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THE STATE OF SOUTH CAROLINA
In the Court of Appeals

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SC Court of Appeals

APPEAL FROM KERSHAW COUNTY
Court of Common Pleas

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SC Court of Appeals

DeAndrea G. Benjamin, Circuit Court Judge
Diane S. Goodstein, Circuit Court Judge

Consolidated Cases For Trial

Case No.: 2010-CP-28-322

Case No. 2010-CP-28-323

Jamie Curley, Plaintiff,

v.

SCENT Land Holdings, LLC, Amy Puchalski, and Robert Puchalski, Defendants
and Dr. Orville Dyce, Plaintiff,

v.

South Carolina ENT, Allergy & Sleep Medicine, P.A., Amy Puchalski, and Robert
Puchalski, Defendants

Of Whom Jamie Curley, and Dr. Orville Dyce are the Respondents/Appellants,

And

SCENT Land Holdings, LLC, Amy Puchalski and Robert Puchalski, South
Carolina ENT, Allergy & Sleep Medicine, P.A. are the Appellants/Respondents.

RECORD ON APPEAL VOL. VII

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Presidential Election Campaign

For the year Jan. 1-Dec. 31, 2008, or other tax year beginning _____, 2008, ending _____, 20

OMB No. 1545-0074

Your first name and initial: **ORVILLE H** Last name: **DYCE** Your social security number: **083 64 2427**

If a joint return, spouse's first name and initial: **JAMIE C** Last name: **CURLEY** Spouse's social security number: **573 73 4698**

Home address (number and street). If you have a P.O. box, see page 14. **401 WOODLAND DRIVE** Apt. no. _____

City, town or post office, state, and ZIP code. If you have a foreign address, see page 14. **HARTSVILLE, SC 29550**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) You Spouse

Filing Status

1 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately. Enter spouse's SSN above _____ and full name here. _____
 4 Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter this child's name here. _____
 5 Qualifying widow(er) with dependent child (see page 18)

Check only one box.

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a
 b Spouse

Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) If qualifying child for child tax credit (see page 17)
RAINN A	DYCE	654 26 7737	DAUGHTER	X
ELLA C	DYCE	655 30 4944	DAUGHTER	X

Boxes checked on 6a and 6b: **2**
 No. of children on 6c who:
 • lived with you: **2**
 • did not live with you due to divorce or separation (see page 18): _____

Dependents on 6c not entered above: _____
 Add numbers on lines above: **4**

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2: **285,004.**

8a Taxable interest. Attach Schedule B if required: **1,666.**

9a Ordinary dividends. Attach Schedule B if required: **4,805.**

9b Qualified dividends (see page 21): **3,883.**

10 Taxable refunds, credits, or offsets of state and local income taxes: **STMT 1 STMT 3** **0.**

11 Alimony received: **STMT 6**

12 Business income or (loss). Attach Schedule C or C-EZ: **-30,157.**

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here

14 Other gains or (losses). Attach Form 4797

15a IRA distributions: **15a** Taxable amount: **15b**

16a Pensions and annuities: **16a** Taxable amount: **16b**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E: **1,344,886.**

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Social security benefits: **20a** Taxable amount (see page 26): **20b**

21 Other income. List type and amount (see page 28)

22 Add the amounts in the far right column for lines 7 through 21. This is your total income: **1,609,569.**

Adjusted Gross Income

23 Educator expenses (see page 28): **23**

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ: **24**

25 Health savings account deduction. Attach Form 8889: **25**

26 Moving expenses. Attach Form 3903: **26**

27 One-half of self-employment tax. Attach Schedule SE: **27**

28 Self-employed SEP, SIMPLE, and qualified plans: **28**

29 Self-employed health insurance deduction (see page 29): **12,589.**

30 Penalty on early withdrawal of savings: **30**

31a Alimony paid b Recipient's SSN: **31a**

32 IRA deduction (see page 30): **32**

33 Student loan interest deduction (see page 33): **STMT 5** **33**

34 Tuition and fees deduction. Attach Form 8917: **34**

35 Domestic production activities deduction. Attach Form 8903: **35**

36 Add lines 23 through 31a and 32 through 35: **12,589.**

37 Subtract line 36 from line 22. This is your adjusted gross income: **1,596,980.**

Tax and Credits	38	Amount from line 37 (adjusted gross income)	38	1,596,980.
	39a	Check <input type="checkbox"/> You were born before January 2, 1944, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1944, <input type="checkbox"/> Blind. Total boxes checked ...	39a	
	b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here	39b	
	c	Check if standard deduction includes real estate taxes or disaster loss (see page 34)	39c	
	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	95,318.
	41	Subtract line 40 from line 38	41	1,501,662.
	42	If line 38 is over \$119,975, or you provided housing to a Midwestern displaced individual, see page 36. Otherwise, multiply \$3,500 by the total number of exemptions claimed on line 6d	42	9,332.
	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	1,492,330.
	44	Tax. Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	44	492,441.
	45	Alternative minimum tax. Attach Form 6251	45	0.
	46	Add lines 44 and 45	46	492,441.
	47	Foreign tax credit. Attach Form 1116 if required	47	162.
	48	Credit for child and dependent care expenses. Attach Form 2441	48	
	49	Credit for the elderly or the disabled. Attach Schedule R	49	
	50	Education credits. Attach Form 8863	50	
	51	Retirement savings contributions credit. Attach Form 8880	51	
	52	Child tax credit (see page 42). Attach Form 8901 if required	52	
	53	Credits from Form: a <input type="checkbox"/> 8396 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 5695	53	
	54	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
	55	Add lines 47 through 54. These are your total credits	55	162.
	56	Subtract line 55 from line 46. If line 55 is more than line 46, enter -0-	56	492,279.
Other Taxes	57	Self-employment tax. Attach Schedule SE	57	
	58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
	60	Additional taxes: a <input type="checkbox"/> AEIC payments b <input type="checkbox"/> Household employment taxes. Attach Schedule H	60	
	61	Add lines 56 through 60. This is your total tax	61	492,279.
Payments	62	Federal income tax withheld from Forms W-2 and 1099	62	69,843.
	63	2008 estimated tax payments and amount applied from 2007 return	63	50,260.
	64a	Earned income credit (EIC)	64a	
	b	Nontaxable combat pay election	64b	
	65	Excess social security and tier 1 RRTA tax withheld (see page 61)	65	
	66	Additional child tax credit. Attach Form 8812	66	
	67	Amount paid with request for extension to file (see page 61)	67	100,000.
	68	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 4136 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885	68	
	69	First-time homebuyer credit. Attach Form 5405	69	
	70	Recovery rebate credit (see worksheet on pages 62 and 63)	70	
	71	Add lines 62 through 70. These are your total payments	71	220,103.
Refund	72	If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you overpaid	72	
	73a	Amount of line 72 you want refunded to you. If Form 8888 is attached, check here	73a	
	b	Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings d Account number <input type="text"/>		
	74	Amount of line 72 you want applied to your 2009 estimated tax	74	
	75	Amount you owe. Subtract line 71 from line 61. For details on how to pay, see page 65	75	272,176.
You Owe	76	Estimated tax penalty (see page 65)	76	

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see page 66)? Yes. Complete the following. No

Designee's name **PREPARER** Phone no. Personal identification number (PIN)

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation **PHYSICIAN** Daytime phone number

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Preparer's Information

Preparer's signature **AUSTIN M. SHEHEEN** Date **05/29/09** Check if self-employed Preparer's SSN or PTIN **P00186164**

Firm's name (or yours if self-employed), address, and ZIP code **SHEHEEN HANCOCK & GODWIN LLP CPAS** EIN **57-0522539**

PO DRAWER 428 Phone no **803-432-1424**

CAMDEN, SC 29021

** INTEREST NOT INCLUDED 1,825.

** PENALTY NOT INCLUDED 2,722.

**SCHEDULES A&B
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Schedule A - Itemized Deductions
(Schedule B is on page 2)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A&B (Form 1040).

