insurance premiums, common area maintenance costs or other charges related to the Premises are to be passed through to, or paid by, the Tenant under the Lease, such charges shall be allocated pro rata at Closing and, at Closing, Seller shall give a credit to Buyer for any unexpended amounts prepaid by the Tenant for such charges. To the extent that the Tenant Estoppel or other documentation reasonably acceptable to Buyer confirms that Seller has prepaid any items on behalf of Tenant, Buyer shall give a credit to Seller for any unpaid charges accrued.

8. Inspections. Subject to the rights of Tenant under the Lease, Buyer through its agents, employees and independent contractors shall have the right from time to time during the Inspection Period and continuing through the Closing Date, to enter the Premises for the purpose of inspecting the same and performing environmental and other tests thereon. Buyer shall indemnify and hold harmless Seller, Tenant and their respective contractors, agents, employees and affiliates from and against any claims, losses, damages and costs arising out of any inspection of and testing at the Premises by Buyer, its agents and representatives. Buyer shall

not, and shall not permit its agents or representatives to, disrupt Seller's or Tenant's activities at the Premises.

9. Title to Premises; State of Title to be Conveyed. At the Closing, Seller shall convey fee simple title to the Premises to Buyer, free from any liens and encumbrances, and other matters that Seller agrees to remove, are of record, and are approved to be removed by the Receivership Court.

10. Escrow Agent. By its execution hereof, Escrow Agent shall accept the escrow contemplated herein. The Earnest Money Deposit shall be held by the Escrow Agent, in trust, on the terms hereinafter set forth.

(a) After clearance of funds, the Earnest Money Deposit shall be held by Escrow Agent in an account meeting the requirements of Section 3(a) above, and shall not be commingled with any funds of the Escrow Agent or others. Escrow Agent shall promptly advise Seller and Buyer that the Earnest Money Deposit is made and the account number under which it has been deposited following clearance of funds.

(b) The Escrow Agent shall deliver the Earnest Money Deposit to Seller or to Buyer, as the case may be, under the following conditions:

(i) To Buyer upon receipt of notice of termination of this Agreement by Buyer at any time prior to the expiration of the Inspection Period.

(ii) To Seller on the Closing Date, provided Closing shall occur pursuant to the Agreement.

(iii) To Seller upon receipt of written demand therefor ("**Seller's Demand for Deposit**") stating that Buyer has defaulted in the performance of Buyer's obligation to close under this Agreement and the facts and circumstances underlying such default, provided, however, that the Escrow Agent shall not honor such demand until more than ten (10) days after the Escrow Agent shall have sent a copy of such demand to Buyer in accordance with the provisions of Section 10(c) of this Agreement nor thereafter, if the Escrow Agent shall have received a "**Notice of Objection**" (as hereinafter defined) from Buyer within such ten (10) day period.

(iv) To Buyer upon receipt of written demand therefor ("**Buyer's Demand for Deposit**") stating that this Agreement has been terminated in accordance with the provisions hereof for any reason other than as provided in Section 10(b)(i) above (including the failure of any condition to Buyer's obligation hereunder), or that Seller has defaulted in the performance of any of Seller's obligations under this Agreement and the facts and circumstances underlying the same; provided, however, that the Escrow Agent shall not honor such demand until more than ten (10) days after the Escrow Agent shall have sent a copy of such demand to Seller in accordance with the provisions of Section 10(c) of this Agreement nor thereafter, if the Escrow Agent shall have received a Notice of Objection from Seller within such ten (10) day period.

(c) Within two (2) business days of the receipt by the Escrow Agent of a Seller's Demand for Deposit or a Buyer's Demand for Deposit the Escrow Agent shall send a copy thereof to the other party in the manner provided in Section 18 of this Agreement. The other party shall have the right to object to the delivery of the Deposit by sending written Notice of such Objection to the Escrow Agent in the manner provided in Section 18 of this Agreement, which Notice of Objection shall be deemed null and void and ineffective if such Notice of Objection is not received by the Escrow Agent within the time periods prescribed in Section 10(b) of this Agreement. Such notice shall set forth the basis for objecting to the delivery of the Deposit. Upon receipt of a Notice of Objection, the Escrow Agent shall promptly send a copy thereof to the party who sent the written demand.

(d) In the event the Escrow Agent shall have received the Notice of Objection within the time periods prescribed in Section 10(b) of this Agreement, the Escrow Agent shall continue to hold the Earnest Money Deposit until (i) the Escrow Agent receives written notice from Seller and Buyer directing the disbursement of the Earnest Money Deposit, in which case the Escrow Agent shall then disburse the Earnest Money Deposit in accordance with such joint direction, or (ii) litigation shall occur between Seller and Buyer, in which event the Escrow Agent shall deliver the Earnest Money Deposit to the clerk of the Receivership Court, or (iii) the Escrow Agent takes such affirmative steps as the Escrow Agent may, at the Escrow Agent's option, elect in order to terminate the Escrow Agent's duties including, but not limited to, depositing the Earnest Money Deposit in the Receivership Court and bringing an action for interpleader, the costs thereof to be deducted from the amount so deposited into the registry of the court.

(e) The duties of the Escrow Agent are only as herein specifically provided, and Escrow Agent shall incur no liability whatever except for willful misconduct or negligence as long as the Escrow Agent has acted in good faith. The Seller and Buyer each release the Escrow Agent from any act done or omitted to be done by the Escrow Agent in good faith in the performance of its duties hereunder.

(f) Upon making delivery of the Earnest Money Deposit in the manner herein provided, the Escrow Agent shall have no further liability hereunder.

(g) The Escrow Agent shall either execute this Agreement or indicate in writing that it has accepted the role of Escrow Agent pursuant to this Agreement which in either case will confirm that the Escrow Agent is holding and will hold the Earnest Money Deposit in escrow, pursuant to the provisions of this Agreement.

11. Representations. The Premises is sold "AS IS" in respect to both condition of title and its physical condition. Buyer represents and warrants that it is relying on its own or its agents' inspection of the Premises. The Premises is being sold subject to all covenants, conditions, restrictions, liens, and encumbrances, reservation of right and publicly recorded easements and rights of way of record. The Premises is being sold without warranty of any kind, express or implied. The receiver, as Seller makes no representation regarding the Premises subject to this sale. Further, Buyer acknowledges, understands and agrees that the receiver has no independent right or power to sell this property in the absence of confirmation of sale by the Receivership Court. This Agreement shall be enforceable against the receivership in said

Receivership Action only to the extent the Receivership Court approves the sale(s) hereunder, authorizes the receiver to consummate the transaction and to convey title by receiver's deed to the Premises. The receiver acknowledges there may be a senior encumbrance of record, consisting of a deed of trust securing payment of a promissory note of which Owners are the maker, which will be discharged by the receivership. Further, any lien or record arising from the prosecution of the Receivership Action will be released and discharged through escrow.

The Buyer acknowledges that it has been given the opportunity to investigate the Premises and is relying solely upon its investigation and not upon any statement made by Seller or its agents. Buyer waives any right to rescind this transaction or to make a claim for damages based upon a misrepresentation or omission by Seller or its agents and acknowledges that this waiver is a material part of the consideration to Seller. The Buyer and Seller acknowledge that price to be paid for the Premises has been decreased to take into account the "AS IS" sale.

To the extent this Section 11 is inconsistent with anything else in this Agreement, Section 11 shall apply.

Notwithstanding the foregoing, in order to induce Buyer to enter into this Agreement and purchase the Premises, Seller makes the following covenants, agreements, and representations, all to the best knowledge of Seller without independent investigation, and all of which shall survive the Closing and the purchase and sale of the Premises:

(a) Seller has obtained all necessary authorizations and consents to enable it to execute and deliver this Agreement and to consummate the transaction contemplated hereby..

