

IN THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM NEWBERRY COUNTY
Court of Common Pleas

Frank R. Addy, Jr., Circuit Court Judge

Case No. 2014-002410

RECEIVED
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SC Court of Appeals

Raymond D. Hobby Respondent

vs.

Mary T. Hobby Appellant

vs.

Frances B.B. Knowlton, individually and as Trustee Respondent

RECORD ON APPEAL
Volume III

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
DDC LLC										
08/07/10	652				\$5,206.14	\$0.00	\$0.00	\$0.00	\$0.00	\$5,206.14
08/20/10	634				\$2,703.23	\$0.00	\$0.00	\$0.00	\$0.00	\$2,703.23
08/31/10	638				\$6,485.04	\$0.00	\$0.00	\$0.00	\$0.00	\$6,485.04
09/13/10	650				\$3,037.65	\$0.00	\$0.00	\$0.00	\$0.00	\$3,037.65
Total DDC LLC:					\$17,432.06	\$0.00	\$0.00	\$0.00	\$0.00	\$17,432.06
DEZURIK WATER CONTROLS										
06/30/10	RPI/580081				\$61,027.00	\$0.00	\$0.00	\$0.00	\$0.00	\$61,027.00
06/30/10	RPI/560082				\$188,742.00	\$0.00	\$0.00	\$0.00	\$0.00	\$188,742.00
07/03/10	RPI/560084				\$14,648.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,648.00
07/21/10	RPI/560091				\$3,747.98	\$0.00	\$0.00	\$0.00	\$0.00	\$3,747.98
07/27/10	RPI/560093				\$18,780.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,780.00
08/19/10	RPI/560103				\$9,820.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,820.00
Total DEZURIK WATER CONTROLS:					\$296,764.98	\$0.00	\$0.00	\$0.00	\$0.00	\$296,764.98
DICK SMITH CHEVROLET/IBS										
08/27/10	146688				\$426.64	\$0.00	\$0.00	\$0.00	\$0.00	\$426.64
Total DICK SMITH CHEVROLET/IBS:					\$426.64	\$0.00	\$0.00	\$0.00	\$0.00	\$426.64
DRIGGERS SMALL ENGINE										
08/02/10	306856				\$90.64	\$0.00	\$0.00	\$0.00	\$0.00	\$90.64
08/17/10	311691				\$28.87	\$0.00	\$0.00	\$0.00	\$0.00	\$28.87
Total DRIGGERS SMALL ENGINE:					\$119.51	\$0.00	\$0.00	\$0.00	\$0.00	\$119.51
DUNCAN PARNELL										
08/19/10	S2916525.0				\$958.11	\$0.00	\$0.00	\$0.00	\$0.00	\$958.11
Total DUNCAN PARNELL:					\$958.11	\$0.00	\$0.00	\$0.00	\$0.00	\$958.11
EASTERN ELECTRIC SUPPLY										
08/11/10	362853				\$45.90	\$0.00	\$0.00	\$0.00	\$0.00	\$45.90

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SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
08/23/10	368833				\$64.26	\$0.00	\$0.00	\$0.00	\$0.00	\$64.26
ECONO LODGE - FLORENCE					Total EASTERN ELECTRIC SUPPLY:	\$110.16	\$0.00	\$0.00	\$0.00	\$110.16
07/22/10	23483				\$172.68	\$0.00	\$0.00	\$0.00	\$0.00	\$172.68
07/22/10	23482				\$230.24	\$0.00	\$0.00	\$0.00	\$0.00	\$230.24
08/12/10	403700				\$172.68	\$0.00	\$0.00	\$0.00	\$0.00	\$172.68
08/19/10	404118				\$230.24	\$0.00	\$0.00	\$0.00	\$0.00	\$230.24
08/19/10	23532				\$172.68	\$0.00	\$0.00	\$0.00	\$0.00	\$172.68
08/26/10	23541				\$230.24	\$0.00	\$0.00	\$0.00	\$0.00	\$230.24
08/26/10	23540				\$172.68	\$0.00	\$0.00	\$0.00	\$0.00	\$172.68
ELECTRIC SUPPLY CO., INC.					Total ECONO LODGE - FLORENCE:	\$1,381.44	\$0.00	\$0.00	\$0.00	\$1,381.44
08/25/10	GC1002-000				\$20,800.00	\$0.00	\$0.00	\$2,080.00	\$0.00	\$18,720.00
ELVIS WELDING SERVICES, INC.					Total ELECTRIC SUPPLY CO., INC.:	\$20,800.00	\$0.00	\$0.00	\$2,080.00	\$18,720.00
08/09/10	app #5 104				\$9,000.00	\$0.00	\$0.00	\$900.00	\$0.00	\$8,100.00
EXXON/GECC					Total ELVIS WELDING SERVICES, INC.:	\$9,000.00	\$0.00	\$0.00	\$900.00	\$8,100.00
06/10/10	Pd wrong V				(\$7,397.31)	\$0.00	\$0.00	\$0.00	\$0.00	(\$7,397.31)
07/10/10	23420379				\$1,947.37	\$0.00	\$0.00	\$0.00	\$0.00	\$1,947.37
08/10/10	23681387				\$2,093.44	\$0.00	\$0.00	\$0.00	\$0.00	\$2,093.44
FARM PLAN					Total EXXON/GECC:	(\$3,356.50)	\$0.00	\$0.00	\$0.00	(\$3,356.50)
08/01/10	0578432				\$27.81	\$0.00	\$0.00	\$0.00	\$0.00	\$27.81
					Total FARM PLAN:	\$27.81	\$0.00	\$0.00	\$0.00	\$27.81

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Camp	Net Amount Unpaid
FASTENAL COMPANY										
07/23/10	SCNOR8171				\$234.35	\$0.00	\$0.00	\$0.00	\$0.00	\$234.35
06/13/10	SCMTP2853				\$162.68	\$0.00	\$0.00	\$0.00	\$0.00	\$162.68
09/19/10	SCFLR9013				\$43.77	\$0.00	\$0.00	\$0.00	\$0.00	\$43.77
09/20/10	SCMY12605				\$154.06	\$0.00	\$0.00	\$0.00	\$0.00	\$154.06
08/20/10	SCMY12803				\$65.59	\$0.00	\$0.00	\$0.00	\$0.00	\$65.59
08/20/10	SCMY12604				\$33.65	\$0.00	\$0.00	\$0.00	\$0.00	\$33.65
08/24/10	SCMTP2863				\$24.95	\$0.00	\$0.00	\$0.00	\$0.00	\$24.95
Total FASTENAL COMPANY:					\$719.05	\$0.00	\$0.00	\$0.00	\$0.00	\$719.05
FEDEX										
08/31/10	7-208-2552				\$10.97	\$0.00	\$0.00	\$0.00	\$0.00	\$10.97
09/24/10	7-200-5000				\$32.73	\$0.00	\$0.00	\$0.00	\$0.00	\$32.73
Total FEDEX:					\$43.70	\$0.00	\$0.00	\$0.00	\$0.00	\$43.70
FENNELL CONTAINER CO., INC.										
08/25/10	0692-00023				\$92.18	\$0.00	\$0.00	\$0.00	\$0.00	\$92.18
Total FENNELL CONTAINER CO., INC.:					\$92.18	\$0.00	\$0.00	\$0.00	\$0.00	\$92.18
FENN-VAC, INC.										
07/31/10	119739				\$44,091.60	\$0.00	\$0.00	\$0.00	\$0.00	\$44,091.60
Total FENN-VAC, INC.:					\$44,091.60	\$0.00	\$0.00	\$0.00	\$0.00	\$44,091.60
FERGUSON ENTERPRISES, INC.										
08/10/10	0240365				\$128.55	\$0.00	\$0.00	\$0.00	\$0.00	\$128.55
08/12/10	0239506				\$4,035.65	\$0.00	\$0.00	\$0.00	\$0.00	\$4,035.65
08/13/10	0240678				\$73.88	\$0.00	\$0.00	\$0.00	\$0.00	\$73.88
08/13/10	0240652				\$28.37	\$0.00	\$0.00	\$0.00	\$0.00	\$28.37
08/13/10	0240680				\$144.64	\$0.00	\$0.00	\$0.00	\$0.00	\$144.64
08/13/10	CMC19902				(\$41.75)	\$0.00	\$0.00	\$0.00	\$0.00	(\$41.75)
08/13/10	0240583				\$511.75	\$0.00	\$0.00	\$0.00	\$0.00	\$511.75

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For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
08/16/10	0240583-1									
08/16/10	0240570				\$274.13	\$0.00	\$0.00	\$0.00	\$0.00	\$274.13
08/16/10	0240742				\$104.18	\$0.00	\$0.00	\$0.00	\$0.00	\$104.18
08/16/10	0897025				\$85.51	\$0.00	\$0.00	\$0.00	\$0.00	\$85.51
08/19/10	0240728				\$47.63	\$0.00	\$0.00	\$0.00	\$0.00	\$47.63
08/20/10	0240730				\$2.15	\$0.00	\$0.00	\$0.00	\$0.00	\$2.15
08/25/10	0241367				\$131.75	\$0.00	\$0.00	\$0.00	\$0.00	\$131.75
08/25/10	0241368				\$41.31	\$0.00	\$0.00	\$0.00	\$0.00	\$41.31
					\$63.74	\$0.00	\$0.00	\$0.00	\$0.00	\$63.74
Total FERGUSON ENTERPRISES, INC.:					\$5,631.49	\$0.00	\$0.00	\$0.00	\$0.00	\$5,631.49
FLINT EQUIPMENT COMPANY										
08/12/10	P10015				\$257.22	\$0.00	\$0.00	\$0.00	\$0.00	\$257.22
08/12/10	P10017				\$41.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41.00
08/13/10	P10042				\$129.08	\$0.00	\$0.00	\$0.00	\$0.00	\$129.08
08/13/10	P10037				\$7,686.03	\$0.00	\$0.00	\$0.00	\$0.00	\$7,686.03
08/13/10	P10034				\$143.73	\$0.00	\$0.00	\$0.00	\$0.00	\$143.73
08/19/10	P10118				\$35.57	\$0.00	\$0.00	\$0.00	\$0.00	\$35.57
08/19/10	P10117				\$417.67	\$0.00	\$0.00	\$0.00	\$0.00	\$417.67
08/19/10	P10115				\$70.15	\$0.00	\$0.00	\$0.00	\$0.00	\$70.15
08/19/10	P10113				\$355.43	\$0.00	\$0.00	\$0.00	\$0.00	\$355.43
08/19/10	P10112				\$131.81	\$0.00	\$0.00	\$0.00	\$0.00	\$131.81
08/19/10	P10111				\$298.67	\$0.00	\$0.00	\$0.00	\$0.00	\$298.67
08/19/10	P10114				\$104.54	\$0.00	\$0.00	\$0.00	\$0.00	\$104.54
08/23/10	P10166				\$139.86	\$0.00	\$0.00	\$0.00	\$0.00	\$139.86
08/23/10	P10165				\$786.26	\$0.00	\$0.00	\$0.00	\$0.00	\$786.26
08/26/10	P10225				\$576.94	\$0.00	\$0.00	\$0.00	\$0.00	\$576.94
08/27/10	P10247				\$132.05	\$0.00	\$0.00	\$0.00	\$0.00	\$132.05
					\$706.58	\$0.00	\$0.00	\$0.00	\$0.00	\$706.58
Total FLINT EQUIPMENT COMPANY:					\$11,893.59	\$0.00	\$0.00	\$0.00	\$0.00	\$11,893.59
FREIGHTQUOTE.COM										

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SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
08/30/10	4206583				\$250.11	\$0.00	\$0.00	\$0.00	\$0.00	\$250.11
				Total FREIGHTQUOTE.COM:	\$250.11	\$0.00	\$0.00	\$0.00	\$0.00	\$250.11
08/30/10	4687-4689				\$7,162.80	\$0.00	\$0.00	\$0.00	\$0.00	\$7,162.80
08/30/10	4670				(\$6,950.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,950.00)
				Total GARDNER ASSOCIATES, INC.:	\$212.80	\$0.00	\$0.00	\$0.00	\$0.00	\$212.80
08/05/10	81006				\$373.49	\$0.00	\$0.00	\$0.00	\$0.00	\$373.49
				Total GCR TIRE CENTERS:	\$373.49	\$0.00	\$0.00	\$0.00	\$0.00	\$373.49
08/31/10	STMT 5375				\$1,551.76	\$0.00	\$0.00	\$0.00	\$0.00	\$1,551.76
				Total GEORGETOWN AUTO PARTS, INC.:	\$1,551.76	\$0.00	\$0.00	\$0.00	\$0.00	\$1,551.76
08/11/10	0047033-00				\$320.85	\$0.00	\$0.00	\$0.00	\$0.00	\$320.85
08/11/10	0047029-00				\$181.22	\$0.00	\$0.00	\$0.00	\$0.00	\$181.22
				Total GEORGETOWN MILL SUPPLIES, INC.:	\$502.07	\$0.00	\$0.00	\$0.00	\$0.00	\$502.07
08/23/10	17318501				\$1,076.49	\$0.00	\$0.00	\$0.00	\$0.00	\$1,076.49
				Total GREAT LAKES PETROLEUM COMPANY:	\$1,076.49	\$0.00	\$0.00	\$0.00	\$0.00	\$1,076.49
08/10/10	0277184				\$137.38	\$0.00	\$0.00	\$0.00	\$0.00	\$137.38
08/10/10	0277183				\$531.36	\$0.00	\$0.00	\$0.00	\$0.00	\$531.36
08/12/10	0277352				\$195.53	\$0.00	\$0.00	\$0.00	\$0.00	\$195.53
08/18/10	0277725				\$912.17	\$0.00	\$0.00	\$0.00	\$0.00	\$912.17
08/18/10	0277756				\$651.78	\$0.00	\$0.00	\$0.00	\$0.00	\$651.78

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For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
08/25/10	0278253				\$777.60	\$0.00	\$0.00	\$0.00	\$0.00	\$777.60
03/30/10	0278382				\$120.96	\$0.00	\$0.00	\$0.00	\$0.00	\$120.96
Total GUARANTEED SUPPLY COMPANY OF SC:					\$3,326.78	\$0.00	\$0.00	\$0.00	\$0.00	\$3,326.78
H&S OIL COMPANY, INC.					\$6,883.30	\$0.00	\$0.00	\$0.00	\$0.00	\$6,883.30
08/31/10	STMT 0371E				\$6,883.30	\$0.00	\$0.00	\$0.00	\$0.00	\$6,883.30
Total H&S OIL COMPANY, INC.:					\$6,883.30	\$0.00	\$0.00	\$0.00	\$0.00	\$6,883.30
HANES SUPPLY OF SOUTH CAROLINA, INC.					\$126.92	\$0.00	\$0.00	\$0.00	\$0.00	\$126.92
08/25/10	108972				\$1,098.44	\$0.00	\$0.00	\$0.00	\$0.00	\$1,098.44
08/25/10	108973				\$1,225.36	\$0.00	\$0.00	\$0.00	\$0.00	\$1,225.36
Total HANES SUPPLY OF SOUTH CAROLINA, INC.:					\$1,321.33	\$0.00	\$0.00	\$0.00	\$0.00	\$1,321.33
HANSON PIPE & PRECAST, INC.					\$1,321.33	\$0.00	\$0.00	\$0.00	\$0.00	\$1,321.33
08/13/10	10461933				\$26,824.00	\$0.00	\$0.00	\$2,682.00	\$0.00	\$24,142.00
Total HANSON PIPE & PRECAST, INC.:					\$34,861.00	\$0.00	\$0.00	\$3,486.00	\$0.00	\$31,375.00
HARRELSON PAINTING					\$61,685.00	\$0.00	\$0.00	\$6,168.00	\$0.00	\$55,517.00
07/25/10	1255				\$246.18	\$0.00	\$0.00	\$0.00	\$0.00	\$246.18
08/25/10	1256				\$200.77	\$0.00	\$0.00	\$0.00	\$0.00	\$200.77
Total HARRELSON PAINTING:					\$260.23	\$0.00	\$0.00	\$0.00	\$0.00	\$260.23
HERALD OFFICE SUPPLY, INC.					\$35.88	\$0.00	\$0.00	\$0.00	\$0.00	\$35.88
08/06/10	1716587-0				\$369.40	\$0.00	\$0.00	\$0.00	\$0.00	\$369.40
08/11/10	1717536-1				\$1,112.46	\$0.00	\$0.00	\$0.00	\$0.00	\$1,112.46
08/12/10	1721185-0									
08/12/10	1721457-0									
08/27/10	1729520-0									
Total HERALD OFFICE SUPPLY, INC.:					\$1,112.46	\$0.00	\$0.00	\$0.00	\$0.00	\$1,112.46
HEYWARD SERVICES INC.										

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
01/04/10	8159	52224	06/03/10							
07/14/10	8352				\$50,000.00	\$0.00	\$30,000.00	\$0.00	\$0.00	\$20,000.00
07/28/10	8365				\$384,372.00	\$0.00	\$0.00	\$35,590.00	\$0.00	\$348,782.00
07/30/10	8367				\$192,386.58	\$0.00	\$0.00	\$17,813.57	\$0.00	\$174,572.99
					\$32,940.00	\$0.00	\$0.00	\$3,050.00	\$0.00	\$29,890.00
Total HEYWARD SERVICES INC.:					\$659,698.58	\$0.00	\$30,000.00	\$56,453.57	\$0.00	\$573,244.99
HILL TIRE CENTER, INC.										
07/30/10	1247618a				\$1,143.39	\$0.00	\$0.00	\$0.00	\$0.00	\$1,143.39
07/30/10	1247610a				\$33.62	\$0.00	\$0.00	\$0.00	\$0.00	\$33.62
08/01/10	1247382a				\$21.83	\$0.00	\$0.00	\$0.00	\$0.00	\$21.83
08/06/10	1248283a				\$928.89	\$0.00	\$0.00	\$0.00	\$0.00	\$928.89
08/19/10	1248224a				\$154.33	\$0.00	\$0.00	\$0.00	\$0.00	\$154.33
08/20/10	1249340a				\$689.03	\$0.00	\$0.00	\$0.00	\$0.00	\$689.03
08/21/10	1249418a				\$167.54	\$0.00	\$0.00	\$0.00	\$0.00	\$167.54
08/25/10	1249634a				\$47.62	\$0.00	\$0.00	\$0.00	\$0.00	\$47.62
Total HILL TIRE CENTER, INC.:					\$3,186.25	\$0.00	\$0.00	\$0.00	\$0.00	\$3,186.25
HILTI, INC.										
08/12/10	1608261424				\$542.87	\$0.00	\$0.00	\$0.00	\$0.00	\$542.87
Total HILTI, INC.:					\$542.87	\$0.00	\$0.00	\$0.00	\$0.00	\$542.87
HOME TELEPHONE COMPANY										
08/18/10	8437611570				\$633.43	\$0.00	\$0.00	\$0.00	\$0.00	\$633.43
08/25/10	8437612007				\$692.19	\$0.00	\$0.00	\$0.00	\$0.00	\$692.19
Total HOME TELEPHONE COMPANY:					\$1,325.62	\$0.00	\$0.00	\$0.00	\$0.00	\$1,325.62
HORRY ELECTRIC COOPERATIVE, INC.										
08/26/10	979431 8/1				\$551.39	\$0.00	\$0.00	\$0.00	\$0.00	\$551.39
08/31/10	979428 5/1				\$338.59	\$0.00	\$0.00	\$0.00	\$0.00	\$338.59
Total HORRY ELECTRIC COOPERATIVE, INC.:					\$889.98	\$0.00	\$0.00	\$0.00	\$0.00	\$889.98

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SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
HUGHES MOTORS, INC.										
08/03/10	AW74917				\$1,981.68	\$0.00	\$0.00	\$0.00	\$0.00	\$1,981.68
08/26/10	AW75077				\$2,149.14	\$0.00	\$0.00	\$0.00	\$0.00	\$2,149.14
Total HUGHES MOTORS, INC.:					\$4,130.82	\$0.00	\$0.00	\$0.00	\$0.00	\$4,130.82
INDUSTRIAL MACHINE AND FAB., INC										
08/26/10	14195				\$2,580.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,580.00
08/30/10	14243				\$540.00	\$0.00	\$0.00	\$0.00	\$0.00	\$540.00
Total INDUSTRIAL MACHINE AND FAB., INC.:					\$3,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,120.00
J & M ELECTRICAL SERVICE, INC										
07/20/10	5809				\$5,957.52	\$0.00	\$0.00	\$0.00	\$0.00	\$5,957.52
07/20/10	5808				\$58,600.00	\$0.00	\$0.00	\$5,860.00	\$0.00	\$52,740.00
08/19/10	5826				\$33,000.00	\$0.00	\$0.00	\$3,300.00	\$0.00	\$29,700.00
Total J & M ELECTRICAL SERVICE, INC.:					\$97,557.52	\$0.00	\$0.00	\$8,160.00	\$0.00	\$88,397.52
J&M ELECTRIC SERVICE										
08/26/10	Wells Fargo				\$41,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41,200.00
Total J&M ELECTRIC SERVICE:					\$41,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41,200.00
KIMBALL MIDWEST										
09/03/10	1596882				\$272.46	\$0.00	\$0.00	\$0.00	\$0.00	\$272.46
08/09/10	1605013				\$148.75	\$0.00	\$0.00	\$0.00	\$0.00	\$148.75
08/17/10	1616237				\$222.91	\$0.00	\$0.00	\$0.00	\$0.00	\$222.91
08/20/10	1621947				\$565.34	\$0.00	\$0.00	\$0.00	\$0.00	\$565.34
Total KIMBALL MIDWEST:					\$1,209.46	\$0.00	\$0.00	\$0.00	\$0.00	\$1,209.46
K-M MACHINE COMPANY, INC.										
08/27/10	60173				\$28,261.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,261.00
Total K-M MACHINE COMPANY, INC.:					\$28,261.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,261.00

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SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
KNIGHT'S PRECAST, INC.										
08/12/10	17508				\$318.86	\$0.00	\$0.00	\$0.00	\$0.00	\$318.86
Total KNIGHT'S PRECAST, INC.:					\$318.86	\$0.00	\$0.00	\$0.00	\$0.00	\$318.86
KNIGHT'S REDI-MIX, INC.										
08/11/10	70743				\$12,700.80	\$0.00	\$0.00	\$0.00	\$0.00	\$12,700.80
08/12/10	70768				\$1,134.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,134.00
08/17/10	70841				\$3,084.48	\$0.00	\$0.00	\$0.00	\$0.00	\$3,084.48
08/31/10	71173				\$807.20	\$0.00	\$0.00	\$0.00	\$0.00	\$807.20
Total KNIGHT'S REDI-MIX, INC.:					\$17,826.48	\$0.00	\$0.00	\$0.00	\$0.00	\$17,826.48
LE BLEU WATER OF MYRTLE BEACH										
08/31/10	96255 8/31				\$76.39	\$0.00	\$0.00	\$0.00	\$0.00	\$76.39
08/31/10	63842 8/10				\$132.29	\$0.00	\$0.00	\$0.00	\$0.00	\$132.29
Total LE BLEU WATER OF MYRTLE BEACH:					\$208.68	\$0.00	\$0.00	\$0.00	\$0.00	\$208.68
LEBLEU BOTTLED WATER										
08/31/10	9340 8/31/				\$41.22	\$0.00	\$0.00	\$0.00	\$0.00	\$41.22
Total LEBLEU BOTTLED WATER:					\$41.22	\$0.00	\$0.00	\$0.00	\$0.00	\$41.22
LEE COUNTY LANDFILL										
08/15/10	767				\$13,098.50	\$0.00	\$0.00	\$0.00	\$0.00	\$13,098.50
08/31/10	010148				\$23,410.90	\$0.00	\$0.00	\$0.00	\$0.00	\$23,410.90
Total LEE COUNTY LANDFILL:					\$36,509.40	\$0.00	\$0.00	\$0.00	\$0.00	\$36,509.40
LEWIS SERVICES, INC.										
08/17/10	5909				\$1,495.20	\$0.00	\$0.00	\$0.00	\$0.00	\$1,495.20
Total LEWIS SERVICES, INC.:					\$1,495.20	\$0.00	\$0.00	\$0.00	\$0.00	\$1,495.20
LIBERTY TERMINAL, LLC										
08/27/10	22279				\$172.18	\$0.00	\$0.00	\$0.00	\$0.00	\$172.18

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SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
LINDER INDUSTRIAL MACHINERY					Total LIBERTY TERMINAL, LLC:					
08/23/10	L4464E				\$172.16	\$0.00	\$0.00	\$0.00	\$0.00	\$172.16
08/23/10	L4461Q				\$48.97	\$0.00	\$0.00	\$0.00	\$0.00	\$48.97
					\$1,257.25	\$0.00	\$0.00	\$0.00	\$0.00	\$1,257.25
Total LINDER INDUSTRIAL MACHINERY:					\$1,306.22	\$0.00	\$0.00	\$0.00	\$0.00	\$1,306.22
LOWE'S COMPANIES, INC.					Total LOWE'S COMPANIES, INC.:					
07/26/10	925603				\$234.39	\$0.00	\$0.00	\$0.00	\$0.00	\$234.39
07/29/10	910883				\$11.07	\$0.00	\$0.00	\$0.00	\$0.00	\$11.07
08/03/10	910837				\$10.20	\$0.00	\$0.00	\$0.00	\$0.00	\$10.20
08/03/10	912227				\$17.30	\$0.00	\$0.00	\$0.00	\$0.00	\$17.30
08/09/10	914904				\$53.79	\$0.00	\$0.00	\$0.00	\$0.00	\$53.79
08/09/10	914991				\$17.54	\$0.00	\$0.00	\$0.00	\$0.00	\$17.54
08/10/10	914158				\$55.57	\$0.00	\$0.00	\$0.00	\$0.00	\$55.57
08/13/10	943443				\$70.28	\$0.00	\$0.00	\$0.00	\$0.00	\$70.28
08/17/10	902338				\$370.08	\$0.00	\$0.00	\$0.00	\$0.00	\$370.08
08/18/10	914444				\$43.07	\$0.00	\$0.00	\$0.00	\$0.00	\$43.07
08/18/10	902608				\$297.86	\$0.00	\$0.00	\$0.00	\$0.00	\$297.86
08/22/10	964170				\$10.22	\$0.00	\$0.00	\$0.00	\$0.00	\$10.22
08/23/10	914811				\$38.82	\$0.00	\$0.00	\$0.00	\$0.00	\$38.82
Total LOWE'S COMPANIES, INC.:					\$1,229.99	\$0.00	\$0.00	\$0.00	\$0.00	\$1,229.99
LYNN LADDER & SCAFFOLDING					Total LYNN LADDER & SCAFFOLDING:					
07/29/10	1158739 RI				\$849.22	\$0.00	\$0.00	\$0.00	\$0.00	\$849.22
M B AUTO & TRUCK PARTS					Total M B AUTO & TRUCK PARTS:					
08/31/10	slmt 5998				\$1,230.14	\$0.00	\$0.00	\$0.00	\$0.00	\$1,230.14
					\$1,230.14	\$0.00	\$0.00	\$0.00	\$0.00	\$1,230.14

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SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
M/R SYSTEMS, INC.										
07/14/10	6C32				\$24,207.12	\$0.00	\$0.00	\$2,420.71	\$0.00	\$21,786.41
08/20/10	6G71				\$10,697.40	\$0.00	\$0.00	\$1,069.74	\$0.00	\$9,627.66
Total M/R SYSTEMS, INC.:					\$34,904.52	\$0.00	\$0.00	\$3,490.45	\$0.00	\$31,414.07
MARTIN MARIETTA AGGREGATES										
08/16/10	8777211				\$4,600.83	\$0.00	\$0.00	\$0.00	\$0.00	\$4,600.83
08/23/10	8789861				\$255.33	\$0.00	\$0.00	\$0.00	\$0.00	\$255.33
08/30/10	8813447				\$307.95	\$0.00	\$0.00	\$0.00	\$0.00	\$307.95
Total MARTIN MARIETTA AGGREGATES:					\$5,164.11	\$0.00	\$0.00	\$0.00	\$0.00	\$5,164.11
MH&S DIRECTIONAL										
08/12/10	0163				\$12,380.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,380.00
Total MH&S DIRECTIONAL:					\$12,380.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,380.00
MIDWESTERN FABRICATORS										
08/18/10	932				\$46,240.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,240.00
Total MIDWESTERN FABRICATORS:					\$46,240.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,240.00
MODULAR SPACE CORPORATION										
08/25/10	106521215				\$431.08	\$0.00	\$0.00	\$0.00	\$0.00	\$431.08
Total MODULAR SPACE CORPORATION:					\$431.08	\$0.00	\$0.00	\$0.00	\$0.00	\$431.08
MONCK'S CORNER HEATING & AIR APPLIANCES										
08/26/10	083010				\$320.00	\$0.00	\$0.00	\$0.00	\$0.00	\$320.00
Total MONCK'S CORNER HEATING & AIR APPLIANCES:					\$320.00	\$0.00	\$0.00	\$0.00	\$0.00	\$320.00
MSC WATERWORKS										
02/04/10	2602612 ba				\$4,895.98	\$0.00	\$0.00	\$0.00	\$0.00	\$4,895.98
02/05/10	2611957				\$4,941.66	\$0.00	\$0.00	\$0.00	\$0.00	\$4,941.66
02/08/10	2608925				\$929.39	\$0.00	\$0.00	\$0.00	\$0.00	\$929.39