OMB No. 1545-0074

2008

Attachment
Sequence No. 07

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083 64 2427

Medical and Dental Expenses		Caution. Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see page A-1)	1			
2	Enter amount from Form 1040, line 38	2			
3	Multiply line 2 by 7.5% (.075)	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			
Taxes You Paid		5 State and local (check only one box):			
(See page A-2.)		a <input checked="" type="checkbox"/> Income taxes, or		5	33,570.
		b <input type="checkbox"/> General sales taxes			
		SEE STATEMENT 11			
6	Real estate taxes (see page A-5)	6		2,448.	
7	Personal property taxes	7		1,604.	
8	Other taxes. List type and amount	8			
-----		-----			
9	Add lines 5 through 8	9			37,622.
Interest You Paid		10 Home mortgage interest and points reported to you on Form 1098. STMT 13		10	49,234.
(See page A-5.)		11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address		11	
Note.		-----		12	
Personal interest is not deductible.		12 Points not reported to you on Form 1098		12	
		13 Qualified mortgage insurance premiums (See page A-6)		13	
		14 Investment interest. Attach Form 4952 if required. (See page A-6.)		14	
		15 Add lines 10 through 14		15	49,234.
Gifts to Charity		16 Gifts by cash or check SEE STATEMENT 12		16	22,832.
If you made a gift and got a benefit for it, see page A-7.		17 Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500		17	
		18 Carryover from prior year		18	
		19 Add lines 16 through 18		19	22,832.
Casualty and Theft Losses		20 Casualty or theft loss(es). Attach Form 4684. (See page A-8.)		20	
Job Expenses and Certain Miscellaneous Deductions		21 Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.)		21	
(See page A-9.)		22 Tax preparation fees		22	
		23 Other expenses - investment, safe deposit box, etc. List type and amount		23	
		▶ BUSINESS EXPENSES 8,329.		23	8,329.
		-----		24	8,329.
		24 Add lines 21 through 23		24	
		25 Enter amount from Form 1040, line 38 25 1,596,980.		25	
		26 Multiply line 25 by 2% (.02)		26	31,940.
		27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-		27	0.
Other Miscellaneous Deductions		28 Other - from list on page A-10. List type and amount		28	

Total Itemized Deductions		29 Is Form 1040, line 38, over \$159,950 (over \$79,975 if married filing separately)?		29	95,318.
		<input type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.			
		<input checked="" type="checkbox"/> Yes. Your deduction may be limited. See page A-10 for the amount to enter. } STMT 14 ▶			
30 If you elect to itemize deductions even though they are less than your standard deduction, check here		▶ <input type="checkbox"/>			

Name(s) shown on Form 1040. Do not enter name and social security number if shown on page 1.

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083 64 2427

Schedule B - Interest and Ordinary Dividends

Attachment Sequence No. **08**

Part I Interest

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶

BANK OF AMERICA
ING
HSBC BANK

Amount

102.
124.
1,440.

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

2 Add the amounts on line 1 2 **1,666.**
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815 3
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a 4 **1,666.**

Note. If line 4 is over \$1,500, you must complete Part III.

Part II Ordinary Dividends

5 List name of payer ▶ SEE STATEMENT 15

Amount

4,805.

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a 6 **4,805.**

Note. If line 6 is over \$1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes No

7a At any time during 2008, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1 X

b If "Yes," enter the name of the foreign country ▶

8 During 2008, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2 X

827601 11-11-08

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
Attach to Form 1040, 1040NR, or 1041. See Instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2008

Attachment
Sequence No. 09

Name of proprietor: **JAMIE C CURLEY**

Social security number (SSN): **573-73-4698**

A Principal business or profession, including product or service (see page C-3):
HANDMADE CRAFTS

B Enter code from pages C-9, 10, & 11: **999999**

C Business name. If no separate business name, leave blank:
THE RAINN MAKER HANDMADE LLC

D Employer ID number (EIN), if any:

E Business address (including suite or room no.): **401 WOODLAND DRIVE**
City, town or post office, state, and ZIP code: **HARTSVILLE, SC 29550**

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) _____

G Did you "materially participate" in the operation of this business during 2008? If "No," see page C-4 for limit on losses: Yes No

H If you started or acquired this business during 2008, check here:

Part I Income			
1	Gross receipts or sales. Caution. See page C-4 and check the box if: • This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see page C-4 for limit on losses.	<input type="checkbox"/>	1 2,153.
2	Returns and allowances		2
3	Subtract line 2 from line 1		3 2,153.
4	Cost of goods sold (from line 42 on page 2)		4
5	Gross profit. Subtract line 4 from line 3		5 2,153.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4)		6
7	Gross income. Add lines 5 and 6		7 2,153.

Part II Expenses. Enter expenses for business use of your home only on line 30.			
8	Advertising	8	18
9	Car and truck expenses (see page C-5)	9	19
10	Commissions and fees	10	20
11	Contract labor (see page C-5)	11	20a
12	Depreciation	12	20b
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-5)	13	21
14	Employee benefit programs (other than on line 19)	14	22
15	Insurance (other than health)	15	23 79.
16	Interest		24
16a	Mortgage (paid to banks, etc.)	16a	24a
16b	Other	16b 213.	24b
17	Legal and professional services	17	25
18	Office expense	18	26
19	Pension and profit-sharing plans	19	27
20	Rent or lease (see page C-6):		27 32,018.
20a	Vehicles, machinery, and equipment	20a	
20b	Other business property	20b	
21	Repairs and maintenance	21	
22	Supplies (not included in Part III)	22	
23	Taxes and licenses	23	
24	Travel, meals, and entertainment:		
24a	Travel	24a	
24b	Deductible meals and entertainment (see page C-7)	24b	
25	Utilities	25	
26	Wages (less employment credits)	26	
27	Other expenses (from line 48 on page 2)	27	
28	Total expenses before expenses for business use of home. Add lines 8 through 27	28	32,310.
29	Tentative profit or (loss). Subtract line 28 from line 7	29	-30,157.
30	Expenses for business use of your home. Attach Form 8829	30	
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see page C-7). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	-30,157.
32	If you have a loss, check the box that describes your investment in this activity (see page C-8). • If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions on page C-7). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.		

32a All investment is at risk.
32b Some investment is not at risk.

Part III Cost of Goods Sold (see page C-8)

33 Method(s) used to value closing inventory: a [] Cost b [] Lower of cost or market c [] Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation [] Yes [] No

Table with 2 columns: Description (Inventory at beginning of year, Purchases less cost of items withdrawn for personal use, Cost of labor, Materials and supplies, Other costs, Add lines 35 through 39, Inventory at end of year, Cost of goods sold) and Amount (35, 36, 37, 38, 39, 40, 41, 42)

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-5 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) > / /
44 Of the total number of miles you drove your vehicle during 2008, enter the number of miles you used your vehicle for:
a Business b Commuting c Other
45 Was your vehicle available for personal use during off-duty hours? [] Yes [] No
46 Do you (or your spouse) have another vehicle available for personal use? [] Yes [] No
47 a Do you have evidence to support your deduction? [] Yes [] No
b If "Yes," is the evidence written? [] Yes [] No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

Table with 2 columns: Expense Category (TELEPHONE, FAX, MATERIALS AND OTHER EXPENSES) and Amount (1,417., 461., 30,140., 32,018.)

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2008
Attachment
Sequence No. 12

ORVILLE H DYCE & JAMIE C CURLEY

Your social security number

083 64 2427

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) Subtract (e) from (d)
1 FIDELITY EMERGIN MARKETS			6,876.	7,322.	-446.
2 Enter your short-term totals, if any, from Schedule D-1, line 2			2		
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)			3	6,876.	
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions					6 ()
Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					7 -446.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) Subtract (e) from (d)
8 FIDELITY EMERGIN MARKETS			2,918.	3,278.	-360.
9 Enter your long-term totals, if any, from Schedule D-1, line 9			9		
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)			10	2,918.	
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					12
13 Capital gain distributions SEE STATEMENT 16					13 4,171.
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions					14 ()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2					15 3,811.

HA For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions.

Schedule D (Form 1040) 2008

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result</p>	<p>16</p>	<p>3,365.</p>
<p>If line 16 is:</p>		
<ul style="list-style-type: none"> • A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
<p>17 Are lines 15 and 16 both gains? <input checked="" type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>		
<p>18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-8 of the instructions</p>	<p>18</p>	
<p>19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 of the instructions SEE STATEMENT 17 ▶</p>	<p>19</p>	
<p>20 Are lines 18 and 19 both zero or blank? <input checked="" type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet on page D-10 of the instructions. Do not complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:</p> <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) 	<p>21</p>	<p>()</p>
<p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>		
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.</p>		

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2008

Attachment
Sequence No. **13**

...me(s) shown on return

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and address of each rental real estate property:		2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:		Yes	No
A	RENTAL DANIEL ISLAND DRIVE, SC	• 14 days or	• 10% of the total days rented at fair rental value?		X
B					
C					

Income:	Properties			Totals	
	A	B	C	(Add columns A, B, and C.)	
3 Rents received	3	25,775.		3	25,775.
4 Royalties received	4			4	
Expenses:					
5 Advertising	5				
6 Auto and travel (see page E-4)	6				
7 Cleaning and maintenance	7				
8 Commissions	8				
9 Insurance	9	575.			
10 Legal and other professional fees	10	20,430.			
11 Management fees	11				
12 Mortgage interest paid to banks, etc. (see page E-5)	12			12	
13 Other interest	13				
14 Repairs	14				
15 Supplies	15				
16 Taxes	16	4,167.			
17 Utilities	17	10,042.			
18 Other (list) ▶	18				
19 Add lines 5 through 18	19	35,214.		19	35,214.
20 Depreciation expense or depletion (see page E-5)	20	15,153.		20	15,153.
21 Total expenses. Add lines 19 and 20	21	50,367.			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198	22	-24,592.			
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23	0.			
24 Income. Add positive amounts shown on line 22. Do not include any losses	24				0.
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25				0.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26				0.

