

MACNEILL & CARLINO, PLLC
ATTORNEYS AT LAW

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March 23, 2010

George E. Schulman
Danning, Gill, Diamond & Kollitz, LLP
2029 Century Park East, Third Floor
Los Angeles CA 90067

Re: Diversified Lending Group Attorneys Fees

Dear George:

Per your request I am submitting this invoice for my attorney's fees. I have broken down my representation of Diversified Lending Group matters between the proceedings with Coastal Ventures Group II, LLC and Uwharrie Valley Partners, LLC.

1. Coastal Ventures Group II, LLC

A. NARRATIVE

Since my last billing for the period ending July 31, 2009, the subject real property was released from the bankruptcy filing and the foreclosure sale was permitted. David Gill, as the court appointed Receiver for Diversified Lending Group, Inc., is now the vested owner of the property.

During the reinstatement of the foreclosure action, I worked with the Trustee to coordinate the logistics of the sale and advised the Receiver with regard to North Carolina statutory and case law. I have also assisted in the following matters: formulation and implementation of the bid strategy; worked with the Trustee on clearing title issues; coordination and allocation of property between Receiver and lending partner; orderly transfer of property to the Receiver; negotiation with Trustee to reduce their commission; provided advise and counsel with regard to North Carolina statutory

requirements; review of plats, survey and tax bills in preparation of marketing and selling the property; and, dealt with potential buyers of the subject property.

B. BILLING

See Attached Exhibit A

2. Uwharrie Valley Partners, LLC

A. NARRATIVE

Since my last billing for the period ending July 31, 2009, the subject real property was ultimately foreclosed upon and, David Gill, as the court appointed Receiver for Diversified Lending Group, Inc., is the vested owner.

During that time, I participated in settlement talks between the parties. I attended the second foreclosure hearing. Borrower's counsel made several motions to continue and to dismiss on procedural grounds. At the hearing I successfully defended DLG's position to proceed, and the Clerk of Court denied the continuance and denied the dismissal, resulting in an entry of default and a signed order to sell the subject property.

Following the hearing, I participated in additional settlement communications and reinstatement attempts prior to the foreclosure sale. Working with the Trustee the property was ultimately foreclosed upon.

Thereafter, I have been assisting in the following matters: orderly transfer of property to the Receiver; negotiation with Trustee regarding commission; negotiation and preparation of lease/operating agreement; interaction with site supervisor; advise and counsel with regard to North Carolina statutory requirements; review and analysis of potential liability of Receiver; issuance of cease and desist letter and order of possession with former owner; dealt with local utility companies; spoke with potential buyers of the subject property; review of proposed listing agreement; and, preparation of notices to former members/licensee's of the property.

B. BILLING

See Attached Exhibit B

As of August 25, 2009, the total amount due is as follows:

Coastal Ventures Group II	\$ 4,700.00
Uwharrie Valley Partners	<u>22,025.00</u>
Total	<u>\$26,725.00</u>

I will be happy to provide any further documentation. Please do not hesitate to contact me.

Sincerely,



Peter N. Carlino
Attorney at Law

EXHIBIT "A"

MacNeill & Carlino, PLLC
6743-A Fairview Road
Charlotte, North Carolina 28210
704-365-1811
mbcpllc@bellsouth.net