(b) Seller holds fee simple title to the Premises subject to the Permitted Exceptions..

(c) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended, and Seller shall certify its taxpayer identification number at Closing.

12. Receiver's Agency. The receiver is acknowledged by Buyer to be only an agent of the Court and not acting as a principal in the sale. Therefore, the receiver, in his personal or official capacity, shall not bear any personal liability under the Agreement, and shall not be named as a party in any action or proceeding of any nature. Any action in contravention to this paragraph shall entitle the receiver, upon motion in such proceeding to indemnification and a dismissal from such proceeding, and an award of all attorney's fees, costs and other legal expenses reasonably incurred..

13. Financial and Title Risk. The Receivership Court, through the receiver, is the seller of the Premises and Buyer agrees that all financial and title risks of the purchase are fully assumed by Buyer, without warranty of any kind, express or implied. Such risks include without limitation: (i) zoning or fitness for purpose of the Premises for the intended use by Buyer; (ii) certificates of compliance, surveys and improvement permits of any kind; and (iii) the existence or extent of any contamination on the surface or subsurface of the property or affecting the underground water table and adjacent property in any manner whatsoever.

14. Covenants of Seller Pending Closing. Between the date hereof and the Closing Date:

(a) Seller shall not modify, cancel, extend or otherwise change in any manner any of the terms, covenants or conditions of the Lease or Guaranty, nor enter into any contracts for services or otherwise, except as may be necessary to maintain the Premises provided the same shall not survive closing, that may be binding upon the Premises or upon the Buyer subsequent to Closing, nor grant any easements or licenses affecting the Premises, nor take any legal action in connection with the Premises which will affect Buyer's title to the same, nor enter into any new leases of space in the Premises, without the express prior written consent of Buyer. Buyer's consent may be withheld at Buyer's sole option; however, Buyer's response to any of the foregoing shall not be unreasonably delayed and, if denied, shall be accompanied by a reasonably detailed explanation of the reason for such denial.

(b) Seller shall take reasonable efforts to cause the Lease to remain in effect, provided, however, that Seller shall have no obligation to initiate any litigation with respect thereto and Seller shall continue to perform all of landlord's obligations under the Lease.

(c) Seller shall within two (2) business days following receipt thereof (or the day of receipt if received the day prior to the Closing Date) provide Buyer with copies of any letters or notices received by Seller relating to or in any manner affecting the Premises, including without limitation any letter or notice from Seller's lender, if any.

(d) Seller shall immediately notify Buyer and Escrow Agent if the Lease has been terminated, in which event Buyer may terminate this Agreement to the Premises.

Eminent Domain. If prior to the date of the Closing, Seller acquires knowledge of any pending or threatened action, suit or proceeding to condemn or take all or any part of the Premises under the power of eminent domain, then Seller shall immediately give notice thereof to Buyer. In such event, at Buyer's option, Buyer may terminate this Agreement. If Buyer elects not to terminate this Agreement, the condemnation and any condemnation proceeds shall be handled as provided for in the Lease for the Premises.

16. Casualty. If prior to the date of the Closing the Premises, or any portion thereof, shall be damaged or destroyed by reason of fire, storm, accident or other casualty, then Seller shall immediately give notice thereof to Buyer. In such event, the Buyer, at its option, may terminate this Agreement. If Buyer elects not to terminate this Agreement, Buyer shall be entitled to all insurance proceeds and a credit in the amount of any deductible.

17. Default and Remedies.

(a) In the event Buyer breaches or defaults under any of the terms of this Agreement prior to or on the Closing Date, the sole and exclusive remedy of Seller shall be to receive from Escrow Agent the Earnest Money Deposit, and Buyer shall have no right therein.

Buyer and Seller acknowledge and agree that (i) the Earnest Money Deposit and any interest earned thereon if received in accordance with the terms of this Agreement is a reasonable estimate of and bears a reasonable relationship to the damages that would be suffered and costs incurred by Seller as a result of having withdrawn the Premises from sale and the failure of Closing to occur due to a default of Buyer under this Agreement; (ii) the actual damages suffered and costs incurred by Seller as a result of such withdrawal and failure to close due to a default of Buyer under this Agreement would be extremely difficult and impractical to determine; (iii) Buyer seeks to limit its liability under this Agreement to the amount of the Earnest Money Deposit, and any interest earned thereon if the transaction contemplated by this Agreement does not close due to a default of Buyer under this Agreement; and (iv) such amount shall be and constitute valid liquidated damages.

(b) In the event Seller defaults under any of the terms of this Agreement on or prior to the Closing Date, Buyer shall be entitled to (i) seek specific performance of this Agreement, and/or (ii) if specific performance is not possible or if Buyer elects not to pursue specific performance, terminate this Agreement and receive a refund of the Earnest Money Deposit. Notwithstanding the foregoing, however, if the Seller's breach is precipitated by a default by Tenant under the Lease, Buyer's remedy shall be limited to receiving a refund of the Earnest Money Deposit and terminating the Agreement.

(c) In the event either party defaults in the performance of any of the covenants or obligations required to be observed or performed by such party (such defaulting party being hereinafter referred to as the "Defaulting Party") pursuant to the terms of this Agreement, the non-defaulting party ("Non-Defaulting Party") shall provide the Defaulting Party with written notice of such default ("Default Notice"). Defaulting Party shall have two (2) business days upon receipt of such Default Notice to cure such default. Notwithstanding the foregoing, this Section 17(b) shall not apply to, and there shall be no right to cure, any default under the terms of this Agreement for the failure to deliver documents or money on the day of Closing.

18. Notices. All notices, elections, requests and other communication hereunder shall be in writing and shall be deemed given (i) when personally delivered, or (ii) two (2) business days after being deposited in the United States mail, postage prepaid, certified or registered, or (iii) the next business day after being deposited with a recognized overnight mail or courier delivery service, (iv) when transmitted by facsimile or telecopy transmission, with receipt acknowledge upon transmission, or (v) when sent via electronic mail; addressed as follows (or to such other person or at such other address, of which any party hereto shall have given written notice as provided herein):

If to Seller:

E3 Advisors
501 West Broadway, Suite 800
San Diego, CA 92101
Attention: Thomas C. Hebrank
Phone: 619-400-4922
Fax: (619) 400-4923
Email: thebrank@ethreadvisors.com

with a copy to:

Mulvaney Barry Beatty Linn & Mayers LLP
401 West A Street, 17th Floor
San Diego, CA 92101
Attention: Everett G. Barry, Jr.
Phone: (619) 238-1010
Fax: (619) 238-1981
Email: ebarry@mulvaneybarry.com

If to Buyer:

National Retail Properties, LP
450 South Orange Avenue, Suite 900
Orlando, Florida 32801
Attention: Christopher P. Tessitore, Esquire
Phone: (407) 650-1115
Fax: (321) 206-2138
Email: chris.tessitore@nnnreit.com

with a copy to:

Lowndes Drosdick Doster Kantor & Reed, P.A.
450 South Orange Avenue, Suite 800
Orlando, Florida 32801
Attention: Timothy R. Miedona, Esq.
Phone: (407) 418-6358
Fax: (407) 843-4444
Email: tim.miedona@lowndes-law.com

If to Escrow Agent:

Republic Commercial Title Company of Florida, LLC
3370 Capital Circle N.E., Suite C-3
Tallahassee, Florida 32308
Attention: Steve Bolles
Phone: (850) 294-8889
Fax: (850) 219-1226
Email: stevebolles@embarqmail.com

19. Brokerage Commissions. Seller and Buyer each warrant to the other party that no other finders or brokers have been involved with the introduction of Seller and Buyer and/or the purchase and sale of the Premises, except for Jeffrey T. Nimmer of Kotis Properties, Inc., who shall be paid by Seller pursuant to a separate agreement upon the approval of the Receivership Court. In the event of a breach of the foregoing warranties, the breaching party agrees to save, defend, indemnify and hold harmless the non-breaching party from and against any claims, losses, damages, liabilities and expenses, including but not limited to attorneys' fees. The obligations of this Section shall survive the Closing or earlier termination of this Agreement. Notwithstanding the foregoing, Seller's obligation to pay the brokerage commission shall be subject to the approval of the Receivership Court. In the event the Receivership Court does not approve the payment of such commission, Buyer may pay such commission, but the Purchase Price shall be reduced by the amount of the commission paid by Buyer.