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SEASIDE UTILITIES, INC

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Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
03/23/10	2500311				\$2,476.60	\$0.00	\$0.00	\$0.00	\$0.00	\$2,476.60
03/23/10	2605613 b				\$2,510.66	\$0.00	\$0.00	\$0.00	\$0.00	\$2,510.66
04/29/10	2640839				\$734.48	\$0.00	\$0.00	\$0.00	\$0.00	\$734.48
05/07/10	2646878				\$7,945.74	\$0.00	\$0.00	\$0.00	\$0.00	\$7,945.74
05/27/10	2654387				\$708.65	\$0.00	\$0.00	\$0.00	\$0.00	\$708.65
07/18/10	2678379				\$7,225.68	\$0.00	\$0.00	\$0.00	\$0.00	\$7,225.68
07/19/10	2678378				\$606.04	\$0.00	\$0.00	\$0.00	\$0.00	\$606.04
07/20/10	2676233				\$99.76	\$0.00	\$0.00	\$0.00	\$0.00	\$99.76
07/23/10	2678688				\$37.02	\$0.00	\$0.00	\$0.00	\$0.00	\$37.02
07/27/10	2581066				\$54.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54.00
07/27/10	2680378				\$188.27	\$0.00	\$0.00	\$0.00	\$0.00	\$188.27
07/27/10	2682653				\$3,153.60	\$0.00	\$0.00	\$0.00	\$0.00	\$3,153.60
07/27/10	2680377				\$346.09	\$0.00	\$0.00	\$0.00	\$0.00	\$346.09
07/27/10	2579622				\$2,090.12	\$0.00	\$0.00	\$0.00	\$0.00	\$2,090.12
07/28/10	2580267				\$32.91	\$0.00	\$0.00	\$0.00	\$0.00	\$32.91
07/28/10	2680154				\$302.38	\$0.00	\$0.00	\$0.00	\$0.00	\$302.38
07/28/10	2580947				\$1,569.66	\$0.00	\$0.00	\$0.00	\$0.00	\$1,569.66
07/29/10	26907464				\$311.04	\$0.00	\$0.00	\$0.00	\$0.00	\$311.04
08/03/10	2682899				\$883.01	\$0.00	\$0.00	\$0.00	\$0.00	\$883.01
08/09/10	2684357				\$17,558.98	\$0.00	\$0.00	\$0.00	\$0.00	\$17,558.98
08/09/10	2686264				\$8,914.48	\$0.00	\$0.00	\$0.00	\$0.00	\$8,914.48
08/11/10	2686771				\$862.53	\$0.00	\$0.00	\$0.00	\$0.00	\$862.53
08/11/10	2686443				\$449.28	\$0.00	\$0.00	\$0.00	\$0.00	\$449.28
08/12/10	2687008				\$46.71	\$0.00	\$0.00	\$0.00	\$0.00	\$46.71
08/13/10	2687537				\$351.34	\$0.00	\$0.00	\$0.00	\$0.00	\$351.34
08/13/10	2687815				\$454.76	\$0.00	\$0.00	\$0.00	\$0.00	\$454.76
08/18/10	2690048				\$2,695.68	\$0.00	\$0.00	\$0.00	\$0.00	\$2,695.68
08/18/10	2690367				\$356.40	\$0.00	\$0.00	\$0.00	\$0.00	\$356.40
08/18/10	2694019				\$6,955.20	\$0.00	\$0.00	\$0.00	\$0.00	\$6,955.20
08/23/10	2690983				\$271.02	\$0.00	\$0.00	\$0.00	\$0.00	\$271.02
08/23/10	2553740 ba				\$1,723.40	\$0.00	\$0.00	\$0.00	\$0.00	\$1,723.40

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SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
08/23/10	2688597									
08/23/10	2691345				(\$2,425.96)	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,425.96)
08/25/10	2692798				\$3,024.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,024.00
08/26/10	2693940				(\$864.31)	\$0.00	\$0.00	\$0.00	\$0.00	(\$864.31)
					\$128.73	\$0.00	\$0.00	\$0.00	\$0.00	\$128.73
Total MSC WATERWORKS:					\$82,546.98	\$0.00	\$0.00	\$0.00	\$0.00	\$82,546.98
MURRAY SAND COMPANY INC										
07/30/10	250128									
08/18/10	250374				\$7,986.15	\$0.00	\$0.00	\$0.00	\$0.00	\$7,986.15
08/27/10	250514				\$1,470.53	\$0.00	\$0.00	\$0.00	\$0.00	\$1,470.53
08/31/10	250578				\$8,722.34	\$0.00	\$0.00	\$0.00	\$0.00	\$8,722.34
09/02/10	250644				\$7,009.29	\$0.00	\$0.00	\$0.00	\$0.00	\$7,009.29
09/09/10	250645				\$2,535.87	\$0.00	\$0.00	\$0.00	\$0.00	\$2,535.87
09/10/10	250671				\$4,218.67	\$0.00	\$0.00	\$0.00	\$0.00	\$4,218.67
					\$13,971.92	\$0.00	\$0.00	\$0.00	\$0.00	\$13,971.92
Total MURRAY SAND COMPANY INC:					\$45,914.57	\$0.00	\$0.00	\$0.00	\$0.00	\$45,914.57
NAPA AUTO & TRUCK PARTS										
08/03/10	622815				\$83.40	\$0.00	\$0.00	\$0.00	\$0.00	\$83.40
Total NAPA AUTO & TRUCK PARTS:					\$83.40	\$0.00	\$0.00	\$0.00	\$0.00	\$83.40
NATIONAL ERECTORS REBAR, INC										
07/06/10	1737420				\$29,000.00	\$0.00	\$0.00	\$2,900.00	\$0.00	\$26,100.00
08/04/10	1737469				\$11,400.00	\$0.00	\$0.00	\$570.00	\$0.00	\$10,830.00
08/12/10	1737488				\$28,000.00	\$0.00	\$0.00	\$2,900.00	\$0.00	\$26,100.00
Total NATIONAL ERECTORS REBAR, INC:					\$69,400.00	\$0.00	\$0.00	\$6,370.00	\$0.00	\$63,030.00
NEFCO, INCORPORATED										
08/17/10	29551-2				\$84,266.90	\$0.00	\$0.00	\$0.00	\$0.00	\$84,266.90
Total NEFCO, INCORPORATED:					\$84,266.90	\$0.00	\$0.00	\$0.00	\$0.00	\$84,266.90
NUFAB NATIONAL REBAR, INC										

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
07/15/10	IN00017506				\$5,213.16	\$0.00	\$0.00	\$0.00	\$0.00	\$5,213.16
07/19/10	IN00017556				\$312.12	\$0.00	\$0.00	\$0.00	\$0.00	\$312.12
07/20/10	IN00017536				\$4,925.88	\$0.00	\$0.00	\$0.00	\$0.00	\$4,925.88
07/28/10	IN00017620				\$10,850.76	\$0.00	\$0.00	\$0.00	\$0.00	\$10,850.76
07/29/10	IN00017633				\$14,503.98	\$0.00	\$0.00	\$0.00	\$0.00	\$14,503.98
07/29/10	IN00017634				\$14,800.78	\$0.00	\$0.00	\$0.00	\$0.00	\$14,800.78
07/29/10	554.38				\$554.38	\$0.00	\$0.00	\$0.00	\$0.00	\$554.38
08/04/10	IN00017702				\$14,159.88	\$0.00	\$0.00	\$0.00	\$0.00	\$14,159.88
08/10/10	IN00017771				\$17,524.98	\$0.00	\$0.00	\$0.00	\$0.00	\$17,524.98
08/11/10	IN0001777				\$16,113.06	\$0.00	\$0.00	\$0.00	\$0.00	\$16,113.06
08/11/10	IN00017776				\$7,691.76	\$0.00	\$0.00	\$0.00	\$0.00	\$7,691.76
08/12/10	IN00017789				\$17,804.82	\$0.00	\$0.00	\$0.00	\$0.00	\$17,804.82
08/17/10	INCR000041				\$11,948.04	\$0.00	\$0.00	\$0.00	\$0.00	\$11,948.04
08/18/10	IN00017840				\$14,690.16	\$0.00	\$0.00	\$0.00	\$0.00	\$14,690.16
08/23/10	INCR000067				\$17,565.12	\$0.00	\$0.00	\$0.00	\$0.00	\$17,565.12
08/24/10	IN00017896				\$13,627.60	\$0.00	\$0.00	\$0.00	\$0.00	\$13,627.60
08/25/10	INCR00006E				\$18,360.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,360.00
08/31/10	IN00017980				\$11,186.64	\$0.00	\$0.00	\$0.00	\$0.00	\$11,186.64
Total NUFAB NATIONAL REBAR, INC:					\$213,833.12	\$0.00	\$0.00	\$0.00	\$0.00	\$213,833.12
NWP SERVICES CORPORATION					\$6.13	\$0.00	\$0.00	\$0.00	\$0.00	\$6.13
08/23/10	6509-001 8				\$6.13	\$0.00	\$0.00	\$0.00	\$0.00	\$6.13
Total NWP SERVICES CORPORATION:					\$6.13	\$0.00	\$0.00	\$0.00	\$0.00	\$6.13
OWENS STEEL & MACHINE WORKS, INC.					\$163.50	\$0.00	\$0.00	\$0.00	\$0.00	\$163.50
08/11/10	53089				\$147.15	\$0.00	\$0.00	\$0.00	\$0.00	\$147.15
08/17/10	53239				\$310.85	\$0.00	\$0.00	\$0.00	\$0.00	\$310.85
Total OWENS STEEL & MACHINE WORKS, INC.:					\$310.85	\$0.00	\$0.00	\$0.00	\$0.00	\$310.85
PIPELINE CONTRACTORS, INC.					\$50,947.74	\$0.00	\$0.00	\$0.00	\$0.00	\$50,947.74
08/10/10	App No 1 1									

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
PURCHASE POWER					Total PIPELINE CONTRACTORS, INC.:	\$50,947.74	\$0.00	\$0.00	\$0.00	\$50,947.74
08/31/10	xx1869 8/1					\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
QUALITY TRAILER PRODUCTS, LP					Total PURCHASE POWER:	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
07/29/10	FL16567401					(\$51.87)	\$0.00	\$0.00	\$0.00	(\$51.87)
08/09/10	FL6558301					\$87.69	\$0.00	\$0.00	\$0.00	\$87.69
08/09/10	FL16558301					\$87.69	\$0.00	\$0.00	\$0.00	\$87.69
08/11/10	FL16549102					\$153.17	\$0.00	\$0.00	\$0.00	\$153.17
QUILL					Total QUALITY TRAILER PRODUCTS, LP:	\$276.68	\$0.00	\$0.00	\$0.00	\$276.68
08/24/10	7545996					\$173.25	\$0.00	\$0.00	\$0.00	\$173.25
RAIN FOR RENT NORTH CAROLINA					Total QUILL:	\$173.25	\$0.00	\$0.00	\$0.00	\$173.25
08/30/10	028011043					\$1,360.80	\$0.00	\$0.00	\$0.00	\$1,360.80
RENTAL SERVICE CORP.-RSC					Total RAIN FOR RENT NORTH CAROLINA:	\$1,360.80	\$0.00	\$0.00	\$0.00	\$1,360.80
08/16/10	45330163-0					\$55.06	\$0.00	\$0.00	\$0.00	\$55.06
08/15/10	45335402-0					\$91.68	\$0.00	\$0.00	\$0.00	\$91.68
08/23/10	45409013-0					\$29.78	\$0.00	\$0.00	\$0.00	\$29.78
RING POWER CORPORATION					Total RENTAL SERVICE CORP.-RSC:	\$176.52	\$0.00	\$0.00	\$0.00	\$176.52
08/31/10	45PX62615E					(\$59.00)	\$0.00	\$0.00	\$0.00	(\$59.00)
08/31/10	45px626241					\$57.56	\$0.00	\$0.00	\$0.00	\$57.56

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
Total RING POWER CORPORATION:					(\$1.44)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1.44)
RODNEY HUNT COMPANY										
08/17/10	25274				\$103,931.00	\$0.00	\$0.00	\$10,393.10	\$0.00	\$93,537.90
Total RODNEY HUNT COMPANY:					\$103,931.00	\$0.00	\$0.00	\$10,393.10	\$0.00	\$93,537.90
SANTEE COOPER										
08/18/10	xx200000 8				\$90.63	\$0.00	\$0.00	\$0.00	\$0.00	\$90.63
Total SANTEE COOPER:					\$90.63	\$0.00	\$0.00	\$0.00	\$0.00	\$90.63
SC DEPT OF REVENUE										
08/17/10	29551-2 Ne				\$7,541.35	\$0.00	\$0.00	\$0.00	\$0.00	\$7,541.35
08/17/10	r hunt 252				\$10,533.84	\$0.00	\$0.00	\$0.00	\$0.00	\$10,533.84
08/18/10	Midwestern				\$3,699.20	\$0.00	\$0.00	\$0.00	\$0.00	\$3,699.20
08/19/10	Dezurik 56				\$785.60	\$0.00	\$0.00	\$0.00	\$0.00	\$785.60
08/21/10	K_M 60173				\$2,260.88	\$0.00	\$0.00	\$0.00	\$0.00	\$2,260.88
08/31/10	scion 303				\$45.32	\$0.00	\$0.00	\$0.00	\$0.00	\$45.32
Total SC DEPT OF REVENUE:					\$24,866.19	\$0.00	\$0.00	\$0.00	\$0.00	\$24,866.19
SHERWIN-WILLIAMS COMPANY										
08/19/10	9973-9				\$225.62	\$0.00	\$0.00	\$0.00	\$0.00	\$225.62
Total SHERWIN-WILLIAMS COMPANY:					\$225.62	\$0.00	\$0.00	\$0.00	\$0.00	\$225.62
SIEMENS WATER TECHNOLOGIES										
07/20/10	900063918				\$166,666.74	\$0.00	\$0.00	\$7,744.74	\$0.00	\$158,922.00
08/18/10	900070856				\$320,330.86	\$0.00	\$0.00	\$14,885.26	\$0.00	\$305,445.60
08/26/10	Back Chrg				(\$2,580.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,580.00)
Total SIEMENS WATER TECHNOLOGIES:					\$484,417.60	\$0.00	\$0.00	\$22,630.00	\$0.00	\$461,787.60
SITWORK SUPPLIERS, LLC										
08/13/10	19250				\$34.48	\$0.00	\$0.00	\$0.00	\$0.00	\$34.48

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage Unpaid	Work Comp	Net Amount Unpaid
08/13/10	19252				\$37.75	\$0.00	\$0.00	\$0.00	\$0.00	\$37.75
08/25/10	19351				\$3,757.01	\$0.00	\$0.00	\$0.00	\$0.00	\$3,757.01
Total SITEWORK SUPPLIERS, LLC:					\$3,829.24	\$0.00	\$0.00	\$0.00	\$0.00	\$3,829.24
SOUTHERN UTILITY SUPPLY OF CHARLESTON										
08/10/10	34637				\$98,844.53	\$0.00	\$0.00	\$0.00	\$0.00	\$98,844.53
08/11/10	34661				\$18,754.97	\$0.00	\$0.00	\$0.00	\$0.00	\$18,754.97
08/11/10	34664				\$18,787.36	\$0.00	\$0.00	\$0.00	\$0.00	\$18,787.36
08/11/10	34663				\$642.63	\$0.00	\$0.00	\$0.00	\$0.00	\$642.63
08/11/10	34658				\$19,029.46	\$0.00	\$0.00	\$0.00	\$0.00	\$19,029.46
08/11/10	34642				\$25,789.88	\$0.00	\$0.00	\$0.00	\$0.00	\$25,789.88
08/11/10	34660				\$10,687.43	\$0.00	\$0.00	\$0.00	\$0.00	\$10,687.43
08/11/10	34662				\$3,483.51	\$0.00	\$0.00	\$0.00	\$0.00	\$3,483.51
08/11/10	34659				\$19,913.08	\$0.00	\$0.00	\$0.00	\$0.00	\$19,913.08
08/11/10	34733				\$2,577.48	\$0.00	\$0.00	\$0.00	\$0.00	\$2,577.48
08/18/10	34598				\$34,231.68	\$0.00	\$0.00	\$0.00	\$0.00	\$34,231.68
08/18/10	34597				\$12,443.76	\$0.00	\$0.00	\$0.00	\$0.00	\$12,443.76
08/18/10	34600				\$30,662.06	\$0.00	\$0.00	\$0.00	\$0.00	\$30,662.06
08/18/10	34684				\$28.06	\$0.00	\$0.00	\$0.00	\$0.00	\$28.06
08/18/10	34601				\$1,615.66	\$0.00	\$0.00	\$0.00	\$0.00	\$1,615.66
08/20/10	34624				\$6,887.16	\$0.00	\$0.00	\$0.00	\$0.00	\$6,887.16
08/20/10	34623				\$6,484.32	\$0.00	\$0.00	\$0.00	\$0.00	\$6,484.32
08/20/10	34596				\$9,572.04	\$0.00	\$0.00	\$0.00	\$0.00	\$9,572.04
08/20/10	34594				\$21,169.08	\$0.00	\$0.00	\$0.00	\$0.00	\$21,169.08
08/20/10	34585				\$8,731.80	\$0.00	\$0.00	\$0.00	\$0.00	\$8,731.80
08/23/10	34657				\$1,894.10	\$0.00	\$0.00	\$0.00	\$0.00	\$1,894.10
08/24/10	34730CM				(\$305.28)	\$0.00	\$0.00	\$0.00	\$0.00	(\$305.28)
Total SOUTHERN UTILITY SUPPLY OF CHARLESTON:					\$351,904.77	\$0.00	\$0.00	\$0.00	\$0.00	\$351,904.77
SPANN ROOFING & SHEET METAL, INC.										
07/31/10	1				\$27,655.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,655.00

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
Total SPANN ROOFING & SHEET METAL, INC.:					\$27,655.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,655.00
STRAIGHT LINE CONCRETE PUMPING, INC.										
08/25/10	1493				\$430.00	\$0.00	\$0.00	\$0.00	\$0.00	\$430.00
Total STRAIGHT LINE CONCRETE PUMPING, INC.:					\$430.00	\$0.00	\$0.00	\$0.00	\$0.00	\$430.00
SUNBELT RENTALS INC.										
07/22/10	26071092-0				\$28.19	\$0.00	\$0.00	\$0.00	\$0.00	\$28.19
08/06/10	26708180-0				\$671.88	\$0.00	\$0.00	\$0.00	\$0.00	\$671.88
08/11/10	26350485-0				\$77.50	\$0.00	\$0.00	\$0.00	\$0.00	\$77.50
08/19/10	26456861-0				\$966.30	\$0.00	\$0.00	\$0.00	\$0.00	\$966.30
08/19/10	26176181-0				\$8,148.34	\$0.00	\$0.00	\$0.00	\$0.00	\$8,148.34
Total SUNBELT RENTALS INC.:					\$9,892.21	\$0.00	\$0.00	\$0.00	\$0.00	\$9,892.21
TENCARVA MACHINERY COMPANY										
08/27/10	197276				\$4,271.86	\$0.00	\$0.00	\$0.00	\$0.00	\$4,271.86
Total TENCARVA MACHINERY COMPANY:					\$4,271.86	\$0.00	\$0.00	\$0.00	\$0.00	\$4,271.86
THORNLEY OIL COMPANY, INC.										
08/19/10	33050				\$1,318.33	\$0.00	\$0.00	\$0.00	\$0.00	\$1,318.33
08/24/10	6-02356				\$962.41	\$0.00	\$0.00	\$0.00	\$0.00	\$962.41
08/26/10	6-02372				\$788.79	\$0.00	\$0.00	\$0.00	\$0.00	\$788.79
08/30/10	6-02384				\$1,653.48	\$0.00	\$0.00	\$0.00	\$0.00	\$1,653.48
Total THORNLEY OIL COMPANY, INC.:					\$4,723.01	\$0.00	\$0.00	\$0.00	\$0.00	\$4,723.01
TIRE TOWN OF MYRTLE BEACH										
08/20/10	1047938				\$182.31	\$0.00	\$0.00	\$0.00	\$0.00	\$182.31
Total TIRE TOWN OF MYRTLE BEACH:					\$182.31	\$0.00	\$0.00	\$0.00	\$0.00	\$182.31
TRIDENT LABS, INC.										
08/19/10	1000889				\$192.00	\$0.00	\$0.00	\$0.00	\$0.00	\$192.00

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
UNIFIRST CORPORATION										
Total TRIDENT LABS, INC.:					\$192.00	\$0.00	\$0.00	\$0.00	\$0.00	\$192.00
08/09/10	213 021288				\$154.55	\$0.00	\$0.00	\$0.00	\$0.00	\$154.55
08/11/10	209 009612				\$148.50	\$0.00	\$0.00	\$0.00	\$0.00	\$148.50
08/16/10	213 021353				\$145.15	\$0.00	\$0.00	\$0.00	\$0.00	\$145.15
08/18/10	209 009682				\$148.50	\$0.00	\$0.00	\$0.00	\$0.00	\$148.50
08/23/10	213 021424				\$150.98	\$0.00	\$0.00	\$0.00	\$0.00	\$150.98
08/26/10	209 009752				\$148.50	\$0.00	\$0.00	\$0.00	\$0.00	\$148.50
08/30/10	213 021492				\$138.02	\$0.00	\$0.00	\$0.00	\$0.00	\$138.02
Total UNIFIRST CORPORATION:					\$1,034.20	\$0.00	\$0.00	\$0.00	\$0.00	\$1,034.20
UNITED RENTALS (NORTH AMERICA), INC.										
08/07/10	88384954-0				\$2,035.21	\$0.00	\$0.00	\$0.00	\$0.00	\$2,035.21
08/12/10	89189540-0				\$3,606.24	\$0.00	\$0.00	\$0.00	\$0.00	\$3,606.24
09/12/10	89189291-0				\$3,523.87	\$0.00	\$0.00	\$0.00	\$0.00	\$3,523.87
08/12/10	89189178-0				\$1,109.09	\$0.00	\$0.00	\$0.00	\$0.00	\$1,109.09
Total UNITED RENTALS (NORTH AMERICA), INC.:					\$10,274.41	\$0.00	\$0.00	\$0.00	\$0.00	\$10,274.41
VAN-SMITH CONCRETE CO., INC.										
08/04/10	125887				\$284.88	\$0.00	\$0.00	\$0.00	\$0.00	\$284.88
08/05/10	125904				\$301.00	\$0.00	\$0.00	\$0.00	\$0.00	\$301.00
08/25/10	126142				\$591.25	\$0.00	\$0.00	\$0.00	\$0.00	\$591.25
Total VAN-SMITH CONCRETE CO., INC.:					\$1,177.13	\$0.00	\$0.00	\$0.00	\$0.00	\$1,177.13
WARREN FASTENINGS SOUTH										
08/04/10	004294				\$186.93	\$0.00	\$0.00	\$0.00	\$0.00	\$186.93
08/12/10	004682				\$137.06	\$0.00	\$0.00	\$0.00	\$0.00	\$137.06
Total WARREN FASTENINGS SOUTH:					\$323.99	\$0.00	\$0.00	\$0.00	\$0.00	\$323.99
WC EQUIPMENT SALES, INC.										

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INVOICE UNPAID DETAILS BY VENDOR

SEASIDE UTILITIES, INC

For the Period From 10/01/09 To 08/31/10

Invoice Date	Invoice Number	Check Number	Check Date	Reason for Expense	Invoice Amt	Discount Taken	Total Paid	Retainage	Work Comp	Net Amount Unpaid
07/23/10	1783				\$34,543.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,543.00
	WILLIAMS FARM SUPPLY			Total WC EQUIPMENT SALES, INC.:	\$34,543.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,543.00
08/26/10	518320				\$204.66	\$0.00	\$0.00	\$0.00	\$0.00	\$204.66
	XM SATELLITE RADIO			Total WILLIAMS FARM SUPPLY:	\$204.66	\$0.00	\$0.00	\$0.00	\$0.00	\$204.66
08/30/10	xxx51508 B				\$179.53	\$0.00	\$0.00	\$0.00	\$0.00	\$179.53
	ZEAMAN'S HEATING AND AIR CONDITIONING			Total XM SATELLITE RADIO:	\$179.53	\$0.00	\$0.00	\$0.00	\$0.00	\$179.53
08/16/10	48179				\$20,422.23	\$0.00	\$0.00	\$2,042.23	\$0.00	\$18,380.00
				Total ZEAMAN'S HEATING AND AIR CONDITIONING:	\$20,422.23	\$0.00	\$0.00	\$2,042.23	\$0.00	\$18,380.00
				Total Report:	\$3,299,740.81	\$0.00	\$38,900.00	\$140,482.02	\$0.00	\$3,120,358.79
								Retainage Paid (included in amount)	\$18,900.00	

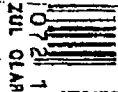
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SEASIDE UTILITIES, INC.
STATUS OF CONTRACTS using Percentage of Completion
Aug-10

JOB NUMBER	ADJUSTED CONTRACT	TOTAL ESTIMATED COST	TOTAL ESTIMATED PROFIT	PERCENT PROFIT	COST % DATE	BILLED TO DATE	EARNED TO DATE	PROFIT TO DATE	PERCENT COMPLETE	Acct 1150 DI UNDER BILLED	Acct 2100 CI OVER BILLED	STORED MATERIAL
08436 WEST BRUNSWICK REGIONAL	19,151,924.03	16,586,757.97	2,565,166.06	13.39%	16,586,757.97	19,151,924.03	19,151,924.03	2,565,166.06	100.00%	0.00	0.00	0.00
08456 HARNETT COUNTY CONTRACT 2	4,597,653.05	4,192,643.37	405,009.68	8.81%	4,192,643.37	4,597,653.05	4,597,653.05	405,009.68	100.00%	0.00	0.00	0.00
09456 FLORENCE WWTP	16,653,303.00	15,750,048.00	903,255.00	5.42%	8,729,035.89	8,492,659.98	9,084,691.98	355,856.07	98.34%	592,032.01	0.00	0.00
09489 SANTEE COOPER BOOSTER PS	2,287,570.35	2,191,744.50	95,825.85	4.19%	2,191,744.50	2,287,570.35	2,287,570.35	95,825.85	100.00%	0.00	0.00	0.00
09470 WYM REHAB ALONG SC HWY 400 O'BURG	755,371.70	819,578.97	(60,207.27)	-7.93%	819,578.97	755,371.70	755,371.70	(60,207.27)	100.00%	0.00	0.00	0.00
09472 MT. PLEASANT RIFLE RANGE RD	386,790.20	386,036.39	(753.81)	-0.19%	386,036.39	386,790.20	386,790.20	(753.81)	100.00%	0.00	0.00	0.00
09473 REHAB 1st, 2nd AND 2nd OPU O'BURG	620,806.01	477,688.24	143,117.77	23.05%	477,688.24	620,806.01	620,806.01	143,117.77	100.00%	0.00	0.00	0.00
09474 DANIELER DRIVE	327,220.20	329,259.21	(2,039.01)	-0.62%	329,259.21	327,220.20	327,220.20	(2,039.01)	100.00%	0.00	0.00	0.00
09475 FAIRMONT SOUTH	38,836.60	39,952.24	(1,115.64)	-2.87%	39,952.24	38,836.60	38,836.60	(1,115.64)	100.00%	0.00	0.00	0.00
10476 SANDY ISLAND WWTP	38,707.70	40,847.70	(2,140.00)	-5.26%	40,847.70	38,707.70	38,707.70	(2,140.00)	100.00%	0.00	0.00	0.00
10477 IPS REHAB WILLIAMSBURG	45,368.17	33,171.05	12,217.12	27.15%	33,171.05	45,368.17	45,368.17	12,217.12	100.00%	0.00	0.00	0.00
10478 1st & 2nd ORCHARD SUEWY	86,270.70	81,066.53	5,204.17	6.03%	81,066.53	86,270.70	86,270.70	5,204.17	100.00%	0.00	0.00	0.00
10479 DANIEL ISLAND WWTP	83,370.40	96,373.12	(13,002.72)	-15.59%	96,373.12	83,370.40	83,370.40	(13,002.72)	100.00%	0.00	0.00	0.00
10480 LUCAS ST. PUMP STATION	33,511.50	20,212.01	13,299.49	39.68%	20,212.01	33,511.50	33,511.50	13,299.49	100.00%	0.00	0.00	0.00
10481 BOLTONS LANDING PHASE	508,341.40	454,300.00	54,041.40	10.63%	454,300.00	508,341.40	508,341.40	54,041.40	100.00%	0.00	0.00	0.00
10482 SCHWARTZ WWTP WALK	268,145.90	308,200.51	(40,054.61)	-14.94%	308,200.51	268,145.90	268,145.90	(40,054.61)	100.00%	0.00	0.00	0.00
10483 HENKINSWAY - 1RDWP	128,500.00	132,692.17	(4,192.17)	-3.26%	132,692.17	128,500.00	128,500.00	(4,192.17)	100.00%	0.00	0.00	0.00
10484 DRAKE 3RD DRAKE PHASE 3	522,283.50	497,265.50	25,018.00	4.79%	497,265.50	522,283.50	522,283.50	25,018.00	100.00%	0.00	0.00	0.00
10485 CENTRAL BERKELEY WWTP	294,316.70	331,944.32	(37,627.62)	-12.78%	331,944.32	294,316.70	294,316.70	(37,627.62)	100.00%	0.00	0.00	0.00
10486 IVC PLANT STATION	18,744,000.00	17,750,000.00	994,000.00	5.30%	17,750,000.00	18,744,000.00	18,744,000.00	994,000.00	100.00%	0.00	0.00	0.00
23101 MISCELLANEOUS JOBS 2010	24,980.00	27,336.88	(2,356.88)	-9.43%	27,336.88	24,980.00	24,980.00	(2,356.88)	100.00%	0.00	0.00	0.00
23102 CLOSED JOBS	73,712.22	42,447.07	30,265.15	41.05%	42,447.07	73,712.22	73,712.22	30,265.15	100.00%	0.00	0.00	0.00
	102,135.06	267,612.62	(165,477.56)	-62.02%	267,612.62	102,135.06	102,135.06	(165,477.56)	100.00%	0.00	0.00	0.00
	65,758,933.35	60,870,439.38	4,888,493.97	7.43%	60,870,439.38	65,758,933.35	65,758,933.35	4,888,493.97	100.00%	0.00	0.00	0.00
		Cost & Billed in prior years			30,316,114.33	42,079,256.19	41,652,497.92	3,338,383.59		607,303.01	1,034,063.28	4,124,971.36
		Cost & Billed To Date adjusted			70,324,356.00	24,088,507.00						
		PER INCOME STATEMENT			17,785,748.33	17,990,751.15						
		ERROR			17,785,748.61	17,990,751.15						
					(0.28)	0.04						
										Prior Yr. Bal.	81,454.00	1,233,658.00
										YTD Adjust.	525,085.01	(139,634.72)
										Prior Mo. Bal.	1,075,189.33	1,194,043.50
										Curr. Mo. Adj.	(167,868.32)	(85,980.22)
										Current Year Over (Under) Billed - Acct 3060		(725,503.73)
										Current Month Over (Under) Billed - Acct 3060		397,906.16

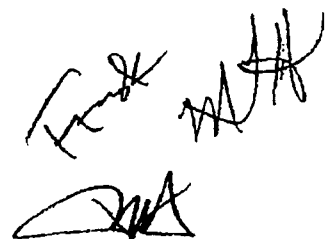
10/21/10
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SCHEDULE B
DISTRIBUTION INTEREST OF BENEFICIARIES

Raymond Deneke Hobby	57.5%
Mary T. Hobby	42.5%

Handwritten signatures, likely of the parties involved in the distribution, including what appears to be a signature for Raymond Deneke Hobby and another signature.