March 23, 2010
 Invoice Number: 1010

ReProp-Diversified Lending Group

Date	Description	Hours	Rate	Tax	Total
	Previous Balance				\$0.00
8/17/2009	Email Review of Emails regarding bankruptcy, including, amended plan and exit fee issues.	0.33	\$300.00	\$0.00	\$100.00
10/16/2009	Email/Telephone Call Email from Salas regarding relief from stay in bankruptcy case; TC with Trustee regarding reinstition of foreclosure sale; Email regarding process and timing of sale.	0.50	\$300.00	\$0.00	\$150.00
10/22/2009	Email/Telephone Call Forwarded Order to Trustee; TC to Trustee regarding sale.	0.33	\$300.00	\$0.00	\$100.00
10/23/2009	Email Email confirmation of rescheduled foreclosure sale.	0.08	\$300.00	\$0.00	\$25.00
11/6/2009	Meeting Met with Trustee regarding property which was not properly noticed under the foreclosure sale; Discussed options for proceeding with sale without creating a title defect; TC with title company to discuss insurability of title.	1.75	\$300.00	\$0.00	\$525.00
11/9/2009	Email/Telephone Call Email from Trustee regarding option for removing portion of property; Called Trustee to confirm their position.	0.42	\$300.00	\$0.00	\$125.00
11/12/2009	Email Email from Trustee.	0.08	\$300.00	\$0.00	\$25.00
11/19/2009	Telephone Call/Document Review/Email Email regarding bid strategy for different deeds of trust; Research in NC statutes on up-set bid process with relation to cash deposit requirement for mortgagee; TC to clerk of court regarding his interpretation of the NC statutes and what he would require.	0.75	\$300.00	\$0.00	\$225.00
11/20/2009	Email Email to Salas, ReProp and Receiver regarding bid strategy, re-platted property and conference call.	0.25	\$300.00	\$0.00	\$75.00
11/23/2009	Email/Telephone Call/Document Drafting Review of emails regarding plat of property, inter-creditor agreement; Conference call to finalize bid strategy; Email exchange and review regarding cost basis of lots and impact on credit bid; Emailed Trustee credit bid amounts.	1.33	\$300.00	\$0.00	\$400.00

Date	Description	Hours	Rate	Tax	Total
11/24/2009	Meeting Attendance via phone of foreclosure sale; Email summary of sale; Review of final report of sale.	0.92	\$300.00	\$0.00	\$275.00
11/25/2009	Email/Telephone Call Email review and TC to Salas regrading CVG/Kunevicious.	0.17	\$300.00	\$0.00	\$50.00
12/3/2009	Email/Telephone Call TC with prospective buyer of property; Email exchange regarding recording of lots and utility service.	0.58	\$300.00	\$0.00	\$175.00
12/8/2009	Email/Telephone Call Email from Trustee confirming sale and credit bid; Email from Trustee regarding payment of commission.	0.33	\$300.00	\$0.00	\$100.00
12/9/2009	Email/Telephone Call/Document Drafting Email exchange regarding Trustee commission; Drafted new legal description for deeds based upon Inter-creditor Agreement; Sent out new legal description for review and approval.	0.75	\$300.00	\$0.00	\$225.00
12/10/2009	Email Review and comment on revised Trustee invoice	0.25	\$300.00	\$0.00	\$75.00
12/11/2009	Telephone Calls Call to Trustee to negotiate on commission; Email exchange.	0.50	\$300.00	\$0.00	\$150.00
12/16/2009	Email/Telephone Call Email regarding 1099 independent contractor and workers compensation insurance; TC to Trustee to discuss commission; Email Trustee's offer.	0.42	\$300.00	\$0.00	\$125.00
12/21/2009	Email/Telephone Call Email with ReProp and Receiver regarding Trustee commission; TC with Trustee; Reached settlement on payment of commission.	0.58	\$300.00	\$0.00	\$175.00
12/22/2009	Email/Telephone Call Coordination of payment of Trustee's commission and split of liability.	0.42	\$300.00	\$0.00	\$125.00
1/5/2010	Email/Telephone Call TC with Trustee regarding vesting of property.	0.33	\$300.00	\$0.00	\$100.00
1/13/2010	Meeting Meeting with Trustee to discuss proper vesting of property; TC with title company to discuss insurability of title without assignment of bid.	1.08	\$300.00	\$0.00	\$325.00
1/16/2010	Email Email regarding taxes.	0.08	\$300.00	\$0.00	\$25.00
1/18/2010	Email/Telephone Call/Document Drafting Email exchange regarding tax bills for property; Drafting of Partial Assignment of Bid.	0.75	\$300.00	\$0.00	\$225.00
1/19/2010	Email/Telephone Call/Document Drafting TC to McDowell Couty Tax Collector requesting tax printout; Email to provide status.	0.42	\$300.00	\$0.00	\$125.00
1/21/2010	Meeting Met with Trustee to finalize Partial Assignment of Bid; Review legal descriptions on Trustee's Deeds; Discussed status of foreclosure n balance of property.	1.42	\$300.00	\$0.00	\$425.00
1/26/2010	Telephone Call/Document Review/Email Review of tax bill; Emailed scanned copies of tax bills.	0.33	\$300.00	\$0.00	\$100.00