20. Miscellaneous Provisions.

(a) Assignment; Binding Effect. Buyer may assign all of its rights and obligations hereunder, without the written consent of Seller, to any entity which is owned, controlled, managed or advised by Buyer or any affiliate of Buyer,. In the event of any permitted assignment hereunder Buyer shall thereupon be relieved of all further liability under this Agreement; except that the Earnest Money Deposit shall not be released or otherwise adversely affected as a result of any such assignment. Seller shall have the right to assign its rights and obligations hereunder, provided that the Seller named herein shall deliver written notice thereof to Buyer and shall remain liable for any breach of the representations and warranties and performance of the covenants set forth herein. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Seller and Buyer and their respective successors and assigns.

(b) Captions. The several headings and captions of the Sections and subsections used herein are for convenience of reference only and shall in no way be deemed to limit, define or restrict the substantive provisions of this Agreement.

(c) Entire Agreement. This Agreement constitutes the entire agreement of Buyer and Seller with respect to the purchase and sale of the Premises, and supersedes any prior or contemporaneous agreement with respect thereto. No amendment or modification of this Agreement shall be binding upon the parties unless made in writing and signed by both Seller and Buyer.

(d) Time of Essence. Time is of the essence with respect to the performance of all of the terms, conditions and covenants of this Agreement.

(e) Cooperation. Buyer and Seller shall cooperate fully with each other to carry out effectively the purchase and sale of the Premises, in accordance herewith and the satisfaction and compliance with all of the conditions and requirements set forth herein, and shall execute such instruments and perform such acts as may be reasonably requested by either party hereto.

(f) Governing Law. This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the federal and state laws applicable in the State of California, regardless of any choice of law provisions and jurisdiction shall be in the Receivership Court.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

(h) Attorneys' Fees. Intentionally Deleted.

(i) Certain References. As used in this Agreement, the words "hereof," "herein," "hereunder" and words of similar import shall mean and refer to this entire Agreement and not to any particular article, section or paragraph of this Agreement, unless the context clearly indicates otherwise.

(j) Time Periods. Unless otherwise expressly provided herein, all periods for performance, approval, delivery or review and the like shall be determined on a "calendar" day basis. If any day for performance, approval, delivery or review shall fall on a Saturday, Sunday or legal holiday, the time therefor shall be extended to the next business day.

(k) Authority. Each person executing this Agreement for the Buyer, by his or her execution hereof, represents and warrants that they are fully authorized to do so, and that no further action or consent is required to the effectiveness and enforceability of this Agreement.

(l) Severability. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

(m) Waiver. One or more waivers of any covenant, term or condition of this Agreement by either party shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

(n) Relationship of the Parties. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that no provision contained herein, nor any acts of the parties hereto shall be deemed to create the relationship between the parties hereto other than the relationship of seller and buyer.

(o) Tax Deferred Exchange. Seller and Buyer agree to cooperate with each other in effecting for the benefit of either party a delayed like-kind exchange of real property pursuant to Section 1031 of the United States Internal Revenue Code and similar provisions of applicable state law; provided that (i) neither party shall be obligated to delay the closing hereunder and (ii) neither party shall be obligated to execute any note, contract, deed or other document not otherwise expressly provided for in this Agreement providing for any personal liability, nor shall either party be obligated to take title to any property other than the property as otherwise contemplated in this Agreement or incur additional expense for the benefit of the other party. Each party shall indemnify and hold the other harmless against any liability which arises or is claimed to have arisen on account of any exchange proceeding which is initiated on behalf of the indemnifying party.

(p) No Recordation. Neither this Agreement nor any memorandum thereof shall be recorded in the public record of any jurisdiction.

(q) Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, BUYER AND SELLER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON, OR IN RESPECT OF, ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF BUYER AND SELLER HEREUNDER, OR ARISING OUT OF THE

TRANSACTION CONTEMPLATED BY THIS AGREEMENT. ANY SUCH ACTION SHALL BE BROUGHT IN THE RECEIVERSHIP COURT.

(r) Prohibition on Use of Buyer's Name; Confidentiality. Seller agrees not to issue any press release or other public disclosure using the name, logo or otherwise referring to Buyer, National Retail Properties, Inc., any of their affiliates or the transaction without the prior written consent of Buyer, which shall not be unreasonably withheld, with the exception of disclosures required in the Receivership Action to obtain approval of this transaction and sale. Otherwise, Seller and Seller's agents and representatives agree to keep this Agreement confidential, and shall not, without the prior written consent of Buyer, which shall not be unreasonably withheld, disclose the existence or terms of this Agreement to any other person or entity (other than Seller's accountants, attorneys, or agents who need to know and who Seller has directed to treat such information as confidential).

(s) Agreement Subject to Overbid.

Seller anticipates that the Receivership Court will require an overbid procedure for the sale of the Premises in an effort to obtain the highest and best price for the Premises. Should the Receivership Court require such a procedure, Buyer and Seller agree to the following procedures:

(1) **Qualified Bidders.** To be determined a qualified bidder, a prospective purchaser must: (i) provide a fully executed purchase and sale agreement for the Premises in form substantially similar to this Agreement, (ii) provide evidence, in the form of a cashier's check, a deposit of immediately available funds or an irrevocable letter of credit in favor of the Qualified Bidder, that the Qualified Bidder has the ability to pay at least the minimum overbid amount of \$8,850,000 as set forth below, and (iii) provide an earnest money deposit by wire transfer or cashier's check in the amount of \$250,000 payable to the Receiver, which amount shall be non-refundable to the Qualified Bidder with the highest bid at the Auction if for any reason (a) the high bidder fails to close the sale or (b) the high bidder fails to provide the balance of the purchase price to the Receiver one day prior to the closing. Each Qualified Bidder must provide the executed Agreement and earnest money deposit to the Receiver no later than September 24, 2012. Qualified Bidders shall appear at the October 1, 2012 hearing/auction in person, or through a duly authorized representative. At that hearing, the Receivership Court will conduct an auction of the Premises among any Qualified Bidders. The high bidder's deposit shall be applied to the purchase price at such closing, if the sale is approved by the Receivership Court.

(2) **Due Diligence.** All prospective bidders shall have had the opportunity to inspect the Premises and any documentation relating thereto prior to the auction. Prospective bidders may also request access to information about the Premises and obtain a form purchase and sale agreement, after executing a Limited Access Agreement and the Acknowledgment and Agreement Regarding

Disclosed Risks. The Limited Access Agreement may include confidentiality provisions as necessary and as determined by the Receiver. The Risks Agreement is required to be executed, prior to the auction, and in connection with the closing of any sale.