Name(s) shown on return. Do not enter name and social security number if shown on page 1.

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check column (e) on line 28 and attach Form 6198. See page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? Yes No
If you answered "Yes," see page E-7 before completing this section.

28	(a) Name	(b) Enter P for partnership, S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SOUTH CAROLINA EAR NOSE & THROAT	S		20-2229599	
B	THE BLACKSTONE GROUP	P		20-8875684	
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A			100,000.	1,444,886.
B		0.		
C				
D				
29a Totals				1,444,886.
b Totals			100,000.	
30 Add columns (g) and (i) of line 29a				30 1,444,886.
31 Add columns (f), (h), and (j) of line 29b				31 (100,000.)
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below				32 1,344,886.

Part III Income or Loss From Estates and Trusts

J	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a			35
36 Add columns (c) and (e) of line 34b			36 ()
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below			37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	1,344,886.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code T; and Schedule K-1 (Form 1041), line 14, code F (see page E-8)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see page E-2), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

Form **1116**

Department of the Treasury
Internal Revenue Service (99)

Foreign Tax Credit

(Individual, Estate, or Trust)

▶ Attach to Form 1040, 1040NR, 1041, or 990-T.

OMB No. 1545-0121

2008

Attachment
Sequence No. **19**

.me

Identifying number as shown on page 1 of your tax return

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Use a separate Form 1116 for each category of income listed below. See Categories of Income beginning on page 3 of the instructions. Check only one box on each Form 1116. Report all amounts in U.S. dollars except where specified in Part II below.

- a Passive category income c Section 901(j) income e Lump-sum distributions
 b General category income d Certain income re-sourced by treaty

f Resident of (name of country) ▶ **USA**

Note: If you paid taxes to only one foreign country or U.S. possession, use column A in Part I and line A in Part II. If you paid taxes to more than one foreign country or U.S. possession, use a separate column and line for each country or possession.

Part I Taxable Income or Loss From Sources Outside the United States (for Category Checked Above)

	Foreign Country or U.S. Possession			Total (Add cols. A, B, and C.)
	A	B	C	
0 Enter the name of the foreign country or U.S. possession ▶ VARIOUS				
1a Gross income from sources within country shown above and of the type checked above:	2,121.			2,121.
b Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is \$250,000 or more, and you used an alternative basis to determine its source (see instructions) ▶ <input type="checkbox"/>				
Deductions and losses (Caution: See pages 13 and 14 of the instructions):				
1 Expenses definitely related to the income on line 1a (attach statement)				
3 Pro rata share of other deductions not definitely related:				
a Certain itemized deductions or standard deduction	32,693.			
b Other deductions (attach statement)				
c Add lines 3a and 3b	32,693.			
d Gross foreign source income	2,121.			
e Gross income from all sources	1,668,460.			
f Divide line 3d by line 3e	.001271			
g Multiply line 3c by line 3f	42.			
4 Pro rata share of interest expense:				
a Home mortgage interest (use worksheet on page 14 of the instructions)				
b Other interest expense				
5 Losses from foreign sources				
6 Add lines 2, 3g, 4a, 4b, and 5	42.			42.
7 Subtract line 6 from line 1a. Enter the result here and on line 14, page 2				2,079.

Part II Foreign Taxes Paid or Accrued

Country	Credit is claimed for taxes (you must check one) (h) <input checked="" type="checkbox"/> Paid (i) <input type="checkbox"/> Accrued	Foreign taxes paid or accrued						(r) Other foreign taxes paid or accrued	(s) Total foreign taxes paid or accrued (add cols. (o) through (r))
		In foreign currency			In U.S. dollars				
		(j) Date paid or accrued	(k) Dividends	(l) Rents and royalties	(m) Interest	(n) Other foreign taxes paid or accrued	(o) Dividends		
A								162.	162.
B									
C									
B Add lines A through C, column (s). Enter the total here and on line 9, page 2								162.	162.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **1116** (2008)

Part III Figuring the Credit

9	Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I	9	162.	
10	Carryback or carryover (attach detailed computation)	10		
11	Add lines 9 and 10	11	162.	
12	Reduction in foreign taxes	12		
13	Subtract line 12 from line 11. This is the total amount of foreign taxes available for credit	13		162.
14	Enter the amount from line 7. This is your taxable income or (loss) from sources outside the United States (before adjustments) for the category of income checked above Part I	14	2,079.	
15	Adjustments to line 14	15		
16	Combine the amounts on lines 14 and 15. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 17 through 21. However, if you are filing more than one Form 1116, you must complete line 19.)	16	2,079.	
17	Individuals: Enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 2). If you are a nonresident alien, enter the amount from Form 1040NR, line 38 (minus any amount on Form 8914, line 2). Estates and trusts: Enter your taxable income without the deduction for your exemption SEE STATEMENT 18	17	1,497,520.	
18	Divide line 16 by line 17. If line 16 is more than line 17, enter "1" <i>Caution: If you figured your tax using the lower rates on qualified dividends or capital gains, see instructions.</i>	18		.001388
19	Individuals: Enter the amount from Form 1040, line 44. If you are a nonresident alien, enter the amount from Form 1040NR, line 41. Estates and trusts: Enter the amount from Form 1041, Schedule G, line 1a, or the total of Form 990-T, lines 36 and 37 <i>Caution: If you are completing line 19 for separate category e (lump-sum distributions), see pg. 19 of the instructions.</i>	19		492,441.
20	Multiply line 19 by line 18 (maximum amount of credit)	20		684.
21	Enter the smaller of line 13 or line 20. If this is the only Form 1116 you are filing, skip lines 22 through 26 and enter this amount on line 27. Otherwise, complete the appropriate line in Part IV	21		162.

Part IV Summary of Credits From Separate Parts III

22	Credit for taxes on passive category income	22		
23	Credit for taxes on general category income	23		
24	Credit for taxes on certain income re-sourced by treaty	24		
25	Credit for taxes on lump-sum distributions	25		
26	Add lines 22 through 25	26		
27	Enter the smaller of line 19 or line 26	27		162.
28	Reduction of credit for international boycott operations	28		
29	Subtract line 28 from line 27. This is your foreign tax credit. Enter here and on Form 1040, line 47; Form 1040NR, line 44; Form 1041, Schedule G, line 2a; or Form 990-T, line 40a	29		162.

**ALTERNATIVE MINIMUM TAX
 Foreign Tax Credit**
 (Individual, Estate, or Trust)
 Attach to Form 1040, 1040NR, 1041, or 990-T.

Name: **ORVILLE H DYCE & JAMIE C CURLEY** Identifying number as shown on page 1 of your tax return: **083-64-2427**

Use a separate Form 1116 for each category of income listed below. See Categories of Income beginning on page 3 of the instructions. Check only one box on each Form 1116. Report all amounts in U.S. dollars except where specified in Part II below.

- a Passive category income c Section 901(j) income e Lump-sum distributions
 b General category income d Certain income re-sourced by treaty

f Resident of (name of country) **USA**

Note: If you paid taxes to only one foreign country or U.S. possession, use column A in Part I and line A in Part II. If you paid taxes to more than one foreign country or U.S. possession, use a separate column and line for each country or possession.

Part I Taxable Income or Loss From Sources Outside the United States (for Category Checked Above)

	Foreign Country or U.S. Possession			Total (Add cols. A, B, and C.)
	A	B	C	
g Enter the name of the foreign country or U.S. possession VARIOUS				
1a Gross income from sources within country shown above and of the type checked above:	2,121.			1a 2,121.
b Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is \$250,000 or more, and you used an alternative basis to determine its source (see instructions) <input type="checkbox"/>				
Deductions and losses (Caution: See pages 13 and 14 of the instructions):				
2 Expenses definitely related to the income on line 1a (attach statement)				
3 Pro rata share of other deductions not definitely related:				
a Certain itemized deductions or standard deduction				
b Other deductions (attach statement)				
c Add lines 3a and 3b				
d Gross foreign source income	2,121.			
e Gross income from all sources	1,668,618.			
f Divide line 3d by line 3e	.001271			
g Multiply line 3c by line 3f				
4 Pro rata share of interest expense:				
a Home mortgage interest (use worksheet on page 14 of the instructions)				
b Other interest expense				
5 Losses from foreign sources				
6 Add lines 2, 3g, 4a, 4b, and 5				6
7 Subtract line 6 from line 1a. Enter the result here and on line 14, page 2				7 2,121.