Date	Description	Hours	Rate	Tax	Total
2/4/2010	Telephone Call/Document Review/Email Recording of original Partial Assignment of Bid; Forwarded Assignment to Trustee.	0.25	\$300.00	\$0.00	\$75.00
3/8/2010	Telephone Call/Document Review/Email Review of survey maps in relation to remaining property which Trustee continues foreclosure action.	0.25	\$300.00	\$0.00	\$75.00
	Amount Due	15.65			\$4,700.00

EXHIBIT "B"
MacNeill & Carlino, PLLC
6743-A Fairview Road
Charlotte, North Carolina 28210
704-365-1811
mbcpllc@bellsouth.net

March 24, 2010
 Invoice Number: 1012

Diversified Lending Group, Inc.

Date	Description	Hours	Rate	Tax	Total
	Previous Balance				\$0.00
8/26/2009	Email/Telephone Call Call to UVP counsel; review email regarding settlement/postponement; review of UVP financials reports.	1.75	\$300.00	\$0.00	\$525.00
8/27/2009	Email Email response to UVP counsel regarding financials; email to Salas.	0.33	\$300.00	\$0.00	\$100.00
8/28/2009	Email/Telephone Call Call to UVP counsel; email regarding terms of postponement.	0.42	\$300.00	\$0.00	\$125.00
8/31/2009	Email Email exchange with foreclosure counsel.	0.17	\$300.00	\$0.00	\$50.00
9/1/2009	Email Email exchange with UVP counsel and Receiver regarding postponement of foreclosure.	0.42	\$300.00	\$0.00	\$125.00
9/2/2009	Email Email exchange regarding temporary postponement of foreclosure.	0.25	\$300.00	\$0.00	\$75.00
9/3/2009	Email/Telephone Call Email exchanges with foreclosure trustee to postpone sale; with Receiver regarding finding an operator for the campground; Strategy email regarding bankruptcy or delay by UVP.	1.33	\$300.00	\$0.00	\$400.00
9/4/2009	Email/Telephone Call TC with UVP counsel regarding postponement and requirements to settle; emails with Receiver regarding owner/operator for property; email with Salas.	0.42	\$300.00	\$0.00	\$125.00
9/14/2009	Email/Telephone Call TC and email exchange with UVP regarding updated settlement proposals.	0.58	\$300.00	\$0.00	\$175.00
9/18/2009	Email Email to UVP counsel regarding calculation of costs (legal, trustee etc.) for settlement.	0.17	\$300.00	\$0.00	\$50.00
9/21/2009	Email Email from UVP regdsing status.	0.08	\$300.00	\$0.00	\$25.00
9/24/2009	Document Drafting/Review Prepared Reinstatement Agreement; TC with Receivers office about terms of Agreement; email Agreement for review; Revised redlined Agreement.	2.67	\$300.00	\$0.00	\$800.00