(3) **Overbids.** The initial overbid shall be at least \$8,850,000. Subsequent overbids shall be in increments of \$100,000. If no Qualified Bidder submits a bid in the amount of the initial overbid or higher, this Agreement will be submitted to the Receivership Court for approval in its current form.

(4) **No Contingencies.** The sale to any Qualified Bidder shall not be subject to any contingencies, including without limitation, for financing, due diligence or inspection.

(5) **Break-Up Fee.** If the Receivership Court does not approve this Agreement due to its acceptance of a Qualified Bidder, the Seller shall pay Buyer a break-up fee of \$50,000 (the "Break-Up Fee").

These overbid procedures are proposed to induce Buyer to remain in place as the initial bidder, allow Qualified Bidders to overbid, ensure timely closing, generate the highest and best price for the Premises, and protect Buyer from loss by payment of the Break-Up Fee if Buyer is not the highest bidder. Seller's obligation to pay Buyer the Break-Up Fee shall survive the termination of this Agreement.

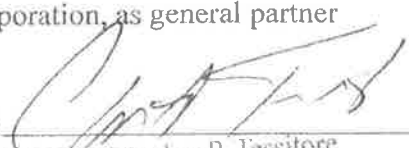
[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Real Estate Purchase and Sale Contract on the date first above written.

BUYER:


NATIONAL RETAIL PROPERTIES, LP,
a Delaware limited partnership

By: NNN GP Corp., a Delaware
corporation, as general partner

By: 
Name: Christopher P. Tessitore
Title: Executive Vice President
Date: 8.31.12

SELLER:

**THOMAS HEBRANK, AS RECEIVER FOR
COPELAND PROPERTIES 18, LP, AS
APPOINTED BY THE U.S. DISTRICT
COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA**

By: 
Name: THOMAS C. HEBRANK
Title: RECEIVER
Date: 8.31.12

ESCROW AGENT:

**REPUBLIC COMMERCIAL TITLE
COMPANY OF FLORIDA, LLC**

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

Legal Description

BEING ALL OF LOT 20 (11.43 ACRES), LANDMARK STATION, PHASE 4, AS PER PLAT THEREOF RECORDED IN PLAT BOOK 128, PAGE 18, IN THE OFFICE OF THE REGISTER OF DEEDS OF GUILFORD COUNTY, NORTH CAROLINA.

TOGETHER WITH NON-EXCLUSIVE RECIPROCAL RIGHT IN AND TO "NO BUILD EASEMENT" AREA AS SHOWN ON SAID PLAT AND AS SET FORTH IN INSTRUMENT RECORDED IN BOOK 4676, PAGE 1052, GUILFORD COUNTY REGISTRY.

TOGETHER WITH NON-EXCLUSIVE RECIPROCAL EASEMENT RIGHTS IN ADJOINING 2.884 ACRE DRAINAGE, MAINTENANCE, AND UTILITY COMMON AREA EASEMENT SHOWN ON PLAT RECORDED IN PLAT BOOK 90, PAGE 140 AND PLAT BOOK 128, PAGE 18, AND AS PROVIDED IN DECLARATION OF RESTRICTIONS RECORDED IN BOOK 4363, PAGE 389, GUILFORD COUNTY REGISTRY.

EXHIBIT B

PERMITTED EXCEPTIONS

1. Ad valorem real property taxes and assessments for the year of Closing and thereafter, and water, sewer and other assessments, if any, so long as the foregoing are not yet due and payable.
2. Rights of the Tenant under the Lease.
3. Those matters which Buyer approves in writing as being acceptable to Buyer in its sole and absolute discretion.

EXHIBIT C

THIS INSTRUMENT WAS PREPARED
BY AND SHOULD BE RETURNED TO:

Christopher P. Tessitore, Esquire
National Retail Properties, Inc.
450 S. Orange Avenue, Suite 900
Orlando, Florida 32801

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made and entered into as of the ____ day of _____, 20____, by and between ***, a *** ("Assignor"), and ***, a *** ("Assignee");

WITNESSETH:

WHEREAS, Assignor has this day conveyed to Assignee certain real property situate in *** County, ***, more particularly described on Exhibit "A" attached hereto and made a part hereof, together with all improvements thereon (the "Real Property");

WHEREAS, the Real Property is subject to a certain Lease Agreement dated ***, between Assignor, as landlord and ***, as tenant (the "Lease"), which real property is under the jurisdiction of the Receivership Court; and

WHEREAS, in conjunction with the conveyance of the Real Property, Assignor has agreed to assign all of its right, title and interest in and to the Lease to Assignee, and Assignee has agreed to assume and perform Assignor's liabilities and obligations arising under the Lease on and after the date hereof, all in accordance with this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignment. Assignor hereby assigns, transfers, and conveys to Assignee all of Assignor's right, title and interest as the court-appointed Receiver for the entity that had been the landlord or lessor in and to the Lease, including without limitation all of Assignor's right, title and interest in and to all security deposits, if any, and future rentals thereunder.

2. Assumption. Assignee hereby assumes all liabilities and obligations of Assignor under the Lease which arise on or after the date hereof and agrees to perform all obligations of Assignor under the Lease which are to be performed or which become due on or after the date hereof.

3. Further Assurances. Assignor covenants with Assignee and Assignee covenants with Assignor that each will execute or procure any additional documents necessary to establish the rights of the other hereunder.

4. Counterparts. This Assignment may be executed by the parties in counterparts, in which event the signature pages thereof shall be combined in order to constitute a single original document.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date set forth above.

Signed, sealed and delivered
in the presence of:

***,
a ***

Name: _____
Print Name: _____

By: _____
Name: _____
Its: _____

Name: _____
Print Name: _____

[CORPORATE SEAL]

***,
a ***

Name: _____
Print Name: _____

By: _____
Name: _____
Its: _____

Name: _____
Print Name: _____

[CORPORATE SEAL]

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____,
20____ by _____, as _____ of ***, a ***, on behalf of the
***. He/She is personally known to me or has produced _____ as
identification.

Printed Name: _____
Notary Public, State of _____
Commission #: _____
My commission expires: _____

(NOTARY SEAL)

[Add State Specific Notary Block]

EXHIBIT D

TENANT ESTOPPEL CERTIFICATE

THIS TENANT'S ESTOPPEL CERTIFICATE ("Certificate") is given this ____ day of _____, 2012 by Garden Ridge, L.P., a Texas limited partnership ("Tenant") and Garden Ridge Corporation, Inc., a Delaware corporation ("Guarantor") in favor of National Retail Properties, LP, a Delaware limited partnership and its successors and assigns ("Beneficiary").

RECITALS:

A. Pursuant to the terms and conditions of that certain Lease Agreement ("Lease") dated ***, *** ("Landlord") leased to Tenant certain real property in *** County, *** ("Premises"), which Premises are more particularly described in the Lease.

B. Pursuant to that certain [Guaranty of Lease], Guarantor has agreed to unconditionally guarantee all of Tenant's obligations under the Lease.

C. Pursuant to the terms and conditions of the Lease, the Beneficiary has requested that the Tenant execute and deliver this Certificate with respect to the Lease.

NOW, THEREFORE, in consideration of the above Premises, the Tenant hereby makes the following statements for the benefit of Landlord and Beneficiary:

1. The copy of the Lease and Guaranty attached hereto and made a part hereof as Exhibit A is a true, correct and complete copy of the Lease, which Lease is in full force and effect as of the date hereof, and has not been modified or amended.

2. The Lease sets forth the entire agreement between the Landlord and Tenant relating to the leasing of the Premises, and there are no other agreements, written or oral, relating to the leasing of the Premises.