Part II Foreign Taxes Paid or Accrued

Country	Credit is claimed for taxes (you must check one) (h) <input checked="" type="checkbox"/> Paid (i) <input type="checkbox"/> Accrued	Foreign taxes paid or accrued						(r) Other foreign taxes paid or accrued	(s) Total foreign taxes paid or accrued (add cols. (o) through (r))
		In foreign currency			In U.S. dollars				
		(j) Date paid or accrued	(k) Dividends	(l) Rents and royalties	(m) Interest	(n) Other foreign taxes paid or accrued	(o) Dividends		
A								162.	162.
B									
C									

8 Add lines A through C, column (s). Enter the total here and on line 9, page 2 **162.**

LHA For Paperwork Reduction Act Notice, see separate instructions.

ALTERNATIVE MINIMUM TAX

Part III Figuring the Credit			
9 Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I	9	162.	
10 Carryback or carryover (attach detailed computation)	10		
11 Add lines 9 and 10	11	162.	
12 Reduction in foreign taxes	12		
13 Subtract line 12 from line 11. This is the total amount of foreign taxes available for credit	13	162.	
14 Enter the amount from line 7. This is your taxable income or (loss) from sources outside the United States (before adjustments) for the category of income checked above Part I	14	2,121.	
15 Adjustments to line 14	15		
16 Combine the amounts on lines 14 and 15. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 17 through 21. However, if you are filing more than one Form 1116, you must complete line 19.)	16	2,121.	
17 Individuals: Enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 2). If you are a nonresident alien, enter the amount from Form 1040NR, line 38 (minus any amount on Form 8914, line 2). Estates and trusts: Enter your taxable income without the deduction for your exemption SEE STATEMENT 19	17	1,520,629.	
<i>Caution: If you figured your tax using the lower rates on qualified dividends or capital gains, see instructions.</i>			
18 Divide line 16 by line 17. If line 16 is more than line 17, enter "1"	18	.001395	
19 Individuals: Enter the amount from Form 1040, line 44. If you are a nonresident alien, enter the amount from Form 1040NR, line 41. Estates and trusts: Enter the amount from Form 1041, Schedule G, line 1a, or the total of Form 990-T, lines 36 and 37	19	422,276.	
<i>Caution: If you are completing line 19 for separate category e (lump-sum distributions), see pg. 19 of the instructions.</i>			
20 Multiply line 19 by line 18 (maximum amount of credit)	20	589.	
21 Enter the smaller of line 13 or line 20. If this is the only Form 1116 you are filing, skip lines 22 through 26 and enter this amount on line 27. Otherwise, complete the appropriate line in Part IV	21	162.	
Part IV Summary of Credits From Separate Parts III			
22 Credit for taxes on passive category income	22		
23 Credit for taxes on general category income	23		
24 Credit for taxes on certain income re-sourced by treaty	24		
25 Credit for taxes on lump-sum distributions	25		
26 Add lines 22 through 25	26		
27 Enter the smaller of line 19 or line 26	27	162.	
28 Reduction of credit for international boycott operations	28		
29 Subtract line 28 from line 27. This is your foreign tax credit. Enter here and on Form 1040, line 47; Form 1040NR, line 44; Form 1041, Schedule G, line 2a; or Form 990-T, line 40a	29	162.	

Nondeductible IRAs

▶ See separate instructions.

▶ Attach to Form 1040, Form 1040A, or Form 1040NR.

Time. If married, file a separate form for each spouse required to file Form 8606. See page 5 of the instructions.

Your social security number
573 73 4698

JAMIE C CURLEY

Fill in Your Address Only
If You Are Filing This
Form by Itself and Not
With Your Tax Return

Home address (number and street, or P.O. box if mail is not delivered to your home)

Apt. no.

City, town or post office, state, and ZIP code

Part I Nondeductible Contributions to Traditional IRAs and Distributions From Traditional, SEP, and SIMPLE IRAs

Complete this part only if one or more of the following apply.

- You made nondeductible contributions to a traditional IRA for 2008.
- You took distributions from a traditional, SEP, or SIMPLE IRA in 2008 and you made nondeductible contributions to a traditional IRA in 2008 or an earlier year. For this purpose, a distribution does not include a rollover (other than a repayment of a qualified disaster recovery assistance distribution), qualified charitable distribution, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You converted part, but not all, of your traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2008 (excluding any portion you recharacterized) and you made nondeductible contributions to a traditional IRA in 2008 or an earlier year.

1	Enter your nondeductible contributions to traditional IRAs for 2008, including those made for 2008 from January 1, 2009, through April 15, 2009 (see page 5 of the instructions)	1						
2	Enter your total basis in traditional IRAs (see page 6 of the instructions)	2	3,250.					
3	Add lines 1 and 2	3	3,250.					
<table border="1"> <tr> <td rowspan="2">In 2008, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?</td> <td>No</td> <td>Enter the amount from line 3 on line 14. Do not complete the rest of Part I.</td> </tr> <tr> <td>Yes</td> <td>Go to line 4.</td> </tr> </table>				In 2008, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?	No	Enter the amount from line 3 on line 14. Do not complete the rest of Part I.	Yes	Go to line 4.
In 2008, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?	No	Enter the amount from line 3 on line 14. Do not complete the rest of Part I.						
	Yes	Go to line 4.						
4	Enter those contributions included on line 1 that were made from January 1, 2009, through April 15, 2009	4						
5	Subtract line 4 from line 3	5						
6	Enter the value of all your traditional, SEP, and SIMPLE IRAs as of December 31, 2008, plus any outstanding rollovers. Subtract any repayments of qualified disaster recovery assistance distributions. If the result is zero or less, enter -0- (see page 6 of the instructions)	6						
7	Enter your distributions from traditional, SEP, and SIMPLE IRAs in 2008. Do not include rollovers (other than repayments of qualified disaster recovery assistance distributions), qualified charitable distributions, a one-time distribution to fund an HSA, conversions to a Roth IRA, certain returned contributions, or recharacterizations of traditional IRA contributions (see page 6 of the instructions)	7						
8	Enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2008. Do not include amounts converted that you later recharacterized (see pg. 7 of the instr.). Also enter this amount on line 16	8						
9	Add lines 6, 7, and 8	9						
10	Divide line 5 by line 9. Enter the result as a decimal rounded to at least 3 places. If the result is 1.000 or more, enter "1.000"	10	x					
11	Multiply line 8 by line 10. This is the nontaxable portion of the amount you converted to Roth IRAs. Also enter this amount on line 17	11						
12	Multiply line 7 by line 10. This is the nontaxable portion of your distributions that you did not convert to a Roth IRA	12						
13	Add lines 11 and 12. This is the nontaxable portion of all your distributions	13						
14	Subtract line 13 from line 3. This is your total basis in traditional IRAs for 2008 and earlier years	14	3,250.					
15 a	Subtract line 12 from line 7	15a						
b	Amount on line 15a attributable to qualified disaster recovery assistance distributions (see page 7 of the instructions). Also enter this amount on Form 8930, line 13	15b						
c	Taxable amount. Subtract line 15b from line 15a. If more than zero, also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b	15c						
<p>Note: You may be subject to an additional 10% tax on the amount on line 15c if you were under age 59 1/2 at the time of the distribution (see page 7 of the instructions).</p>								

Part II 2008 Conversions From Traditional, SEP, or SIMPLE IRAs to Roth IRAs

Complete this part if you converted part or all of your traditional, SEP, and SIMPLE IRAs to a Roth IRA in 2008 (excluding any portion you recharacterized).

Caution: If your modified adjusted gross income is over \$100,000 or you are married filing separately and you lived with your spouse at any time in 2008, you cannot convert any amount from traditional, SEP, or SIMPLE IRAs to Roth IRAs for 2008. If you erroneously made a conversion, you must recharacterize (correct) it (see page 7 of the instructions).

<p>16 If you completed Part I, enter the amount from line 8. Otherwise, enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2008. Do not include amounts you later recharacterized back to traditional, SEP, or SIMPLE IRAs in 2008 or 2009 (see page 7 of the instructions)</p>	<p>16</p>	
<p>17 If you completed Part I, enter the amount from line 11. Otherwise, enter your basis in the amount on line 16 (see page 7 of the instructions)</p>	<p>17</p>	
<p>18 Taxable amount. Subtract line 17 from line 16. Also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b</p>	<p>18</p>	

Part III Distributions From Roth IRAs

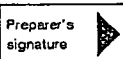
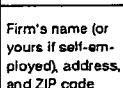
Complete this part only if you took a distribution from a Roth IRA in 2008. For this purpose, a distribution does not include a rollover (other than a repayment of a qualified disaster recovery assistance distribution), qualified charitable distribution, one-time distribution to fund an HSA, recharacterization, or return of certain contributions (see page 7 of the instructions).

