

FILED

APR 29 2009

STATE OF MINNESOTA
COUNTY OF HENNEPIN

DISTRICT COURT
FOURTH JUDICIAL DISTRICT

In re Mortgage Foreclosure Litigation
Involving Lakeland Construction
Finance, LLC, and LCF Funding I, LLC

Master File Number 27-CV-09-6984

Judge Ann L. Alton

Bank of Scotland plc,

CASE TYPE: Civil/Breach of Contract
Court File No. 27-CV-08-22657

Plaintiff,

vs.

**Order For Joinder of Bank
of Montreal Capital Markets
and LCF Funding I, LLC**

Lakeland Construction Finance, LLC,

Defendant

vs.

Bank of Montreal Capital Markets; LFC
Funding I, LLC,

Third-Party Plaintiffs.

The above-captioned matter came before the Court pursuant to the Court's April 20, 2009 Order that Bank of Scotland plc ("BOS"), James A. Bartholomew and Lighthouse Management Group, Inc. as Receiver ("Receiver") for Lakeland Construction Finance, LLC ("Lakeland"), and LCF Funding I, LLC ("LCF") prepare a statement of the issues to be determined by a special magistrate appointed by this Court.

The Court, being fully advised of the premises, and based upon the arguments of counsel, and the parties' submissions, makes the following order:

1. Pursuant to Minnesota Rule of Civil Procedure Rule 19.01, this Court hereby orders Joinder of Bank of Montreal Capital Markets and LCF Funding I, LLC as parties in this matter. In these parties absence, complete relief cannot be accorded among the already parties and it is necessary to avoid duplicate litigation and the possibility of inconsistent obligations.

2. The above caption shall be used by all parties until either or both Bank of Montreal Capital Markets or LCF Funding I, LLC seek a different party determination and subsequent order of this Court.

SO ORDERED.

BY THE COURT:

Dated April 29, 2009



The Honorable Ann L. Alton
Judge of District Court

FILED

STATE OF MINNESOTA

(APR 29 2009)

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

In re Mortgage Foreclosure Litigation
Involving Lakeland Construction
Finance, LLC, and LCF Funding I, LLC

Master File Number 27-CV-09-6984

Judge Ann L. Alton

Bank of Scotland plc,

Plaintiff,

vs.

Lakeland Construction Finance, LLC,

Defendant

vs.

Bank of Montreal Capital Markets; LFC
Funding I, LLC,

Third-Party Plaintiffs.

CASE TYPE: Civil/Breach of Contract
Court File No. 27-CV-08-22657
**NOTICE OF HEARING TO
APPOINT SPECIAL
MAGISTRATE**

1. The above captioned matter shall be scheduled for a Hearing to Appoint Special Magistrate on Monday, May 4, 2009 at 12:00 Noon in Courtroom 1453, Hennepin County Government Center.

SO ORDERED.

BY THE COURT:

Dated April 29, 2009

A handwritten signature in black ink, appearing to read "Ann L. Alton", written over a horizontal line.

The Honorable Ann L. Alton
Judge of District Court

FILED

APR 21 2009

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

Bank of Scotland plc

CASE TYPE: Civil/Breach of Contract
Court File No. 27-CV-08-22657

Plaintiff,

vs.

Order Establishing Claims Procedure

Lakeland Construction Finance, LLC,

Defendant.

The above-captioned matter came before the Court on the motion of James A. Bartholomew and Lighthouse Management Group, Inc., as Receiver ("Receiver") for Lakeland Construction Finance, LLC ("Lakeland"), to establish claim procedures ("Motion"). The Court, having reviewed the Motion, having heard the statements of counsel at a hearing on the Motion, and after due deliberation and sufficient cause appearing therefore:

IT IS HEREBY ORDERED THAT:

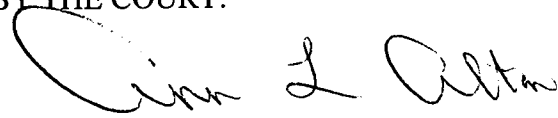
1. The Motion is GRANTED;
2. The proposed proof of claim form attached as Exhibit A to the Motion is approved;
3. The proposed notice to claimants and creditors attached as Exhibit B to the Motion is approved;
4. The Receiver is authorized to issue the proof of claim form and notice to claimants and creditors of Lakeland;

5. The deadline to file proofs of claim with the Receiver is 5:00 p.m. CST on September 11, 2009, which date is approximately 120 days from the date of entry of this Order;
6. The deadline for the Receiver to file written objections to proofs of claim is November 10, 2009;
7. The Receiver may, upon notice and motion, seek extensions of the deadline in which to file written objections; and
8. This Court shall retain jurisdiction over any and all matters arising from the interpretation or implementation of this Order.

SO ORDERED.

Dated: April 21, 2009

BY THE COURT:



The Honorable Ann L. Alton
Judge of District Court

PROOF OF CLAIM FORM IS TO BE FILED WITH RECEIVER – DO NOT FILE WITH COURT

**STATE OF MINNESOTA
DISTRICT COURT
COUNTY OF HENNEPIN
FOURTH JUDICIAL DISTRICT**

Court File No. 27-CV-08-22657

PROOF OF CLAIM FORM

Lakeland Construction Finance, LLC (“Debtor”)

PLEASE READ THE ENCLOSED BAR DATE NOTICE AND ATTACHED INSTRUCTIONS AND REQUIREMENTS FOR PROOFS OF CLAIM BEFORE COMPLETING THIS FORM.

DEADLINE FOR FILING PROOF OF CLAIM FORM. The completed original Proof of Claim form must actually be received by the Receiver by no later than 5:00 p.m. on September 11, 2009. Failure to timely file a Claim shall result in a waiver of any rights to claim an interest in or receive payment out of the property or assets of the Debtor.

<p>(1) <u>Name, Address, Phone No., and Email Address of Claimant</u></p> <p>Name: _____ Phone No.: _____</p> <p>Address: _____</p> <p>_____</p> <p>Email: _____</p>
<p>(2) <u>Name, Address, and Phone No. of Claimant’s Attorney, if Any</u></p> <p>Name: _____ Phone No. _____</p> <p>Company/Firm: _____</p> <p>Address: _____</p> <p>_____</p>
<p>(3) <u>Amount of Claim as of the date of this Claim : \$</u> _____</p>
<p>(4) <u>Documentation of Claim:</u></p> <p>(a) Date debt was incurred: _____</p> <p>(b) Nature/description of claim: _____</p> <p>_____ (please attach rider if necessary)</p> <p>(c) Attach copies of all documents in support of this claim, in accordance with section (9) below.</p>
<p>(5) <u>Security Interests:</u></p> <p>(a) If any portion of your claim is secured by property of the Debtor, or any other entity, check this box <input type="checkbox"/></p> <p>(b) Attach copies of all documents on which you rely to establish that your claim is</p>

Providing false, misleading or incomplete information or incomplete documentation will delay any disbursement made from this Receivership and could jeopardize your Distribution altogether.

secured in whole or in part.

- (c) State the current value of all collateral securing your claim and provide all documentation on which you rely to establish such value.

(6) **Letters of Credit:** If you hold a letter of credit issued by Debtor provide the following information:

- (a) Letter of credit number: _____
- (b) Balance remaining on the letter of credit: \$ _____
- (c) Estimated cost of outstanding work or improvements under development agreement(s) secured by letter of credit: \$ _____
- (d) Have you expended any monies or directly contracted with anyone to complete any of the work required under the development agreement(s)? Yes/No If Yes, how much have you expended? \$ _____ With whom have you contracted? _____
(Attach copies of contracts)
- (e) Attach copies of all documents on which you rely to establish the amount of the letter of credit, the basis for the amount due under any development agreement(s) or amount claimed under development agreement(s), or the unfinished work costs on each item.
- (f) State whether you can assess the property subject to the development agreement and for which a letter of credit was issued. Please also provide the basis for your conclusion.