3. The current term of the Lease expires on February 28, 2019, and Tenant has *** (***) options to extend the term of the Lease for *** (***) years each. There exists no uncured or outstanding defaults or events of default under the Lease, or events which, with the passage of time, and the giving of notice, or both, would be a default or event of default under the Lease.

4. No notice of termination has been given by Landlord or Tenant with respect to the Lease. Tenant has no right of first refusal or option to purchase the Premises. Tenant has not assigned the Lease or sublet any portion of the Premises.

5. All payments due Landlord under the Lease through and including the date hereof have been made, including the monthly installment of Base Rent (as defined in the Lease) for the period of *** to *** in the amount of \$79,272.

6. As of the date hereof, the monthly Base Rent under the Lease is \$79,272. The monthly Base Rent shall increase to \$86,943 commencing on July 1, 2014.

7. There are no disputes between the Landlord and Tenant with respect to any rental due under the Lease or with respect to any provision of the Lease.

8. Tenant represents and warrants that (a) Tenant is in occupancy of the Premises pursuant to the Lease, (b) Tenant has no offsets, counterclaims or defenses with respect to its obligations under the Lease.

9. Tenant understands and acknowledges that Landlord and Beneficiary are relying upon the representations set forth in this Certificate.

IN TESTIMONY WHEREOF, witness the signature of Tenant as of the day and year first set forth above.

***,
a ***

By: _____
Name: _____
Its: _____

ACKNOWLEDGED AND AGREED TO BY
GUARANTOR

INSERT GUARANTOR'S SIGNATURE BLOCK

EXHIBIT E

ASSIGNMENT OF LICENSES, PERMITS, PLANS, CONTRACTS AND WARRANTIES

THIS ASSIGNMENT OF LICENSES, PERMITS, PLANS, CONTRACTS AND WARRANTIES (this "Assignment") is entered into and effective as of the ____ day of _____, 20____, by ***, a ***, having a mailing address at *** ("Assignor") in favor of ***, a ***, having a mailing address at 450 South Orange Avenue, Suite 900, Orlando, Florida 32801 ("Assignee").

WITNESSETH:

WHEREAS, Assignor has this day conveyed to Assignee certain real property situate in *** County, ***, more particularly described on Exhibit "A" attached hereto and made a part hereof, together with all improvements thereon (the "Real Property"); and

WHEREAS, in conjunction with the conveyance of the Real Property, Assignor has agreed to assign all of its right, title and interest in and to certain licenses, permits, plans, contracts and warranties relating to the design, development, construction, ownership, operation, management and use of the Real Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignment. Assignor does, to the extent permitted by law, hereby transfer, assign and set over to Assignee to the extent assignable all of Assignor's right, title and interest in and to (i) all general intangibles relating to the design, development, construction, ownership, operation, management and use of the Real Property, (ii) all certificates of occupancy, zoning variances, licenses, building, use or other permits, approvals, authorizations and consents obtained from and all materials prepared for filing or filed with any governmental agency in connection with the design, development, construction, ownership, operation, management and use of the Real Property, (iii) all architectural drawings, plans, specifications, soil tests, feasibility studies, appraisals, engineering reports and similar materials relating to the Real Property, and (iv) all contract rights (including without limitation rights to indemnification), payment and performance bonds or warranties or guaranties relating to the Real Property (the items described in this Section 1 being hereinafter referred to as the "Licenses, Permits, Plans, Contracts and Warranties").

2. Further Assurances. Assignor covenants with Assignee that it will execute or procure any additional documents necessary to establish the rights of Assignee hereunder.

IN WITNESS WHEREOF, Assignor has executed this Assignment effective as of the date set forth above.

By: _____

Name Printed: _____

Its: _____

EXHIBIT

tabbies

"F"

SAMPLE ONLY

efore using form)

NORTH CAROLINA QUITCLAIM DEED

Mail after recording to _____

This instrument prepared by _____

Brief description for the index _____

THIS QUITCLAIM DEED made this the ____ day of _____, in the year _____, by and between

GRANTOR

GRANTEE

+
+
+
+
+
+
+
+
+

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine, or neuter as may be required by context.

WITNESSETH, that said Grantors, for and in consideration of the sum of ten dollars and other consideration to them in hand paid, the receipt of which is hereby acknowledged, have remised and released and by these presents do remise, release, and forever quitclaim into the Grantee and his heirs and assigns all right, title, claim, and interest of the said Grantors in and to a certain tract or parcel of land lying and being in the **County of** _____, and **State of North Carolina**, in _____ **Township**, and more particularly described as follows:

Grantor acquired the property hereinabove described by instrument recorded in Book ____ at Page _____.

A map showing the above-described property is recorded in Map/Cabinet _____ at Page _____ .

TO HAVE AND TO HOLD the aforesaid tract or parcel of land and all privileges thereunto belonging to him the said Grantee and his heirs and assigns free and discharged from all right, title, claim or interest of the said grantors or anyone claiming by, and through or under them. Title to the property hereinabove described is subject to the following exceptions if any:

ANY AND ALL OF PUBLIC RECORD

IN TESTIMONY WHEREOF, said Grantors have hereunto set their hands and seal the day and year first above written.

_____(SEAL)
_____(SEAL)
_____(SEAL)
_____(SEAL)

STATE OF NORTH CAROLINA
COUNTY OF _____

I, a Notary Public, of said State and County aforesaid, do hereby certify that _____ grantor(s), personally appeared before me this day, and (i) I have personal knowledge of the identity of the grantor(s), or (ii) I have seen satisfactory evidence of the grantor(s) identity, by current state or federal identification with the grantor(s) photograph in the form of a _____ or (iii) a credible witness has sworn to the identity of the grantor(s) each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated herein and in the capacity indicated.

Witness my hand and official seal or stamp, this _____ day of _____, in the year _____ .

(seal or stamp)

Notary Public Official Signature

Notary Printed or Typed Name

My commission expires: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I, a Notary Public, in and for the State and County aforesaid, do hereby certify that _____ personally appeared before me and being duly sworn says that he or she is a duly authorized agent of said above named corporation and as such has the authority to act in and for said corporation. I, (i) have personal knowledge of the identify of the above named authorized agent, or (ii) I have seen satisfactory evidence of the authorized agent's identity, by current state or federal identification with the authorized agent's photograph in the form of a _____ Or (iii) a credible witness has sworn to before me the identity of the authorized agent, and that he or she signed the foregoing or annexed instrument on behalf of said corporation in the capacity so herein stated and acknowledged the said writing to be the act and deed of said corporation herein stated.

Witness my hand and official seal or stamp, this _____ day of _____, in the year _____ .

(seal or stamp)

Notary Public Official Signature

Notary Printed or Typed Name

My commission expires: _____

EXHIBIT G

QUIT CLAIM BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT, ***, a ***, whose address is ***, hereinafter referred to as the Grantor, for and in consideration of the sum of TEN AND NO/DOLLARS (\$10.00) paid by **National Retail Properties, LP**, a Delaware limited partnership, whose address is 450 South Orange Avenue, Suite 900, Orlando, Florida 32801, hereinafter referred to as the Grantee, the sufficiency and receipt of which is hereby acknowledged, has granted, bargained, sold, transferred and delivered, and by these presents does grant, bargain, sell, transfer and deliver unto the Grantee, its successors and assigns, any and all of its right, title and interest in and to all items, goods, chattels, equipment and other tangible personal property which are presently existing and located on and used or useful in connection with the construction, maintenance and operation of the real property described on **Exhibit A** attached hereto.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in manner and form sufficient to bind it effective as of the ____ day of _____, 20____.