<p>19 Enter your total nonqualified distributions from Roth IRAs in 2008 including any qualified first-time homebuyer distributions (see page 7 of the instructions)</p>	<p>19</p>	
<p>20 Qualified first-time homebuyer expenses (see page 7 of the instructions). Do not enter more than \$10,000</p>	<p>20</p>	
<p>21 Subtract line 20 from line 19. If zero or less, enter -0- and skip lines 22 through 25</p>	<p>21</p>	
<p>22 Enter your basis in Roth IRA contributions (see page 8 of the instructions)</p>	<p>22</p>	
<p>23 Subtract line 22 from line 21. If zero or less, enter -0- and skip lines 24 and 25. If more than zero, you may be subject to an additional tax (see page 8 of the instructions)</p>	<p>23</p>	
<p>24 Enter your basis in conversions from traditional, SEP, and SIMPLE IRAs and rollovers from qualified retirement plans to a Roth IRA (see page 8 of the instructions)</p>	<p>24</p>	
<p>25 a Subtract line 24 from line 23. If zero or less, enter -0- and skip lines 25b and 25c</p>	<p>25a</p>	
<p>b Amount on line 25a attributable to qualified disaster recovery assistance distributions (see page 8 of the instructions). Also enter this amount on Form 8930, line 14</p>	<p>25b</p>	
<p>c Taxable amount. Subtract line 25b from line 25a. If more than zero, also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b</p>	<p>25c</p>	

Sign Here Only If You Are Filing This Form by Itself and Not With Your Tax Return

Under penalties of perjury, I declare that I have examined this form, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

 Your signature
  Date

<p>Paid Preparer's Use Only</p>	<p>Preparer's signature </p>	<p>Date</p>	<p>Check if self-employed <input type="checkbox"/></p>	<p>Preparer's SSN or PTIN</p>
	<p>Firm's name (or yours if self-employed), address, and ZIP code </p>	<p>EIN</p>	<p>Phone no.</p>	

Depreciation and Amortization
(Including Information on Listed Property) SUMMARY

▶ See separate instructions. ▶ Attach to your tax return.

ORVILLE H DYCE & JAMIE C CURLEY	Business or activity to which this form relates ALL BUSINESS ACTIVITIES	Identifying number 083-64-2427
--	---	--

Part I Election To Expense Certain Property Under Section 179 *Note: If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000.															
2 Total cost of section 179 property placed in service (see instructions)	2	0.															
3 Threshold cost of section 179 property before reduction in limitation	3	800,000.															
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.															
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	250,000.															
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">6 (a) Description of property</th> <th style="width:25%;">(b) Cost (business use only)</th> <th style="width:25%;">(c) Elected cost</th> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td colspan="2">TOTAL ALLOWABLE PASS-THROUGH SECTION 179 EXPENSE</td> <td style="text-align: right;">100,000.</td> </tr> </table>			6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost										TOTAL ALLOWABLE PASS-THROUGH SECTION 179 EXPENSE		100,000.
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost															
TOTAL ALLOWABLE PASS-THROUGH SECTION 179 EXPENSE		100,000.															
7 Listed property. Enter the amount from line 29	7																
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	100,000.															
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	100,000.															
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10																
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	250,000.															
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	100,000.															
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	▶ 13																

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Passive Activity Loss Limitations

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

Name(s) shown on return ORVILLE H DYCE & JAMIE C CURLEY	Identifying number 083-64-2427
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Part I 2008 Passive Activity Loss Caution: Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see Special Allowance for Rental Real Estate Activities on page 3 of the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))	1a		
1b Activities with net loss (enter the amount from Worksheet 1, column (b))	1b		
1c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	1c		
1d Combine lines 1a, 1b, and 1c			1d

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a)	2a		
2b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)	2b		
2c Add lines 2a and 2b			2c

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a))	3a		
3b Activities with net loss (enter the amount from Worksheet 3, column (b))	3b	-24,592.	
3c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))	3c	-25,893.	
3d Combine lines 3a, 3b, and 3c			-50,485.

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used			-50,485.
4			-50,485.

- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 8 of the instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4	5		
6 Enter \$150,000. If married filing separately, see the instructions	6		
7 Enter modified adjusted gross income, but not less than zero (see the instr.)	7		
Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.			
8 Subtract line 7 from line 6	8		
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see the instructions			9
10 Enter the smaller of line 5 or line 9			10
If line 2c is a loss, go to Part III. Otherwise, go to line 15.			

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II on page 8 of the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions	11		
12 Enter the loss from line 4	12		
13 Reduce line 12 by the amount on line 10	13		
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13	14		

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total	15		
16 Total losses allowed from all passive activities for 2008. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return		SEE STATEMENT 24	0.
16			0.

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.

Worksheet 1 - For Form 8582, Lines 1a, 1b, and 1c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 1a, 1b, and 1c					

Worksheet 2 - For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b			

Worksheet 3 - For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
SEE ATTACHED STATEMENT FOR WORKSHEET 3					
Total. Enter on Form 8582, lines 3a, 3b, and 3c		-24,592.	-25,893.		

Worksheet 4 - Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Total					

Worksheet 5 - Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
SEE ATTACHED STATEMENT FOR WORKSHEET 5				
Total		50,485.	1.000000000	50,485.

Worksheet 6 - Allowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
SEE ATTACHED STATEMENT FOR WORKSHEET 6				
Total		50,485.	50,485.	

Worksheet 7 - Activities With Losses Reported on Two or More Forms or Schedules (See instructions.)

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Total					

ALTERNATIVE MINIMUM TAX

Passive Activity Loss Limitations

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1041.

OMB No. 1545-1008

2008

Attachment
 Sequence No. **88**

Name(s) shown on return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Part I 2008 Passive Activity Loss Caution: Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see Special Allowance for Rental Real Estate Activities on page 3 of the instructions.)

1a	Activities with net income (enter the amount from Worksheet 1, column (a))		
1b	Activities with net loss (enter the amount from Worksheet 1, column (b))		
1c	Prior years unallowed losses (enter the amount from Worksheet 1, column (c))		
1d	Combine lines 1a, 1b, and 1c		

Commercial Revitalization Deductions From Rental Real Estate Activities

2a	Commercial revitalization deductions from Worksheet 2, column (a)		
2b	Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)		
2c	Add lines 2a and 2b		

All Other Passive Activities

3a	Activities with net income (enter the amount from Worksheet 3, column (a))		
3b	Activities with net loss (enter the amount from Worksheet 3, column (b))	-24,592.	
3c	Prior years unallowed losses (enter the amount from Worksheet 3, column (c))	-25,893.	
3d	Combine lines 3a, 3b, and 3c		-50,485.

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used

- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 8 of the instructions for an example.

5	Enter the smaller of the loss on line 1d or the loss on line 4		5
6	Enter \$150,000. If married filing separately, see the instructions		6
7	Enter modified adjusted gross income, but not less than zero (see the instr.)		7
8	Subtract line 7 from line 6		8
9	Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see the instructions		9
10	Enter the smaller of line 5 or line 9		10

Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II on page 8 of the instructions.

11	Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions		11
12	Enter the loss from line 4		12
13	Reduce line 12 by the amount on line 10		13
14	Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13		14

Part IV Total Losses Allowed

15	Add the income, if any, on lines 1a and 3a and enter the total		15
16	Total losses allowed from all passive activities for 2008. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return	SEE STATEMENT 28	16

0.

ALTERNATIVE MINIMUM TAX

Form 8582 (2008) **ORVILLE H DYCE & JAMIE C CURLEY**

083-64-2427 Page 2

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.

Worksheet 1 - For Form 8582, Lines 1a, 1b, and 1c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 1a, 1b, and 1c					

Worksheet 2 - For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b			

Worksheet 3 - For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
SEE ATTACHED STATEMENT FOR WORKSHEET 3					
Total. Enter on Form 8582, lines 3a, 3b, and 3c		-24,592.	-25,893.		

Worksheet 4 - Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Total					

Worksheet 5 - Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
SEE ATTACHED STATEMENT FOR WORKSHEET 5				
Total		50,485.	1.000000000	50,485.

ALTERNATIVE MINIMUM TAX

Worksheet 6 - Allowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
SEE ATTACHED STATEMENT FOR WORKSHEET 6				
Total		50,485.	50,485.	

Worksheet 7 - Activities With Losses Reported on Two or More Forms or Schedules (See instructions.)