(7) If you are aware of any setoffs or counterclaims the Debtor may have against your claim, check this and provide details and documentation of such setoff or counterclaim.

(8) **Credits:** By submitting this Proof of Claim, you are confirming that the amount of all payments made by Debtor on this claim has been credited and deducted for the purpose making this Proof of Claim.

(9) **Supporting Documents:** *Attach copies of supporting documents*, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. You may also attach a summary. **DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.** If the documents are not available, please explain.

(10) **Date-Stamped Copy:** To receive an acknowledgement of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this Proof of Claim.

Date: _____ **Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)**

Providing false, misleading or incomplete information or incomplete documentation will delay any disbursement made from this Receivership and could jeopardize your Distribution altogether.

INSTRUCTIONS

1. Where to File a Proof of Claim.

This form must be completed in accordance with the instructions below and timely filed with James A. Bartholomew and Lighthouse Management Group, Inc. (“Receiver”), as Receiver for Lakeland Construction Finance, LLC (“Debtor”). The Receiver’s mailing address is:

**James A. Bartholomew and Lighthouse Management Group, Inc.,
as Receiver for Lakeland Construction Finance, LLC
860 Blue Gentian Road, #135
Eagan, Minnesota 55121**

2. Deadline for Filing a Proof of Claim.

The deadline for filing this proof of claim is 5:00 p.m., Central time, on **September 11, 2009**. Any proof of claim not filed with the Receiver on or before **September 11, 2009** will be considered untimely and may result in disallowance of the claim.

3. Information and Documentation to be Provided by Claimant.

Each item of information and documentation provided by the Claimant will be used by the Receiver in determining the Claimant’s eligibility to participate in any distribution of the assets of the Debtor, and in calculating the appropriate amount of the Claimant’s Allowed Claim. Please be as detailed and complete as possible with regards to submissions, as it may affect the amount of your Allowed Claim, if any. ***Providing false, misleading or incomplete information or documentation will delay any disbursement made from the Debtor’s assets and could jeopardize your distribution altogether.***

4. “You” or “your”

The terms “you” or “your” contained in the proof of claim form refer to the Claimant on whose behalf the proof of claim is being submitted.

5. Claimant Contact Information

Complete the information section on the first page of the proof of claim form, giving the names, address, telephone number, email address and fax number of the Claimant to whom the Debtor allegedly owes money or property.

6. Claim Status

If this proof of claim form is filed to change, replace or supplement a proof of claim form previously filed by you, provide the date the previous proof of claim form was filed.

7. Supporting Documents

You must attach to the proof of claim form all documents that show the Debtor owes the amount claimed. If documents are not available, you must attach an explanation as to why they are not available. **DO NOT SEND ORIGINAL DOCUMENTS.**

8. Signatures – Legal Authority to Submit Claim.

The proof of claim form must be signed and dated by the Claimant, or a duly authorized officer or legal representative in the space provided. To the extent that the signatory is authorized pursuant to a power of attorney or court appointment, documentation of such authority must be provided.

Providing false, misleading or incomplete information or incomplete documentation will delay any disbursement made from this Receivership and could jeopardize your Distribution altogether.

9. Independent Verification of Claims – Requests for Supplemental Information

All claims are subject to verification by the Receiver. It is important to provide complete and accurate information to facilitate this effort. Claimants may be asked to supply additional information to complete this process. Claims will not be considered for payment until they have been verified.

10. Acknowledgment of Filing Proof of Claim

To receive an acknowledgment of the receipt of your claim, enclose a stamped, self-addressed envelope or postcard with your proof of claim form.

11. Communications with the Receiver

Any questions about this form or process (including supporting documentation) should be made by email to tdykoschak@faegre.com or in writing to the Receiver's counsel at Faegre & Benson LLP, Attn: Theresa H. Dykoschak, 2200 Wells Fargo Center, 90 South Seventh Street, Minneapolis, MN 55402-3901.