Date	Description	Hours	Rate	Tax	Total
9/25/2009	Email/Telephone Call/Document Drafting Revised Reinstatement Agreement; call UVP counsel to review terms; coordinated with Trustee process from proceeding or delaying foreclosure sale; provided foreclosure/redemption analysis to Receiver.	1.75	\$300.00	\$0.00	\$525.00
9/28/2009	Email/Telephone Call Call with Trustee regarding postponement of sale; confirmation of postponement.	0.50	\$300.00	\$0.00	\$150.00
9/29/2009	Email/Telephone Call Email with Trustee regarding new sale date; Call and email with UVP counsel to advise of postponement and to finalize offer of	0.92	\$300.00	\$0.00	\$275.00
9/30/2009	Email/Telephone Call/Document Drafting Worked with Trustee on wording of Reinstatement Agreement to comply with NC statutes.	1.08	\$300.00	\$0.00	\$325.00
10/5/2009	Email/Telephone Call TC with UVP counsel regarding payment of funds for Reinstatement; email to Receiver regarding failure of UVP to perform and requesting instructions; Email to Trustee to continue with foreclosure sale.	1.00	\$300.00	\$0.00	\$300.00
10/6/2009	Email/Telephone Call Emails regarding DLG credit bid amount for the foreclosure sale with Receiver; TC and email with Trustee instructing them on credit bid amount; Phone attendance of foreclosure sale; Confirmation email of sale.	1.08	\$300.00	\$0.00	\$325.00
10/7/2009	Email/Telephone Call Call to UVP counsel to advise of sale and to inquire as to UVP intention to turn over the property for to upset the foreclosure bid; email with Salas regarding securing the property as well as insuring the property.	0.83	\$300.00	\$0.00	\$250.00
10/16/2009	Email/Telephone Call Call to Clerk of Court in Randolph County to confirm status of upset bid; call with Trustee to advise that no bids were submitted and sale was therefore final.	0.33	\$300.00	\$0.00	\$100.00
10/19/2009	Email/Telephone Call Email exchange with Salas regarding UVP intentions; Call to UVP counsel to request acknowledgement of sale by client.	0.67	\$300.00	\$0.00	\$200.00
10/20/2009	Email/Telephone Call Email exchanges with Salas, UVP counsel and Pratt regarding interim operating plan and membership issues; email of Pratt's plan/financials to Receiver.	1.67	\$300.00	\$0.00	\$500.00
10/27/2009	Email Email review of Trustee's invoice, forwarded to Receiver.	0.17	\$300.00	\$0.00	\$50.00
10/30/2009	Email Email exchange with receiver regarding Trustee's invoice and negotiation of fee reduction.	0.33	\$300.00	\$0.00	\$100.00
11/4/2009	Email Email review between Salas and Trustee.	0.08	\$300.00	\$0.00	\$25.00

Date	Description	Hours	Rate	Tax	Total
11/5/2009	Email/Telephone Call/Document Drafting Emails with Trustee, Salas and Receiver regarding vesting of Trustee's Deed in Randolph County; Review of Order filed in Radolph ROD regarding appointment of DG as Receiver, determination as to validity and sufficiency under NC statutes; Email exchange and review between Salas and UVP; Email and TC with UVP counsel regarding potential lease of property by UVP from Receiver.	2.33	\$300.00	\$0.00	\$700.00
11/6/2009	Email Email exchange and review of lease/operation proposal by UVP.	0.50	\$300.00	\$0.00	\$150.00
11/9/2009	Email/Telephone Call TC with Receiver and Salas regarding negotiation strategy with UVP counsel in preparing lease/operating agreement for UVP to continue to preserve property (ie: insurance, ejection, memberships, sale of new memberships, payroll, taxes etc.; Review of Salas proposal for listing property for sale; TC with UVP counsel outlining what would be required from UVP to lease/operate property.	2.67	\$300.00	\$0.00	\$800.00
11/10/2009	Email Email review from Receiver.	0.07	\$300.00	\$0.00	\$20.00
11/11/2009	Email Email with Kirkpatrick regarding site visit and interim management.	0.25	\$300.00	\$0.00	\$75.00
11/13/2009	Email Email with Kirkpatrick regarding insurance on site.	0.33	\$300.00	\$0.00	\$100.00
11/16/2009	Email/Telephone Call TC with UVP counsel to coordinate availability of his client to meet Kirkpatrick; Email with Kirkpatrick about status of UVP.	0.75	\$300.00	\$0.00	\$225.00
11/18/2009	Email/Telephone Call/Document Drafting Email exchange with Kirkpatrick and Receiver regarding planning/investigation of property; TC and email with UVP counsel to confirm UVP cooperation with Kirkpatrick; Prepared and sent due diligence requirements/objectives for Kirkpatrick to work with UVP to achieve.	1.25	\$300.00	\$0.00	\$375.00
11/19/2009	Email Email review and exchange with Kirkpatrick and Salas regarding site visit and tour by UVP, goals of due diligence, listing of property for sale by CBRE and current employee at property.	0.83	\$300.00	\$0.00	\$250.00
11/20/2009	Email Email review from Kirkpatrick.	0.07	\$300.00	\$0.00	\$20.00
11/22/2009	Email Email review and comment on exchange of emails between UVP and Kirkpatrick.	0.42	\$300.00	\$0.00	\$125.00
11/30/2009	Email Email review and exchange with Receiver and Kirkpatrick regarding scope of dealings with UVP and Kirkpatrick, also discussed parameters of what Receiver was looking to have done until the property was sold.	0.50	\$300.00	\$0.00	\$150.00
12/7/2009	Email/Telephone Call Emails exchange with Receiver, Salas and Kirkpatrick regarding any further negotiations, or planning with UVP in regard to further sale of the property.	0.58	\$300.00	\$0.00	\$175.00