***,
a ***

By: _____
Name: _____
Its: _____

(CORPORATE SEAL)

EXHIBIT H

INTENTIONALLY DELETED

EXHIBIT I
LEASE AND GUARANTY

1 Everett G. Barry, Jr. (SBN 053119)
2 John H. Stephens (SBN 82971)
3 Patrick L. Prindle (SBN 87516)
4 MULVANEY BARRY BEATTY LINN & MAYERS LLP
5 401 West A Street, 17th Floor
6 San Diego, CA 92101-7994
7 Telephone: 619-238-1010
8 Facsimile: 619-238-1981

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 CHARLES P. COPELAND, ET
16 AL.,

17 Defendants.

CASE NO. 11-cv-08607-R-DTB

CERTIFICATION OF SERVICE

DATE: October 1, 2012

TIME: 10:00 a.m.

Crtrm 8, 2nd Floor

Judge: Hon. Manuel L. Real

18 I, Cindy Jennings, declare that I am over the age of 18 years and
19 not a party to the action. I am employed in the County of San Diego,
20 California, within which county the subject service occurred. My business
21 address is 401 West A Street, 17th Floor, San Diego, California, 92101-
22 7994.

On August 31, 2012, I served the following documents:

- 23 1. **EX PARTE APPLICATION FOR ORDER (A) AUTHORIZING THE**
24 **RECEIVER TO SELL REAL PROPERTY, (B) APPROVING**
25 **OVERBID PROCEDURES, (C) APPROVING THE NOTICE OF**
26 **SALE PROVIDED BY THE RECEIVER**
- 27 2. **NOTICE OF MOTION AND MOTION FOR ORDER (A)**
28 **AUTHORIZING THE RECEIVER TO SELL REAL PROPERTY, (B)**
APPROVING OVERBID PROCEDURES, (C) APPROVING THE
NOTICE OF SALE PROVIDED BY THE RECEIVER

1 3. MEMORANDUM OF POINTS AND AUTHORITIES IN
2 SUPPORT OF MOTION FOR ORDER (A) AUTHORIZING THE
3 RECEIVER TO SELL REAL PROPERTY, (B) APPROVING
4 OVERBID PROCEDURES, (C) APPROVING THE NOTICE OF
5 SALE PROVIDED BY THE RECEIVER;

6 4. DECLARATION OF PATRICK L. PRINDLE IN SUPPORT OF
7 MOTION MOTION FOR ORDER (A) AUTHORIZING THE
8 RECEIVER TO SELL REAL PROPERTY, (B) APPROVING
9 OVERBID PROCEDURES, (C) APPROVING THE NOTICE OF
10 SALE PROVIDED BY THE RECEIVER

11 5. NOTICE OF LODGMENT OF ORDER

12 X BY MAIL. I placed each envelope for collection and mailing
13 following ordinary business practices. I am readily familiar with
14 Mulvaney Barry Beatty Linn & Mayers LLP's practice for collection and
15 processing correspondence for mailing with the United States Postal
16 Service pursuant to which practice all correspondence will be deposited
17 with the United States Postal Service the same day in the ordinary
18 course of business by placing a true copy of the foregoing document(s)
19 in a separate, sealed envelope with postage fully prepaid, for each
20 addressee named hereafter.

21 SEE ATTACHED SERVICE LIST

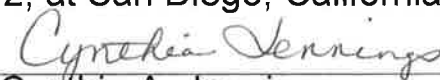
22 X BY ELECTRONIC NOTICE VIA THE ECF SYSTEM.
23 electronically filed the document(s) listed above with the Clerk of the
24 Court by using the CM/ECF system. Participants in the case who are
25 registered CM/ECF users will be served by the CM/ECF system.
26 Participants in the case who are not registered EM/ECF users will be
27 served by mail or by other means permitted by the court rules.

- 28
- Spencer E. Bendell
bendellssec.gov
LAROFilingasec.gov
marcelomasec.gov
 - Peter Alan Davidson
pdavidsonecjlaw.com
lpkrul@ecjlaw.com
 - Edward G. Fates
tfatesallenmatkins.com
bcrfilincs@allenmatkins.com

- Michael S. Leib
mleibmaddin@hauser.com
bwislinski@maddin@hauser.com
- John M. McCoy, III
mccovj@sec.gov
- Francis Emmet Quinlan, Jr.
Frank.Quinlan@ndlf.com
sue.love@ndlf.com
- David M. Rosen
Rosend@sec.gov
- William P. Tooke
wtooke@mechl@law.com

 X **FEDERAL.** I hereby certify that I am employed in the office of a member of the Bar of the United States Bankruptcy Court for the Southern District of California, at whose direction this service was made.

Executed on August 31, 2012, at San Diego, California.


Cynthia A. Jennings

United States District Court, Central District of California, Western Division – Los Angeles
Securities and Exchange Commission v. Charles P. Copeland, et al.
Case No. 2:11-cv-08607-R-DTB

SERVICE/MAILING LIST

Updated: August 31, 2012

| | | |
|---|--|--|
| Charles P. Copeland Copeland Group 25809 Business Center Drive, Suite B Redlands, CA 92374 | Gregory J. Sherwin, Esq. Fields, Fehn & Sherwin 11755 Wilshire Boulevard, 5th Floor Los Angeles, California 90025-1521 | One West Bank 888 East Walnut Street Pasadena, CA 91101 |
| Michael T. O'Callaghan, Esq. Mark J. Furuya, Esq. Sabaitis O'Callaghan LLP 975 E. Green Street Pasadena, CA 91106 | Flagstar Bank Attn: Sharon Yingst 4900 Ashford Dunwoody Road Atlanta, GA 30338 | George L. Fletcher Janet G. Fletcher 1910 Country Club Lane Redlands, CA 92373 |
| Wells Fargo Commercial Mortgage Attn: Ken Murray 1901 Harrison Street, 7th Floor Oakland, CA 94612 | LNR (loan servicer) Attn: Jorge Rodriguez 1601 Washington Avenue, 7th Floor Miami, FL 33139 | Dana Leigh Ozols, Esq. The Wolf Firm, A Law Corporation Attorneys to the Financial Services Industry 2955 Main Street, 2 nd Floor Irvine, CA 92614 |
| Home Savings & Loan Attn: Danny White 275 W. Federal Street Youngstown, OH 44503 | Wells Fargo Commercial Mortgage Servicing 1901 Harrison Street, 7 th Floor Oakland, CA 94612 | C-III Asset Management, LLC Attn: Kathy Patterson 5221 N. O'Connor Blvd., Ste. 600 Irving, TX 75039 |
| Pamela Wachter McAfee Nelson Mullins Riley & Scarborough, LLP GlenLake One, Suite 200 4140 Parklake Avenue Raleigh, NC 27612 | George L. Fletcher Janet G. Fletcher Trustees of the Fletcher Trust dated February 26, 2010 1910 Country Club Lane Redlands, CA 92373 | Andrew J. Haley, Esq. Greenwald, Pauly, Foster & Miller, P.C. 1299 Ocean Avenue, Suite 400 Santa Monica, CA 90401-1007 |
| Christopher A. Shumate Albrektson Law Offices 1801 Orange Tree Ln., Ste. 230 Redlands, CA 92374-4587 | Anh T. Nong & Nhon Nguyen TTEE Pen 209 E. Sunset Drive South Redlands, CA 92373 | Barbara Whan 33861 Plumtree Lane Yucaipa, CA 92399 |
| Adele M. Hansen 6609 Summertrail Place Highland, CA 92346 | Robert & Gladys Mitchell 11761 Almond Court Loma Linda, CA 92354 | Betty Markwardt 1220 West 4th Street Anaconda, MT 59711 |
| Barbara Z. Stahr 667 Gull Drive Bodega Bay, CA 94923 | Carol P. Lowe 1837 Onda Drive Camarillo, CA 93010 | Charles Grey 63 Turnbury Lane Irvine, CA 92620 |
| Carol Docis Brokerage A/C 18028 W. Kenwood Avenue Devore, CA 92407 | Richard Neal 7322 Starboard Street Carlsbad, CA 92011 | Charles Schwab FBO Robert Howard IRA 502 Avenida La Costa San Clemente, CA 92672 |
| Charles Schwab FBO Melvyn B. Ross Roth IRA 5401 Lido Sands Drive Newport Beach, CA 92663-2204 | Bonnie Kilmer 5120 Breckenridge Avenue Banning, CA 92220 | William F Davis Re: Floyd N. Andersen Highway 111, #9-472 La Quinta, CA 92253 |