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Total					

Form 1116

U.S. and Foreign Source Income Summary

NAME

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

INCOME TYPE	TOTAL	U.S.	FOREIGN GENERAL
Compensation	285,004.	285,004.	
Dividends/Distributions	4,805.	4,805.	
Interest	1,666.	1,666.	
Capital Gains	4,171.	4,171.	
Business/Profession	2,153.	2,153.	
Rent/Royalty	25,775.	25,775.	
State/Local Refunds			
Partnership/S Corporation	1,344,886.	1,344,886.	
Trust/Estate			
Other Income		-2,121.	2,121.
Gross Income	<u>1,668,460.</u>	<u>1,666,339.</u>	<u>2,121.</u>
Less:			
Section 911 Exclusion			
Capital Losses	806.	806.	
Capital Gains Tax Adjustment			
Total Income - Form 1116	<u>1,667,654.</u>	<u>1,665,533.</u>	<u>2,121.</u>
Deductions:			
Business/Profession Expenses	32,310.	32,310.	
Rent/Royalty Expenses	25,775.	25,775.	
Partnership/S Corporation Losses			
Trust/Estate Losses			
Capital Losses			
Non-capital Losses			
Individual Retirement Account			
Moving Expenses			
Self-employment Tax Deduction			
Self-employment Health Insurance	12,589.	12,589.	
Keogh Contributions			
Alimony			
Forfeited Interest			
Foreign Housing Deduction			
Other Adjustments			
Capital Gains Tax Adjustment			
Total Deductions	<u>70,674.</u>	<u>70,674.</u>	
Adjusted Gross Income	<u>1,596,980.</u>	<u>1,594,859.</u>	<u>2,121.</u>
Less Itemized Deductions:			
Specifically Allocated	19,841.	19,841.	
Home Mortgage Interest	42,784.	42,784.	
Other Interest			
Ratably Allocated	32,693.	32,651.	42.
Total Adjustments to Adjusted Gross Income	<u>95,318.</u>	<u>95,276.</u>	<u>42.</u>
Taxable Income Before Exemptions	<u>1,501,662.</u>	<u>1,499,583.</u>	<u>2,079.</u>

Form 1116

Allocation of Itemized Deductions

NAME

RVILLE H DYCE & JAMIE C CURLEY

083-64-2427

	Total Itemized Deductions	Itemized Deductions After Sec. 68 Reduction	Form 1116		
			Specifically U.S.	Specifically Foreign	Ratable
Taxes	37,622.	32,693.			32,693.
Interest - Not Including Investment Interest	49,234.	42,784.	42,784.		
Contributions	22,832.	19,841.	19,841.		
Miscellaneous Deductions Subject to 2%					
Other Miscellaneous Deductions - Not Including Gambling Losses					
Foreign Adjustment					
Total Itemized Deductions Subject to Sec. 68	109,688.	95,318.			
Add Itemized Deductions Not Subject to Sec. 68:					
Medical/Dental					
Investment Interest					
Post Aug. 27 Contributions					
Casualty Losses					
Gambling Losses					
Foreign Adjustment					
Total Itemized Deductions	109,688.				
Total Allowed on Schedule A		95,318.	62,625.		32,693.

NAME

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Foreign Income Category

GENERAL LIMITATION INCOME

Regular

	2005	2006	2007	2008
1. Foreign tax paid/accrued				162.
2. FTC carryback to 2008				
for amended returns				
3. Reduction allocated to excluded income				
4. Foreign tax available				162.
5. Maximum credit allowable				684.
6. Unused foreign tax (+)				
or excess of limit (-)				-522.
7. Foreign tax carryback				
8. Foreign tax carryforward				
9. Less treaty adjustment				
10. Foreign tax or excess limit remaining				-522.
Total foreign taxes from all available years to be carried to next year				

	2001	2002	2003	2004
1. Foreign tax paid/accrued				
2. FTC carryback to 2008				
for amended returns				
3. Reduction allocated to excluded income				
4. Foreign tax available				
5. Maximum credit allowable				
6. Unused foreign tax (+)				
or excess of limit (-)				
7. Foreign tax carryback				
8. Foreign tax carryforward				
9. Less treaty adjustment				
10. Foreign tax or excess limit remaining				

	2000	1999
1. Foreign tax paid/accrued		
2. FTC carryback to 2008		
for amended returns		
3. Reduction allocated to excluded income		
4. Foreign tax available		
5. Maximum credit allowable		
6. Unused foreign tax (+)		
or excess of limit (-)		
7. Foreign tax carryback		
8. Foreign tax carryforward		
9. Less treaty adjustment		
10. Foreign tax or excess limit remaining		

NAME

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Foreign Income Category

GENERAL LIMITATION INCOME

Alternative Minimum Tax

	2005	2006	2007	2008
1. Foreign tax paid/accrued				162.
2. FTC carryback to 2008				
for amended returns				
3. Reduction allocated to excluded income				
4. Foreign tax available				162.
5. Maximum credit allowable				589.
6. Unused foreign tax (+)				
or excess of limit (-)				-427.
7. Foreign tax carryback				
8. Foreign tax carryforward				
9. Less treaty adjustment				
10. Foreign tax or excess limit remaining				-427.
Total foreign taxes from all available years to be carried to next year				

	2001	2002	2003	2004
1. Foreign tax paid/accrued				
2. FTC carryback to 2008				
for amended returns				
3. Reduction allocated to excluded income				
4. Foreign tax available				
5. Maximum credit allowable				
6. Unused foreign tax (+)				
or excess of limit (-)				
7. Foreign tax carryback				
8. Foreign tax carryforward				
9. Less treaty adjustment				
10. Foreign tax or excess limit remaining				

	2000	1999
1. Foreign tax paid/accrued		
2. FTC carryback to 2008		
for amended returns		
3. Reduction allocated to excluded income		
4. Foreign tax available		
5. Maximum credit allowable		
6. Unused foreign tax (+)		
or excess of limit (-)		
7. Foreign tax carryback		
8. Foreign tax carryforward		
9. Less treaty adjustment		
10. Foreign tax or excess limit remaining		

FORM 1040	STATE AND LOCAL INCOME TAX REFUNDS		STATEMENT 1
	2007	2006	2005
GROSS STATE/LOCAL INC TAX REFUNDS	1,607.		
LESS: TAX PAID IN FOLLOWING YEAR	82.		
NET TAX REFUNDS SOUTH CAROLINA	1,525.		
TOTAL NET TAX REFUNDS	1,525.		

1. IS THE AMOUNT ON FORM 1040, LINE 38, MORE THAN THE AMOUNT SHOWN ON LINE 4 BELOW FOR YOUR FILING STATUS?

NO. STOP. MULTIPLY \$3,500 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON FORM 1040, LINE 6D, AND ENTER THE RESULT ON LINE 42.

YES. CONTINUE

2. MULTIPLY \$3,500 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON FORM 1040, LINE 6D 14,000.

3. ENTER THE AMOUNT FROM FORM 1040, LINE 38 1,596,980.

4. ENTER THE AMOUNT FOR YOUR FILING STATUS 239,950.

- SINGLE \$159,950
- MARRIED FILING JOINTLY OR WIDOW(ER) \$239,950
- MARRIED FILING SEPARATELY \$119,975
- HEAD OF HOUSEHOLD \$199,950

5. SUBTRACT LINE 4 FROM LINE 3 1,357,030.

6. IS LINE 5 MORE THAN \$122,500 (\$61,250 IF MARRIED FILING SEPARATELY)?

[X] YES. MULTIPLY \$2,333 BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON FORM 1040, LINE 6D. ENTER THE RESULT HERE AND ON FORM 1040, LINE 42. DO NOT COMPLETE THE REST OF THIS WORKSHEET.

[] NO. DIVIDE LINE 5 BY \$2,500 (\$1,250 IF MARRIED FILING SEPARATELY). IF THE RESULT IS NOT A WHOLE NUMBER, INCREASE IT TO THE NEXT WHOLE NUMBER (FOR EXAMPLE, INCREASE 0.0004 TO 1) 9,332.