Final Execution Version

SCHEDULE C
TRUSTEE FEE SCHEDULE

Final
DMS

EXHIBIT B

Exhibit B

STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

Mary Tripp Hobby,

Plaintiff,

vs.

Raymond D. Hobby,

Defendant.

**IN THE FAMILY COURT
EIGHTH JUDICIAL CIRCUIT**

**FINAL ORDER AND DIVORCE
DECREE**

Docket No. 2005-DR-36-56

Hearing Dates:

November 30, 2009

December 1-3 and 23, 2009

September 27, 2010

Judge:

Joseph W. McGowan, III

Court Reporter:

Lisa A. Amick

Plaintiff's Attorneys:

John O. McDougall

Pete Currence

Defendant's Attorneys:

James E. Bryan, Jr.

Timothy E. Madden

**FILED
NEWBERRY COUNTY
2010 OCT - 8 P 3:14
JACQUE S. BOWERS
CLERK OF COURT**

INTRODUCTION

This document is a Final Order and Divorce Decree in this civil action, issued as a result of the trial which commenced on November 30, 2009, was conducted over several days (identified above), and ended on September 27, 2010.

Based on the pleadings, financial declarations, evidence, orders previously issued, stipulations of the parties, and applicable law, this Court makes the following findings of fact and conclusions of law and enters this order.

JURISDICTION AND VENUE

Plaintiff and Defendant are citizens and residents of Newberry County, South Carolina, and have so resided for many years. The parties were married to each other on June 24, 1978.

During their marriage they had four children. These children are Landon Riner Hobby, whose date of birth is April 21, 1981; Grayson Tyler Hobby, whose date of birth was April 11, 1984, and who died on October 24, 1999; Patrick Reid Hobby, whose date of birth is August 21, 1985; and Michael Kenneth Hobby, whose date of birth is April 22, 1987. Plaintiff and Defendant live separate and apart, and have so resided since June 15, 2005. This civil action commenced by Plaintiff filing a Summons and Complaint on February 17, 2005. Thereafter, the parties attempted reconciliation and Plaintiff filed a Summons and Supplemental Complaint on October 19, 2005. In this matter, Plaintiff seeks a divorce from Defendant, equitable apportionment of marital property, alimony and related relief. Defendant does not oppose Plaintiff's action for divorce, joins in her request for an equitable apportionment of marital property, and seeks similar relief incident to the dissolution of a marriage. This Court maintains personal jurisdiction over the parties. The issues presented are within the exclusive jurisdiction of this Court (See S.C. Code §63-3-530 (1976, as amended)). This Court is the appropriate venue for the determination of the issues raised by the pleadings and addressed in this order.

ISSUES

The issues for determination are:

1. Is Plaintiff entitled to a divorce from Defendant on the grounds of adultery?
2. What are the marital assets and debts and how should these assets and debts be apportioned between the parties?
3. Is Plaintiff entitled to alimony from Defendant, and if so, what type and in what amount?

4. Should Defendant be required to contribute to Plaintiff's attorney's fees and costs and if so in what amount?

FACTS RELEVANT TO MULTIPLE ISSUES

In every divorce action such as this one, the Family Court must make findings of fact to support the conclusions of law and order issued. See Rule 26(a) SCRFC. Because of the equitable nature of the Family Court, many of the facts which this Court is required to find relate to more than one issue. In this section of this order, the Court details findings of fact relevant to multiple issues.

The length of the parties' marriage is twenty-seven (27) years to the date of separation, and thirty-two (32) years to the date of the issuance of this order.

The parties' living children (identified above), while now over the age of eighteen, were not fully emancipated at the commencement of this litigation and were economically dependent on the parties for some time during the pendency of this civil action.

Plaintiff's date of birth is [REDACTED] At the time of marriage she was twenty-five (25) years old. When she initially filed this civil action she was fifty-two (52). She is now fifty-seven (57). She is in reasonably good health. She has a college degree. For a period of time early in the marriage she taught in the public school system, and accrued some benefits in a retirement plan sponsored by the State of South Carolina, which benefits continue to exist, and which are awarded to her by this Order. She has not worked outside the marital home for many years, and is not presently employed and does not have earned income.

Defendant's date of birth is [REDACTED] At the time of marriage he was twenty-four (24) years old. When Plaintiff initially filed this civil action Defendant was forty-nine (49) years old. He is now fifty-six (56). He is in reasonably good health. He has a college

degree. He operates Hobby Construction Company, Inc., a corporation which is a marital asset and which builds water and sewer systems and installs pipeline associated with these systems. He also works with and owns a majority interest in several affiliated and related entities; Hobby Construction Co., Long Utility Corporation, Seaside Utilities, Inc., Seaside Environmental Constructors, Inc., West/Hobby LLC, Utility Supply, Inc., and South Atlantic Construction, Inc., known collectively as the "Hobby Entities." Some of the stock in these entities is marital property (and other stock is owned by third parties). His earned income varies based on the business opportunities and performance of the companies. His current earned income is uncertain due to a number of challenges faced by these businesses. He has retirement benefits which were earned and accrued during the marriage, all of which are being equitably apportioned by this Order.

Although inquiry and efforts were made, there is no possibility of reconciliation of the marriage.

Defendant committed adultery during the marriage. His actions were independently corroborated, and not condoned. There is no collusion between the parties for purposes of obtaining a divorce.

**FACTS AND CONCLUSIONS SPECIFICALLY RELATED
TO EQUITABLE APPORTIONMENT**

During the marriage the parties accumulated significant assets and incurred certain debts. By statute each party holds a vested special equity and ownership right in all marital property, which equity and ownership right are subject to apportionment as of the date of the commencement of this litigation. *See South Carolina Code § 20-3-610 (1976, as amended).* This action commenced on February 17, 2005. The parties dispute the value of many assets

and debts. Valuation of assets and debts of the type owned by these parties is challenging, particularly in recessionary economic times and when litigation transcends several years. It is appropriate to consider fluctuations in value which occur during the pendency of the action. See, e.g., Fields vs. Fields, 342 S.C.182, 536 S. E.2d 684 (Ct. App. 2000). It is also appropriate for the Court to value marital assets at date of filing. See, e.g., Dixon vs. Dixon, 334 S.C. 222, 512 S.E.2d 539 (Ct. App. 1999).

Each party contributed to the acquisition, preservation and maintenance of the marital property in various ways. Plaintiff contributed directly through earnings made early in the marriage, and indirectly as a homemaker and parent in the later years of the marriage. Defendant contributed directly throughout the marriage, and during the pendency of the action. Defendant also contributed indirectly through active involvement in the lives of the children and indirect contributions to the acquisition, preservation, maintenance and improvement to marital assets.

Most of the assets and debts of the parties constitute marital property, although the parties dispute the character of some items.

The parties own several hundred acres of land in Newberry County, South Carolina, on which they both reside. Both desire, and it is appropriate, to continue to reside on this property for a reasonable period of time. By previous order of this Court the parties are afforded use and possession of other real estate they own located in Edisto Beach, South Carolina. It is appropriate for each of them to have use of this real estate until it is sold, or otherwise distributed.

Given the complexity of the financial holdings of the parties, there are tax issues which will arise and/or which follow the assets. These taxes may be mitigated by some of the losses which occurred during the pendency of the action.

Many of the assets owned as of the date of filing were encumbered, or have become encumbered in the support of other assets during the pendency of the action. The debts, liens and encumbrances follow the assets, and are being apportioned by the terms of this order.

This Court is required to make a final equitable apportionment of the parties' marital property. See S.C. Code § 20-3-620 (A) (1976, as amended). This Court has the authority to direct a party to execute and deliver any deed, bill of sale, note, mortgage or other document necessary to carry out the order equitably apportioning the marital property. See S.C. Code § 20-3-660 (A) (1976, as amended). This Court also has the authority and discretion to order a public or private sale of marital property and the terms of such a sale. See S.C. Code § 20-3-660 (A) (1976, as amended). Moreover, this Court may use any reasonable means to achieve equity between the parties. See S.C. Code § 20-3-660 (B) (1976, as amended).

FACTS AND CONCLUSIONS SPECIFICALLY RELATED TO ALIMONY

The parties enjoyed a comfortable standard of living commensurate with others similarly situated in higher income brackets and of significant net worth. They owned and enjoyed resort property at the coast and in the mountains, together with associated amenities. They educated children in public and private schools. They own collectibles and recreational vehicles and items.

Because of economic challenges presented by the economy and related to investments, the current and reasonably anticipated income of each party and/or from their assets is difficult to determine at this time.

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[Signature]
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APPROVAL OF AGREEMENT

Settlements between litigants are encouraged. In determining whether or not to approve a settlement this Court must find (1) the existence of an agreement; (2) the agreement was entered into freely and voluntarily; and (3) the agreement is fair and equitable from procedural and substantive perspectives.

After many years of litigation and several days of trial, the parties reached an agreement to resolve the financial issues presented by this litigation. The terms of this agreement were presented to the Court on September 27, 2010.

There is no indication that either party was forced or under any duress or coercion at the time he or she reached and entered the terms of the agreement or at the hearing on September 27, 2010. Each party entered the terms and participated in the hearing seeking approval of the terms free of any mind-altering or judgment-impairing substances. The parties entered the terms freely and voluntarily.

The parties negotiated and entered the terms of their agreement with benefit and advice of independent experienced counsel. Each party is satisfied with the representation provided to him or her by his or her attorney.

There was extensive and exhaustive discovery conducted during the pendency of this civil action. Each party fully disclosed all assets and debts to the other. Each party is familiar with the assets, debts, income and expenses of the other party.

The parties' agreement reflects a resolution of the legal issues which is within the range of fairness given this Court's experience. This agreement is the product of compromise and negotiation. Upon review of the Equitable Apportionment Act (S.C. Code §20-3-620, *et. seq.*

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(1976, as amended)), the Alimony Statute (S.C. Code §20-3-130, et. seq. (1976, as amended)), and other applicable law, the parties' agreement is fair and equitable.

Therefore, the terms of the parties' agreement are fair and equitable from both procedural and substantive perspectives.

The terms of the parties' agreement, identified at the hearing, should, therefore, be adopted, approved and are hereby incorporated into, merged and made the Order of this Court.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:

1. Plaintiff is granted an absolute divorce from Defendant on the statutory grounds of adultery.
2. To effectuate this Final Order and Divorce Decree, additional documents including but not limited to a trust or trusts, deeds, bills of sale, assignments, and similar transfer instruments must be prepared. Each party shall act reasonably and cooperate in the preparation and timely execution of the documents necessary to effectuate these terms and the intent of this Order.
3. To effectuate a complete, fair and equitable apportionment of marital assets and debts, the parties shall create a trust. The following terms shall govern the parties in the creation and operation of this trust and/or are relevant regarding each party's interest in this trust and the assets and debts to be placed in it.
 - a. This trust is created pursuant to this Order. To the extent necessary, the parties are the Transferors of the assets and debts into trust.
 - b. This trust shall be created pursuant to and under South Carolina law.
 - c. This trust shall be a liquidating trust, so that the trustee is required, in a commercially reasonable and orderly fashion, to manage and sell the

assets and debts held by the trust and, over a reasonable period of time, to distribute all of the net proceeds from liquidation to the parties as provided in these terms.

- d. The Trustee shall be a person or entity mutually agreeable to the parties. If the parties are unable to agree on a single person or entity to serve as trustee, then each party shall name a trustee, and the two trustees named by the parties shall select a third, co-trustee, and the three co-trustees shall administer the trust.
- e. The Trustee shall act in a fiduciary capacity with respect to both parties.
- f. Either party may purchase any asset from the trust, provided the sale and terms are reasonable, fair, and reflect fair market value or other terms mutually agreeable to the parties. The purchase of an asset from the trust may be accomplished in any reasonable means directed by the trustee, including a like-kind distribution to the other party in recognition of an asset purchased by one party.
- g. Except as otherwise detailed in this Order, Defendant shall be the beneficiary of fifty-seven and $\frac{1}{2}$ percent (57.5%) of the trust.
- h. Except as otherwise detailed in this Order, Plaintiff shall be the beneficiary of forty-two and $\frac{1}{2}$ percent (42.5%) of the trust.
- i. For the first year of existence, the trust shall make minimum monthly distributions to Plaintiff in the amount of Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00). These distributions represent a special

interest in the trust held by Plaintiff and are not taxable to her or charged against her proportionate/beneficial share of the trust.

- j. The trust shall distribute Two Hundred Twenty Five Thousand and 00/100 Dollars (\$225,000.00) to Plaintiff and Two Hundred Thousand and 00/100 Dollars (\$200,000) to Defendant as a special interest in the trust, which is not part of his or her proportionate share, for each party's attorney's fees and litigation expenses related to this civil action. If practical, and subject to discretion of the Trustee, the payments of \$225,000 to Plaintiff and \$200,000 to Defendant shall be paid in a manner in which the payments are non-taxable to each of the parties with the payments being paid from the corpus of the trust rather than income, or partly income, of the trust.
- k. For so long as the trust owns the Hobby Construction Company, Inc., or the related construction and utility companies¹, Defendant shall not compete in business with the entities owned by the trust, except and unless permitted to do so by the Trustee. It is the intent of the parties that Defendant shall continue to work and participate in each of the Hobby construction and utility companies throughout the period that the trust owns these entities in the manner in which he was working and participating in these entities at the date of filing of this action (February 17, 2005) and at the date of the signing of this document.

¹ Hobby Construction Co., Long Utility Corporation, Seaside Utilities, Inc., Seaside Environmental Constructors, Inc., West/Hobby LLC, Utility Supply, Inc., South Atlantic Construction, Inc.

- I. The trust shall pay the reasonable attorney's fees, accountant's fees, and costs incurred to prepare the trust instrument, any and all transfer documents related to it, and similar expenses.
- m. The assets to be transferred into the trust shall consist of those detailed on the schedule attached as Schedule A, as such assets exist as of the date of transfer, regardless of the manner in which a party or the parties currently hold title ownership.
- n. The trust is created pursuant to the *S.C. Code* and other authority which empowers the Family Court to use any means or methods reasonable necessary to effectuate an equitable apportionment of marital property. Each party contributed, directly and indirectly, to the acquisition, preservation, maintenance, and other obligations associated with the marital estate which is becoming the property of the trust, and each party holds an equitable interest in each of the assets placed into the trust in the same percentage as he or she is a beneficiary of the trust. This equitable ownership exists irrespective of the current title ownership of any asset.
- o. Defendant shall be reasonably compensated for his services in connection with the Hobby Construction Company, Inc., and the related construction utilities¹. His compensation and benefits of employment shall be reasonable in scope and amount. The trustee shall determine reasonable compensation, benefits of employment and the scope and terms of employment of Defendant.

¹ Hobby Construction Co., Long Utility Corporation, Seaside Utilities, Inc., Seaside Environmental Constructors, Inc., West/Hobby LLC, Utility Supply, Inc., South Atlantic Construction, Inc.

- p. The trustee shall have the discretion to employ Plaintiff in a consulting capacity or otherwise so that Plaintiff may be eligible for health insurance coverage provided by Hobby Construction Company, Inc.
- q. The company entities, i.e., Hobby Construction Company, Inc. (HCC), Long Utility Corporation (LUC), Seaside Environmental Constructors, Inc. (SEC), Seaside Utilities Inc. (SU), and South Atlantic Construction, Inc. (SAC) currently have a bonding relationship with Travelers Bond and Financial Company (Travelers). These companies are currently being monitored by Travelers and monthly combined P&L statements are being generated for Travelers. When the entities bid a project and request a bond from Travelers, they also provide a work in progress report. The Trustee will cooperate with each of the parties, the companies, and Travelers in order to facilitate the companies receiving maximum bonding capacity from Travelers. The Trustee will be granted absolute authority to have direct contact with Travelers and CPA Steve Sealey if necessary regarding the combined P&L statements, bids, work in progress reports, compensation of officers, and for any other purpose. The companies and Defendant will provide the Trustee with copies of all communications exchanged between the companies and Travelers to include bids, requests for bonds, work in progress reports, and other written communications (including emails).
- r. The parties own 737 acres of land in Newberry County, South Carolina, which is being placed in the trust. The parties have previously received

proposed contracts on certain portions of the 737 acres for the cutting of timber. The Trustee shall accept appropriate bids to have the previously-identified timber cut on this property within the next twelve (12) months. The funds derived from the sale of this timber shall be equally distributed to the parties. The Trustee shall determine if any other timber should be cut and if so the proceeds generated therefrom shall be the property of the Trust.

- s. The Trustee shall provide Plaintiff sole and exclusive use of the property known as the marital home of the parties together with the surrounding three (3) acres of land until such property is sold, or until vacated by her. The Trustee shall provide Defendant sole and exclusive use of the property known as the Smith House and the immediate surrounding acreage until such property is sold or until vacated by him. The Trustee shall provide Defendant access to and use of the farm acreage and amenities until sold or restricted by the Trustee. During the period of time that each party occupies the respective residence, the trust shall pay the taxes, insurance, and general maintenance of these properties, general maintenance to be defined as any reasonable and necessary repair or maintenance to the residence on each of these properties which exceeds a cost of \$500. Neither party shall incur an expense for which he or she expects reimbursement or payment by the trust which exceeds \$500, except in case of emergency, without written authorization (email is sufficient) of the Trustee to incur such expense. Each party shall be

responsible for his/her own utility bills, i.e., electricity, cable, telephone, etc.

- t. The corporate entities, Hobby Construction Co., Inc., Long Utility Corporation, Seaside Utilities, Inc., Seaside Environmental Constructors, Inc., West/Hobby LLC, Utility Supply, Inc., South Atlantic Construction, Inc., shall not pay for the personal expenses of Defendant and Defendant shall only be reimbursed for verifiable business expenses as determined or directed by the Trustee.
- u. By the temporary order the parties have use of one of the Edisto properties (3709 Village Court). For so long as this property and 3711 Village Court is owned directly or indirectly by the trust, Plaintiff shall have the reasonable right to use 3709 and Defendant the reasonable right to use 3711, under terms and conditions directed by the Trustee. If one of these properties is sold and one remains, the Trustee shall provide for the equal right of use to the parties of the remaining property as long as it is controlled by the trust.

2. Outside of the trust, by way of equitable apportionment, Defendant shall receive the assets detailed on Schedule B. With respect to these assets, the parties are further bound as follows:

- a. Colonial Real Estate Investments, Inc. has filed a civil action in the United States District Court, *Colonial Real Estate Investments, Inc., Plaintiff, vs. Raymond D. Hobby, Defendant*, Civil Action File No. 8:10-CV-01653-RBH, filed in the United States District Court, District of South Carolina,

Greenwood Division. Defendant denies he has any obligation to Colonial Real Estate Investments, Inc., or any other entity regarding the issues raised in the Complaint filed by Colonial Real Estate Investments, Inc. Defendant acknowledges that if there is any debt to Colonial Real Estate Investments, Inc. which arose after February 17, 2005, such debt was incurred without Plaintiff's specific or direct knowledge, and Plaintiff shall not be responsible for any such debt or obligation if it exists. Even if such debt exists, the parties dispute whether the debt is marital and/or divisible by the Family Court.

b. There are entities known as Maggie Valley Resort, LLC, Maggie Valley Development Company, LLC, and Maggie Valley Resort Management, LLC. Defendant, Raymond D. Hobby, shall receive any interest that he may have in such entities, free and clear of any claim and/or interest from Plaintiff, Mary T. Hobby. Plaintiff shall not be responsible for any debts regarding these entities.

3. Outside of the trust, by way of equitable apportionment of marital assets, Plaintiff shall receive the assets detailed on Schedule C.

4. Recognizing the minimum monthly distributions to Plaintiff for the first year of the trust are being paid in lieu of alimony or spousal support from Defendant, the amount of Defendant's permanent alimony or spousal support shall be determined after the first year of the existence of the trust by the Family Court. Plaintiff's entitlement to permanent alimony or spousal support is as though it was ordered by the Court and this alimony is modifiable and terminable in accordance with South Carolina law. The alimony payments shall be taxable

income to Plaintiff and tax-deductible to Defendant. Plaintiff may seek a temporary order regarding the amount of alimony which is to be paid after the expiration of the Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00) minimum monthly trust distributions required by this Order. Plaintiff may seek this relief prior to the expiration of one year from the commencement of the required minimum monthly trust distributions of Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00). As to the \$7,500 minimum monthly trust distributions to Plaintiff, if practical, the payments shall be paid from the corpus of the trust, rather than income, or partly income, of the trust, subject to the discretion of the Trustee.

5. Each party represents and warrants to the other that he or she fully disclosed to the other each and every asset in which he or she held a legal, equitable, or other economic interest as of the date of the filing of this civil action, and/or as of September 27, 2010. If it is subsequently determined that either party owned any asset as of the date of the filing of this civil action, or as of the date the parties entered these terms, which asset was not disclosed to the other party and apportioned either to the trust or one of the parties by the terms stated hereinabove, then such asset shall become the property of the trust and liquidated and distributed between parties in the same manner as all of the other assets on Schedule A.

6. Neither party shall pay or contribute to the other party's attorney's fees or costs incident to this civil action other than the required distribution by the trust as detailed above.

7. The parties shall be bound by the temporary order and stipulations previously entered until such time as the Trust is created and begins the distributions to Plaintiff as required by these terms.

8. This Court retains jurisdiction for the interpretation, enforcement, and, to the extent necessary to effectuate these terms, the issuance of subsequent orders regarding this Final Order and Divorce Decree.

AND IT IS SO ORDERED.



Joseph W. McGowan, III
Judge of the Family Court
Eighth Judicial Circuit

Lauren, South Carolina

10/8, 2010



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SCHEDULE A

1. All stock in Hobby Construction Company, Inc.
2. All stock in Long Utility Corporation
3. All stock in Seaside Utilities Incorporation
4. All stock in Seaside Environmental Constructors Inc.
5. All interest in West/Hobby LLC
6. Any interest in Utility Supply Incorporated
7. Any interest in South Atlantic Construction Inc.
8. Any interest in Edisto Pipe Dreams LLC
9. Any interest in RDH LLC
10. Any interest in Shuho LLC
11. Any interest in Good Golfer LLC
12. Any interest in the residence and 740 acres located at 544 Crowder Road, Kinards, South Carolina and/or any adjacent acreage.
13. Any interest in the building and land located on Highway 34 in Newberry County (the Hobby Construction Office).
14. Any interest in the building and land for Long Utility Office in Simpsonville, South Carolina.
15. Any interest in the building and land for the Seaside Utilities Office in Moncks Corner and/or Murrells Inlet, South Carolina.
16. The real property located on Highway 76 in Kinards, South Carolina.
17. The real property known as lots 54 and 55 in Laurens County, South Carolina.
18. 3711 Village Court, Edisto, South Carolina.

19. 231 Highlands Loop, Maggie Valley, North Carolina.
20. Mountain Chase Condos (units 4040 and 4046), Maggie Valley, North Carolina.
21. Almond Station Property, Swain County, North Carolina.
22. Highway 34 land
23. 317 Hwy 221 South, Greenwood, South Carolina real property with improvements
24. Highway 34/Garmany Road land
25. The real property in downtown Newberry, South Carolina located on Main Street (1008, 1010-1012, 1014, 1016, and 1018).
26. 3114 Myrtle Street, Edisto Beach.
27. 3116 Myrtle Street, Edisto Beach.
28. Crowder Road (108 acres)
29. 4 acres across the street from Smith house
30. Any real estate remaining (if any) from 213 acres in Kinards sold 10/19/2005
31. 11795 Bush River Road ("Smith House")
32. The furnishings and personal property located in any Edisto property or Mountain Chase Condos.
33. Any loans receivable from Hobby Construction Company, Inc. or related entities and/or loans payable to this company and these entities.
34. The Edisto Yacht Club membership.
35. Any interest in the building located at 1326 College Street, Newberry (Helig Myers).

 19

SCHEDULE B

1. Any money in any checking, savings or depository account in his name which is not on Schedule A, including but not limited to the accounts at Newberry Federal Bank, Carolina First Bank, and First Community Bank as reflected on exhibits filed during this civil action.
2. The remaining in his interest in the Principal Financial 401k after the apportionment of fifty percent of this asset to Plaintiff as detailed on Schedule C.
3. Fifty percent of the cash surrender value (including passive changes in value during the pendency of the action) of the Fidelity life insurance policy on Defendant's life, which Plaintiff shall pay directly to Defendant.
4. Any interest in Maggie Valley Resort, LLC, Maggie Valley Development Co., LLC, and Maggie Valley Resort Management, LLC.
5. Any interest he has, if any exists, in Timber Resource Group, Inc.
6. Any interest he has, if any exists, in Cellular Systems of Newberry.
7. Any interest he has, if any exists, in JTI of Lynches River.
8. Any interest he has, if any exists, in EDHO, LLC.
9. Any interest he has, if any exists, in In-Site Support Services, Inc.
10. Any interest he has in the Lake Marion house and property.
11. Any interest he has in the Spring Creek land.
12. Any funds received by him, if any, from the sale of any real property owned by him at the date of filing which was sold during the pendency of this civil action, and which

Defendant represents was invested in the preservation or maintenance of other assets during the pendency of this civil action.

13. Any furniture, furnishings or personal property in his possession or control and/or received by him through gift or inheritance, subject to the claims of Plaintiff which shall be resolved in arbitration if necessary as detailed below.
14. His tools and tool boxes.
15. Any vehicles or watercraft titled in his name which are not the property of Hobby Construction Company, Inc.
16. His guns.
17. His coins and currency collection.
18. His Rolex watches.
19. His personal items located at the Edisto property and/or mountain condos.

ARBITRATION PROVISION: IN THE EVENT THE PARTIES ARE UNABLE TO RESOLVE CLAIMS EACH MAKES TO THE FURNITURE AND PERSONAL PROPERTY IN THE POSSESSION OR CONTROL OF THE OTHER OR IN THE EDISTO OR MOUNTAIN CONDOS THEN THEY SHALL SUBMIT THEIR DISPUTE TO BINDING ARBITRATION WITH FORMER FAMILY COURT JUDGE STEVE BARTLETT OR ANOTHER MUTUALLY AGREEABLE ARBITRATOR. IN SUCH EVENT THE ARBTRATION SHALL BE CONDUCTED WITHOUT LAWYERS. THE ARBITRATOR SHALL RESOLVE THE CLAIMS OF EACH PARTY IN A MANNER WHICH IS FAIR, EQUITABLE AND CONSISITENT WITH SOUTH CAROLINA LAW. EACH PARTY SHALL PAY FIFTY PERCENT OF ANY FEES CHARGED BY THE ARBITRATOR.

SCHEDULE C

1. Any money in any checking, savings or depository account in her name which is not on Schedule A, including but not limited to the accounts at Bank of America and First Community Bank as reflected on exhibits filed during this civil action.
2. Fifty percent of Defendant's interest in the Principal Group 401k, as such interest existed on the date of filing of this civil action, together with any passive increases or decreases in value through and including the date of apportionment. Plaintiff shall receive her interest pursuant to a Qualified Domestic Relations Order or similar instrument which does not create an immediate taxable event to either party.
3. Her interest in retirement plan(s) sponsored by the State of South Carolina.
4. The Horace Mann life insurance policy on her life.
5. The Fidelity life insurance policy and any cash value remaining in this asset after the apportionment of fifty percent of the cash surrender value to Defendant as detailed on Schedule B.
6. The Lee County real estate, as detailed on the Stipulations dated September 20, 2010.
7. Any furniture, furnishings or personal property in her possession or control and/or received by her through gift or inheritance, subject to the claims of Defendant, which shall be resolved in arbitration if necessary, as detailed on Schedule B, and the shotgun she won at auction.
8. The 2005 Cadillac she drives.
9. Her jewelry.
10. Her personal items at the Edisto property and/or mountain condos.

EXHIBIT C

STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

Mary T. Hobby,

Plaintiff,

vs.

Raymond D. Hobby,

Defendant.

IN THE FAMILY COURT
EIGHTH JUDICIAL CIRCUIT

FILED
NEWBERRY COUNTY
2013 JUN 13 PM 12 38

JACKIE S. BOWERS
CLERK OF COURT

ORDER GRANTING DEFENDANT'S
MOTION TO DISMISS

FILED
NEWBERRY COUNTY
2013 APR 26 AM 10 26
JACKIE S. BOWERS
CLERK OF COURT

Docket No.: 2012-DR-36-194

Plaintiff's Attorney:
John O. McDougall
Michael B. Brackett

Hearing Date:
November 13, 2012

Defendant's Attorney:
Timothy E. Madden
Winston I. Marosek

Judge:
Deborah Neese

Guardian Ad Litem:
None

Court Reporter:
Angela Berry

FILED
NEWBERRY COUNTY
2013 JUN -7 P 2:46
JACKIE S. BOWERS
CLERK OF COURT

This Order addresses the Motion to Dismiss filed by Defendant on July 12, 2012, a hearing on which was held before the undersigned on November 13, 2012. Based on the affidavits, arguments presented by counsel at the hearing, and applicable law, this Court makes the following findings of fact and conclusions of law and enters this Order.

Plaintiff and Defendant are citizens and residents of Newberry County, South Carolina and have so resided for more than one year prior to the commencement of this civil action.

Defendant and Plaintiff were married on June 24, 1978, and divorced by a Final Order and Divorce Decree ("Divorce Decree") filed October 8, 2010 in Docket No. 2005-DR-36-56. The Divorce Decree approved the agreement of the parties. The Divorce Decree required the parties to create a liquidating trust and transfer the vast majority of their marital assets into the

trust. By the terms of the Divorce Decree, certain provisions were ordered to be included to the trust. In compliance with the Divorce Decree, Plaintiff and Defendant created and signed the Hobby Family Liquidating Trust Agreement (the "Trust") on December 9, 2010 and December 6, 2010, respectively.