Date	Description	Hours	Rate	Tax	Total
12/9/2009	Email/Telephone Call TC with Trustee regarding payment of invoice and negotiation of reduction in their commission; Email exchange with Receiver regarding payment of Trustee.	1.67	\$300.00	\$0.00	\$500.00
12/18/2009	Email/Telephone Call/Document Drafting TC with Trustee regarding final settlement of commission; Drafted letter regarding settlement; Emails regarding coordination of payment of Trustee's commission.	1.00	\$300.00	\$0.00	\$300.00
12/24/2009	Email Email review exchange regarding insurance on property.	0.25	\$300.00	\$0.00	\$75.00
1/21/2010	Email/Telephone Call Email from Receiver regarding UVP's actions to collect membership renewal money; Email review and exchange with Salas and Kirkpatrick regarding actions by UVP; TC with UVP counsel to review actions by UVP and advise him of jurisdiction of federal court.	2.33	\$300.00	\$0.00	\$700.00
1/22/2010	Email/Telephone Call/Document Drafting Email with Receiver, Salas and Kirkpatrick regarding ramifications of actions by UVP and liability under NC law; TC to Zooland member (Shaeffer) regarding letter she received from UVP, about representations being made by UVP and about documents that were provided with purchase of membership; Review of NCGS 66-230 Membership Camping Act; TC to NC Secretary of State to determine if UVP was registered; TC with Kirkpatrick to confirm extent of due diligence items received, inventory on site, recent status of UVP on site, and number of members on site; Conference call to review matter.	6.75	\$300.00	\$0.00	\$2,025.00
1/23/2010	Email Email from Receiver.	0.07	\$300.00	\$0.00	\$20.00
1/24/2010	Email Email review from Kirkpatrick.	0.07	\$300.00	\$0.00	\$20.00
1/25/2010	Email/Telephone Call Email review and exchange with Receiver and Salas regarding listing of property and potential buyer phone call to Receiver; TC to buyer inquiry. TC with UVP counsel.	1.17	\$300.00	\$0.00	\$350.00
1/26/2010	Document Drafting/Review Drafted Cease and Desist letter to UVP.	1.67	\$300.00	\$0.00	\$500.00
1/27/2010	Email/Telephone Call/Document Drafting Email of C&D letter; review and made changes to letter; sent letter to UVP counsel; Review and research on ejection of holdover tenant; Research on status of licensee's and their right to occupy in an ejection action; Analyze treatment of members as licensee's.	4.33	\$300.00	\$0.00	\$1,300.00
1/28/2010	Email Email review of listing agreement.	0.33	\$300.00	\$0.00	\$100.00
1/29/2010	Email Email exchange with Receiver.	0.07	\$300.00	\$0.00	\$20.00