7. MULTIPLY LINE 6 BY 2% (.02) AND ENTER THE RESULT AS A DECIMAL

8. MULTIPLY LINE 2 BY LINE 7

9. DIVIDE LINE 8 BY 3

10. SUBTRACT LINE 9 FROM LINE 2. TOTAL TO FORM 1040, LINE 42.

FORM 1040	TAXABLE STATE AND LOCAL INCOME TAX REFUNDS		STATEMENT 3
	2007	2006	2005
1 NET TAX REFUNDS FROM STATE AND LOCAL INCOME TAX REFUNDS STMT.	1,525.		
2 LESS: REFUNDS-NO BENEFIT DUE TO AMT -SALES TAX BENEFIT REDUCTION	1,525.		
3 NET REFUNDS FOR RECALCULATION			
4 TOTAL ITEMIZED DEDUCTIONS BEFORE PHASEOUT	50,929.		
5 DEDUCTION NOT SUBJ TO PHASEOUT			
6 NET REFUNDS FROM LINE 1			
7 LINE 2 MINUS LINES 3 AND 4	50,929.		
8 MULT LN 5 BY APPL SEC. 68 PCT	27,162.		
9 PRIOR YEAR AGI	376,274.		
10 ITEM. DED. PHASEOUT THRESHOLD	156,400.		
11 SUBTRACT LINE 8 FROM LINE 7 (IF ZERO OR LESS, SKIP LINES 10 THROUGH 15, AND ENTER AMOUNT FROM LINE 1 ON LINE 16)	219,874.		
12 MULT LN 9 BY APPL SEC. 68 PCT	4,397.		
13 ALLOWABLE ITEMIZED DEDUCTIONS (LINE 5 LESS THE LESSER OF LINE 6 OR LINE 10)	46,532.		
14 ITEM DED. NOT SUBJ TO PHASEOUT			
15A TOTAL ADJ. ITEMIZED DEDUCTIONS	46,532.		
15B PRIOR YR. STD. DED. AVAILABLE	10,700.		
16 PRIOR YR. ALLOWABLE ITEM. DED.	46,532.		
17 SUBTRACT THE GREATER OF LINE 15A OR LINE 15B FROM LINE 16			
18 TAXABLE REFUNDS (LESSER OF LINE 17 OR LINE 1)			
19 ALLOWABLE PRIOR YR. ITEM. DED.	46,532.		
20 PRIOR YEAR STD. DED. AVAILABLE	10,700.		
21 SUBTRACT LINE 20 FROM LINE 19	35,832.		
22 LESSER OF LINE 18 OR LINE 21			
23 PRIOR YEAR TAXABLE INCOME	326,343.		
24 AMOUNT TO INCLUDE ON FORM 1040, LINE 10			
* IF LINE 21 IS -0- OR MORE, USE AMOUNT FROM LINE 20			
* IF LINE 21 IS A NEGATIVE AMOUNT, NET LINES 20 AND 21			0.
STATE AND LOCAL INCOME TAX REFUNDS PRIOR TO 2005			
TOTAL TO FORM 1040, LINE 10			0.

FORM 1040 TAX-EXEMPT INTEREST STATEMENT 4

<u>NAME OF PAYER</u>	<u>AMOUNT</u>
FIDELITY	2,313.
TOTAL TO FORM 1040, LINE 8B	2,313.

FORM 1040	STUDENT LOAN INTEREST DEDUCTION	STATEMENT 5
1.	ENTER THE TOTAL INTEREST PAID IN 2008 ON QUALIFIED STUDENT LOANS. DO NOT ENTER MORE THAN \$2,500	2,500.
2.	ENTER THE AMOUNT FROM FORM 1040, LINE 22	1,609,569.
3.	ENTER THE TOTAL OF THE AMOUNTS FROM FORM 1040, LINES 23 THROUGH 32 PLUS ANY WRITE-IN ADJUSTMENTS YOU ENTERED ON THE DOTTED LINE NEXT TO LINE 36	12,589.
4.	SUBTRACT LINE 3 FROM LINE 2	1,596,980.
5.	ENTER THE AMOUNT SHOWN BELOW FOR YOUR FILING STATUS. * SINGLE, HEAD OF HOUSEHOLD, OR QUALIFYING WIDOW(ER)-\$55,000 * MARRIED FILING JOINTLY-\$115,000	115,000.
5.	IS THE AMOUNT ON LINE 4 MORE THAN THE AMOUNT ON LINE 5? [] NO. SKIP LINES 6 AND 7, ENTER -0- ON LINE 8, AND GO TO LINE 9 [X] YES. SUBTRACT LINE 5 FROM LINE 4	1,481,980.
7.	DIVIDE LINE 6 BY \$15,000 (\$30,000 IF MARRIED FILING JOINTLY). ENTER THE RESULT AS A DECIMAL (ROUNDED TO AT LEAST THREE PLACES). IF THE RESULT IS 1.000 OR MORE, ENTER 1.000 . . .	1.000
3(MULTIPLY LINE 1 BY LINE 7.	2,500.
9.	STUDENT LOAN INTEREST DEDUCTION. SUBTRACT LINE 8 FROM LINE 1. ENTER THE RESULT HERE AND ON FORM 1040, LINE 33 . .	0.

FORM 1040 REFUNDS ATTRIBUTABLE TO EST. TAX PAID FOLLOWING YR STATEMENT 6

	2007	STATE REFUND	AMOUNT SUBTRACTED FROM TAXABLE REFUND
	SOUTH CAROLINA		
STATE TAX PAID IN FOLLOW YEAR	1,180.		
	-----X	1,607. =	82.
TOTAL STATE TAX PAID 2007	23,043.		=====

FORM 1040 WAGES RECEIVED AND TAXES WITHHELD STATEMENT 7

EMPLOYER'S NAME	AMOUNT PAID	FEDERAL TAX WITHHELD	STATE TAX WITHHELD	CITY SDI TAX W/H	FICA TAX	MEDICARE TAX
KERSHAW ENT	285,004.	69,843.	19,545.		6,324.	4,357.
TOTALS	285,004.	69,843.	19,545.		6,324.	4,357.

FORM 1040 QUALIFIED DIVIDENDS STATEMENT 8

NAME OF PAYER	ORDINARY DIVIDENDS	QUALIFIED DIVIDENDS
AMERITRADE	44.	44.
AMERITRADE	172.	172.
CGM FOCUS FUND	164.	164.
CGM REALTY FD	339.	20.
DODGE & COX FUNDS	401.	379.
FIDELITY INDEPENDENCE	56.	56.
FIDELITY SELECT ENERGY	2.	2.
FIDELITY SELECT MEDICAL	216.	216.
FIDELITY LEVERAGE	114.	114.
JANUS CONTRARIAN	83.	83.
JANUS PERKINS MID	125.	125.
JANUS ORION	80.	78.
T ROWE PRICE EMERG. & MED	289.	289.
T ROWE PRICE CAPITAL APP.	322.	235.
T ROWE PRICE MEDIA AND TEL.	291.	73.
T ROWE PRICE NEW ASIA	379.	379.
T ROWE PRICE NEW ERA	178.	178.
VANGUARD FUNDS INT	35.	35.
VANGUARD FUNDS WINDSOR II	181.	181.
VANGUARD FUNDS INT'L GROWTH	337.	252.

WANGUARD FUNDS GLOBAL	487.	356.
WANGUARD FUNDS PRIME CAP	96.	96.
POWER PRICE SMALL CAP	247.	190.
POWER PRICE LATIN AMERICA	166.	166.
TOTAL INCLUDED IN FORM 1040, LINE 9B		<u>3,883.</u>

FORM 1040 LATE PAYMENT INTEREST STATEMENT 9

DESCRIPTION	DATE	AMOUNT	BALANCE	RATE	DAYS	INTEREST
TAX DUE	04/15/09	372,176.	372,176.	.0400		
FORM 4868 PAYMENT	04/15/09	-100,000.	272,176.	.0400	61	1,825.
DATE FILED	06/15/09		274,001.			
TOTAL LATE PAYMENT INTEREST						<u>1,825.</u>

FORM 1040 LATE PAYMENT PENALTY STATEMENT 10

DESCRIPTION	DATE	AMOUNT	BALANCE	MONTHS	PENALTY
TAX DUE	04/15/09	372,176.	372,176.		
FORM 4868 PAYMENT	04/15/09	-100,000.	272,176.	2	2,722.
DATE FILED	06/15/09				
TOTAL LATE PAYMENT PENALTY					<u>2,722.</u>

SCHEDULE A STATE AND LOCAL INCOME TAXES STATEMENT 11

DESCRIPTION	AMOUNT
KERSHAW ENT	19,545.
SOUTH CAROLINA 1ST QTR ESTIMATE PAYMENTS	5,000.
SOUTH CAROLINA 2ND QTR ESTIMATE PAYMENTS	5,000.
SOUTH CAROLINA 3RD QTR ESTIMATE PAYMENTS	1,320.
SOUTH CAROLINA PRIOR YEAR OVERPAYMENT APPLIED	1,607.
SOUTH CAROLINA PRIOR YEAR ESTIMATE PAYMENTS	1,180.
REDUCTION OF STATE TAX DEDUCTION - STATE REFUNDS	-82.
TOTAL TO SCHEDULE A, LINE 5	<u>33,570.</u>

SCHEDULE A CASH CONTRIBUTIONS STATEMENT 12

DESCRIPTION	AMOUNT 100% LIMIT	AMOUNT 50% LIMIT	AMOUNT 30% LIMIT
MISCELLANEOUS FROM K-1 - SOUTH CAROLINA EAR NOSE & THROAT		15,434.	
		7,398.	
SUBTOTALS		22,832.	
TOTAL TO SCHEDULE A, LINE 16			22,832.