One of the assets which the Divorce Decree required to be transferred to the Trust is the former marital home and three (3) surrounding acres (the "Crowder Road Property"). At the time of the entry of the Divorce Decree, the Crowder Road Property was titled solely in Plaintiff's name. By the terms of the Trust, the Trustee is granted various powers, including but not limited to the power to:

sell or dispose of . . . any property, real or personal, constituting a part of the Trust Estate . . . , for cash or on credit . . . at such times and upon such terms and conditions as it may deem best . . . (See Trust, Article IX(a)(vi)).

By operation of its own terms, the Trust is a liquidating trust, so that assets and debts owned by it are managed and controlled and disposed of in the manner directed by the Trustee, with distributive benefits flowing to Plaintiff and Defendant in accordance with the terms of the Trust.

Beginning in December, 2011, over a year after the entry of the Divorce Decree, Plaintiff and Defendant individually negotiated with the Trustee for the purchase of the property after the Trustee gave notice of an intention to sell the Crowder Road Property. Both Plaintiff and Defendant presented offers to purchase the Crowder Road Property from the Trust. On or about February 9, 2012, the Trustee accepted Defendant's offer to purchase the Crowder Road Property from the Trust. On April 11, 2012, Plaintiff transferred the Crowder Road property to the Trust by general warranty deed. On April 19, 2012, the Trustee transferred the Crowder Road property to Defendant by quitclaim deed after Defendant paid the Trust in accordance with the offer accepted by the Trustee.

Plaintiff remained in the possession of the Crowder Road Property, and on May 15, 2012, filed this action seeking (1) alimony (as permitted by the Divorce Decree), (2) a declaration that the Trustee's Deed to Defendant for the Crowder Road Property is void ab initio, (3) a determination of whether Plaintiff or Defendant should be allowed to purchase the Crowder Road Property, (4) exclusive possession of the property until all of the Trust assets are liquidated; (5) an order prohibiting Defendant from pursuing eviction proceedings against Plaintiff during the pendency of the case, (6) discovery rights, and (7) attorney's fees and costs.

With the filing of this action, Plaintiff also filed Motion for Temporary Relief in May 15, 2012 seeking (1) an emergency hearing on Defendant's eviction proceedings against Plaintiff; (2) an emergency order prohibiting Defendant from pursuing eviction proceedings against Plaintiff; (3) temporary alimony; (4) sole and exclusive use of the Crowder Road Property during the pendency of this action; (5) discovery rights, and (6) attorney's fees and costs.

On May 15, 2012, the Family Court issued an Emergency Order prohibiting Defendant from pursuing eviction proceedings against Plaintiff regarding the Crowder Road Property.¹ In the Emergency Order, the Court scheduled an expedited hearing for May 18, 2012. Counsel for the parties agreed to continue the hearing until June 4, 2012, and allowed the provision of the Emergency Order prohibiting Defendant from pursuing eviction proceedings against Plaintiff to remain in effect until the next hearing, without prejudice to either party.²

On July 12, 2012, Defendant filed a Motion to Dismiss in which he requested the Court dismiss Plaintiff's Complaint (as it related to the relief requested concerning the Crowder Road

¹ As of the date of the hearing on November 13, 2012, Plaintiff remained in possession of the Crowder Road Property.

² The hearing was continued a second time to November 13, 2012, in the Consent Order of Continuance dated August 30, 2012.

Property) pursuant to Rules 12(b)(1), (6), and (7) of the South Carolina Rules of Civil Procedure.

In summary, Plaintiff contends the Family Court maintains jurisdiction to hear the issues raised in Plaintiff's Complaint concerning the Crowder Road Property based on the language of the Trust, which states:

The parties to this Agreement hereby acknowledge and agree that the exclusive jurisdiction for matters involving this Trust or any matters related thereto is the Family Court for the Eighth Judicial Circuit Newberry County, South Carolina, and waive any right to object or otherwise take issue with the convenience of such forum.

Plaintiff further argues the "subject matter" before the Court concerning the Crowder Road Property involves the equitable division of an asset and the purpose of the Trust provision cited above is to ensure the fair and equitable liquidation of the assets of the Trust. Plaintiff contends the Trustee is the agent of the Family Court for the purpose of equitable apportionment. Plaintiff relies on Thomas v. McGriff, 368 S.C. 485, 629 S.E.2d 359 (2006), for the proposition of concurrent jurisdiction with the Probate Court. Plaintiff also argues the Court has jurisdiction over the contract (the Trust) between the parties and because the Trust apportions marital property, this Court maintains jurisdiction to hear and determine the issues raised by Plaintiff's Complaint.

In summary, Defendant argues the Family Court lacks subject matter jurisdiction over the subject matter of Plaintiff's Complaint because the subject matter does not fall within S.C. Code § 63-3-530 (jurisdiction of the Family Court) and the Probate Court maintains exclusive jurisdiction over matters related to trusts. Defendant further contends the subject matter of Plaintiff's Complaint is not the equitable division of an asset, but rather the administration of an independent Trust.

The Family Court is a court of limited jurisdiction. It maintains exclusive jurisdiction over those matters specified in S.C. Code § 63-3-530 (1976, as amended). Those matters include, but are not limited to:

1. actions under the provisions of the Uniform Interstate Family Support Act;
2. actions for divorce a vinculo matrimonii, separate support and maintenance, legal separation, and in other marital litigation between the parties, and for settlement of all legal and equitable rights of the parties in the actions in and to the real and personal property of the marriage and attorney's fees and costs, if requested by either party in the pleadings;
3. actions for and related to the adoption of children and adults; and
4. actions for termination of parental rights, whether such action is in connection with an action for adoption or apart therefrom.

Pursuant to S.C. Code § 62-1-302 (1976, as amended), the Probate Court maintains exclusive original jurisdiction over all subject matter related to trusts.

The subject matter of Plaintiff's Complaint does not fall within S.C. Code § 63-3-530 (1976, as amended). The subject matter of Plaintiff's Complaint as it relates to the Crowder Road Property concerns an independent trust and transactions occurring after the entry of the Divorce Decree and after the formation of the Trust. Specifically, Plaintiff's Complaint as it relates to the Crowder Road Property concerns the actions of the Trustee of the Trust (whether the Trustee's Deed dated April 19, 2012 is null and void; whether Defendant or Plaintiff should be allowed to purchase the Crowder Road Property from the Trust; whether the property should be held in the Trust; and whether Plaintiff should be entitled to exclusive use of the property). The equitable distribution of the marital property was accomplished in the Divorce Decree. While the vast majority of the marital property was transferred into the Trust, the Trustee's powers and duties do not include the equitable distribution of Trust property. The Trust contains

specific provisions concerning the powers and duties of the Trustee as it relates to the property of the Trust. While the Trust contains language concerning the exclusive jurisdiction of the Family Court for matters involving the Trust or any matters related thereto, individual parties cannot confer subject matter jurisdiction upon this Court. November 4, 2008 Bluffton Town Council Election v. Fulgham, 385 S.C. 632, 637, 686 S.E.2d 683, 686 (2009) ("The lack of subject matter jurisdiction may not be waived, even by consent of the parties, and should be taken notice of by this Court."); State v. Richburg, 304 S.C. 162, 165, 403 S.E.2d 315, 317 (1991) (. . . "parties cannot, by their actions or agreements, confer subject matter jurisdiction upon the trial court . . .").

Upon careful review, this Court does not have jurisdiction to hear and determine so much of Plaintiff's Complaint as it relates to the relief requested concerning the Crowder Road Property (whether the Trustee's Deed dated April 19, 2012 is null and void; whether Defendant or Plaintiff should be allowed to purchase the Crowder Road Property from the Trust; whether the property should be held in the Trust; and whether Plaintiff should be entitled to exclusive use of the property). While the Divorce Decree required the creation of a trust containing certain terms, and also included language by which the Family Court retained jurisdiction to interpret, enforce, and to the extent necessary, effectuate the terms of the Divorce Decree, the parties themselves settled and created the Trust and signed it more than six weeks after the entry of the Divorce Decree. The language in the Divorce Decree which retained jurisdiction for certain purposes is not sufficiently broad to include a retention of jurisdiction to resolve any dispute arising out of the actions or conduct of the Trustee or the administration of the terms of the Trust. After the entry of the Divorce Decree, no marital property was acquired and the Family Court maintains jurisdiction only over marital property. There is no indication the Trust was ever

reviewed by the Family Court. There is no challenge presented by Plaintiff that the Trust is in fact the product of the Family Court Order or that the Trust contains terms or provisions different from those required by the Divorce Decree.

Actions related to the administration of a Trust are within the exclusive jurisdiction of the Probate Court pursuant to S.C. Code § 62-1-302. As such, the Family Court lacks jurisdiction to hear and decide the issues set forth in Plaintiff's Complaint concerning the Crowder Road property.

NOW, THEREFORE, IT IS ORDERED Plaintiff's Complaint filed May 15, 2012, as it relates to the Crowder Road Property is dismissed.

AND IT IS SO ORDERED.

Deborah Neese
Judge of the Family Court

_____, South Carolina

Dated: _____

EXHIBIT D

McDougall & Self, L.L.P.

Attorneys at Law
791 Greenlawn Drive, Suite 4
P. O. Box 90860
Columbia, South Carolina 29290
Telephone: (803) 776-3130 - Telecopier: (803) 776-7748

John O. McDougall*†
Michael W. Self*
Peter G. Currence
Ryan A. McLeod*

Alyssa H. Richardson

E-mail: jom@mcdougallandself.com

Reply to Columbia

December 8, 2011

Sumter Office:
21 East Calhoun Street
P.O. Box 2197
Sumter, South Carolina 29151-2197
Telephone: (803) 778-5062
Telecopier: (803) 778-6908

Website: www.mcdougallandself.com

VIA E-MAIL AND U.S. MAIL

Mr. Francis B. B. Knowlton
Attorney at Law
Nelson, Mullins, Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211

Re: Hobby vs. Hobby
544 Crowder Road (with surrounding 3 acres)

Dear Frank:

This is to advise and confirm that Mary Hobby would like to purchase the 544 Crowder Road property, with surrounding 3 acres, (her home) from the Liquidating Trust.

I believe that Mary has previously provided you with a complete copy of the Summary Appraisal Report of Hubert M. Bedenbaugh, Jr., provided as of November 23, 2011, which reflects that he appraised this property at \$300,000. Since you have previously been provided with a complete copy of his appraisal, I am attaching only the first three pages of his report with this letter.

I am enclosing a copy of page 4 of 9 of the Marital Assets Addendum dated November 29, 2009, and you will note in Item 9(a)(1) that it confirms that both CPA McKay and CPA Sealey valued this property at that time at \$325,000.

I am enclosing copies of the summary I have received from Mary Hobby regarding the taxes and homeowner's insurance that she has paid on this property, this year, which total \$3,729.19, along with verification of these payments.

Although Mary Hobby believes that the home is worth substantially less than \$300,000, she is willing to base her offer of purchase of this property on that appraised value. For your information, a well needs to be added to the house because the deeded property to Mary does not include an existing well. The cost of digging a new 6" pipe well is approximately \$5,000. The bills Mary previously paid for repairing the existing well amount to \$1,104.21. The power to Mary's property is attached to the red barn behind the house which is not on

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Mr. Francis B. B. Knowlton
December 8, 2011
Page 2

her deeded property. This line needs to be detached and separate meters put in place. The estimated cost will be \$2,000.

As we have determined from the attempted sale of a number of properties since the Liquidating Trust was established, the likelihood that the property could be sold at this time for its appraised value is remote. Therefore, taking into consideration that there will be no cost of sale, that the sale will be immediately consummated, Mary proposes that the \$300,000 value of the property be discounted by 25% or \$75,000 leaving a balance of \$225,000.

Considering that she is entitled to distributions from the Liquidating Trust in the amount of 42.5% and Ray Hobby is entitled to distributions from the Trust in the amount of 57.5%, if the \$225,000 were in the Liquidating Trust to be distributed at this time, of the \$225,000, \$95,625 would be distributed to Mary Hobby and \$129,375 would be distributed to Ray Hobby. Of the \$3,729.19 which Mary has paid toward taxes and insurance on this property, 57.5% should be attributed to Ray (\$2,144) and 42.5% to Mary (\$1,585), thereby reducing the amount due to Ray to \$127,231.

Based upon the above and the enclosures, Mary is willing to immediately pay into the Trust \$127,231 and consent to these funds being immediately distributed to Ray Hobby for his interest in this property.

The above agreement would not affect the distributions from the Liquidating Trust for legal fees to each of the parties (\$225,000 to Mary T. Hobby and \$200,000 to RDH) as provided in the Liquidating Trust.

After you have had an opportunity to review the above and the attachments, please advise as to whether it is suitable to you as Trustee of the Hobby Family Liquidating Trust and Raymond D. Hobby for Mary T. Hobby to purchase the 544 Crowder Road property as proposed.

With kind regards.

Sincerely,

JOHN O. McDOUGALL

JOM:srb

Enclosures

cc: Mrs. Mary T. Hobby (via e-mail only)

EXHIBIT E

Frank B. Knowlton
Nelson, Mullins, Riley & Scarborough L.L.P.
Post Office Box 11070
Columbia, SC 29211

January 3, 2012

Re: Hobby vs. Hobby 544 Crowder Road (with surrounding 3 acres)

Dear Frank,

I greatly appreciate the opportunity to make an offer to purchase the property in Kinards, SC, 544 Crowder Road and surrounding acreage. It is my opinion that this property is essential to the value of the overall property holdings that surround it and being extracted from the farm will drastically damage the total value of the property. Therefore I would extend an offer to the trust to purchase Ms. Hobby's interest of 42 ½ % to maintain the most value and marketable position for the overall property.

I am offering to purchase this property for \$138,125.00 as is where is. This is based on the 42 ½ % of the full \$325,000.00 appraisal that was used in the evaluation of material assets at the time of divorce and was agreed on by both parties. No broker discounts, no commissions, no reductions for any reasons.

I am further offering to leave this asset in the Trust to maximize the properties value for any future sale opportunities and receive no distributions until the property is sold and all trust liabilities are satisfied.

According to Ms. Hobby's appraisal it contends the property isn't worth that amount. I, as stated above disagree not only for the overall value of the total farm but feel the size, quality and location of the home keeps it at the former numbers.

As to reimbursements for expenses to Ms. Hobby for taxes, maintenance and repairs, these should be denied. If there is any devaluation or cost to maintain this property it should be borne by Ms. Hobby for failure to comply with the final divorce order to convey this property into the trust. As you know I personally have not asked to date for any reimbursements for funds I have advanced on behalf of trust assets, taxes, maintenance, repairs, mortgage payments, interest or any other cost associated. This will be accounted for when the trust is solvent and has adequate cash flows.

Knowing the Trust is still struggling and has urgent needs for cash flow, I propose this transaction take place as immediate as possible. I can close in a matter of days should you find this proposal acceptable.

I respect your consideration and request to reserve the right to counter offer if any additional offers are presented that exceed this proposal.

Sincerely,
Raymond D. Hobby

STATE OF SOUTH CAROLINA)
COUNTY OF NEWBERRY)

IN THE COURT OF COMMON PLEAS

Raymond D. Hobby,)
Plaintiff,)

Civil Action No. 2013-CP-36-193

vs.)

Mary T. Hobby,)
Defendant/Third)
Party Plaintiff,)

AFFIDAVIT OF JOHN O. MCDOUGALL

vs.)

Frances B. Knowlton, Individually)
and as Trustee,)
Third Party Defendant.)

PERSONALLY APPEARED BEFORE ME, John O. McDougall, who being duly sworn, deposes and says:

1. I am John O. McDougall. I have previously provided an affidavit dated September 19, 2013 in connection with this matter. I herewith supplement my affidavit to address in greater detail the offers that were made to purchase the property at 544 Crowder Road and the agreement that was ultimately reached between the trustee and Raymond D. Hobby.

2. On May 8, 2014, Mary made an offer to purchase 544 Crowder Road based upon the property having a value of \$225,000.00. She proposed that she would receive her percentage (42.7%), after crediting, pro rata, some expenses she had paid. She offered to buy Mr. Hobby's interest for \$127,231.00. See Exhibit A.

3. On January 23, 2012, Mr. Hobby made an offer to purchase 544 Crowder Road based upon the property having a value of \$325,000.00. Mr. Hobby proposed that he would receive his percentage (57.5%) interest and pay Mary \$138,125.00 for her interest (42.5%). Mr. Hobby also proposed to leave the property "in the trust". See Exhibit B.

4. On January 23, 2012, Mr. Knowlton sent me an email, marked as Exhibit C, wherein he stated the following:

"Thanks John. I will need to move fairly fast on this as the trustee needs an immediate infusion of cash to service the debt for February and beyond."



However, neither offer proposed that proceeds of the sale would be left in the trust for payment of expenses.

5. On February 9, 2012, Mr. Knowlton sent an email to me, marked as Exhibit D, stating that he was going to accept the offer of Mr. Hobby and use the cash advance to service the loans for February. However, Mr. Hobby's offer did not provide for any cash to be used for that purpose.

6. On March 20, 2012, Mary made a second offer to purchase based upon the purchase price of \$325,000.00, with Mary receiving her 42 ½% interest and paying \$186,875.00 to the trustee for Ray's interest in the property. See Exhibit E.

7. Attached as Exhibit F are two letters and one email which contain explanations as to why Mary's offer of March 20, 2012 was superior to Mr. Hobby's. In this correspondence, I urged the trustee to seek a court order authorizing the sale and advised the trustee that if he went forward with a sale to Mr. Hobby, Mary intended to enforce her right to purchase the property. The trustee responded that he had already accepted Mr. Hobby's offer.

8. Attached as Exhibit G is an email I sent the trustee on April 12, 2012 and a letter I sent the trustee on April 13, 2012. I again objected to the sale and warned that if the sale to Mr. Hobby went through, Mary would take action.

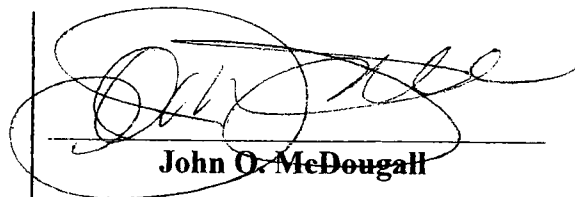
9. The trustee did not enter into a contract to sell 544 Crowder Road until April 19th, 2012. See purchase agreement and mortgage attached as Exhibit H. The purchase agreement did not tract the offer made by Mr. Hobby, other than the price was \$325,000. The contract says that prior to entering into the purchase agreement, Mr. Hobby delivered to the trustee a non-refundable payment of \$56,000. Mr. Hobby then gave a promissory demand note for \$186,875. The balance which had to be paid at closing was \$82,125.00. Thus, Mr. Hobby paid \$138,125 (\$56,000 and \$82,125) to the trustee which was 43% of the price or represented payment to the trustee for Mary's share. The property was not left in trust and the total cash that the trustee received was \$138,125.00. Mary's offer was to pay \$186,875 to the trustee to buy Mr. Hobby's 57.5% interest in the property. Mary's offer was superior to Mr. Hobby's since it would have provided the trustee with approximately \$48,850, more cash than did Mr. Hobby's. Her offer would have put \$186,875 in the hands of the trustee unless it was distributed to Mr. Hobby as compared to Mr. Hobby's payment of \$138,125. Her offer also was a "cash" offer and not cash and a Note to be paid over a period of time.

SWORN TO AND SUBSCRIBED BEFORE ME

this 10th day of March, 2014

Opbia R. Bradley
Notary Public for South Carolina

My Commission Expires: 10/22/2020


John O. McDougall

McDougall & Self, L.L.P.

Attorneys at Law
791 Greendawn Drive, Suite 4
P. O. Box 90860
Columbia, South Carolina 29290
Telephone: (803) 776-3130 - Telecopier: (803) 776-7748

COPY

John O. McDougall*†
Michael W. Self*
Peter G. Currence
Ryan A. McLeod*

Alyssa H. Richardson

E-mail: jom@mcdougallandself.com

Reply to Columbia

December 8, 2011

Sumter Office:
21 East Calhoun Street
P.O. Box 2197
Sumter, South Carolina 29151-2197
Telephone: (803) 778-5062
Telecopier: (803) 778-6908
Website: www.mcdougallandself.com

VIA E-MAIL AND U.S. MAIL

Mr. Francis B. B. Knowlton
Attorney at Law
Nelson, Mullins, Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211

Re: Hobby vs. Hobby
544 Crowder Road (with surrounding 3 acres)

Dear Frank:

This is to advise and confirm that Mary Hobby would like to purchase the 544 Crowder Road property, with surrounding 3 acres, (her home) from the Liquidating Trust.

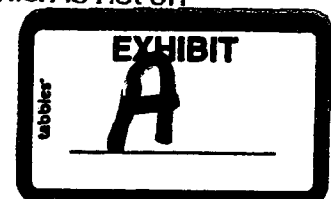
I believe that Mary has previously provided you with a complete copy of the Summary Appraisal Report of Hubert M. Bedenbaugh, Jr., provided as of November 23, 2011, which reflects that he appraised this property at \$300,000. Since you have previously been provided with a complete copy of his appraisal, I am attaching only the first three pages of his report with this letter.

I am enclosing a copy of page 4 of 9 of the Marital Assets Addendum dated November 29, 2009, and you will note in Item 9(a)(1) that it confirms that both CPA McKay and CPA Sealey valued this property at that time at \$325,000.

I am enclosing copies of the summary I have received from Mary Hobby regarding the taxes and homeowner's insurance that she has paid on this property, this year, which total \$3,729.19, along with verification of these payments.

Although Mary Hobby believes that the home is worth substantially less than \$300,000, she is willing to base her offer of purchase of this property on that appraised value. For your information, a well needs to be added to the house because the deeded property to Mary does not include an existing well. The cost of digging a new 6" pipe well is approximately \$5,000. The bills Mary previously paid for repairing the existing well amount to \$1,104.21. The power to Mary's property is attached to the red barn behind the house which is not on

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Mr. Francis B. B. Knowlton
December 8, 2011
Page 2

her deeded property. This line needs to be detached and separate meters put in place. The estimated cost will be \$2,000.

As we have determined from the attempted sale of a number of properties since the Liquidating Trust was established, the likelihood that the property could be sold at this time for its appraised value is remote. Therefore, taking into consideration that there will be no cost of sale, that the sale will be immediately consummated, Mary proposes that the \$300,000 value of the property be discounted by 25% or \$75,000 leaving a balance of \$225,000.

Considering that she is entitled to distributions from the Liquidating Trust in the amount of 42.5% and Ray Hobby is entitled to distributions from the Trust in the amount of 57.5%, if the \$225,000 were in the Liquidating Trust to be distributed at this time, of the \$225,000, \$95,625 would be distributed to Mary Hobby and \$129,375 would be distributed to Ray Hobby. Of the \$3,729.19 which Mary has paid toward taxes and insurance on this property, 57.5% should be attributed to Ray (\$2,144) and 42.5% to Mary (\$1,585), thereby reducing the amount due to Ray to \$127,231.

Based upon the above and the enclosures, Mary is willing to immediately pay into the Trust \$127,231 and consent to these funds being immediately distributed to Ray Hobby for his interest in this property.

The above agreement would not affect the distributions from the Liquidating Trust for legal fees to each of the parties (\$225,000 to Mary T. Hobby and \$200,000 to RDH) as provided in the Liquidating Trust.

After you have had an opportunity to review the above and the attachments, please advise as to whether it is suitable to you as Trustee of the Hobby Family Liquidating Trust and Raymond D. Hobby for Mary T. Hobby to purchase the 544 Crowder Road property as proposed.

With kind regards.

Sincerely,

JOHN C. McDOUGALL

JOM:srb

Enclosures

cc: Mrs. Mary T. Hobby (via e-mail only)

Frank B. Knowlton
Nelson, Mullins, Riley & Scarborough L.L.P.
Post Office Box 11070
Columbia, SC 29211

January 3, 2012

Re: Hobby vs. Hobby 544 Crowder Road (with surrounding 3 acres)

Dear Frank,

I greatly appreciate the opportunity to make an offer to purchase the property in Kinards, SC, 544 Crowder Road and surrounding acreage. It is my opinion that this property is essential to the value of the overall property holdings that surround it and being extracted from the farm will drastically damage the total value of the property. Therefore I would extend an offer to the trust to purchase Ms. Hobby's interest of 42 ½ % to maintain the most value and marketable position for the overall property.

I am offering to purchase this property for \$138,125.00 as is where is. This is based on the 42 ½ % of the full \$325,000.00 appraisal that was used in the evaluation of material assets at the time of divorce and was agreed on by both parties. No broker discounts, no commissions, no reductions for any reasons.

I am further offering to leave this asset in the Trust to maximize the properties value for any future sale opportunities and receive no distributions until the property is sold and all trust liabilities are satisfied.

According to Ms. Hobby's appraisal it contends the property isn't worth that amount. I, as stated above disagree not only for the overall value of the total farm but feel the size, quality and location of the home keeps it at the former numbers.

As to reimbursements for expenses to Ms. Hobby for taxes, maintenance and repairs, these should be denied. If there is any devaluation or cost to maintain this property it should be borne by Ms. Hobby for failure to comply with the final divorce order to convey this property into the trust. As you know I personally have not asked to date for any reimbursements for funds I have advanced on behalf of trust assets, taxes, maintenance, repairs, mortgage payments, interest or any other cost associated. This will be accounted for when the trust is solvent and has adequate cash flows.



Knowing the Trust is still struggling and has urgent needs for cash flow, I propose this transaction take place as immediate as possible. I can close in a matter of days should you find this proposal acceptable.

I respect your consideration and request to reserve the right to counter offer if any additional offers are presented that exceed this proposal.

Sincerely,
Raymond D. Hobby

Sharon Barkley

From: Frank Knowlton [frank.knowlton@nelsonmullins.com]
Sent: Monday, January 23, 2012 4:03 PM
To: John McDougall
Cc: mthobby; Sharon Barkley
Subject: RE: Offer to Purchase 544
Attachments: image001.gif

Thanks John. I will need to move fairly fast on this as the Trust needs an immediate infusion of cash to service the debt for February and beyond.

Also, I had a fairly positive conversation with Travelers counsel on Friday and I will send you a summary of the conversation shortly.

Nelson Mullins

Frank B. B. Knowlton
Partner
frank.knowlton@nelsonmullins.com

Nelson Mullins Riley & Scarborough LLP

Meridian, 17th Floor
1320 Main Street, Columbia, SC 29201
Tel: 803.255.9588 Fax: 803.256.7500

www.nelsonmullins.com
(View Bio)

From: John McDougall [mailto:jom@mcdougallandself.com]
Sent: Monday, January 23, 2012 3:59 PM
To: Frank Knowlton
Cc: 'mthobby'; 'Sharon Barkley'
Subject: RE: Offer to Purchase 544

Frank, I have forwarded this email to Mary for her response. As soon as I hear from her I will advise. JOM

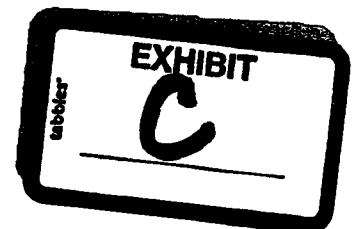
From: Frank Knowlton [mailto:frank.knowlton@nelsonmullins.com]
Sent: Friday, January 20, 2012 5:12 PM
To: John McDougall
Cc: mthobby
Subject: FW: Offer to Purchase 544

John, Ray has provided a counter-offer for the 544 Crowder house. Please review and let's discuss. This offer appears substantially more beneficial to the Trust but I wanted you to have the opportunity to review and respond. Thanks,
Frank

Nelson Mullins

Frank B. B. Knowlton
Partner
frank.knowlton@nelsonmullins.com

FILED
NEWBERRY COUNTY
2013 SEP 20 AM 10 24
JACQUE S. DOWENS
CLERK OF COURT



Crowder

Sharon Barkley

From: Frank Knowlton [frank.knowlton@nelsonmullins.com]
Sent: Thursday, February 09, 2012 9:53 AM
To: Sharon Barkley; John McDougall
Cc: mthobby
Subject: RE: Hobby vs. Hobby

John, thanks for your letter yesterday. Unfortunately time is not on our side and, in my opinion, Mary has had plenty of time to come up with a counter-offer. She has apparently had Ray's counter since January 23 (18 days). The Trust is now past due in most or all of the loan payments which it is required to service. Therefore, I have no choice but to accept what is clearly the superior offer and use the cash advance to service the loans for February. Thanks, Frank

-----Original Message-----

From: Sharon Barkley [mailto:sbarkley@mcDougallandself.com]
Sent: Wednesday, February 08, 2012 4:22 PM
To: Frank Knowlton
Cc: 'mthobby'
Subject: Hobby vs. Hobby

Mr. Knowlton,

Please see attached correspondence from John McDougall, with enclosure, in regard to the above referenced matter.

Sharon

Sharon R. Barkley
Legal Assistant to John O. McDougall
McDougall & Self, L.L.P.
Post Office Box 90860
Columbia, SC 29290
Telephone: 803.776.3130
Facsimile: 803.776.7748

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=====
Confidentiality Notice



EXHIBIT I
McDougall & Self, L.L.P.

Attorneys at Law
791 Greenlawn Drive, Suite 4
P. O. Box 90860
Columbia, South Carolina 29290
Telephone: (803) 776-3130 - Telecopier: (803) 776-7748

Reply to Columbia

March 20, 2012

John O. McDougall*†
Michael W. Self*
Peter G. Currence
Ryan A. McLeod*

Alyssa H. Richardson

E-mail: jom@mcdougallandself.com

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P.O. Box 2197
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VIA E-MAIL ONLY

Mr. Francis B. B. Knowlton
Attorney at Law
Nelson, Mullins, Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211

Re: Hobby vs. Hobby
544 Crowder Road Home

Dear Frank:

I have been advised that Mary Hobby is willing to purchase the 544 Crowder Road property which is titled in her name by making a cash payment to the trust in the amount of \$186,875 with her reserving the right to determine what, if anything, is due to her for the expenses that she has paid regarding this property from October 8, 2010, to present, at a later date. This offer is based upon the property having a \$325,000 value and she paying the trust 57.5% of the value of the property. The \$186,875 will be paid immediately to the trust upon confirmation that the property will be released to Mary Hobby free and clear of any claim and/or interest from the trust.