Date	Description	Hours	Rate	Tax	Total
2/1/2010	Email/Telephone Call/Document Drafting Email from Kirkpatrick regarding utility service, determination of Receiver's liability for unpaid utilities; TC with UVP counsel; Email regarding Receiver's position with regard to UVP and their continued offer to assist; Email exchange regarding interim managers (Perry's).	3.25	\$300.00	\$0.00	\$975.00
2/2/2010	Email Email exchanges regarding utilities, listing agreement, potential buyers.	0.50	\$300.00	\$0.00	\$150.00
2/3/2010	Document Review Review of listing agreement; Email exchange to Receiver regarding NC law regarding foreclosure and effect on utilities.	0.58	\$300.00	\$0.00	\$175.00
2/4/2010	Title Examination Title examination and update of the property with regard to any restrictions which may have been recorded within last 60 years regarding use of property; Emails regarding interim managers; Opinion with regard to the necessity of workers compensation insurance.	2.33	\$300.00	\$0.00	\$700.00
2/5/2010	Email/Telephone Call/Document Drafting Drafted letter to electric company regarding utilities and liability of Receiver, provided copies of recorded Order by court and copy of Trustee's Deed; Review email exchange between Salas, Kirkpatrick and Pratt; TC to UVP counsel.	1.83	\$300.00	\$0.00	\$550.00
2/8/2010	Email/Telephone Call/Document Drafting Reviewed reports by interim manager regarding site status, inventory, condition of property; Email regarding notice to former members; Drafted Application for Order of Possession of property.	1.42	\$300.00	\$0.00	\$425.00
2/9/2010	Document Drafting/Review Finalized Application for Order of Possession; Emails to set up conference call and lay out talking points; Emails regarding potential buyer and utilities; TC from potential buyer.	1.08	\$300.00	\$0.00	\$325.00
2/10/2010	Email/Telephone Call Conference call with Receiver and Salas to discuss letter to members, contacting NC Attorney General regarding UVP actions, and potential buyers; Email to potential buyer (Michaels) requesting all offers in writing; Sent Application to Clerk of Court.	1.33	\$300.00	\$0.00	\$400.00
2/11/2010	Email Emails regarding appraisal and another conference call	0.33	\$300.00	\$0.00	\$100.00
2/12/2010	Telephone Call/Document Review/Email Drafted Notice to members; Reviewed report by interim manager; reviewed membership list, inventory list; membership sales agreement etc; Set plan for interim manager to handle inquiry by former members; Sent final Notice to interim manager for distribution to former members.	2.50	\$300.00	\$0.00	\$750.00
2/17/2010	Email Email review of Salas report	0.33	\$300.00	\$0.00	\$100.00
2/18/2010	Email Set up conference call.	0.17	\$300.00	\$0.00	\$50.00
2/20/2010	Document Review Review of appraisal	0.50	\$300.00	\$0.00	\$150.00

Date	Description	Hours	Rate	Tax	Total
2/23/2010	Telephone Call/Document Review/Email Conference call with Receiver and Salas to discuss appraisal, listing agreement, actions with UVP, Independent Contract Agreement for interim manager; TC to NC Secretary of State confirmation that no registration was filed for UVP or any other related entities; TC with NC AG filed complaint, provided copies of membership info which were found on site.	2.67	\$300.00	\$0.00	\$800.00
2/24/2010	Email Email exchanges regarding listing price in listing agreement	0.58	\$300.00	\$0.00	\$175.00
2/25/2010	Email Email exchange with Receiver and Kirkpatrick.	0.17	\$300.00	\$0.00	\$50.00
2/27/2010	Email Email regarding utilities and listing agreement.	0.17	\$300.00	\$0.00	\$50.00
3/1/2010	Email Email exchange with listing agent and potential buyer of property.	0.25	\$300.00	\$0.00	\$75.00
3/2/2010	Email/Telephone Call/Document Drafting Email with NC AG as follow up to complaint filed; Finalized IC Agreement for interim manager.	1.00	\$300.00	\$0.00	\$300.00
3/3/2010	Email Email exchange with Salas and potential buyer;	0.17	\$300.00	\$0.00	\$50.00
3/5/2010	Email/Telephone Call TC with attorney for trade group interested in listing property with members; Discussed parameters of project; Email to Receiver and Salas.	0.67	\$300.00	\$0.00	\$200.00
3/8/2010	Email/Telephone Call Email review and exchange with Receiver and Salas about conference call and potential buyer.	0.42	\$300.00	\$0.00	\$125.00
3/9/2010	Email/Telephone Call Review of Order sent by Receiver; Conference call discussed Receiver's qualifications to sell, further court order or action, possibility of an auction; TC to title company to determine insurability of title based upon current court order and acceptable language for an order allowing an auction.	0.92	\$300.00	\$0.00	\$275.00
3/10/2010	Telephone Calls Conference call with Receiver and Salas to follow-up on issues discussed on 3/9 including possibility of auction and method to determine acceptable offer.	0.17	\$300.00	\$0.00	\$50.00
3/11/2010	Email Emails about potential buyers, former member who is making inquiries.	0.33	\$300.00	\$0.00	\$100.00
3/15/2010	Email Review of email exchange.	0.25	\$300.00	\$0.00	\$75.00
3/16/2010	Email Review of emails with Receiver, Salas and listing agents.	0.25	\$300.00	\$0.00	\$75.00
	Amount Due	73.43			\$22,025.00