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| Charles Schwab FBO Irena Sniecinski IRA P.O. Box 161680 Big Sky, MT 59716-1680 | Maria Perez 1364 Aurora Lane San Bernardino, CA 92408 | Geofey A. Gardiner 11535 Acacia Street Loma Linda, CA 92354 |
| Fred & Joyce Dimmitt 321 Myrtlewood Drive Calimesa, CA 92320 | Charles Schwab FBO Melvyn Ross Roth IRA 5401 Lido Sands Drive Newport Beach, CA 92663 | Charles Schwab FBO Janet Ihde IRA 35-800 Bob Hope Drive, Suite 225 Rancho Mirage, CA 92270 |
| Charles Schwab FBO Janet K. Ihde IRA P.O. Box 2131 Palm Springs, CA 92263 | Charles Schwab FBO Kirk Howard Roth IRA 1648 Woodlands Road Beaumont, CA 92223 | Charles Schwab FBO Leonard F. Neumann IRA 30176 Live Oak Canyon Road Redlands, CA 92373 |
| Charles Schwab FBO Albert Reid IRA 232 Anita Court Redlands, CA 92373 | Charles Schwab FBO Angela Ellingson IRA 1155 Dysart Drive Banning, CA 92220 | Charles Schwab FBO Harold Racine IRA P.O. Box 8721 Redlands, CA 92375 |
| Charles Schwab FBO Donald I. Peterson IRA Rollover 24418 Lawton Avenue Loma Linda, CA 92354 | Charles Schwab FBO Janet Ihde IRA P.O. Box 2131 Palm Springs, CA 92263 | Charles Schwab FBO Kirk Howard IRA 1648 Woodlands Road Beaumont, CA 92223 |
| Charles Schwab FBO Janet Ihde 74-785 Hwy 111, Wall Street W Bldg, #102 Indian Wells, CA 92210 | Charles Schwab FBO Melvyn Ross Roth IRA 5401 Lido Sands Drive Newport Beach, CA 92663 | Charles Schwab FBO Richard Paul Blandford Roth IRA 7838 Valmont Street Highland, CA 92346 |
| Charles Schwab FBO Karl Phillips Roth IRA 27878 Via Sarasate Mission Viejo, CA 92692 | Jacobson Trust 384 Mesa Verde Park Beaumont, CA 92223 | Christi C. Higdon 811 West Clark Street Redlands, CA 92373 |
| Robert & Enid McColloch 5520 Apple Orchard Lane Riverside, CA 92506 | J. Jay & Theresa Whan 30660 Susan Drive City, CA 92234 | Clem M. McColloch Trust 5520 Apple Orchard Lane Riverside, CA 92506 |
| Christine Coffman 1075 Avenida Santa Ana Boca Raton, FL 33498 | Cinque Family Trust 36261 Chaparral Court Yucaipa, CA 92399 | David Ziilch Trust 941 Kensington Dr. Redlands, CA 92374 |
| Cynthia Healy 2560 Gorden Rd., Ste 201-A Monterey, CA 93942 | David Conston 417 Chino Canyon Palm Springs, CA 92262 | Dusty Bricker 28 Avenue At Port Imperial #220 West New York, NJ 07093 |
| Diana M. Weed 1339 Wallach Place NW Washington, DC 20009 | Dotan Family Trust 1618 Woodlands Beaumont, CA 92228 | Elena Nizzia 1155 Dysart Drive Banning, CA 92220 |
| Earl R. Schamehorn Jr. 1721 Valley Falls Avenue Redlands, CA 92374 | Eddie & Jamie Dotan 20 Fairlee Terrace Waban, MA 02468 | Gordon & Myra Peterson 118 Edgemont Drive Redlands, CA 92373 |
| Fred & Elaine Hollaus 1096 Deer Clover Way Castle Pines, CO 80108-8271 | James Powell 12535 Redstone Circle Yucaipa, CA 92399 | James R. Watson MD Inc. Profit Sharing Plan 259 Terracina Boulevard Redlands, CA 92373 |
| Henry W. Shelton 805 Nottingham Drive Redlands, CA 92373 | Jessie Coleen Birch Revocable Trust 1948 Cave Street Redlands, CA 92374 | Jill A. Meader Revocable Trust 30660 Milky Way Drive, #101 Temecula, CA 92592 |
| Hu Tongs Inc. 79 Green Mountain Palm Desert, CA 92211 | JRT Revocable Trust Jon Taylor, Trustee P.O. Box 681 Calimesa, CA 92320 | Kasota Group 79 Green Mountain Palm Desert, CA 92211 |