After you have had an opportunity to review the above, please advise as to whether we can consummate the above transaction at this time.

With kind regards,

Sincerely,

JOHN O. McDOUGALL

JOM:srb

cc: Mr. James E. Bryan, Jr. (via e-mail only)
Mrs. Mary T. Hobby (via e-mail only)

*DIPLOMATE, AMERICAN COLLEGE OF FAMILY TRIAL LAWYERS
†FELLOW, INTERNATIONAL ACADEMY OF MATRIMONIAL LAWYERS
*FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS



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COPY

John O. McDougall*†
Michael W. Self*
Peter G. Currence
Ryan A. McLeod*

Alyssa H. Richardson

E-mail: jom@mcdougallandself.com

Reply to Columbia

March 21, 2012

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VIA E-MAIL ONLY

Mr. Francis B. B. Knowlton
Attorney at Law
Nelson, Mullins, Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211

Re: Hobby vs. Hobby
544 Crowder Road Home

Dear Frank:

This will acknowledge receipt of your email of today's date in regard to the above referenced matter. I am quite perplexed by your email for the following reasons:

1. You did not have the courtesy to call me to discuss this with me as I requested you to do so in my email to you of last evening.
2. I do not understand your assertion that "Her proposal is also not superior to Mr. Hobby's and it would trigger a distribution to Mary of approximately \$138,000 which the Trust presently does not have." I do not understand why you believe that Mary's offer to purchase this property for the payment to the Trust of \$186,875 automatically triggers a distribution to her of approximately \$138,000. That was never the intent and I do not understand that conclusion. Mary does not anticipate any distribution to her from this payment. Millions of dollars have passed through the Trust without there ever being an assertion that the flow of money through the Trust has triggered a distribution to either party and I certainly do not understand how or why you consider this transaction would do.
3. I am perplexed by your assertion that "Moreover, Mr. Hobby has not sought to deduct unknown expense items from his offer." The reason that Mr. Hobby has not sought to deduct unknown expense items from his offer to purchase this property is because he has not paid any expenses toward the maintenance of the 544 Crowder Road home since the Trust was created and the Trust has paid all of Mr. Hobby's expenses as it relates to his occupation of the Smith house since the Trust

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Mr. Francis B. B. Knowlton
March 21, 2012
Page 2

was created. You are well aware that Ms. Hobby has taken the position that the Trust should reimburse her for the taxes, insurance, etc., which she has paid on her home as the Trust paid these expenses on the Smith house occupied by Mr. Hobby. You have refused to do this taking the position that since the property had not been transferred to the Trust, that the Trust had no obligation to pay/reimburse these expenses. Ms. Hobby disagrees with that position and she has sought to reserve the right to seek reimbursement for those expenses at a later date.

4. You have indicated that Mr. Hobby has advanced over \$100,000 of the purchase price which has allowed the Trust to operate for the last 2 months. From the \$186,875 which Ms. Hobby intends to pay the Trust (without any anticipation of reimbursement), Mr. Hobby can be reimbursed for his advancements and there are additional funds in the Trust to pay expenses for another month or two.
5. Ms. Hobby was clearly provided the right to purchase property from the Trust, she has made a very fair offer to purchase the property and she insists upon having the right to do so. I would recommend that this property not be sold without an Order of the Family Court in that Ms. Hobby believes that if it is sold to Mr. Hobby as proposed, that the Trust has violated the prior Order of the Family Court.
6. Ms. Hobby puts the Trust on notice that she does intend to enforce her right to purchase this property through the Family Court if her offer continues to be rejected.

With kind regards.

Sincerely,

JOHN O. McDOUGALL

JOM:srb

cc: Mr. James E. Bryan, Jr. (via e-mail only)
Mrs. Mary T. Hobby (via e-mail only)

McDougall & Self, L.L.P.
Attorneys at Law
791 Greenlawn Drive, Suite 4
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Columbia, South Carolina 29290
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John O. McDougall[†]
Michael W. Self[†]
Peter G. Currence
Ryan A. McLeod^{*}

Alyssa H. Richardson

E-mail: jom@mcDougallandSelf.com

Reply to Columbia

April 4, 2012
(Dictated April 2, 2012)

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VIA E-MAIL ONLY

Mr. Francis B. B. Knowlton
Attorney at Law
Nelson, Mullins, Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211

Re: Hobby vs. Hobby - 544 Crowder Road

Dear Frank:

In follow up to our telephone conversation of March 26, 2012, please advise as to whether you have had an opportunity to discuss my items of correspondence of March 20 and 21 with Ray Hobby to determine whether he will acquiesce in this property being released to Mary Hobby as proposed in these items of correspondence. If so, Ms. Hobby is prepared to immediately deliver to your office a check in the amount of \$186,875 to purchase this property from the Trust. As to that payment, she does not expect to be reimbursed any funds from the Trust regarding her purchase of the property, and it is suitable to her for the funds to be used by the Trust, or released to Ray Hobby for his interest in this property.

Your immediate attention to the above will be appreciated in that if the offer to purchase the property by Mary Hobby is denied, she needs to make appropriate Motions before the Court for the Court to determine whether the property should in fact be transferred to her as proposed.

With kind regards.

Sincerely,

JOHN O. McDOUGALL

JOM:srb

cc: Mrs. Mary T. Hobby (via e-mail only)

[†]DIPLOMATE, AMERICAN COLLEGE OF FAMILY TRIAL LAWYERS
[†]FELLOW, INTERNATIONAL ACADEMY OF MATRIMONIAL LAWYERS
^{*}FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS

Sharon Barkley

From: Frank Knowlton [frank.knowlton@nelsonmullins.com]
Sent: Wednesday, April 04, 2012 10:59 AM
To: Sharon Barkley; John McDougall
Cc: mthobby@yahoo.com
Subject: RE: Hobby vs. Hobby
Attachments: image001.gif

John, thanks for your letters. Responding to your letters by e-mail is faster and saves the Trust money so I will not be sending letter responses.

1. **544 Crowder Rd** – As I mentioned to you in our conversation last week, I have already accepted Ray's offer on the house and he has paid the closing proceeds in advance (which allowed the Trust to remain solvent in February and March). I am sorry this did not work out to Mary's satisfaction.
2. **Allimony** – there not sufficient funds in the Trust to pay the allimony this month. I am hopeful that we can resolve the Travelers issues very soon and get a fresh injection of much needed cash into the Trust to continue to service the mortgage debt and pay the other Trust expenses.

Nelson Mullins

Frank B. B. Knowlton
Partner
frank.knowlton@nelsonmullins.com

Nelson Mullins Riley & Scarborough LLP
Meridian, 17th Floor
1320 Main Street, Columbia, SC 29201
Tel: 803.255.9588 Fax: 803.256.7500
www.nelsonmullins.com
(View Bio)

From: Sharon Barkley [mailto:sbarkley@mcDougallandself.com]
Sent: Wednesday, April 04, 2012 9:27 AM
To: Frank Knowlton
Cc: 'mthobby@yahoo.com'
Subject: Hobby vs. Hobby

Mr. Knowlton,

Please see attached letters from John McDougall in regard to the above referenced matter.

Sharon

Sharon R. Barkley
Legal Assistant to John O. McDougall
McDougall & Self, L.L.P.
Post Office Box 90860
Columbia, SC 29290
Telephone: 803.776.3130
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John O. McDougall††
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E-mail: jom@mcdougallandself.com

Reply to Columbia

April 13, 2012

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VIA E-MAIL AND U.S. MAIL

Mr. Francis B. B. Knowlton
Attorney at Law
Nelson, Mullins, Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211

Re: Hobby vs. Hobby

Dear Frank:

In response to your email to me of April 12, 2012, at 5:16 p.m., I provide the following:

As to your inquiry "Are you contending I need a court order every time I sell an asset. I don't see that in the Trust document anywhere. Please point that out," I do not contend that you need a Court Order every time an asset of the Trust is sold. I do contend that you have a fiduciary relationship to both parties and when there is an issue in dispute between the parties such as this, that you should not be the person making the ultimate decision resolving the disputed issue and that should be resolved by either an agreement between the parties or an Order of the Court.

I am forwarding you a copy of pages 1, 9, and 17 of the Final Order and Decree of Divorce. Paragraph f., page 9, of the Decree provides as follows:

Either party may purchase any asset from the trust, provided the sale and terms are reasonable, fair, and reflect fair market value or other terms mutually agreeable to the parties. The purchase of an asset from the trust may be accomplished in any reasonable means directed by the trustee, including a like-kind distribution to the other party in recognition of an asset purchased by one party.

Paragraph 8., page 17, of the Decree provides as follows:

This Court retains jurisdiction for the interpretation, enforcement, and, to the extent necessary to effectuate these terms, the issuance of subsequent orders regarding this Final Order and Divorce Decree.

†DIPLOMATE, AMERICAN COLLEGE OF FAMILY TRIAL LAWYERS
†FELLOW, INTERNATIONAL ACADEMY OF MATRIMONIAL LAWYERS
*FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS



Mr. Francis B. B. Knowlton
April 13, 2012
Page 2

As I have previously advised, Ms. Hobby believes that she has made a very fair offer to purchase the property and she insists upon having the right to do so. She certainly believes that her offer is "reasonable, fair, and reflects fair market value" of the property she is attempting to purchase.

In my letter to you of March 21, 2012, I emphasized Ms. Hobby's position as follows:

5. Ms. Hobby was clearly provided the right to purchase property from the Trust, she has made a very fair offer to purchase the property and she insists upon having the right to do so. I would recommend that this property not be sold without an Order of the Family Court in that Ms. Hobby believes that if it is sold to Mr. Hobby as proposed, that the Trust has violated the prior Order of the Family Court.
6. Ms. Hobby puts the Trust on notice that she does intend to enforce her right to purchase this property through the Family Court if her offer continues to be rejected.

In your email to me of April 12, 2012, at 4:04 p.m., you state "Please advise immediacy [immediately] as to how this might violate the Trust Agreement as this has never been raised." Your assertion that this issue has not been raised prior to my letter of yesterday's date is simply not true. I did so in my letter to you of March 21, 2012.

I am not certain as to why you are so adamant about immediately transferring this property to Mr. Hobby without an Order of the Court authorizing you to do so, especially considering that the offer that was made by Mr. Hobby, which you contend was superior to that of Ms. Hobby, and which you insist upon accepting, specifically provides as follows:

I am further offering to leave this asset in the Trust to maximize the properties value for any future sale opportunities and receive no distributions until the property is sold and all trust liabilities are satisfied.

If you transfer the property to Mr. Hobby at this time, you are in fact violating the terms of the offer to purchase which was made by Mr. Hobby on January 3, 2012. Please be mindful that this offer was not relayed to me, or Ms. Hobby, until Friday evening of January 20, 2012, at 5:12 p.m., which was after our office had closed for the weekend, therefore, not viewed by my office until Monday, January 23.

In your email to me of April 12, 2012, at 5:16 p.m., you noted that "Mary failed to submit a bid prior to Rays offer and the Trust desperately needed these funds to operate."

Mr. Francis B. B. Knowlton
April 13, 2012
Page 3

Frank, as you are aware, the very first "accounting" that Ms. Hobby or I received from you was on December 14, 2011. At that time we discovered that \$228,946.60 had been distributed NMRS as fees on September 30, 2011, and \$36,889.45 was distributed to NMRS on December 5, 2011, for a total of \$265,836.05. These funds were distributed by the Trust without any knowledge of Mary Hobby and without Mary Hobby knowing that these amounts were due or being paid. In the accounting that we received from your office on February 22, we note that \$12,873.85 was distributed to NMRS on January 17, 2012, and \$14,029.03 was distributed to NMRS on February 8, 2012. Since September 30, 2011, \$292,738.93 has been distributed to NMRS without any consult with Ms. Hobby, without Ms. Hobby knowing that the funds were being distributed, and without Ms. Hobby knowing that these amounts were due. Ms. Hobby realizes that the Trustee is entitled to be paid, however, she does not believe that the Trustee should be paid to such an extent that it puts the Trust in the position to have a need for immediate cash infusion within 90 days after \$228,947 was distributed to the Trustee. \$292,738.93 has been distributed to NMRS and the Trust has only paid the McNair Law Firm \$1,549.48. \$19,537.30 remains due for their representation of Ms. Hobby in the creation of the Liquidating Trust. This problem is magnified when it causes the Trust to put Ms. Hobby under a short time frame to accept or reject a forced sale of the one asset which Ms. Hobby has had sole and exclusive use of prior to and throughout this litigation, her home. Why her home has been selected as the one piece of property that had to be sold for an immediate infusion of cash into the Trust and why Ms. Hobby has been forced into this position is difficult for Ms. Hobby to understand. There are millions of dollars in assets in this case, the only property which Ms. Hobby has had exclusive control over is her home, which is the former marital residence of the parties, and which she has occupied for a number of years, and which is being taken away from her by an individual who has a fiduciary relationship with her and is being transferred to her former husband, by an individual who has a fiduciary relationship with him. Something about all of this gives Ms. Hobby a grave concern and that is why she has requested that the property not be transferred to Mr. Hobby without an Order of the Court authorizing the transfer of the property. As you have suggested, Ms. Hobby certainly intends to apply to the Court to seek permission to purchase this property from the Trust and that litigation will be commenced in the immediate future.

With kind regards,

Sincerely,

JOHN O. McDOUGALL

JOM:srb
Enclosures

cc: Mr. Timothy E. Madden (via e-mail only)
Ms. Mary T. Hobby (via e-mail only)

Sharon Barkley

From: Frank Knowlton [frank.knowlton@nelsonmullins.com]
Sent: Thursday, April 12, 2012 4:04 PM
To: Sharon Barkley
Cc: jamesebryan@prtcnet.com; mthobby@yahoo.com; John McDougall
Subject: Re: Hobby vs. Hobby

Unfortunately, Ms Hobby had the opportunity to bid on the house and failed out bid Ray until well after the deadline I gave you.

Please advise immediacy as to how this might violate the Trust Agreement as this has never been raised.

Sent from my iPhone

On Apr 12, 2012, at 3:16 PM, "Sharon Barkley" <sbarkley@mcdougallandself.com> wrote:

Mr. Knowlton, here is the letter from Mr. McDougall:

Dear Frank:

I am forwarding you the General Warranty Deed that has been signed by Ms. Hobby regarding the transfer of the Crowder Road property to the Trust.

I am also forwarding you another copy of my correspondence to you of March 21, 2012. I reiterate that which is set forth in paragraphs 5 and 6 of that letter as follows:

5. Ms. Hobby was clearly provided the right to purchase property from the Trust, she has made a very fair offer to purchase the property and she insists upon having the right to do so. I would recommend that this property not be sold without an Order of the Family Court in that Ms. Hobby believes that if it is sold to Mr. Hobby as proposed, that the Trust has violated the prior Order of the Family Court.
6. Ms. Hobby puts the Trust on notice that she does intend to enforce her right to purchase this property through the Family Court if her offer continues to be rejected.

I also reiterate that Ms. Hobby is prepared to immediately provide the Trust with \$186,875 for the transfer of this property to her.

Based upon the above and the Liquidating Trust documents and the prior Orders of the Court, I would request that you not transfer this property to Mr. Hobby without an Order of the Court permitting you to do so. If you are not agreeable to this request, please advise me immediately.

In follow up to my email to you of April 5, 2012, and your response to me of April 5, 2012, copies of which are enclosed, I have not received any further response from Mr. Hobby or his attorney regarding my inquiry.

With kind regards.

Sincerely,

JOHN O. McDOUGALL

From: Frank Knowlton [mailto:frank.knowlton@nelsonmullins.com]
Sent: Thursday, April 12, 2012 3:07 PM
To: Sharon Barkley
Cc: jamesebryan@prtcnet.com; mthobby@yahoo.com
Subject: Re: Hobby vs. Hobby

Am out of the office. Can you email me the text of the letter?

Sent from my iPhone

On Apr 12, 2012, at 2:57 PM, "Sharon Barkley" <sbarkley@mcdougallandself.com> wrote:

Mr. Knowlton,

Please see attached letter from John McDougall, with enclosures, in regard to the above referenced matter.

Sharon

Sharon R. Barkley
Legal Assistant to John O. McDougall
McDougall & Self, L.L.P.
Post Office Box 90860
Columbia, SC 29290
Telephone: 803.776.3130
Facsimile: 803-776-7748

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<Frank Knowlton 4.12.12 - Crowder Road property.pdf>

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If you are not the named addressee, you are not authorized to read, print, retain, copy or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately either by phone (800-237-2000) or reply to this e-mail and delete all copies of this message.

To ensure compliance with the requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including the attachments) is not intended or written to be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or tax-related matter[s]. To provide you with a communication that could be used to avoid penalties under the Internal Revenue Code will necessarily entail additional investigations, analysis and conclusions on our part.

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Purchase Agreement") is made and entered into this 19th day of April, 2012, by and between Frank B. B. Knowlton, as Trustee of The Hobby Family Liquidating Trust ("Seller") and Raymond D. Hobby ("Purchaser").

WITNESSETH:

WHEREAS, Seller has offered to sell certain improved real property to Purchaser and Purchaser has offered to purchase such property from Seller.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements set forth herein and other good and valuable consideration, all of which each party respectively agrees constitutes sufficient consideration received at or before the execution hereof, the parties hereto do hereby agree as follows:

1. Sale and Purchase. Seller agrees to sell that certain tract of land together with the building and improvements thereon, with an address of 544 Crowder Road, Newberry, South Carolina, containing 2.75 acres, more or less, (hereinafter referred to as the "Property"), which is more particularly described in Exhibit "A" attached hereto and incorporated herein to Purchaser on the terms and conditions contained in this Purchase Agreement, and Purchaser agrees to purchase the Property from Seller on the terms and conditions contained in this Purchase Agreement.

2. Purchase Price.

2.1 Amount and Payment of Purchase Price.

2.1.1 Subject to adjustment and credits as otherwise specified in this Section 2 and elsewhere in this Purchase Agreement, the purchase price (the "Purchase Price") to be paid by Purchaser to Seller for the Property shall be Three Hundred Twenty-Five Thousand and 00/100 Dollars (\$325,000.00). The Purchase Price shall be paid by Purchaser to Seller at the time when the purchase and sale are consummated (the "Closing") by cashier's check or by wire transfer of immediately available federal funds, less the amount (i) of Earnest Money and (ii) the Note (as defined in Subsection 2.1.3 below), and subject to prorations, adjustments, and credits as otherwise specified in this Purchase Agreement.

2.1.2 Prior to the parties entering into this Purchase Agreement, Purchaser delivered to Seller a non-refundable payment in the amount of Fifty-Six Thousand and no/100 Dollars (\$56,000.00) (the "Earnest Money") in connection with the purchase of the Property.



2.1.3 Upon delivery of the deed as hereinafter provided, Purchaser shall execute and deliver to Seller a note in the principal amount of One Hundred Eighty-Six Thousand Eight Hundred Seventy-Five and 00/100 Dollars (\$186,875.00) with interest compounded annually at an interest rate of Three and 25/100 Percent (3.25%) per annum payable on demand of Seller (the "Note"). Purchaser shall execute and deliver to Seller a purchase money mortgage to secure the Note. The Note and mortgage shall be satisfactory in form and substance to Seller's attorney. Purchaser shall obtain fire and extended coverage insurance in amounts and companies satisfactory to Seller with Seller listed thereon as mortgagee and additional insured and shall present evidence thereof together with evidence of premium payment at the Closing. Seller agrees to release the Property from the lien of the purchase money mortgage and record a satisfaction of the mortgage upon Purchaser's full payment of all principal and interest due under the note.

3. Representations and Warranties.

3.1 Seller's Representations and Warranties. Seller represents and warrants to Purchaser as follows:

3.1.1 The Property is sold "AS IS, WHERE IS, AND WITH ALL FAULTS." SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE PROPERTY OR ANY PART THEREOF OR THE USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION, OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR (EXCEPT AS EXPRESSLY SET FORTH IN THIS PURCHASE AGREEMENT) TITLE THERETO, OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY PURCHASER. PURCHASER HEREBY WAIVES ALL REPRESENTATIONS AND WARRANTIES EXPRESSED OR IMPLIED EXCEPT AS EXPRESSLY SET FORTH HEREIN.

3.2 Purchaser's Representations and Warranties. Purchaser represents and warrants that:

3.2.1 The execution and entry into this Purchase Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Purchaser on the Closing Date and the performance by Purchaser of Purchaser's duties and obligations under this Purchase Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under, any contract, agreement or other instrument to which Purchaser is a party, or any judicial order or judgment of any nature by which Purchaser is bound. On the Closing Date, all necessary and appropriate action will have been taken by Purchaser with respect to the execution of and entry into this Purchase Agreement, the execution and delivery by Purchaser of the documents and instruments to be executed by Purchaser on the Closing Date and the performance by Purchaser of Purchaser's duties and obligations under this Purchase Agreement and of all other

acts necessary and appropriate for the consummation of the purchase and sale of the Property as contemplated herein.

3.2.2 Purchaser has the financial ability and resources to perform his obligations hereunder including payment of the Purchase Price and the Note.

4. Closing.

4.1 Closing Date. Closing shall occur on _____, 2012 (the "**Closing Date**"), or such other date as may be mutually agreed to by the parties. The Closing shall take place at the offices of Seller's counsel, or such other place as is mutually agreeable to Seller and Purchaser. Seller and Purchaser acknowledge that the transaction contemplated hereunder shall be closed by delivering executed documents and the other closing deliveries required under Section 4.2 hereof.

4.2 Deliveries At Closing. On the Closing Date, the Closing shall occur as follows, subject to satisfaction of all of the terms and conditions of this Purchase Agreement:

4.2.1 Seller shall convey the Property to Purchaser, by a quitclaim deed duly executed, witnessed and notarized and in recordable form (together with any required transfer tax declaration therefor).

4.2.2 Concurrently with Seller's deliveries at the Closing, Purchaser shall pay to Seller the Purchase Price as provided in Section 2 hereof, as well as execute the instruments necessary to evidence Purchaser's debt to Seller, as contemplated in Subsection 2.1.3 hereof.

4.3 Closing Costs. At the Closing, Seller and Purchaser shall respectively pay the following costs and expenses:

4.3.1 Seller shall pay:

- (a) the fees and expenses of Seller's attorneys;
- (b) any other costs set forth as Seller's costs in this Purchase Agreement; and
- (c) any other costs and expenses actually incurred by Seller.

4.3.2 Purchaser shall pay:

- (a) all recording and filing fees, state, county and city documentary stamps or related transfer and recording fees;
- (b) the fees and expenses of Purchaser's attorney; and

Purchaser. (c) any other costs and expenses actually incurred by

4.4 Prorations. All state, city and/or county ad valorem taxes due with respect to the Property for the calendar year of the Closing and all utility charges shall be prorated between Purchaser and Seller as of the Closing Date. If the actual amount of such taxes or utility charges is not known as of such date, either because bills for the period in question have not been issued or because such bills cover real property in addition to the Property, the proration at the Closing will be based on the most current and accurate billing information available. Should such proration not be based on the actual amount of the ad valorem taxes or utility charges for the period in question and should such proration prove to be inaccurate upon receipt of the actual bills for the Property, then either Seller or Purchaser may demand within ninety (90) days after the Closing Date a payment from the other party correcting such malapportionment.

5. Time of the Essence. Time is of the essence hereof.

6. Governing Law. This Purchase Agreement shall be construed, interpreted and enforced in accordance with the internal laws of the State of South Carolina. Venue for any litigation related to this Purchase Agreement shall be solely in South Carolina.

7. Notices. Any notices, requests or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand, confirmed facsimile, nationally recognized courier (such as Federal Express) which maintains a record or receipt of delivery, or mailed by United States registered or certified mail, return receipt requested, postage prepaid and addressed to each party at its address as set forth below:

To Seller: Frank B.B. Knowlton
Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, 17th Floor
Columbia, SC 29201

To Purchaser: Mr. Raymond D. Hobby
P.O. Box 457
Newberry, SC 29108

Any such notice, request or other communication shall be considered given or delivered, as the case may be, on the date of hand delivery, courier delivery or the date of facsimile transmission as indicated by electronic confirmation thereof or on the third day following deposit in the United States mail as provided above. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, request or other communication. By giving at least five (5) days prior written notice thereof, any party may from time to time at any time change its mailing address hereunder.

8. **Entire Agreement; Modification.** This Purchase Agreement supersedes all prior discussions and agreements between Seller and Purchaser with respect to the Property and contains the sole and entire understanding between Seller and Purchaser with respect to the Property. All promises, inducements, offers, letters of intent, solicitations, agreements, commitments, representations and warranties heretofore made between such parties are merged into this Purchase Agreement. This Purchase Agreement cannot be modified or amended in any respect except by a written instrument executed by or on behalf of each of the parties to this Purchase Agreement.
9. **Captions.** All captions, headings, Section, Subsection, Paragraph and Subparagraph numbers and letters and other reference numbers or letters are solely for the purpose of facilitating reference to this Purchase Agreement and shall not supplement, limit or otherwise vary in any respect to the text of this Purchase Agreement.
10. **Survival.** Except as specifically provided herein, the representations, warranties and covenants made herein shall not survive the Closing.
11. **Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.
12. **References.** All references to Sections, Subsections, Paragraphs or Subparagraphs will be deemed to refer to the appropriate Section, Subsection, Paragraph or Subparagraph of this Purchase Agreement. Unless otherwise specified in this Purchase Agreement, the terms "herein," "hereof," "hereunder" and other terms of like or similar import, will be deemed to refer to this Purchase Agreement as a whole, and not to any particular Section, Subsection, Paragraph or Subparagraph hereof. Words of any gender used in this Purchase Agreement will be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.
13. **Waiver.** Any condition or right of termination, cancellation or rescission granted by this Purchase Agreement to Purchaser or Seller may be waived by such party.
14. **Rights Cumulative.** Except as expressly limited by the terms of this Purchase Agreement, all rights, powers and privileges conferred hereunder are cumulative and not restrictive of those given by law.
15. **Assignment.** This Purchase Agreement and the rights, duties, interests, and obligations of Purchaser hereunder may not be assigned by Purchaser without consent of Seller.

16. Successors and Assigns. This Purchase Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

17. Further Assurances. The parties hereto agree that they will each take such steps and execute such documents as may be reasonably required by the other party or parties to carry out the intents and purposes of this Purchase Agreement.

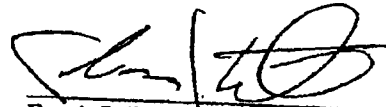
18. Severability. In the event any provision or portion of this Purchase Agreement is held by any court of competent jurisdiction to be invalid or unenforceable, such holding will not affect the remainder hereof, and the remaining provisions shall continue in full force and effect at the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have duly signed, sealed, and delivered this Purchase Agreement.

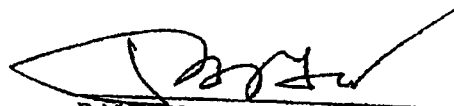
SELLER:

THE HOBBY FAMILY LIQUIDATING
TRUST



Frank B.B. Knowlton, Trustee

PURCHASER:



RAYMOND D. HOBBY

-#4836-9814-0174 v.1-

EXHIBIT "A"

LEGAL DESCRIPTION

All that certain piece, parcel and lot of land with the improvements thereon, situate, lying and being located on Crowder Road, in the County of Newberry, State of South Carolina, being shown and designated as containing 2.75 acres, more or less, on plat of survey prepared for Raymond D. Hobby, by Adtech Surveying, Inc., PLS 11072, dated May 26, 2005, recorded in Plat Book C122 at Page 4 in the Office of the Clerk of Court for Newberry County. Said plat is incorporated herein for a more full and complete description as to the metes and bounds of said property.

Together with a forty (40') foot right-of-way easement for ingress and egress to said property as shown on said plat.

STATE OF SOUTH CAROLINA)
COUNTY OF NEWBERRY)

PURCHASE MONEY MORTGAGE

TO ALL WHOM THESE PRESENTS MAY CONCERN:

WHEREAS, Raymond D. Hobby (hereinafter referred to as "*Mortgagor*"), is well and truly indebted unto Frank B.B. Knowlton, as Trustee of the Hobby Family Liquidating Trust, (hereinafter referred to as "*Mortgagee*"), as evidenced by the Mortgagor's Promissory Note (the "*Note*") of even date herewith, the terms of which are incorporated herein by reference, in the sum of One Hundred Eighty-Six Thousand Eight Hundred Seventy-Five and 00/100 Dollars (\$186,875.00), plus interest, due and payable as provided for in the Note.

NOW, KNOW ALL MEN, that the Mortgagor, in consideration of the aforesaid debt, and in order to secure the payment thereof, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the Mortgagee, and the Mortgagee's successors and assigns:

All that certain piece, parcel and lot of land with the improvements thereon, situate, lying and being located on Crowder Road, in the County of Newberry, State of South Carolina, being shown and designated as containing 2.75 acres, more or less, on plat of survey prepared for Raymond D. Hobby, by Adtech Surveying, Inc., PLS 11072, dated May 26, 2005, recorded in Plat Book C122 at Page 4 in the Office of the Clerk of Court for Newberry County. Said plat is incorporated herein for a more full and complete description as to the metes and bounds of said property.

Together with a forty (40') foot right-of-way easement for ingress and egress to said property as shown on said plat.

ADDRESS OF MORTGAGEE:

Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, 17th Floor
Columbia, SC 29201
Attn: Frank B. B. Knowlton

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the same belonging or in any way incident or appertaining, and all of the rents, issues and profits which may arise or be had therefrom, and also including all heating, plumbing and lighting fixtures now or hereafter attached, connected or fitted thereto in any manner and all appliances and equipment owned by Mortgagor and used thereon in connection with the operation thereof. It is the intention of the parties hereto that all fixtures and

equipment be considered a part of the real estate and the aforescribed real estate, fixtures and equipment shall be hereafter referred to as the "*Property*".

TO HAVE AND TO HOLD, all and singular the said premises unto the Mortgagee, its successors and assigns, forever.

Mortgagor does covenant with Mortgagee that Mortgagor has the full power and lawful right to mortgage and encumber the same.