Providing false, misleading or incomplete information or incomplete documentation will delay any disbursement made from this Receivership and could jeopardize your Distribution altogether.

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

Bank of Scotland plc

CASE TYPE: Civil/Breach of Contract
Court File No. 27-CV-08-22657

Plaintiff,

vs.

Lakeland Construction Finance, LLC,

Defendant.

**IMPORTANT NOTICE OF (a) COMMENCEMENT OF
RECEIVERSHIP CASE, AND
(b) BAR DATE FOR FILING PROOFS OF CLAIM**

PLEASE TAKE NOTICE THAT:

On October 31, 2008 ("Appointment Date"), the District Court for the County of Hennepin, State of Minnesota ("Court") entered Findings of Fact, Conclusions of Law, and Order Establishing Receivership and Appointing a Receiver, which appointed James A. Bartholomew and Lighthouse Management Group, Inc. as Receiver for Lakeland Construction Finance, LLC ("Debtor").

Pursuant to the Court's order dated April __, 2009, the deadline for all claimants to file proofs of claim against the Debtor is 5:00 p.m. on September 11, 2009. Pursuant to Minn. Stat. 322B.846, subd. 2, any claimant who fails to file its claim on or before the deadline may be barred from claiming an interest in or receiving payment out of the property or assets of the Debtor.

All creditors holding any claim(s) arising prior to the Appointment Date must deliver a separate, completed and signed original proof of claim in accordance with the instructions set forth in this Notice. Each proof of claim form must be delivered, either by mail or hand delivery, together with accompanying supporting documentation, to:

**James A. Bartholomew and Lighthouse Management Group, Inc.,
as Receiver for Lakeland Construction Finance, LLC
860 Blue Gentian Road, #135
Eagan, Minnesota 55121**

so as to be **actually received no later than 5:00 p.m. Central time on September 11, 2009.**

ANY CLAIM HOLDER WHO IS REQUIRED TO AND FAILS TO FILE A PROOF OF CLAIM ON OR BEFORE THE DEADLINE ON ACCOUNT OF ANY CLAIM AGAINST THE DEBTOR SHALL BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM ASSERTING SUCH CLAIM (OR FILING A PROOF OF CLAIM WITH RESPECT THERETO), AND SUCH CLAIM HOLDER SHALL NOT BE PERMITTED TO PARTICIPATE IN ANY DISTRIBUTION IN THIS RECEIVERSHIP CASE ON ACCOUNT OF SUCH CLAIM.

Any holder of a claim arising out of the Debtor's breach of an executory contract or unexpired lease must also file a proof of claim for such claim on or before the deadline.

If a claim holder wishes to receive acknowledgment by the Receiver of receipt of a proof of claim, the claim holder must also submit to the Receiver concurrently with its original proof of claim (a) a copy of the proof of claim, and (b) a self-addressed, stamped return envelope.

PROOFS OF CLAIM SUBMITTED BY FACSIMILE OR EMAIL WILL NOT BE ACCEPTED.

ADDITIONAL INFORMATION

If you require additional information regarding the filing of a proof of claim against the Debtor or wish to obtain a proof of claim form, you may contact counsel to the Receiver, Theresa H. Dykoschak, electronically at tdykoschak@faegre.com or by telephone at (612) 766-7229, between 9:00 a.m. and 5:00 p.m., Central time, or by writing to the Receiver's counsel at the address listed below.

Dated: _____, 2009

James P. Stephenson (#105193)
Edward T. Wahl (#15409X)
Theresa H. Dykoschak (#0349999)
Faegre & Benson LLP
2200 Wells Fargo Center
90 South 7th Street
Minneapolis, MN 55402-3901
(612) 766-7000

Attorneys for James A. Bartholomew and
Lighthouse Management Group, Inc., as
Receiver for Lakeland Construction
Finance, LLC