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| James P. Gerrard 1562 Lisa Lane Redlands, CA 92374 | Kathleen R. Wright 3605 Bonita Verde Drive Bonita, CA 91902 | Katie Hernandez P.O. Box 8874 Redlands, CA 92375 |
| Jean Seyda 168 Lakeshore Drive Rancho Mirage, CA 92270 | Robert Casady 14047 Pamlico Road Apple Valley, CA 92307 | Jon J. Whan 30660 Susan Drive Cathedral City, CA 92234 |
| Joe Pinkner 279 Green Mountain Palm Desert, CA 92211 | Leonard F. Neumann 30176 Live Oak Canyon Road Redlands, CA 92373 | Leslie G. Laybourne 35028 Gail Avenue Yucaipa, CA 92399 |
| Joseph Dotan 1618 Woodlands Beaumont, CA 92228 | Louise Coffman 19291 Sabal Lake Drive Boca Raton, FL 33434 | Luckey Charitable Trust 8531 Glendale Road Hesperia, CA 92345 |
| Kathi Seegraves 20521 Whitstone Circle Bend, OR 97702 | Margarita P.O. Box 370 Chino, CA 91708 | Marjorie Hatfield Living Trust (Peggy Neumann) 30176 Live Oak Canyon Road Redlands, CA 92373 |
| Khari Baker 27878 Via Sarasate Mission Viejo, CA 92692 | Mary Margaret Hasy Revocable Trust 6609 Summer Trail Place Highland, CA 92346 | Melvyn & Ruth Ross 5401 Lido Sands Drive Newport Beach, CA 92663 |
| Smith Revocable Trust Lena Smith 38367 Cherrywood Drive Murrieta, CA 92562 | Neal & Ruth Bricker Family Trust 4240 Piedmont Mesa Road Claremont, CA 91711 | Neal Living Trust 7322 Starboard Street Carlsbad, CA 92011 |
| Lillian N. Franklin 740 E. Avery Street San Bernardino, CA 92404 | Ngyuen & Nong Pension Plan 209 East Sunset Dr. South Redlands, CA 92373 | Patrice A. Milkovich 3605 Bonita Verde Drive Bonita, CA 91902 |
| Manley J. Luckey 8531 Glendale Road Hesperia, CA 92345 | Peggy Hatfield Neumann 30176 Live Oak Canyon Road Redlands, CA 92373 | Perez Family Survivors Trust 13219 Pipeline Avenue Chino, CA 91710 |
| Mark & Barbara Carpenter 35571 Sleepy Hollow Road Yucaipa, CA 92399 | Peterson Revocable Living Trust 24418 Lawton Avenue Loma Linda, CA 92354 | Pinkner Family Trust 279 Green Mountain Palm Desert, CA 92211 |
| Neonatology Medical Group, Inc. Retirement Plan 731 Buckingham Drive Redlands, CA 92374 | Ron Mitchell 12033 Fourth Street Yucaipa, CA 92399 | Samuel D. Gregory 4432 Strong Street Riverside, CA 92501 |
| Paul Family Trust P.O. Box 693 Redlands, CA 92373 | Schachtel Family Trust 6 Strauss Terrace Rancho Mirage, CA 92270 | Steele Family Trust 26858 Calle Real Capistrano Beach, CA 92624 |
| Perry Damiani 79 Green Mountain Palm Desert, CA 92211 | Taber Family Trust 1475 Crestview Road Redlands, CA 92374 | TD Ameritrade FBO Steven Tozier IRA 14424 Greenpoint Lane Huntersville, NC 28078 |
| Rhonda Dean 1705 Anthony Avenue Cottage Grove, OR 97424 | Donna Wooley 12721 Columbia Avenue Yucaipa, CA 92399 | TD Ameritrade FBO Betty Markwardt IRA 1220 West 4th Street Anaconda, MT 59711 |
| Robert R. & Elayne Allen Route 2, Box 284 Ellington, MO 63638 | TD Ameritrade FBO Horace Dillow IRA 1343 Crestview Road Redlands, CA 92374 | Cynthia Gillilan 39292 Oak Glen Road Yucaipa, CA 92399 |
| Sandra And Perry Hayes 111 E. Sunset Dr. South Redlands, CA 92373 | TD Ameritrade FBO Joseph Dotan IRA 1618 Woodlands Road Beaumont, CA 92223 | TD Ameritrade FBO Eddie Dotan Rollover IRA 20 Fairlee Terrace Waban, MA 02468 |

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| Stahr Living Trust 667 Gull Drive Bodega Bay, CA 94923 | TD Ameritrade FBO Joseph Dotan IRA 1618 Woodlands Road Beaumont, CA 92223 | The Bork Family Trust 24968 Lawton Avenue Loma Linda, CA 92357 |
| TD Ameritrade FBO Charles Grey IRA 63 Turnbury Lane Irvine, CA 92620 | Ziilch Family Trust 667 Gull Drive Bodega Bay, CA 94923 | Thomas Phillips 1582 Huckleberry Lane San Luis Obispo, CA 93401 |
| TD Ameritrade FBO Jill Meader IRA 30660 Milky Way Drive, #101 Temecula, CA 92592 | William & Marion Conley 376 Franklin Avenue Redlands, CA 92373 | Ziilch Bypass Trust 667 Gull Drive Bodega Bay, CA 94923 |
| TD Ameritrade FBO Stephen Weiss IRA Rollover 109 Midland Rd Charlestown, RI 02813 | Louis G. Fournier III The Sutton Companies 525 Plum Street, Suite 100 Syracuse, NY 13204 | Debra B. Gervais Law Office Of Debra B. Gervais 302 West South Avenue Redlands, California 92373 |
| TD Ameritrade FBO Ehud Dotan IRA 20 Fairlee Terrace Waban, WA 02468 | Michael S. Leib Maddin, Hauser, Wartell, Roth & Heller, P.C. Third Floor Essex Centre 28400 Northwestern Highway Southfield, MI 48034-8004 | Rollie A. Peterson, Esq. Peterson & Kell 2377 Gold Meadow Way, Suite 280 Gold River, CA 95670 |
| TD Ameritrade FBO Dallas Stahr IRA 667 Gull Drive Bodega Bay, CA 94923 | Gregory Glenn Glenn Conservatorship Cynthia Healy P. O. Box 4037 Monterey, CA 93942 | Dorothy Zilch 667 Gull Drive Bodega Bay, CA 94923 |
| The Peterson Revocable Living Trust 24418 Lawton Avenue Loma Linda, CA 92354 | Judy Racine 1408 S. Center St. Redlands, CA 92373 | William & Dolores McDonald 1354 Rhonda Lane Redlands, CA 92373 |
| Timothy C. Weed 133 E. Palm Lane Redlands, CA 92373 | Norman & Lois Smith 36135 Golden Gate Drive Yucaipa, CA 92399 | Brian & Sheri Branson 302 W. South Avenue Redlands, CA 92373 |
| David Holden 555 W. Redlands Blvd. Redlands, CA 92373 | Chris Condon 1334 Susan Ave. Redlands, CA 92374 | Mark Edwards P.O. Box 9058 Redlands, CA 92346 |
| William R. & Janice L. Steele 26858 Calle Real Capistrano Beach, CA 92624 | Frank Quinlan 895 Dove Street, 5 th Floor Newport Beach, CA 92660 | Chris Shumato 1801 Orange Tree Lane, Suite 230 Redlands, CA 92374 |
| Harold Raune Richard D. McCune, Jr. McCune Wright, LLP 2068 Orange Tree Lane, Suite 216 Redlands, California 92374 | Karl Schamehorn 1005 Hamlin Place Redlands, CA 92373 | Joy Atiga 12925 Hilary Way Redlands, CA 92373 |
| Phillip Wang Duane Morris LLP One Market Plaza, Spear Tower Suite 2200 San Francisco, CA 94105-1127 | David Baldridge 1717 Chaparrall, #2 Redlands, CA 92373 | John Coombe 5 First American Way, 4 th Floor Santa Ana, CA 92707 |
| Suzane L. Bricker 1444 W. 11th Street Upland, CA 91786 | Dusty Bricker 241 W. 97 th Street, #14M New York, NY 10025 | Judy Baca 1001 West Balboa Blvd. Newport Beach, CA 92661 |

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| Wright Family Living Trust 111 Sierra Vista Drive Redlands, CA 92373 | Stewart R. Wright 111 Sierra Vista Drive Redlands, CA 92373 | Higdon Revocable Trust 29107 Guava Lane Big Pine Key, FL 33043 |
| Weed Family Living Trust 62 Rue Jean Baptiste Pigalle Paris, FC 75010 | Susan Wright 111 Sierra Vista Drive Redlands, CA 92373 | Muraligopal Living Trust 731 Buckingham Drive Redlands, CA 92374 |
| TD Ameritrade FBO Don L. Higdon IRA 1600 Rhododendron #412 Florence, OR 97439 | Rick Higdon 29107 Guava Lane Big Pine Key, FL 33043 | Klaus & Linda Kuehn 13138 Oak Crest Drive Yucaipa, CA 92399 |
| Klaus K.A. Kuehn 3404 Beverly Drive San Bernardino, CA 92405 | W.W. Eure, Jr. MD, Inc. Donald Mason, Registered Agent 8275 Deadwood Ct Redlands, CA 92373 | Charles Schwab FBO W.W. Eure, Jr., MD, Inc. IRA 8275 Deadwood Ct Redlands, CA 92373 |
| Kohut Family Trust 6946 Orozco Drive Riverside, CA 92506 | John J. Kohut 6946 Orozco Drive Riverside, CA 92506 | TD Ameritrade FBO John Kohut IRA 6946 Orozco Drive Riverside, CA 92506 |

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