NOW THEREFORE, for good and valuable consideration, the parties do hereby agree as follows:

1. The Mortgagor does hereby agree as follows:

(a) To make promptly all payments required by the Note and/or this Mortgage as such payments become due.

(b) To pay promptly when due all taxes, assessments, liens and encumbrances on the Property for which funds are not escrowed by the Mortgagee.

(c) To keep the Property, and all additions thereto or replacements thereof, insured against damage by fire, lightning, windstorm or other casualty in a sum not less than ninety-five (95%) percent of insurable value, in a company or companies reasonably satisfactory to the Mortgagee, and naming Mortgagee as additional loss payee.

(d) Not to permit, commit or suffer any waste, impairment or deterioration of the Property, and to keep the Property in good repair, ordinary wear and tear excepted.

(e) To pay all expenses reasonably and actually incurred by the Mortgagee because of the Mortgagor's failure to comply with the agreements in the Note or this Mortgage, including reasonable attorney's fees actually incurred.

2. If any payments provided for in the Note or this Mortgage are not promptly paid by the Mortgagor, if the Property is not kept insured as provided, or if the Mortgagor defaults in any of the other covenants, stipulations or agreements provided for herein, the Mortgagee, without waiving or affecting its option to foreclose, may pay any and all such payments or obligations, may insure the buildings, or may otherwise perform any such covenants or agreements on behalf of the Mortgagor, and any and all such sums or expenses paid or incurred therefor together with interest thereon from the date of payment at the rate of eight (8%) percent per annum shall be secured by this Mortgage and shall be due and payable on demand.

3. In the event that foreclosure of this Mortgage is sued for, a court of competent jurisdiction is authorized to appoint a receiver of the Property to authorize such receiver to collect all rents or profits and to manage or cause to be managed the Property and to apply the

rents or profits of the Property to the indebtedness to the Mortgagee, regardless of the solvency of the Mortgagor or the adequacy of the security.

4. If any payment provided for in the Note which is not paid when due is not thereafter paid within fifteen (15) days of receipt by the Mortgagor of written notice thereof; or if any other agreement of this Mortgage is breached and such breach is not cured within thirty (30) days after written notice from Mortgagee to Mortgagor; or if the breach of any other agreement under this Mortgage which cannot reasonably be cured within thirty (30) days is not cured within a reasonable time (not to exceed sixty (60) days) after written notice from Mortgagee is given to the Mortgagor, then the unpaid principal balance, plus any sums advanced by Mortgagee pursuant thereto and all accrued but unpaid interest, shall immediately become due and payable at the option of Mortgagee and Mortgagee may foreclose this Mortgage in accordance with procedures established by law, and have the Property sold to satisfy or apply on the indebtedness hereby secured.

5. The agreements and promises of the Note secured hereby and of this Mortgage are intended to be covenants running with the title to the Property, to be binding on the respective parties, their successors, heirs, legal representatives and assigns and to inure to the benefit of the respective parties, their heirs, successors, legal representatives and assigns.

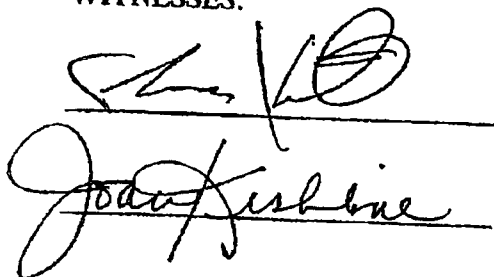
6. The lien hereby created shall cease and become null and void upon payment in full of the indebtedness secured by this Mortgage and upon the full and complete performance of all of the covenants, stipulations and agreements contained in both this Mortgage and the Note which it secures.

7. On sale or transfer of all or any part of the Property or any interest therein, without Mortgagee's prior written permission, Mortgagee may, at its option, declare all sums secured by this Mortgage to be immediately due and payable.

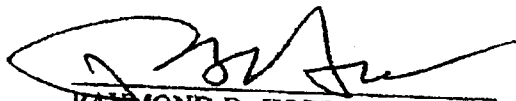
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Purchase Money Mortgage this 19th day of April, 2012.

WITNESSES:


Joan A. Keshline

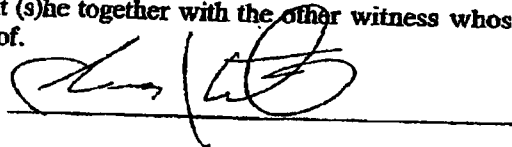
MORTGAGOR/DEBTOR:


RAYMOND D. HOBBY

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

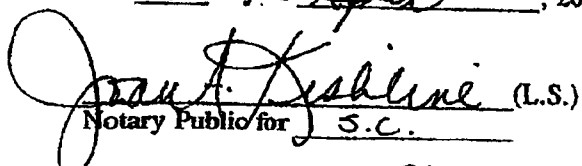
PROBATE

PERSONALLY APPEARED before me the undersigned witness who after being duly sworn says that (s)he saw the within-named Raymond D. Hobby, sign, seal and as his act and deed, deliver the within written Mortgage and that (s)he together with the other witness whose name appears above witnessed the execution thereof.



SWORN to and subscribed before me

this 19 day of April, 2012


Joan A. Keshline (L.S.)
Notary Public for S.C.

My Commission Expires: 9/18/2017

-- #4827-8076-7502 v.1 --

STATE OF SOUTH CAROLINA)
COUNTY OF NEWBERRY)

QUIT-CLAIM DEED

TO ALL WHOM THESE PRESENTS MAY COME:

WHEREAS, an action (Docket No. 2005-DR-36-56) was initiated by Mary T. Hobby in the Newberry County Family Court for the Eighth Judicial Circuit seeking, among other relief, a divorce from Raymond D. Hobby, and in conjunction with such relief, the equitable apportionment of the marital assets;

WHEREAS, in connection with the equitable apportionment of the marital assets, Raymond D. Hobby and Mary T. Hobby, each of whom are citizens and residents of Newberry County, South Carolina, have agreed and are required to transfer various items of real and personal property, as encumbered, to The Hobby Family Liquidating Trust (the "*Liquidating Trust*") created pursuant to that certain Final Order and Divorce Decree dated October 8, 2010 by the Honorable Joseph W. McGowan, III, Judge of the Newberry County Family Court, Eighth Judicial Circuit (the "*Divorce Decree*");

WHEREAS, the Property (as defined below) was among the items of real property to be transferred to the Liquidating Trust pursuant to the Divorce Decree;

WHEREAS, the Liquidating Trust desires to convey any interest in the Property which the Liquidating Trust may have or have had to Raymond D. Hobby; and

WHEREAS, the Liquidating Trust has agreed to issue this Quit-Claim Deed in order to convey its interest in the Property, if any, and Raymond D. Hobby has agreed to accept this Quit-Claim Deed.

NOW, THEREFORE, for and in consideration of the foregoing recitals, and also in consideration of the sum of Three Hundred Twenty-Five Thousand and 00/100 Dollars (\$325,000.00), the receipt and sufficiency of such consideration being hereby acknowledged, to the extent the Liquidating Trust is vested or may hereinafter become vested, by virtue of a conveyance from Mary T. Hobby or otherwise, in any interest in the Property, the Liquidating Trust, as Grantor, has remised and forever quit-claimed unto Raymond D. Hobby, as Grantee, and by these presents, Grantor does hereby remise, release and forever quit-claim unto the Grantee, his heirs, successors and assigns, all its right, title and interest in and to the following (the "*Property*"):

All that certain piece, parcel and lot of land with the improvements thereon, situate, lying and being located on Crowder Road, in the County of Newberry, State of South Carolina, being shown and designated as containing 2.75 acres, more or less, on plat of survey prepared for Raymond D. Hobby, by Adtech Surveying, Inc., PLS 11072, dated May 26, 2005, recorded in Plat Book C122

at Page 4 in the Office of the Clerk of Court for Newberry County. Said plat is incorporated herein for a more full and complete description as to the metes and bounds of said property.

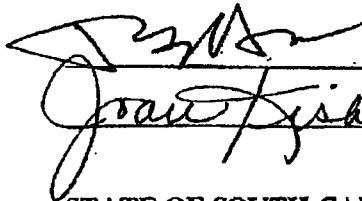
Together with a forty (40') foot right-of-way easement for ingress and egress to said property as shown on said plat.

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise appertaining.

TO HAVE AND TO HOLD all and singular the said premises before mentioned unto the said Grantee, his heirs and assigns, forever so that neither the said Grantor nor its successors or assigns, nor any other person or persons, claiming under it or them, shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part or parcel thereof, forever.

WITNESS THE HAND AND SEAL of the Grantor's duly authorized signatory authority this 19th day of April, 2012.

Signed, sealed and delivered
in the presence of:


Joan A. Kishline

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

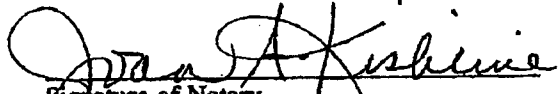
THE HOBBY FAMILY LIQUIDATING
TRUST


Frank B.B. Knowlton, Trustee

ACKNOWLEDGMENT

I, Joan A. Kishline, Notary Public for the State aforesaid, do hereby certify that the above-named Frank B.B. Knowlton, as Trustee of The Hobby Family Liquidating Trust, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 19 day of April, 2012.


Signature of Notary
My commission expires: 9/18/2017

PROMISSORY NOTE

\$ 186,875.00

Newberry South Carolina
April 17th, 2012

Raymond D. Hobby, a South Carolina resident (the "**Debtor**"), for value received, hereby promises to pay to Frank B. B. Knowlton, as Trustee of The Hobby Family Liquidating Trust (the "**Payee**"), or order the principal sum of One Hundred Eighty-Six Thousand Eight Hundred Seventy-Five and 00/100 Dollars (\$186,875.00), with interest compounded annually at an interest rate of Three and 25/100 percent (3.25%) per annum. Such interest shall be added to the outstanding principal. All outstanding principal, together with all accrued interest, shall be due and payable upon demand by the Payee. All payments received under this Note will be applied first to interest on the unpaid principal balance and then to principal.

Both the principal hereof and interest hereon are payable to Payee at the following address:

Frank B. B. Knowlton, as Trustee of The Hobby Family Liquidating Trust
Nelson Mullins Riley & Scarborough LLP
Meridian, 17th Floor
1320 Main Street
Columbia, SC 29201

or at such other place as the holder hereof from time to time may designate to Debtor in writing, in coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the Debtor has not made the required payment when demanded, then such failure shall be considered a default hereunder.

Waivers By Debtor. The Debtor waives demand, presentment, notice of dishonor and protest of this Note; and consents to any extension or postponement of time of its payment without limit as to number or period.

Remedies. Any failure on the part of any holder of this Note at any time to require the performance by Debtor of any of the terms or provisions hereof, even if known, will not affect the right thereafter to enforce the same, nor will any failure of any holder of this Note to insist on strict compliance with the terms and conditions hereof be taken or held to be a waiver of any succeeding breach or of the right of any holder of this Note to insist on strict compliance with the terms and conditions hereof. Time is of the essence.

Expenses. If this Note is collected by law or through an attorney-at-law, Debtor shall pay all costs of collection, including reasonable attorneys' fees.

Governing Law. This Note is executed in and will be construed in accordance with the laws of the State of South Carolina.

Successors. All of the foregoing is the promise of Debtor and shall bind Debtor and Debtor's successors and assigns; provided, however, that Debtor may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the holder of this Note. Payee may assign its rights and delegate its obligations under the Note without the consent of Debtor or its successors, heirs and assigns.

Security Agreement. This Note is secured under the terms of that certain Purchase Money Mortgage dated as of the date first written above by and between the Debtor and the Payee.

IN WITNESS WHEREOF, Debtor has caused this Note to be executed under seal by its duly authorized officer as of the date first written above.


RAYMOND D. HOBBY (SEAL)

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
COUNTY OF NEWBERRY	)	Civil Action No. 2013-CP-36-193
Raymond D. Hobby,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	
Mary T. Hobby,	)	
	)	
Defendant/Third	)	
Party Plaintiff,	)	AFFIDAVIT OF TERRY WILLIAMS
	)	
vs.	)	
	)	
Frances B. Knowlton, Individually	)	
and as Trustee,	)	
	)	
Third Party Defendant.	)	

PERSONALLY APPEARED BEFORE ME, Terry Williams, after being duly sworn, deposes and states:

1. I am a citizen and resident of Richland County, South Carolina
2. I am over the age of eighteen years, and I am competent to make these statements.
3. I am a certified public accountant and a partner in the firm, Williams, Gee & Company, PA, located at 1931 Bull St, Columbia, SC 29201.
4. Prior to entering private practice as an accountant, I worked for the IRS from 1977 to 1986.
5. Attached to this Affidavit as Exhibit A is my current *Curriculum Vitae*.
6. On or about January 2011, I was hired to perform accounting services for the Hobby Family Liquidating Trust ("Trust") As of the date of this affidavit, I continue to serve as the independent accountant for the Trust.

7. As the independent accountant for the Trust, I prepare their financial statements and tax returns. I also consulted and advised Mr. Knowlton from time to time with respect to financial decisions he had to make concerning the Trust and the Trust's assets.
8. In January 2012, Knowlton informed me that both Mary Hobby and Ray Hobby had made competing offers on the residence (and surrounding 3 acres) located at 544 Crowder Road in Newberry, SC ("Crowder Property"). After reviewing both offers, I advised Knowlton that Ray Hobby's offer was the superior offer and would maximize the value of this Trust asset for the Trust.
9. Around the time Mr. Knowlton accepted Ray Hobby's offer, the Trust was in dire need of an infusion of cash. Nearly all of the Trust's financial obligations for the month of February 2012 were past due or about to be past due. Thus, not only is it my opinion that Ray's offer was the best offer presented at the time because it maximized the value of the Trust asset, but I also believe that, given the immediate cash flow needs of the Trust at that time, had Mr. Knowlton not accepted Ray's offer the Trust could have defaulted on the mortgages of other Trust assets. This default would have resulted in potential foreclosure proceedings and a loss of Trust assets.
10. I have also reviewed Mary Hobby's subsequent March 20, 2012 offer on the Crowder Property (Attached hereto as Exhibit B). Even if Knowlton had been in the position to accept Mary Hobby's March 20, 2012, offer, this offer did not represent an increased value of the Crowder Property. The purchase price Mary Hobby offered to pay (\$325,000) was equal to the purchase price Knowlton received from Ray Hobby for the Crowder Property.

(Signature block on next page)

Terry Williams

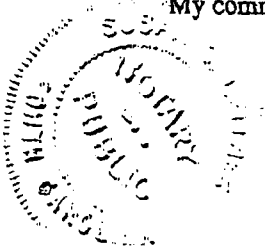
Sworn to before me this

10th day of March 2014.

Susan S. Gertner (L.S.)

Notary Public of South Carolina

My commission expires: 4/21/2021



TERRY WILLIAMS

EDUCATION

Graduated from Francis Marion University (FMU) in 1977 where he received degrees in Business Administration and Mathematics.

EMPLOYMENT

After leaving Francis Marion University, Terry was employed with the Internal Revenue Service for nine years. His experience ranged from an Internal Revenue Agent to an Audit Group Manager. His last three years were spent training newly hired IRS agents and working with the U.S. Justice Department on criminal tax trials as an expert witness.

Upon leaving the IRS in 1986, Terry formed the CPA firm of Williams, Gee & Company, PA in Columbia, South Carolina. In addition to his CPA practice, in 2000, Terry and two other partners formed the sports management firm of Vortex Sports and Entertainment, Inc.

PROFESSIONAL LICENSES

In addition to being a Certified Public Accountant, Terry is also licensed as a Stock Broker and as a Registered Sports Agent with the National Football League.

ORGANIZATIONS, BOARDS AND AWARDS

He is currently a member of the American Institute of Certified Public Accountants, South Carolina Association of Certified Public Accountants and the South Carolina Tax Council. He also serves on the Board of Directors of Birthright of Columbia and as a corporate director of US Coating Company, a manufacturing company in Lexington.

In the past he has served on the Board of Directors of the Greater Columbia Home Builders Association Charitable Foundation, Francis Marion University Alumni Advisory Board and the School of Business Advisory Board.

In 1995 he was named FMU Alumni of the Year.

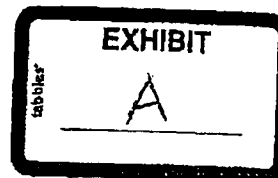


EXHIBIT I
McDougall & Self, L.L.P.

Attorneys at Law
791 Greenlawn Drive, Suite 4
P. O. Box 90880
Columbia, South Carolina 29290
Telephone: (803) 778-3130 - Telecopier: (803) 778-7748

Reply to Columbia

March 20, 2012

John O. McDougall
Michael W. Self
Peter G. Currence
Ryan A. McLeod

Alyssa H. Richardson

E-mail: jom@mcdougallandself.com

Sumter Office:
21 East Calhoun Street
P.O. Box 2197
Sumter, South Carolina 29161-2197
Telephone: (803) 778-3082
Telecopier: (803) 778-6908

Website: www.mcdougallandself.com

VIA E-MAIL ONLY

Mr. Francis B. B. Knowlton
Attorney at Law
Nelson, Mullins, Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211

Re: Hobby vs. Hobby
544 Crowder Road Home

Dear Frank:

I have been advised that Mary Hobby is willing to purchase the 544 Crowder Road property which is titled in her name by making a cash payment to the trust in the amount of \$186,875 with her reserving the right to determine what, if anything, is due to her for the expenses that she has paid regarding this property from October 8, 2010, to present, at a later date. This offer is based upon the property having a \$325,000 value and she paying the trust 57.5% of the value of the property. The \$186,875 will be paid immediately to the trust upon confirmation that the property will be released to Mary Hobby free and clear of any claim and/or interest from the trust.

After you have had an opportunity to review the above, please advise as to whether we can consummate the above transaction at this time.

With kind regards,

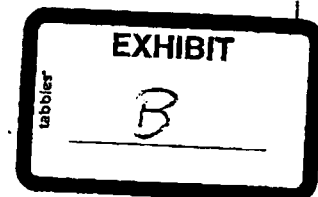
Sincerely,

JOHN O. McDOUGALL

JOM:srb

cc: Mr. James E. Bryan, Jr. (via e-mail only)
Mrs. Mary T. Hobby (via e-mail only)

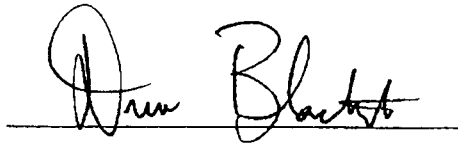
DIPLOMATE, AMERICAN COLLEGE OF FAMILY TRIAL LAWYERS
FELLOW, INTERNATIONAL ACADEMY OF MATRIMONIAL LAWYERS
FELLOW, AMERICAN ACADEMY OF MATRIMONIAL LAWYERS



CERTIFICATE OF SERVICE

I, the undersigned employee of Howser, Newman & Besley, LLC, attorneys for Third Party Defendant Frances B. Knowlton (correctly known as Frances B.B. Knowlton), hereby certify that I have served copies of the Affidavit of Terry Williams via hand delivery directed to counsel listed below, this 10th day of March, 2014.

Pope D. Johnson, III, Esquire
Johnson & Barnette, LLP
P. O. Drawer 11209
Columbia, South Carolina 29211-1209
ATTORNEY FOR DEFENDANT MARY T. HOBBY

A handwritten signature in black ink, appearing to read "Pope D. Johnson, III", is written over a horizontal line.

STATE OF SOUTH CAROLINA	)	
	)	IN THE COURT OF COMMON PLEAS
COUNTY OF NEWBERRY	)	
Raymond D. Hobby,	)	Civil Action No. 2013-CP-36-193
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	
Mary T. Hobby,	)	AFFIDAVIT OF POPE D. JOHNSON, III
	)	
Defendant/Third	)	
Party Plaintiff,	)	
	)	
vs.	)	
	)	
Frances B. Knowlton, Individually	)	
and as Trustee,	)	
	)	
Third Party Defendant.	)	
	)	

PERSONALLY APPEARED BEFORE ME, Pope D. Johnson, III, who being duly sworn, deposes and says:

1. I am Pope D. Johnson, III. I am the attorney for Mary T. Hobby in the above-referenced matter.
2. I make this affidavit pursuant to Rule 56(f), SCRPC.
3. I ask that the Court delay ruling on the plaintiff's motion for summary judgment and the third party defendant's motion for summary judgment in order to give me time to depose Raymond D. Hobby, Frank B. Knowlton and Terry Williams. My purpose in deposing Mr. Hobby and Mr. Knowlton would be to learn and discover the details of the purported sale of the Crowder Road properties. The purpose in taking Mr. Williams's deposition is to question him regarding his affidavit that was served on me on March 10, 2014. I want to question him about the opinions he expresses in his affidavit and have him review the affidavits of Artie White and John McDougall. I

want Mr. Knowlton to explain to me what debts were due that he accepted the \$56,000 payment from Mr. Hobby and what was done with that money. Mr. Hobby and Mr. Knowlton are adverse parties, and I cannot obtain an affidavit from them setting forth facts essential to justify my opposition to the motions for summary judgment. Mr. Williams is an expert on behalf of Mr. Knowlton and I cannot seek an affidavit from him. If I am allowed to depose them prior to a ruling being made, I expect to obtain information from them that is supportive to the affidavits of Artie White and John McDougall. I ask that the Court order a continuance to allow time for these depositions to be taken. This action was filed on September 4, 2013 and is only some six months old.

SWORN TO AND SUBSCRIBED BEFORE ME

this 11th day of March, 2014

Sherrill W. Wise
Notary Public for South Carolina

My Commission Expires: 8/1/2016

Pope D. Johnson, III

STATE OF SOUTH CAROLINA)
COUNTY OF NEWBERRY)

IN THE COURT OF COMMON PLEAS
FOR THE EIGHTH JUDICIAL CIRCUIT

Raymond D. Hobby,)
Plaintiff,)
v.)
Mary T. Hobby,)
Defendant)

C/A No.: 2013-CP-36-0193

**AFFIDAVIT OF
RAYMOND D. HOBBY**

FILED
NEWBERRY COUNTY
2014 MAR 12 AM 9:41
JACKIE S. BOWERS
CLERK OF COURT

PERSONALLY APPEARED BEFORE ME, Raymond D. Hobby, who, being first duly sworn, deposes and says:

1. I am over 18 years of age.
2. I have personal knowledge of the information contained in this Affidavit
3. I purchased the house located at 544 Crowder Road in Kinards, SC ("the House"), which is at issue in this lawsuit, for \$325,000.
4. I received the offer the Defendant made to purchase the House based on a value of \$225,000
5. I believed then and still believe today that the Defendant's valuation was far below fair market value.
6. I never would have agreed for the Trustee to sell the House for \$225,000.
7. On January 3, 2012, I offered to buy the House for \$325,000, including a cash payment to the Liquidating Trust for the Defendant's 42.5% share.
8. My offer included a proposal to leave the House in the Liquidating Trust. The sole purpose of this term was to maximize the sale price for the large adjoining tract of land that surrounds the House, since that tract of land was a trust asset. Ultimately, this term was not included in the closing documents. However, if the Trustee finds a buyer for the adjoining tract, I am willing to sell the House for a reasonable price in conjunction with that sale if it increases

the price per acre of the adjoining land. This would benefit both the Trust and the Defendant.

9. I never offered, agreed or intended for the Defendant to continue living in the House rent-free after I bought it.

10. In early February of 2012, I delivered a check for \$56,000 to the Trustee as a down payment on the House consistent with my offer to purchase. A true and accurate copy of my bank statement for February 2012 and the check are attached at **Exhibit A**. That document shows the check I delivered the Trustee cleared on February 13, 2012.

11. On the memo line of the check, I wrote "down payment for 544 Crowder."

12. To the best of my recollection, the Trustee accepted my offer to purchase the House on or about February 9, 2012.

13. When the Trustee deposited the check on February 13, 2012, he endorsed the back of it. I believe that check, together with my offer and the Trustee's e-mails, contain the essential terms of my contract to purchase 544 Crowder Road.

14. On March 14, 2012, based on the representation and belief that I had a contract to purchase the House, I wired another \$56,000 to the Liquidating Trust toward my purchase of the House. A true and accurate copy of my bank statement for March 2012 is attached at **Exhibit B**. That statement shows the wire transfer occurred on March 14, 2012.

15. At the closing on April 19, 2012, I presented a cashier's check for \$26,125, representing the balance of the Defendant's 42.5% share (\$138,125) of the \$325,000 purchase price.

16. I have read the Affidavit of John McDougall dated March 10, 2014.

17. I disagree with his statement that I did not have an enforceable contract until April 19, 2012. The sale closed on April 19, 2012, but I had a contract in place over two months prior,

when I made the \$56,000 down payment to the Liquidating Trust that allowed it to avoid defaulting on its debts

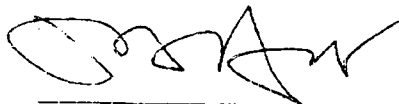
18. To the best of my knowledge, neither party to the contract for sale agrees with Mr. McDougall that there was no enforceable contract until April 19, 2012. Rather, both parties believe the contract was in place after my offer was accepted on February 9, 2012 and the Trustee deposited my check on February 13, 2012.

19. I am informed and believe the only reason the Trustee could not close the sale of the House to me in February of 2012 was that the Defendant had not conveyed the House to the Trust, as the Divorce Decree and the Trust Agreement required. The Defendant finally conveyed her interest in the House on April 11, 2012, on the eve of a hearing in the Family Court on a Rule to Show Cause I filed to compel her to deed the House to the Liquidating Trust.

20. If I had believed in February and March of 2012 that I did not have an enforceable contract to purchase the House, then I would not have paid the Liquidating Trust \$112,000, nor would I have agreed to postpone a closing that was to occur after the Defendant conveyed the House to the Liquidating Trust.

21. Had the Trustee attempted to renege on contract after I paid \$112,000 toward the purchase of the House, I would have objected immediately and considered an action for specific performance.

FURTHER AFFIANT SAYETH NOT.



Raymond D. Hobby

SWORN TO and subscribed before me

This 11 day of March, 2014

Nancy G. Stagg (L S)

Notary Public for South Carolina

My Commission Expires: 2/4/2020

555-01-01-00 25801 0 C 001 08 50 002
RAYMOND HOBBY
PO BOX 457
NEWBERRY SC 29108-0457

Your account statement

For 02/14/2012

Contact us



BBT.com

FILED
NEWBERRY COURT
2014 MAR 12 PM 1:08
JACKIE S. BOWEN
CLERK OF COURT
(800) 226-5228
(800) 226-5228

02/13 *1001 56,000.00

* indicates a skip in sequential check numbers above this item

Other withdrawals, debits and service charges

Date: March 10, 2014

Branch Banking and Trust

Page 1 of 1

Reference 10000451757955 10000451758955 10000440384964

RAYMOND HOBBY
13699 SC HIGHWAY 34
NEWBERRY, SC 29108-7815

1001
87-160/532

FRANK KNOX, Trustee Feb. 2, 2012

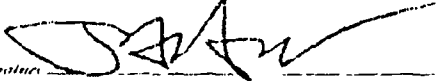
PAY TO THE ORDER OF Hobb Family Liquidation Trust \$ 56,000.00

Fifty six thousand and no/100 ———— Dollars

 BRANCH BANKING AND TRUST COMPANY
1-800-BANK-BST BST.com

BB&T@WORK

DEPOSIT PAYMENT FOR 544 CLOTHES



MP

[illegible]

Date	20120213
Amount	5600000
Serial Number	0000001001

Account Number
CR-DR
Transaction Link

555-01-01-00 25801 0 C 001 08 50 002
RAYMOND HOBBY
PO BOX 457
NEWBERRY SC 29108-0457

Your account statement
For 03/14/2012

Contact us



BBT.com

FILED
NEWBERRY COUNTY
2014 MAR 12 AM 9:41
JACKIE S. BOWEN
CLERK OF COURT
(800) 888-8888
(800) 226-5228

EXHIBIT B

03/14	WIRE TRANSFER FEE	24.00
03/14	OUTGOING WIRE TRANSFER WIRE REF# 20120314-00009079	56,000.00

IN THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM HORRY COUNTY
Court of Common Pleas

Frank R. Addy, Jr., Circuit Court Judge

Case No. 2013-CP-36-193

Raymond D. Hobby, ...Respondent

vs.

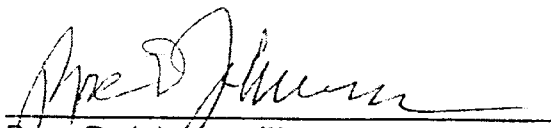
Mary T. Hobby, ...Appellant

vs.

Frances B. Knowlton, individually and as trustee, ...Respondent.

NOTICE OF APPEAL

Appellant Mary T. Hobby hereby gives notice of her appeal of the Orders in the above-referenced action dated May 6, 2014 and October 17, 2014, copies of the Orders being attached hereto and incorporated herein. Appellant received written notice of the entry of the Order dated October 17, 2014 on October 23, 2014.



Pope D. Johnson, III
Attorney at Law
1230 Richland Street
Columbia, SC 29201
803-799-9791
803-253-6084 (Fax)
pope@popejohnsonlaw.com
Attorney for Appellant

Columbia, South Carolina
October 27, 2014

Other Counsel of Record:

Benjamin C. Bruner, Esquire
Bruner Powell Wall & Mullins, LLC
P.O. Box 61110
Columbia, SC 29260-1110
252-7693
753-0060 (fax)
bbruner@brunerpowell.com
Attorney for Respondent Raymond D. Hobby

R. Davis Howser, Esquire
Howser Newman & Besley, LLC
P.O. Box 12009
Columbia, SC 29211
758-6000
758-4445 (fax)
rdhowser@hnblaw.com
Attorney for Respondent Frances B. Knowlton

STATE OF SOUTH CAROLINA)
COUNTY OF NEWBERRY)

IN THE COURT OF COMMON PLEAS

Raymond D. Hobby,)
Plaintiff,)

C/A No.: 2013-CP-36-193

v.)

Mary T. Hobby,)
Defendant/Third-Party Plaintiff,)

v.)

Frances B. Knowlton, individually)
and as Trustee,)
Third-Party Defendant.)

ORDER

FILED
NEWBERRY COUNTY
2014 MAY 12 PM 12 30
JACKIE S. COVER
CLERK OF COURT

THIS MATTER came before the Court on March 12, 2014 on multiple cross-motions for summary judgment, namely, Defendant/Third Party Plaintiff Marry Hobby's (hereinafter "Wife") Motion for Summary Judgment, Third-Party Defendant Frances Knowlton's (hereinafter "Trustee") Motion for Summary Judgment, and Plaintiff Raymond Hobby's (hereinafter "Husband") Motion for Partial Summary Judgment on the issue of Wife's liability. For the reasons set forth below, the Court grants Husband's Motion for Partial Summary Judgment and the Trustee's Motion for Summary Judgment. Wife's motion for Summary Judgment is denied.

FACTS

Having carefully considered the evidence in the record and the arguments of counsel in the light most favorable to Wife, the Court finds no genuine issue as to the following facts.



Husband and Wife divorced in 2010 pursuant to a Final Order and Divorce Decree ("Divorce Order") dated October 8, 2010.¹ As part of the divorce settlement, they created a liquidating trust ("Trust"), the purpose of which was to facilitate equitable distribution. The Trust was created pursuant to the Divorce Order. (Trust Agreement, Article I(a)). Husband and Wife hired a third-party, the Trustee, to administer the Trust. He remains the trustee today. The explicit provisions of the Trust granted the Trustee wide discretion in selling trust assets. Trustee could sell trust property to either Husband or Wife if the transaction was fair, reasonable, and for market value, or if the beneficiaries mutually agreed to other terms. Trust Agreement, Article IX, (a)(xxxii). In addition, the trust terms gave Wife sole, exclusive, rent-free use of the marital home ("the House") until the Trustee sold it or she vacated it. (Def's Resp. to Pl.'s First Requests for Admissions ¶ 2; Trust Agreement, Article XII, (f).) It is undisputed that the House was a trust asset.

On December 8, 2011, Wife submitted an offer to the Trustee to buy the House based on a valuation of \$225,000. She offered to pay the Trust \$127,231, which represented Husband's 57.5% share of \$225,000.² On January 3, 2012, Husband made a counteroffer to purchase the House based on a valuation of \$325,000.00. He offered to pay \$138,125.00 in cash, representing Wife's 42.5% share of \$325,000. After receiving Husband's offer, the Trustee relayed it to Wife and gave her time to respond.

The Trustee made both Husband and Wife aware of the Trust's immediate need for cash to pay its pending debts. On January 27, 2012, the Trustee wrote Wife and her attorney to notify them that he intended to accept Husband's offer on January 31st unless she made a better offer.

¹ The Divorce Order was issued by the Honorable Joseph W. McGowan, III, Judge of the Family Court for the Eighth Judicial Circuit.

² For purposes of equitable distribution, the Family Court held Wife entitled to 42.5% of marital property; Husband's share is 57.5%.

On January 31, 2012, the Trustee again wrote Wife and her attorney informing them that the Trust's mortgage payments (on various trust assets) were becoming due and that the Trustee could not wait more than a day or two for her to make a better offer. Two days later, on February 2nd, the Trustee advised Wife's attorney that the Trust could not meet its obligations and needed an immediate cash infusion of \$56,000 to service its debts. On February 7, 2012, the Trustee advised Wife and her attorney that he had a check in hand for \$56,000 from Husband as an advance on the purchase of the House. The Trustee told Wife he would have to accept Husband's offer unless she made a materially better offer by close of business that day. Two days later, on February 9, 2012, the Trustee notified Wife and her attorney that he had accepted Husband's offer and was using the cash advance to service the Trust's debts. The Trustee deposited Husband's check and used the money to allow the Trust to continue operating. On March 14, 2012, Husband advanced another \$56,000 toward his purchase of the House to allow the Trust to continue operating.

Despite repeated attempts by the Trustee to get Wife to convey the House to the Trust as required by the Trust Agreement, she did not do so until April 11, 2012. Eight days later, on April 19, 2012, the Trustee and Husband closed on the sale of the House, and the Trustee delivered a quitclaim deed to Husband. The deed appears valid on its face. In all, Husband paid the Trustee cash in the amount of \$138,125.00 and gave note payable on demand secured by a purchase-money mortgage for the remainder of the \$325,000 purchase price.

After closing, Husband gave Wife proper notice to move out of the House, but she refused. Husband commenced an ejectment action in the Magistrate's Court, and later filed suit in this Court seeking damages in excess of the Magistrate's jurisdictional limit. On September 4, 2013, in response to Wife's objection to subject-matter jurisdiction, Husband filed an identical

complaint in the Newberry County Probate Court and removed that action to this Court. The Court then consolidated the two cases under the single caption appearing above.

Currently before this Court are Husband's damages claim,³ Wife's counterclaim for a declaratory judgment, and Wife's third-party claims against the Trustee for breach of fiduciary duty. Three (3) cross-motions for summary judgment are pending before the Court. First, Husband moves for partial summary judgment as to liability on his claims for trespass, holdover tenant, breach of contract and *quantum meruit* because Husband asserts there is no factual issue that he owns the House and that Wife has continued to live there unlawfully. Second, Trustee argues he is entitled to summary judgment because the Trust Agreement unambiguously gives him authority to sell the House in the manner he did and because the record lacks any evidence that he breached any fiduciary duty to Wife. Finally, Wife contends she is entitled to summary judgment because the Trustee acted outside the scope of his authority when he conveyed the House to Husband and breached his fiduciary duties, including his duty of impartiality to Husband and Wife as co-beneficiaries.

STANDARD

Summary judgment is proper when "the pleadings, depositions, answers to interrogatories and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Rule 56(c), SCRPC; *see also Pittman v. Grand Strand Entm't, Inc.*, 363 S.C. 531, 536, 611 S.E.2d 922, 925 (2005); *Eagle Container Co., LLC v. County of Newberry*, 366 S.C. 611, 622 S.E.2d 733 (Ct. App. 2005); *B & B Liquors, Inc. v. O'Neil*, 361 S.C. 267, 603 S.E.2d 629 (Ct. App. 2004).

³ Husband pursued his claim for possession separately in the Magistrate's Court. That matter is currently before the Court of Appeals.

When reasonable minds cannot differ on plain, palpable, and indisputable facts, summary judgment should be granted. *Ellis v. Davidson*, 358 S.C. 509, 595 S.E.2d 817 (Ct. App. 2004). The party seeking summary judgment has the burden of clearly establishing the absence of a genuine issue of material fact. *McCall v. State Farm Mut. Auto. Ins. Co.*, 359 S.C. 372, 597 S.E.2d 181 (Ct. App. 2004). Once the party moving for summary judgment meets the initial burden of showing an absence of evidentiary support for the opponent's case, the opponent cannot simply rest on mere allegations or denials contained in the pleadings. *Regions Bank v. Schmauch*, 354 S.C. 648, 582 S.E.2d 432 (Ct. App. 2003). The nonmoving party must come forward with specific facts showing there is a genuine issue for trial. *Rife*, 363 S.C. at 214, 609 S.E.2d at 568.

"The purpose of summary judgment is to expedite the disposition of cases which do not require the services of a fact finder." *Dawkins v. Fields*, 354 S.C. 58, 69, 580 S.E.2d 433, 438 (2003) (quoting *George v. Fabri*, 345 S.C. 440, 452, 548 S.E.2d 868, 874 (2001)); *Rumpf v. Massachusetts Mut. Life Ins. Co.*, 357 S.C. 386, 593 S.E.2d 183 (Ct. App. 2004).

DISCUSSION

I. Trustee's Motion for Summary Judgment

Trustee moves for summary judgment because the Trust Agreement unequivocally gave him the authority to sell the marital home and because there is no evidence that he failed to act reasonably and prudently in doing so. The Court agrees.

In order to prove her claim for breach of fiduciary duty, Wife must present some evidence that the Trustee breached his fiduciary duty. Wife has failed to present any such evidence. The Court finds that, as a matter of law, the Trust Agreement granted the Trustee the authority to sell the House. No material, factual issue exists as to this question. Nor is there any

evidence or inference that the Trustee failed to act reasonably and prudently in selling the home, or that he favored one beneficiary over the other.

The explicit provisions of the Trust Agreement granted the Trustee wide discretion in selling trust assets. He could sell trust property to either beneficiary if the transaction was fair, reasonable, and for market value, or if the beneficiaries could mutually agree on other terms. *See* Trust Agreement, Article IX, (a)(xxxii). Moreover, the terms of the Trust Agreement enabled the Trustee to sell trust property to one beneficiary without obtaining the consent of the other beneficiary.⁴ *See id.* Simply stated, because the House was an asset of the Trust, the Trustee had the power to sell it, and he clearly acted with due diligence and in a prudent manner when he did so. Both parties made an offer on the House, and Husband's \$325,000 offer was timely and superior to that of Wife. Wife was given ample time to respond to Husband's offer, yet she failed to do so despite several inquiries sent from the Trustee to Mr. McDougall, Wife's lawyer.

Further, both Husband and Wife were given notice of the Trust's immediate need for a cash infusion to pay its pending debts. Circumstances required the Trustee to act swiftly and make a decision which was in the best interest of the Trust and its beneficiaries, and the Trust was best served by accepting a legitimate, timely offer which allowed it to service urgent financial obligations. Significantly, South Carolina law states quite clearly that "compliance with the prudent investor rule is determined in light of the facts and circumstances existing at the time of a trustee's decision or action and not by hindsight." S.C. Code Ann. § 62-7 -933(G) (Supp. 2008).

⁴ Although Wife argues that Article IX (a)(xxxii) of the Trust Agreement required the Trustee to obtain her consent prior to selling the House to Husband, such an interpretation is inconsistent with the provision's plain language. Moreover, such an interpretation would frustrate the purpose of the Trust as a liquidating trust.

Although Wife claims she was experiencing medical issues which inhibited her from making a counteroffer, the Court finds no basis to excuse her from making a timely counteroffer within the time frame dictated by circumstances and required by the Trustee. Essentially, Wife maintains that she was suffering from a pinched nerve which kept her from making a timely counteroffer. The Court finds that her condition, while undoubtedly painful, would not have rendered her incapable of corresponding with the Trustee over the 18-day time span she had to make an offer. In fact, by the time Wife submitted a counteroffer, fifty-seven (57) days had elapsed since she had received notice of Husband's offer.

Importantly, when she did eventually make a counteroffer, there is no question the Trustee had accepted Husband's offer roughly a month earlier, thereby binding the Trust and subjecting it to a suit for specific performance had the Trustee attempted to renege and take Wife's untimely counteroffer. Finally, nowhere in the record can it be shown that the Trustee breached his duty of impartiality. The Trustee at all times acted impartially toward Husband and Wife with respect to the sale of the House. As described above, both parties made offers to buy the marital home and ample time was given to Wife to make a counteroffer. The Trust needed an immediate infusion of cash, and Husband presented a significantly better offer than Wife's original offer. It was reasonable and prudent for the Trustee to accept the best offer before him at the time in order to avoid the risk of the Trust defaulting on its debts. *See Ex parte Wheeler v. Estate of Green*, 381 S.C. 548, 673 S.E.2d 836 (Cl. App. 2009) (holding that the personal representative of a decedent's estate did not breach her fiduciary duties by accepting an offer for the sale of the decedent's residence without considering a substantially higher offer submitted by another prospective purchaser after the offer was accepted).

Even if Wife's counteroffer could be considered timely or otherwise valid, Wife offered the same sum as Husband, and the Court is strained to see how any favoritism could be shown by accepting a timely offer by one party in an amount equal to another party's untimely counteroffer. Accordingly, not only does the record fail to demonstrate a scintilla of evidence that the Trustee breached his fiduciary duties, it proves that he acted within them when he sold the marital home to Husband.

As alternate sustaining grounds, the Court finds the Trustee acted in reasonable reliance on the terms of the Trust as expressed in the Trust Agreement when he sold the House to Husband. *See* S.C. Code § 62-7-1006 (trustee who acts in reasonable reliance on the terms of the trust as expressed in the trust instrument is not liable to a beneficiary for a breach of trust to the extent the breach resulted from the reliance).

Finally, Wife's effort to create a material factual issue, by offering the affidavit of her attorney in the underlying domestic action, John McDougall, is unavailing; the plain language of the trust is unambiguous and capable of only one reasonable interpretation. In short, this Court is not required to find the possibility of ambiguity or fiduciary breach, where clearly none exists, simply because an affidavit is filed, and in this case, Mr. McDougall represented Wife in the underlying negotiations concerning the sale of the house. Accordingly, Wife's attorney affidavit regarding the trust represents, at best, an effort to create a factual issue where no such issue is actually in doubt. *See generally Higgins v. Medical University of South Carolina*, 326 S.C. 592, 486 S.E.2d 269 (Cl. App. 1997) (factual statements of counsel will normally not be considered in determining where issue of material fact exists precluding summary judgment).

Accordingly, the Trustee's Motion for Summary Judgment is granted.

II. Husband's Motion for Partial Summary Judgment

Husband moves for partial summary judgment on the issue of liability on four of his causes of action: trespass, holdover tenant, breach of contract, and *quantum meruit*. He argues summary judgment is proper as to liability because there is no genuine issue of material fact that the Trustee sold the House to him and that Wife has continued to live there without his permission. The Court agrees.

A. Trespass

"Trespass is any intentional invasion of the plaintiff's interest in the exclusive possession of his property." *Hedgepath v. Am. Tel. & Tel. Co.*, 348 S.C. 340, 357, 559 S.E.2d 327, 337 (Ct. App. 2001). "To prove a trespass, a party must establish: (1) that he was in legal possession of the property; (2) that the defendant [or his agent] voluntarily entered upon the plaintiff's property; and (3) that such entry was made without the plaintiff's permission." Ralph King Anderson, Jr., *South Carolina Requests to Charge -- Civil*, 2002 § 4-43; see also Michael G. Sullivan, *Elements of Civil Causes of Action* 245-48 (2000). "For a trespass action to lie, 'the act must be affirmative, the invasion of the land must be intentional, and the harm caused by the invasion of the land must be the direct result of that invasion.' " *Hawkins v. City of Greenville*, 358 S.C. 280, 297, 594 S.E.2d 557, 566 (Ct. App. 2004) (quoting *Mack v. Edens*, 320 S.C. 236, 240, 464 S.E.2d 124, 127 (1995)). See also *Coll. of Charleston Found. v. Ham*, 585 F. Supp. 2d 737, 750 (D.S.C. 2008) and *West v. Newberry Elec. Co-op.*, 357 S.C. 537, 544, 593 S.E.2d 500, 503 (Ct. App. 2004). "The unwarrantable entry on land in the peaceable possession of another is a trespass, without regard to the degree of force used, the means of entry, or the extent of damage. The entry itself is the wrong." Anderson, *S.C. Requests to Charge -- Civil* § 4-43.

Even viewing the evidence and inferences therefrom in the light most favorable to Wife, there is no question that she is liable to Husband for trespass. As discussed above, Trustee's sale

of the house to Husband by quitclaim deed was a valid sale and did not breach any fiduciary duty. Consistent with the terms of the Trust, Wife admits she was allowed to live in the House until it was sold. (Def's Resp. to Pl.'s First Requests for Admissions ¶ 2.) She further concedes that the Trustee sold the house to Husband prior to April 20, 2012. (*Id.* at ¶¶ 6, 7, 8.) In addition, Wife admits the Trustee sold it and delivered a quitclaim deed to the Husband. (*Id.* at ¶¶ 1, 10.) The Court sees no title defect in the record. A deed valid on its face is presumed to be valid. *See Cummikngs v. Varn*, 307 S.C. 37, 45, 413 S.E.2d 829, 834 (1992). Moreover, Wife has failed to present any evidence affecting Husband's title to the house. There is no genuine issue of material fact that Husband owns the house or that Wife has been living there unlawfully since April 19, 2012. Accordingly, there is no question that Wife is liable to Husband for trespass.

B. Holdover Tenant

Husband's claim against Wife as a holdover tenant is based on the South Carolina Residential Landlord and Tenant Act ("RLTA" or "Act"). The RLTA applies to all "rental agreement[s]...for a dwelling unit located within this State." S.C. Code Ann. § 27-40-110. The Court finds the Act applies in this case because the Wife's right to continue using and occupying in the House rent-free arose from the Trust Agreement. *See* S.C. Code Ann. § 27-40-210(3), (12). Therefore, she was a tenant under the Act. *See* S.C. Code Ann. § 27-40-210(15). When the Trustee sold the House to Husband, Wife's right to continue living in the House terminated pursuant to the trust terms. In addition, Husband assumed all rights and remedies of the landlord. *See* S.C. Code Ann. § 27-35-50 (purchaser of real estate subject to lease becomes the landlord *ipso facto* and is entitled to all rights as original landlord).

As discussed above, there is no question that Husband owns the House or that Wife has lived there without his permission since April 20, 2012. Nor does the record present any

question that Wife knew her right to live there rent-free terminated when the House was sold. Accordingly, the Court finds no question that Wife is liable to Husband for actual damages and reasonable attorney's fees pursuant to S.C. Code Ann. § 27-40-750. The court further finds no material, factual issue that Wife's refusal to move out was not in good faith and was a willful violation of the RLTA and the trust agreement. See S.C. Code Ann. § 27-40-770(c). The only factual issues remaining to be determined are the Husband's actual damages, including the reasonable monthly rental rate, and reasonable attorney's fees. *Id.*

C. Breach of Contract

Husband is also entitled to summary judgment as to liability on his breach of contract claim. In order to recover for breach of contract, a party must prove "the existence of a contract, its breach, and the damages caused by such breach." *S. Glass & Plastics Co., Inc. v. Kemper*, 399 S.C. 483, 492, 732 S.E.2d 205, 209 (Ct. App. 2012), *reh'g denied* (Sept. 20, 2012) (citing *Fuller v. E. Fire & Cas. Ins. Co.*, 240 S.C. 75, 89, 124 S.E.2d 602, 610 (1962)). There is no question that the terms of the parties' Trust Agreement are clear and unambiguous. It gave Wife the right to continue living in the House rent-free "until such property [was] sold, or until vacated by her." (Trust Agreement, Article XII, (I).) By agreeing that her right to live in the House expired when the Trustee sold the House, Wife also agreed to move out when it was sold. The evidence is uncontested that she refused to move out and that she is still living in the House today.

Accordingly, the Court finds no factual issue that precludes the Court from entering summary judgment in Husband's favor on the issue of Wife's liability as a holdover tenant. The only issue that remains to be determined is Husband's damages.

D. Quantum Meruit

Finally, Husband moves for judgment as to liability on his claim for *quantum meruit*. “The elements of a *quantum meruit* claim are: (1) a benefit conferred upon the defendant by the plaintiff; (2) realization of that benefit by the defendant; and (3) retention by the defendant of the benefit under conditions that make it unjust for him to retain it without paying its value.” *Earthscapes Unlimited, Inc. v. Ulbrich*, 390 S.C. 609, 616-17, 703 S.E.2d 221, 225 (2010).

As discussed above, Wife does not dispute that she has lived in the House since April 19, 2012, when the Trustee closed the sale to Husband. Nor does Wife claim she has paid Husband for living in the House. The only reasonable conclusion based upon the record in this case is that Wife has lived in the House for nearly two (2) years unlawfully without paying any rent. As a result, there is no genuine issue of fact that Wife has received and retained a benefit from Husband under circumstances that make it unjust for him to retain it without paying its value. *See id.* The Court finds, therefore, that there is no genuine issue of material fact that Wife is liable to Husband for the value of the benefit she received. The only issue remaining for a fact-finder is to quantify that value.

III. Wife’s Motion for Summary Judgment

Wife contends she is entitled to summary judgment because the Trustee acted outside the scope of his authority when he conveyed the House to Husband. The Court disagrees, as discussed above, and denies her motion.

The Trustee did not act outside of the scope of his authority when he deeded the marital residence to Husband. The Trustee’s authority is set forth in the Trust Agreement. A court’s primary concern when interpreting and construing a trust instrument is to discern the settlor’s intent. *Holcombe-Burdette v. Bank of Am.*, 371 S.C. 648, 658, 640 S.E.2d 480, 484-85 (Cl. App. 2006). “In ascertaining a settlor’s intent, if the language of the trust instrument is perfectly plain

and capable of legal construction, such language determines the force and the effect of the instrument." *Id.*(internal citation omitted). When interpreting the meaning of the language of a trust agreement and ascertaining the intent of the settlor, the court must consider the trust document as a whole. *See id.* at 657, 640 S.E.2d at 484. Only if the Settlor's intent cannot be ascertained and the trust instrument is ambiguous will the courts turn to parol or extrinsic evidence. 76 Am.Jur.2d *Trusts* § 31.

Here, the Trust Agreement clearly sets forth the powers of the Trustee. Specifically, Article IX, Paragraph (a)(xxxii) gives the Trustee the power to "sell any Trust Asset to [Husband or Wife] provided the sale and terms of sale are reasonable, fair, and reflect fair market value **and any other terms mutually agreeable by the parties.**" Trust Agreement, Article IX, (a)(xxxii) (Emphasis added). Wife argues the use of the conjunctive "and" preceding the clause "any other terms mutually agreeable by the parties," indicates that the Trustee is required to obtain consent to the terms of any sale of trust property to Husband. However, this is a strained reading of this provision and inconsistent with its plain language. The Court finds the language in Article IX, along with the Trust's language as a whole, unambiguous and subject to only one reasonable, legal interpretation. Therefore, the Court need not look beyond the Trust Agreement's express terms in determining the scope of the Trustee's powers. Under the plain language of Article IX, (a)(xxxii), the Trustee could sell trust property to Husband or Wife without the consent of the other where the sale and terms of the sale are reasonable, fair and reflect market value. Although the trust provisions state that the parties were free to agree mutually to other or additional terms, here, the parties plainly did not agree on other or additional terms. In light of the evidence before the Court, the only reasonable conclusion to be reached is that the terms of the sale of the House to Husband were fair, reasonable and reflected fair market

value. Therefore, the sale of the House to Husband was expressly authorized under the Trust Agreement.⁵

Finally, Wife argues that discovery is incomplete; however, the Court finds that further discovery would be unavailing in that no party has identified how conducting more discovery would uncover additional relevant evidence and create a genuine issue of material fact. See *Dawkins v. Fields*, 354 S.C. 58, 71, 580 S.E.2d 433, 439-40 (2003); *Guinan v. Tenet Healthsystems of Hilton Head, Inc.*, 383 S.C. 48, 54-55, 677 S.E.2d 32, 36 (2009). No material fact is in dispute. The quitclaim deed the Trustee delivered to Husband is valid and resulted in a transfer of the property to Husband. Accordingly, Wife's motion for summary judgment is denied.

CONCLUSION

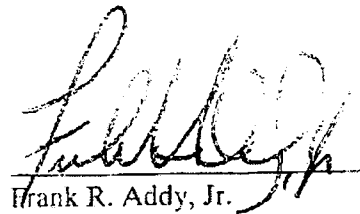
The Court fully appreciates the contentiousness of Husband's and Wife's divorce which, at the time, seemed to necessitate the creation of the Trust, and this Court does not relish the obligation of ruling upon a dispute which would have best been resolved in the Family Court when the parties initially sought their divorce. That Wife has continued to file actions in every conceivable Court in a thinly veiled effort to relitigate these issues has not gone unnoticed by this Court, but these procedural attempts at delay have no bearing on this Court's application of black letter law. That Wife desires to keep the former marital home is understandable. That the Trust was land rich/cash poor is regrettable. That Wife failed to timely respond to the Trustee cannot be excused under these facts. In short, this Court is called upon to apply the law to an instrument

⁵ Even if Article IX, (a)(xxxii) were held to be ambiguous, the Court finds that it was the intent of the parties to not require the consent of both beneficiaries to effect a sale of trust property to a beneficiary. This is the only way to interpret this provision without frustrating the very purpose of the Trust as a liquidating trust. Allowing one beneficiary to have unconstrained veto power over a commercially reasonable and fair sale of trust property would frustrate the Trustee's obligation to sell trust assets "in a timely, prudent and efficient manner." Trust Agreement, Article I (c).

lacking any uncertainty concerning its terms, and no material fact is in dispute. Accordingly, the Trustee's and Husband's motions are granted, and Wife's motion is denied.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Third-Party Defendant Frances B. Knowlton's Motion for Summary Judgment is hereby GRANTED and that judgment shall be entered in his favor on all of Defendant/Third-Party Plaintiff Mary Hobby's claim against him; that Plaintiffs Raymond D. Hobby's Motion for Partial Summary Judgment on the issue of liability is GRANTED; and that Defendant/Third-Party Plaintiff Mary Hobby's Motion for Summary Judgment is DENIED.

IT IS SO ORDERED.



Frank R. Addy, Jr.
Circuit Court Judge

May 6, 2014
Greenwood, South Carolina

RECEIVED OCT 23 2014

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF NEWBERRY
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2013-CP-36-00193

RAYMOND D. HOBBY

MARY T. HOBBY

DEFENDANT(S)/THIRD-PARTY
PLAINTIFF

FRANCES B. KNOWLTON, AS TRUSTEE

PLAINTIFF(S)

THIRD PARTY DEFENDANT

Submitted by:	Attorney for	☐ Plaintiff	☐
	Defendant	☐ Self-Represented Litigant	

Disposition Type (Check One)

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☒ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED (CHECK REASON):** ☐ Rule 12(b), SCRPC; ☐ Rule 41(a), SCRPC (Vol. Nonsuit); ☐ Rule 43(k), SCRPC (Settled); ☐ Other _____
- ☐ **ACTION STRICKEN (CHECK REASON):** ☐ Rule 40(j), SCRPC; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other _____
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other _____

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☒ Statement of Judgment by the Court:

This matter came before the court on October 17, 2014 pursuant to Defendant Mary Hobby's Motion to Reconsider the Court's Order dated May 6, 2014. After reviewing all relevant materials on file and considering testimony of the parties at the above referenced hearing, Defendant's motion to reconsider is denied.

Defendant's motion to reconsider is **denied** and the Order dated May 6, 2014 shall stand.

Order Information

This order ☒ ends ☐ does not end the case.

Additional Information for the Clerk : _____

Complete judgment requires payment of a sum of money or other relief in value of personal property			
JUDGMENT AGAINST PLAINTIFF:		JUDGMENT AGAINST DEFENDANT:	
Judgment Amount	\$ _____	Judgment Amount	\$ _____
Taxable Costs	\$ _____	Taxable Costs	\$ _____
Attorney's Fees	\$ _____	Attorney's Fees	\$ _____

Interest \$ _____ Other: \$ _____ Total Amount to be Enrolled: \$ _____	Interest \$ _____ Other: \$ _____ Total Amount to be Enrolled: \$ _____
If applicable, describe the property, including tax map information and address, referenced in the order.	

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interests or costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. Note: Title abstractors and researchers should refer to the official court order for judgment details.

 _____ Circuit Court Judge	2159 _____ Judge Code	10/17/2014 _____ Date
----------------------------------	-----------------------------	-----------------------------

For Clerk of Court Office Use Only

This judgment was entered on the 20th day of October, 2014 and a copy mailed first class this 21st day of October, 2014 to attorneys of record or to parties (when appearing pro se) as follows:

Benjamin Bruner
 PO Box 61110
 Columbia, SC 29260

 ATTORNEY(S) FOR THE PLAINTIFF(S)

Pope Johnson 1230 Richland Street
 Columbia, SC 29201
 Davis Howser
 PO Box 12009 Columbia, SC 29211

 ATTORNEY(S) FOR THE DEFENDANT(S)

 CLERK OF COURT

IN THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM NEWBERRY COUNTY
Court of Common Pleas

Frank R. Addy, Jr., Circuit Court Judge

Case No. 2013-CP-36-193

Raymond D. Hobby Respondent

vs.

Mary T. Hobby Appellant

vs.

Frances B. Knowlton, individually and as trustee, ...Respondent.

PROOF OF SERVICE

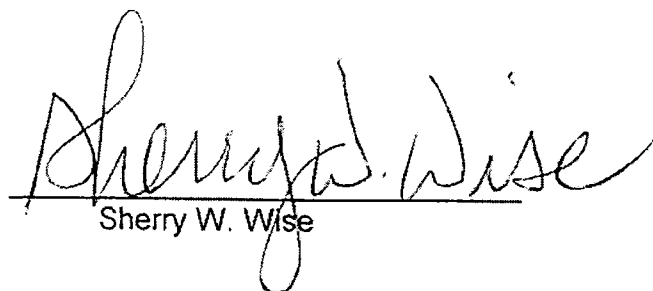
I, Sherry W. Wise, of Pope D. Johnson, III, Attorney at Law, hereby certify that I have served Benjamin C. Bruner, attorney for Respondent Raymond D. Hobby, and R. Davis Howser, attorney for Respondent Frances B. Knowlton, with the following pleadings by mailing a copy of same, postage prepaid and return address clearly indicated, to them at the following addresses on the 27th day of October, 2014.

COUNSEL SERVED:

Benjamin C. Bruner, Esquire
Bruner Powell Wall & Mullins, LLC
P.O. Box 61110
Columbia, SC 29260-1110

R. Davis Howser, Esquire
Howser Newman & Besley, LLC
P.O. Box 12009
Columbia, SC 29211

PLEADINGS:
Notice of Appeal



Sherry W. Wise

Exhibit B

STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

Mary Tripp Hobby,

Plaintiff,

vs.

Raymond D. Hobby,

Defendant.

IN THE FAMILY COURT
EIGHTH JUDICIAL CIRCUIT

**FINAL ORDER AND DIVORCE
DECREE**

Docket No. 2005-DR-36-56

Hearing Dates:

November 30, 2009

December 1-3 and 23, 2009

September 27, 2010

Judge:

Joseph W. McGowan, III

Court Reporter:

Lisa A. Amick

Plaintiff's Attorneys:

John O. McDougall

Pete Currence

Defendant's Attorneys:

James E. Bryan, Jr.

Timothy E. Madden

JACKIE S. BOWERS
CLERK OF COURT

2010 OCT - 8 P 3:14

FILED
NEWBERRY COUNTY

INTRODUCTION

This document is a Final Order and Divorce Decree in this civil action, issued as a result of the trial which commenced on November 30, 2009, was conducted over several days (identified above), and ended on September 27, 2010.

Based on the pleadings, financial declarations, evidence, orders previously issued, stipulations of the parties, and applicable law, this Court makes the following findings of fact and conclusions of law and enters this order.

JURISDICTION AND VENUE

Plaintiff and Defendant are citizens and residents of Newberry County, South Carolina, and have so resided for many years. The parties were married to each other on June 24, 1978.

During their marriage they had four children. These children are Landon Riner Hobby, whose date of birth is April 21, 1981; Grayson Tyler Hobby, whose date of birth was April 11, 1984, and who died on October 24, 1999; Patrick Reid Hobby, whose date of birth is August 21, 1985; and Michael Kenneth Hobby, whose date of birth is April 22, 1987. Plaintiff and Defendant live separate and apart, and have so resided since June 15, 2005. This civil action commenced by Plaintiff filing a Summons and Complaint on February 17, 2005. Thereafter, the parties attempted reconciliation and Plaintiff filed a Summons and Supplemental Complaint on October 19, 2005. In this matter, Plaintiff seeks a divorce from Defendant, equitable apportionment of marital property, alimony and related relief. Defendant does not oppose Plaintiff's action for divorce, joins in her request for an equitable apportionment of marital property, and seeks similar relief incident to the dissolution of a marriage. This Court maintains personal jurisdiction over the parties. The issues presented are within the exclusive jurisdiction of this Court (See S.C. Code §63-3-530 (1976, as amended)). This Court is the appropriate venue for the determination of the issues raised by the pleadings and addressed in this order.

ISSUES

The issues for determination are:

1. Is Plaintiff entitled to a divorce from Defendant on the grounds of adultery?
2. What are the marital assets and debts and how should these assets and debts be apportioned between the parties?
3. Is Plaintiff entitled to alimony from Defendant, and if so, what type and in what amount?

4. Should Defendant be required to contribute to Plaintiff's attorney's fees and costs and if so in what amount?

FACTS RELEVANT TO MULTIPLE ISSUES

In every divorce action such as this one, the Family Court must make findings of fact to support the conclusions of law and order issued. *See Rule 26(a) SCRFC.* Because of the equitable nature of the Family Court, many of the facts which this Court is required to find relate to more than one issue. In this section of this order, the Court details findings of fact relevant to multiple issues.

The length of the parties' marriage is twenty-seven (27) years to the date of separation, and thirty-two (32) years to the date of the issuance of this order.

The parties' living children (identified above), while now over the age of eighteen, were not fully emancipated at the commencement of this litigation and were economically dependent on the parties for some time during the pendency of this civil action.

Plaintiff's date of birth is [REDACTED] At the time of marriage she was twenty-five (25) years old. When she initially filed this civil action she was fifty-two (52). She is now fifty-seven (57). She is in reasonably good health. She has a college degree. For a period of time early in the marriage she taught in the public school system, and accrued some benefits in a retirement plan sponsored by the State of South Carolina, which benefits continue to exist, and which are awarded to her by this Order. She has not worked outside the marital home for many years, and is not presently employed and does not have earned income.

Defendant's date of birth is [REDACTED] At the time of marriage he was twenty-four (24) years old. When Plaintiff initially filed this civil action Defendant was forty-nine (49) years old. He is now fifty-six (56). He is in reasonably good health. He has a college

degree. He operates Hobby Construction Company, Inc., a corporation which is a marital asset and which builds water and sewer systems and installs pipeline associated with these systems. He also works with and owns a majority interest in several affiliated and related entities; Hobby Construction Co., Long Utility Corporation, Seaside Utilities, Inc., Seaside Environmental Constructors, Inc., West/Hobby LLC, Utility Supply, Inc., and South Atlantic Construction, Inc., known collectively as the "Hobby Entities." Some of the stock in these entities is marital property (and other stock is owned by third parties). His earned income varies based on the business opportunities and performance of the companies. His current earned income is uncertain due to a number of challenges faced by these businesses. He has retirement benefits which were earned and accrued during the marriage, all of which are being equitably apportioned by this Order.

Although inquiry and efforts were made, there is no possibility of reconciliation of the marriage.

Defendant committed adultery during the marriage. His actions were independently corroborated, and not condoned. There is no collusion between the parties for purposes of obtaining a divorce.

**FACTS AND CONCLUSIONS SPECIFICALLY RELATED
TO EQUITABLE APPORTIONMENT**

During the marriage the parties accumulated significant assets and incurred certain debts. By statute each party holds a vested special equity and ownership right in all marital property, which equity and ownership right are subject to apportionment as of the date of the commencement of this litigation. *See South Carolina Code § 20-3-610 (1976, as amended).* This action commenced on February 17, 2005. The parties dispute the value of many assets

and debts. Valuation of assets and debts of the type owned by these parties is challenging, particularly in recessionary economic times and when litigation transcends several years. It is appropriate to consider fluctuations in value which occur during the pendency of the action. See, e.g., Fields vs. Fields, 342 S.C.182, 536 S. E.2d 684 (Ct. App. 2000). It is also appropriate for the Court to value marital assets at date of filing. See, e.g., Dixon vs. Dixon, 334 S.C. 222, 512 S.E.2d 539 (Ct. App. 1999).

Each party contributed to the acquisition, preservation and maintenance of the marital property in various ways. Plaintiff contributed directly through earnings made early in the marriage, and indirectly as a homemaker and parent in the later years of the marriage. Defendant contributed directly throughout the marriage, and during the pendency of the action. Defendant also contributed indirectly through active involvement in the lives of the children and indirect contributions to the acquisition, preservation, maintenance and improvement to marital assets.

Most of the assets and debts of the parties constitute marital property, although the parties dispute the character of some items.

The parties own several hundred acres of land in Newberry County, South Carolina, on which they both reside. Both desire, and it is appropriate, to continue to reside on this property for a reasonable period of time. By previous order of this Court the parties are afforded use and possession of other real estate they own located in Edisto Beach, South Carolina. It is appropriate for each of them to have use of this real estate until it is sold, or otherwise distributed.

Given the complexity of the financial holdings of the parties, there are tax issues which will arise and/or which follow the assets. These taxes may be mitigated by some of the losses which occurred during the pendency of the action.

Many of the assets owned as of the date of filing were encumbered, or have become encumbered in the support of other assets during the pendency of the action. The debts, liens and encumbrances follow the assets, and are being apportioned by the terms of this order.

This Court is required to make a final equitable apportionment of the parties' marital property. See S.C. Code § 20-3-620 (A) (1976, as amended). This Court has the authority to direct a party to execute and deliver any deed, bill of sale, note, mortgage or other document necessary to carry out the order equitably apportioning the marital property. See S.C. Code § 20-3-660 (A) (1976, as amended). This Court also has the authority and discretion to order a public or private sale of marital property and the terms of such a sale. See S.C. Code § 20-3-660 (A) (1976, as amended). Moreover, this Court may use any reasonable means to achieve equity between the parties. See S.C. Code § 20-3-660 (B) (1976, as amended).

FACTS AND CONCLUSIONS SPECIFICALLY RELATED TO ALIMONY

The parties enjoyed a comfortable standard of living commensurate with others similarly situated in higher income brackets and of significant net worth. They owned and enjoyed resort property at the coast and in the mountains, together with associated amenities. They educated children in public and private schools. They own collectibles and recreational vehicles and items.

Because of economic challenges presented by the economy and related to investments, the current and reasonably anticipated income of each party and/or from their assets is difficult to determine at this time.

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APPROVAL OF AGREEMENT

Settlements between litigants are encouraged. In determining whether or not to approve a settlement this Court must find (1) the existence of an agreement; (2) the agreement was entered into freely and voluntarily; and (3) the agreement is fair and equitable from procedural and substantive perspectives.

After many years of litigation and several days of trial, the parties reached an agreement to resolve the financial issues presented by this litigation. The terms of this agreement were presented to the Court on September 27, 2010.

There is no indication that either party was forced or under any duress or coercion at the time he or she reached and entered the terms of the agreement or at the hearing on September 27, 2010. Each party entered the terms and participated in the hearing seeking approval of the terms free of any mind-altering or judgment-impairing substances. The parties entered the terms freely and voluntarily.

The parties negotiated and entered the terms of their agreement with benefit and advice of independent experienced counsel. Each party is satisfied with the representation provided to him or her by his or her attorney.

There was extensive and exhaustive discovery conducted during the pendency of this civil action. Each party fully disclosed all assets and debts to the other. Each party is familiar with the assets, debts, income and expenses of the other party.

The parties' agreement reflects a resolution of the legal issues which is within the range of fairness given this Court's experience. This agreement is the product of compromise and negotiation. Upon review of the Equitable Apportionment Act (S.C. Code §20-3-620, *et. seq.*

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NW
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(1976, as amended)), the Alimony Statute (S.C. Code §20-3-130, et. seq. (1976, as amended)), and other applicable law, the parties' agreement is fair and equitable.

Therefore, the terms of the parties' agreement are fair and equitable from both procedural and substantive perspectives.

The terms of the parties' agreement, identified at the hearing, should, therefore, be adopted, approved and are hereby incorporated into, merged and made the Order of this Court.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:

1. Plaintiff is granted an absolute divorce from Defendant on the statutory grounds of adultery.
2. To effectuate this Final Order and Divorce Decree, additional documents including but not limited to a trust or trusts, deeds, bills of sale, assignments, and similar transfer instruments must be prepared. Each party shall act reasonably and cooperate in the preparation and timely execution of the documents necessary to effectuate these terms and the intent of this Order.
3. To effectuate a complete, fair and equitable apportionment of marital assets and debts, the parties shall create a trust. The following terms shall govern the parties in the creation and operation of this trust and/or are relevant regarding each party's interest in this trust and the assets and debts to be placed in it.
 - a. This trust is created pursuant to this Order. To the extent necessary, the parties are the Transferors of the assets and debts into trust.
 - b. This trust shall be created pursuant to and under South Carolina law.
 - c. This trust shall be a liquidating trust, so that the trustee is required, in a commercially reasonable and orderly fashion, to manage and sell the

assets and debts held by the trust and, over a reasonable period of time, to distribute all of the net proceeds from liquidation to the parties as provided in these terms.

- d. The Trustee shall be a person or entity mutually agreeable to the parties. If the parties are unable to agree on a single person or entity to serve as trustee, then each party shall name a trustee, and the two trustees named by the parties shall select a third, co-trustee, and the three co-trustees shall administer the trust.
- e. The Trustee shall act in a fiduciary capacity with respect to both parties.
- f. Either party may purchase any asset from the trust, provided the sale and terms are reasonable, fair, and reflect fair market value or other terms mutually agreeable to the parties. The purchase of an asset from the trust may be accomplished in any reasonable means directed by the trustee, including a like-kind distribution to the other party in recognition of an asset purchased by one party.
- g. Except as otherwise detailed in this Order, Defendant shall be the beneficiary of fifty-seven and $\frac{1}{2}$ percent (57.5%) of the trust.
- h. Except as otherwise detailed in this Order, Plaintiff shall be the beneficiary of forty-two and $\frac{1}{2}$ percent (42.5%) of the trust.
- i. For the first year of existence, the trust shall make minimum monthly distributions to Plaintiff in the amount of Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00). These distributions represent a special

interest in the trust held by Plaintiff and are not taxable to her or charged against her proportionate/beneficial share of the trust.

- j. The trust shall distribute Two Hundred Twenty Five Thousand and 00/100 Dollars (\$225,000.00) to Plaintiff and Two Hundred Thousand and 00/100 Dollars (\$200,000) to Defendant as a special interest in the trust, which is not part of his or her proportionate share, for each party's attorney's fees and litigation expenses related to this civil action. If practical, and subject to discretion of the Trustee, the payments of \$225,000 to Plaintiff and \$200,000 to Defendant shall be paid in a manner in which the payments are non-taxable to each of the parties with the payments being paid from the corpus of the trust rather than income, or partly income, of the trust.
- k. For so long as the trust owns the Hobby Construction Company, Inc., or the related construction and utility companies', Defendant shall not compete in business with the entities owned by the trust, except and unless permitted to do so by the Trustee. It is the intent of the parties that Defendant shall continue to work and participate in each of the Hobby construction and utility companies throughout the period that the trust owns these entities in the manner in which he was working and participating in these entities at the date of filing of this action (February 17, 2005) and at the date of the signing of this document.

¹ Hobby Construction Co., Long Utility Corporation, Seaside Utilities, Inc., Seaside Environmental Constructors, Inc., West/Hobby LLC, Utility Supply, Inc., South Atlantic Construction, Inc.

- l. The trust shall pay the reasonable attorney's fees, accountant's fees, and costs incurred to prepare the trust instrument, any and all transfer documents related to it, and similar expenses.
- m. The assets to be transferred into the trust shall consist of those detailed on the schedule attached as Schedule A, as such assets exist as of the date of transfer, regardless of the manner in which a party or the parties currently hold title ownership.
- n. The trust is created pursuant to the *S.C. Code* and other authority which empowers the Family Court to use any means or methods reasonable necessary to effectuate an equitable apportionment of marital property. Each party contributed, directly and indirectly, to the acquisition, preservation, maintenance, and other obligations associated with the marital estate which is becoming the property of the trust, and each party holds an equitable interest in each of the assets placed into the trust in the same percentage as he or she is a beneficiary of the trust. This equitable ownership exists irrespective of the current title ownership of any asset.
- o. Defendant shall be reasonably compensated for his services in connection with the Hobby Construction Company, Inc., and the related construction utilities². His compensation and benefits of employment shall be reasonable in scope and amount. The trustee shall determine reasonable compensation, benefits of employment and the scope and terms of employment of Defendant.

² Hobby Construction Co., Long Utility Corporation, Seaside Utilities, Inc., Seaside Environmental Constructors, Inc., West/Hobby LLC, Utility Supply, Inc., South Atlantic Construction, Inc.

- p. The trustee shall have the discretion to employ Plaintiff in a consulting capacity or otherwise so that Plaintiff may be eligible for health insurance coverage provided by Hobby Construction Company, Inc.
- q. The company entities, i.e., Hobby Construction Company, Inc. (HCC), Long Utility Corporation (LUC), Seaside Environmental Constructors, Inc. (SEC), Seaside Utilities Inc. (SU), and South Atlantic Construction, Inc. (SAC) currently have a bonding relationship with Travelers Bond and Financial Company (Travelers). These companies are currently being monitored by Travelers and monthly combined P&L statements are being generated for Travelers. When the entities bid a project and request a bond from Travelers, they also provide a work in progress report. The Trustee will cooperate with each of the parties, the companies, and Travelers in order to facilitate the companies receiving maximum bonding capacity from Travelers. The Trustee will be granted absolute authority to have direct contact with Travelers and CPA Steve Sealey if necessary regarding the combined P&L statements, bids, work in progress reports, compensation of officers, and for any other purpose. The companies and Defendant will provide the Trustee with copies of all communications exchanged between the companies and Travelers to include bids, requests for bonds, work in progress reports, and other written communications (including emails).
- r. The parties own 737 acres of land in Newberry County, South Carolina, which is being placed in the trust. The parties have previously received

proposed contracts on certain portions of the 737 acres for the cutting of timber. The Trustee shall accept appropriate bids to have the previously-identified timber cut on this property within the next twelve (12) months. The funds derived from the sale of this timber shall be equally distributed to the parties. The Trustee shall determine if any other timber should be cut and if so the proceeds generated therefrom shall be the property of the Trust.

- s. The Trustee shall provide Plaintiff sole and exclusive use of the property known as the marital home of the parties together with the surrounding three (3) acres of land until such property is sold, or until vacated by her. The Trustee shall provide Defendant sole and exclusive use of the property known as the Smith House and the immediate surrounding acreage until such property is sold or until vacated by him. The Trustee shall provide Defendant access to and use of the farm acreage and amenities until sold or restricted by the Trustee. During the period of time that each party occupies the respective residence, the trust shall pay the taxes, insurance, and general maintenance of these properties, general maintenance to be defined as any reasonable and necessary repair or maintenance to the residence on each of these properties which exceeds a cost of \$500. Neither party shall incur an expense for which he or she expects reimbursement or payment by the trust which exceeds \$500, except in case of emergency, without written authorization (email is sufficient) of the Trustee to incur such expense. Each party shall be

responsible for his/her own utility bills, i.e., electricity, cable, telephone, etc.

t. The corporate entities, Hobby Construction Co., Inc., Long Utility Corporation, Seaside Utilities, Inc., Seaside Environmental Constructors, Inc., West/Hobby LLC, Utility Supply, Inc., South Atlantic Construction, Inc., shall not pay for the personal expenses of Defendant and Defendant shall only be reimbursed for verifiable business expenses as determined or directed by the Trustee.

u. By the temporary order the parties have use of one of the Edisto properties (3709 Village Court). For so long as this property and 3711 Village Court is owned directly or indirectly by the trust, Plaintiff shall have the reasonable right to use 3709 and Defendant the reasonable right to use 3711, under terms and conditions directed by the Trustee. If one of these properties is sold and one remains, the Trustee shall provide for the equal right of use to the parties of the remaining property as long as it is controlled by the trust.

2. Outside of the trust, by way of equitable apportionment, Defendant shall receive the assets detailed on Schedule B. With respect to these assets, the parties are further bound as follows:

a. Colonial Real Estate Investments, Inc. has filed a civil action in the United States District Court, *Colonial Real Estate Investments, Inc., Plaintiff, vs. Raymond D. Hobby, Defendant*, Civil Action File No. 8:10-CV-01653-RBH, filed in the United States District Court, District of South Carolina,

Greenwood Division. Defendant denies he has any obligation to Colonial Real Estate Investments, Inc., or any other entity regarding the issues raised in the Complaint filed by Colonial Real Estate Investments, Inc. Defendant acknowledges that if there is any debt to Colonial Real Estate Investments, Inc. which arose after February 17, 2005, such debt was incurred without Plaintiff's specific or direct knowledge, and Plaintiff shall not be responsible for any such debt or obligation if it exists. Even if such debt exists, the parties dispute whether the debt is marital and/or divisible by the Family Court.

b. There are entities known as Maggie Valley Resort, LLC, Maggie Valley Development Company, LLC, and Maggie Valley Resort Management, LLC. Defendant, Raymond D. Hobby, shall receive any interest that he may have in such entities, free and clear of any claim and/or interest from Plaintiff, Mary T. Hobby. Plaintiff shall not be responsible for any debts regarding these entities.

3. Outside of the trust, by way of equitable apportionment of marital assets, Plaintiff shall receive the assets detailed on Schedule C.

4. Recognizing the minimum monthly distributions to Plaintiff for the first year of the trust are being paid in lieu of alimony or spousal support from Defendant, the amount of Defendant's permanent alimony or spousal support shall be determined after the first year of the existence of the trust by the Family Court. Plaintiff's entitlement to permanent alimony or spousal support is as though it was ordered by the Court and this alimony is modifiable and terminable in accordance with South Carolina law. The alimony payments shall be taxable

income to Plaintiff and tax-deductible to Defendant. Plaintiff may seek a temporary order regarding the amount of alimony which is to be paid after the expiration of the Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00) minimum monthly trust distributions required by this Order. Plaintiff may seek this relief prior to the expiration of one year from the commencement of the required minimum monthly trust distributions of Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00). As to the \$7,500 minimum monthly trust distributions to Plaintiff, if practical, the payments shall be paid from the corpus of the trust, rather than income, or partly income, of the trust, subject to the discretion of the Trustee.

5. Each party represents and warrants to the other that he or she fully disclosed to the other each and every asset in which he or she held a legal, equitable, or other economic interest as of the date of the filing of this civil action, and/or as of September 27, 2010. If it is subsequently determined that either party owned any asset as of the date of the filing of this civil action, or as of the date the parties entered these terms, which asset was not disclosed to the other party and apportioned either to the trust or one of the parties by the terms stated hereinabove, then such asset shall become the property of the trust and liquidated and distributed between parties in the same manner as all of the other assets on Schedule A.

6. Neither party shall pay or contribute to the other party's attorney's fees or costs incident to this civil action other than the required distribution by the trust as detailed above.

7. The parties shall be bound by the temporary order and stipulations previously entered until such time as the Trust is created and begins the distributions to Plaintiff as required by these terms.

8. This Court retains jurisdiction for the interpretation, enforcement, and, to the extent necessary to effectuate these terms, the issuance of subsequent orders regarding this Final Order and Divorce Decree.

AND IT IS SO ORDERED.



Joseph W. McGowan, III
Judge of the Family Court
Eighth Judicial Circuit

Lauren, South Carolina

10/8, 2010


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SCHEDULE A

1. All stock in Hobby Construction Company, Inc.
2. All stock in Long Utility Corporation
3. All stock in Seaside Utilities Incorporation
4. All stock in Seaside Environmental Constructors Inc.
5. All interest in West/Hobby LLC
6. Any interest in Utility Supply Incorporated
7. Any interest in South Atlantic Construction Inc.
8. Any interest in Edisto Pipe Dreams LLC
9. Any interest in RDH LLC
10. Any interest in Shuho LLC
11. Any interest in Good Golfer LLC
12. Any interest in the residence and 740 acres located at 544 Crowder Road, Kinards, South Carolina and/or any adjacent acreage.
13. Any interest in the building and land located on Highway 34 in Newberry County (the Hobby Construction Office).
14. Any interest in the building and land for Long Utility Office in Simpsonville, South Carolina.
15. Any interest in the building and land for the Seaside Utilities Office in Moncks Corner and/or Murrells Inlet, South Carolina.
16. The real property located on Highway 76 in Kinards, South Carolina.
17. The real property known as lots 54 and 55 in Laurens County, South Carolina.
18. 3711 Village Court, Edisto, South Carolina.

19. 231 Highlands Loop, Maggie Valley, North Carolina.
20. Mountain Chase Condos (units 4040 and 4046), Maggie Valley, North Carolina.
21. Almond Station Property, Swain County, North Carolina.
22. Highway 34 land
23. 317 Hwy 221 South, Greenwood, South Carolina real property with improvements
24. Highway 34/Garmany Road land
25. The real property in downtown Newberry, South Carolina located on Main Street (1008, 1010-1012, 1014, 1016, and 1018).
26. 3114 Myrtle Street, Edisto Beach.
27. 3116 Myrtle Street, Edisto Beach.
28. Crowder Road (108 acres)
29. 4 acres across the street from Smith house
30. Any real estate remaining (if any) from 213 acres in Kinards sold 10/19/2005
31. 11795 Bush River Road ("Smith House")
32. The furnishings and personal property located in any Edisto property or Mountain Chase Condos.
33. Any loans receivable from Hobby Construction Company, Inc. or related entities and/or loans payable to this company and these entities.
34. The Edisto Yacht Club membership.
35. Any interest in the building located at 1326 College Street, Newberry (Helig Myers).

SCHEDULE B

1. Any money in any checking, savings or depository account in his name which is not on Schedule A, including but not limited to the accounts at Newberry Federal Bank, Carolina First Bank, and First Community Bank as reflected on exhibits filed during this civil action.
2. The remaining in his interest in the Principal Financial 401k after the apportionment of fifty percent of this asset to Plaintiff as detailed on Schedule C.
3. Fifty percent of the cash surrender value (including passive changes in value during the pendency of the action) of the Fidelity life insurance policy on Defendant's life, which Plaintiff shall pay directly to Defendant.
4. Any interest in Maggie Valley Resort, LLC, Maggie Valley Development Co., LLC, and Maggie Valley Resort Management, LLC.
5. Any interest he has, if any exists, in Timber Resource Group, Inc.
6. Any interest he has, if any exists, in Cellular Systems of Newberry.
7. Any interest he has, if any exists, in JTJ of Lynches River.
8. Any interest he has, if any exists, in EDHO, LLC.
9. Any interest he has, if any exists, in In-Site Support Services, Inc.
10. Any interest he has in the Lake Marion house and property.
11. Any interest he has in the Spring Creek land.
12. Any funds received by him, if any, from the sale of any real property owned by him at the date of filing which was sold during the pendency of this civil action, and which

Defendant represents was invested in the preservation or maintenance of other assets during the pendency of this civil action.

13. Any furniture, furnishings or personal property in his possession or control and/or received by him through gift or inheritance, subject to the claims of Plaintiff which shall be resolved in arbitration if necessary as detailed below.
14. His tools and tool boxes.
15. Any vehicles or watercraft titled in his name which are not the property of Hobby Construction Company, Inc.
16. His guns.
17. His coins and currency collection.
18. His Rolex watches.
19. His personal items located at the Edisto property and/or mountain condos.

ARBITRATION PROVISION: IN THE EVENT THE PARTIES ARE UNABLE TO RESOLVE CLAIMS EACH MAKES TO THE FURNITURE AND PERSONAL PROPERTY IN THE POSSESSION OR CONTROL OF THE OTHER OR IN THE EDISTO OR MOUNTAIN CONDOS THEN THEY SHALL SUBMIT THEIR DISPUTE TO BINDING ARBITRATION WITH FORMER FAMILY COURT JUDGE STEVE BARTLETT OR ANOTHER MUTUALLY AGREEABLE ARBITRATOR. IN SUCH EVENT THE ARBTRATION SHALL BE CONDUCTED WITHOUT LAWYERS. THE ARBITRATOR SHALL RESOLVE THE CLAIMS OF EACH PARTY IN A MANNER WHICH IS FAIR, EQUITABLE AND CONSISITENT WITH SOUTH CAROLINA LAW. EACH PARTY SHALL PAY FIFTY PERCENT OF ANY FEES CHARGED BY THE ARBITRATOR.

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SCHEDULE C

1. Any money in any checking, savings or depository account in her name which is not on Schedule A, including but not limited to the accounts at Bank of America and First Community Bank as reflected on exhibits filed during this civil action.
2. Fifty percent of Defendant's interest in the Principal Group 401k, as such interest existed on the date of filing of this civil action, together with any passive increases or decreases in value through and including the date of apportionment. Plaintiff shall receive her interest pursuant to a Qualified Domestic Relations Order or similar instrument which does not create an immediate taxable event to either party.
3. Her interest in retirement plan(s) sponsored by the State of South Carolina.
4. The Horace Mann life insurance policy on her life.
5. The Fidelity life insurance policy and any cash value remaining in this asset after the apportionment of fifty percent of the cash surrender value to Defendant as detailed on Schedule B.
6. The Lee County real estate, as detailed on the Stipulations dated September 20, 2010.
7. Any furniture, furnishings or personal property in her possession or control and/or received by her through gift or inheritance, subject to the claims of Defendant, which shall be resolved in arbitration if necessary, as detailed on Schedule B, and the shotgun she won at auction.
8. The 2005 Cadillac she drives.
9. Her jewelry.
10. Her personal items at the Edisto property and/or mountain condos.



STATE OF SOUTH CAROLINA

COUNTY OF NEWBERRY

Mary Tripp Hobby

vs.

Raymond D. Hobby

Plaintiff,

Defendant

IN THE FAMILY COURT
EIGHTH JUDICIAL CIRCUIT

SUPPORT INFORMATION SHEET

Docket No. 2005-DR-36-56

FILED
NEWBERRY COUNTY
2010 OCT - 8 PM 3:14
JACKIE S. BOWERS
CLERK OF COURT

Check appropriate box:

- ☒ No spousal or child support ordered. (No other items should be completed.)
☐ If support is ordered to be paid directly or through the Court, you must complete BOTH

pages (as applicable).

Obligation Type	Child Support	Medical Support	Spousal Support
Amount	\$	\$	\$
Collection Costs (5%)	\$	\$	\$
Payment Frequency			
Payment Start Date			
Weekly	☐	☐	☐
Bi-weekly	☐	☐	☐
Monthly	☐	☐	☐
Semi-monthly (1st & 16th)	☐	☐	☐
Semi-monthly (15th & 30th)	☐	☐	☐
Total Arrearage Amount	\$	\$	\$
Wage Withholding			
Required by S.C. Code Ann. §63-17-1420	☐	☐	☐
Ordered	☐	☐	☐
Not Ordered	☐	☐	☐

Custodial Parent (if applicable): _____

*****OBLIGOR'S DESIGNATION STATEMENT: PAYMENT OF COURT COSTS*****

I acknowledge that if ordered to pay support through the court, now or in the future, S.C. Code Ann. § 63-3-370, as amended, requires that I pay court collection costs in an amount equal to five (5) percent of any support payment.

If support is paid through the Court or through a centralized wage withholding system, I designate that an amount equal to five (5) percent of my support payments be applied and distributed in payment of court collection costs, not support. I authorize the deduction of the fee from every payment made by me or on my behalf.

I acknowledge that should I not pay the full amount due, that an arrearage will accrue and that the Clerk of Court may take enforcement action against me for failure to pay all amounts ordered by the Court.

If an amendment to the law changes the amount of court collection costs, this designation authorizes deduction of court collection costs in the amount established by law.

Date: _____, 20____

Signature of Person paying Support

SCCA 446 (12/2009)

IDENTIFYING INFORMATION ON THIS PAGE

A. OBLIGEE/PAID TO:

Name: _____
Address: _____
City: _____
Email Address: _____
SSN: _____
Date of Birth: _____
Driver's License Number: _____
Employer: _____
Employer Address: _____

State: _____ Zip: _____
Phone: _____
Gender: _____ Race: _____ Height: _____ Weight: _____
Scars: _____
Driver's License Issuing State: _____

B. OBLIGOR/PAID BY:

Name: _____
Address: _____
City: _____
Email Address: _____
SSN: _____
Date of Birth: _____
Driver's License Number: _____
Employer: _____
Employer Address: _____

State: _____ Zip: _____
Phone: _____
Gender: _____ Race: _____ Height: _____ Weight: _____
Scars: _____
Driver's License Issuing State: _____

C. CHILDREN

CHILDREN'S NAMES	DATE OF BIRTH	SSN
1.		
2.		
3.		
4.		
5.		
6.		

PREPARED BY _____

TITLE _____

DATE _____

IN THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM NEWBERRY COUNTY
Court of Common Pleas

Frank R. Addy, Jr., Circuit Court Judge

Case No. 2014-002410

RECEIVED
MAY 13 2015
SC Court of Appeals

Raymond D. Hobby Respondent

vs.

Mary T. Hobby Appellant

vs.

Frances B.B. Knowlton, individually and as Trustee Respondent

CERTIFICATE OF COUNSEL

The undersigned certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.



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Attorney for the Appellant

Columbia, South Carolina
May 11, 2015