SCHEDULE A MORTGAGE INTEREST AND POINTS REPORTED ON FORM 1098 STATEMENT 13

DESCRIPTION	AMOUNT
HOME MORTGAGE INTEREST PAID TO A FINANCIAL INSTITUTION	48,034.
DEDUCTIBLE POINTS	1,200.
TOTAL TO SCHEDULE A, LINE 10	49,234.

SCHEDULE A	ITEMIZED DEDUCTIONS WORKSHEET	STATEMENT 14
1.	ENTER THE TOTAL OF THE AMOUNTS FROM SCHEDULE A, LINES 4, 9, 15, 19, 20, 27, AND 28	109,688.
2.	ENTER THE TOTAL OF THE AMOUNTS FROM SCHEDULE A, LINES 4, 14, AND 20, PLUS ANY GAMBLING AND CASUALTY OR THEFT LOSSES INCLUDED ON LINE 28. ALSO INCLUDE IN THE TOTAL ANY AMOUNT INCLUDED ON SCHEDULE A, LINE 16, THAT YOU ELECTED TO TREAT AS QUALIFIED CONTRIBUTIONS FOR RELIEF EFFORTS IN A MIDWESTERN DISASTER AREA	0.
3.	IS THE AMOUNT ON LINE 2 LESS THAN THE AMOUNT ON LINE 1? IF NO, YOUR DEDUCTION IS NOT LIMITED. ENTER THE AMOUNT FROM LINE 1 ABOVE ON SCHEDULE A, LINE 29. IF YES, SUBTRACT LINE 2 FROM LINE 1	109,688.
4.	MULTIPLY LINE 3 BY 80% (.80).	87,750.
5.	ENTER THE AMOUNT FROM FORM 1040, LINE 38.	1,596,980.
6.	ENTER: \$159,950 (\$79,975 IF MARRIED FILING SEPARATELY)	159,950.
7.	IS THE AMOUNT ON LINE 6 LESS THAN THE AMOUNT ON LINE 5? IF NO, YOUR DEDUCTION IS NOT LIMITED. ENTER THE AMOUNT FROM LINE 1 ABOVE ON SCHEDULE A, LINE 29. IF YES, SUBTRACT LINE 6 FROM LINE 5	1,437,030.
8.	MULTIPLY LINE 7 BY 3% (.03)	43,111.
9.	ENTER THE SMALLER OF LINE 4 OR LINE 8	43,111.
10.	DIVIDE LINE 9 BY 1.5	28,741.
11.	SUBTRACT LINE 10 FROM LINE 9	14,370.
12.	TOTAL ITEMIZED DEDUCTIONS. SUBTRACT LINE 11 FROM LINE 1. ENTER THE RESULT HERE AND ON SCHEDULE A, LINE 29	95,318.

SCHEDULE B	DIVIDEND INCOME		STATEMENT 15
NAME OF PAYER	ORDINARY DIVIDENDS	QUALIFIED DIVIDENDS	
FIDELITY CASH	1.		
AMERITRADE	44.	44.	
AMERITRADE	172.	172.	
CGM FOCUS FUND	164.	164.	
CGM REALTY FD	339.	20.	
DODGE & COX FUNDS	401.	379.	
FIDELITY INDEPENDENCE	56.	56.	
FIDELITY SELECT ENERGY	2.	2.	
FIDELITY SELECT MEDICAL	216.	216.	
FIDELITY LEVERAGE	114.	114.	
JANUS CONTRARIAN	83.	83.	
JANUS PERKINS MID	125.	125.	
JANUS ORION	80.	78.	

ROWE PRICE EMERG. & MED	289.	289.
ROWE PRICE CAPITAL APP.	322.	235.
ROWE PRICE MEDIA AND TEL.	291.	73.
ROWE PRICE NEW ASIA	379.	379.
ROWE PRICE NEW ERA	178.	178.
VANGUARD FUNDS INT	35.	35.
VANGUARD FUNDS WINDSOR II	181.	181.
VANGUARD FUNDS INT'L GROWTH	337.	252.
VANGUARD FUNDS GLOBAL	487.	356.
VANGUARD FUNDS PRIME CAP	96.	96.
ROWE PRICE SMALL CAP	247.	190.
ROWE PRICE LATIN AMERICA	166.	166.
TOTAL TO SCHEDULE B, LINE 5	4,805.	

SCHEDULE D CAPITAL GAIN DISTRIBUTIONS STATEMENT 16

NAME OF PAYER	TOTAL CAPITAL GAIN	28% GAIN
DODGE & COX FUNDS	544.	
FIDELITY SELECT ENERGY	208.	
FIDELITY LEVERAGE	109.	
JANUS CONTRARIAN	518.	
JANUS PERKINS MID	527.	
ROWE PRICE CAPITAL APP.	112.	
ROWE PRICE MEDIA AND TEL.	181.	
ROWE PRICE NEW ERA	88.	
VANGUARD FUNDS INT'L GROWTH	509.	
ROWE PRICE SMALL CAP	1,043.	
ROWE PRICE LATIN AMERICA	332.	
TOTALS TO SCHEDULE D, LINE 13	4,171.	

SCHEDULE D UNRECAPTURED SECTION 1250 GAIN STATEMENT 17

1	IF YOU HAVE A SECTION 1250 PROPERTY IN PART III OF FORM 4797 FOR WHICH YOU MADE AN ENTRY IN PART I OF FORM 4797, ENTER THE SMALLER OF LINE 22 OR LINE 24 OF FORM 4797 FOR THAT PROPERTY. IF YOU DID NOT HAVE ANY SUCH PROPERTY, GO TO LINE 4	
2.	ENTER THE AMOUNT FROM FORM 4797, LINE 26G, FOR THE PROPERTY FOR WHICH YOU MADE AN ENTRY ON LINE 1	
3.	SUBTRACT LINE 2 FROM LINE 1	
4.	ENTER THE TOTAL UNRECAPTURED SECTION 1250 GAIN INCLUDED ON LINE 26 OR LINE 37 OF FORM(S) 6252 FROM INSTALLMENT SALES OF TRADE OR BUSINESS PROPERTY HELD MORE THAN 1 YEAR	
5.	ENTER THE TOTAL OF ANY AMOUNTS REPORTED TO YOU ON A SCHEDULE K-1 FROM A PARTNERSHIP OR AN S CORPORATION AS "UNRECAPTURED SECTION 1250 GAIN"	
6.	ADD LINES 3 THROUGH 5	
7.	ENTER THE SMALLER OF LINE 6 OR THE GAIN FROM FORM 4797, LINE 7	
8.	ENTER THE AMOUNT, IF ANY, FROM FORM 4797, LINE 8	
9.	SUBTRACT LINE 8 FROM LINE 7. IF ZERO OR LESS, ENTER -0-	
10.	ENTER THE AMOUNT OF ANY GAIN FROM THE SALE OR EXCHANGE OF AN INTEREST IN A PARTNERSHIP ATTRIBUTABLE TO UNRECAPTURED SECTION 1250 GAIN	
11	ENTER THE TOTAL OF ANY AMOUNTS REPORTED TO YOU ON A SCHEDULE K-1, FORMS 1099-DIV, OR FORM 2439 AS "UNRECAPTURED SECTION 1250 GAIN" FROM AN ESTATE, TRUST, REAL ESTATE INVESTMENT TRUST, OR MUTUAL FUND (OR OTHER REGULATED INVESTMENT COMPANY)	2.
12.	ENTER THE TOTAL OF ANY UNRECAPTURED SECTION 1250 GAIN FROM SALES (INCLUDING INSTALLMENT SALES) OR OTHER DISPOSITIONS OF SECTION 1250 PROPERTY HELD MORE THAN 1 YEAR FOR WHICH YOU DID NOT MAKE AN ENTRY IN PART I OF FORM 4797 FOR THE YEAR OF SALE	
13.	ADD LINES 9 THROUGH 12	2.
14.	IF YOU HAD ANY SECTION 1202 GAIN OR COLLECTIBLE GAIN OR (LOSS), ENTER THE TOTAL OF LINES 1 THROUGH 4 OF THE 28% RATE GAIN WORKSHEET	
15.	ENTER THE (LOSS), IF ANY, FROM SCH D, LINE 7. IF SCH D, LINE 7, IS ZERO OR A GAIN ENTER -0-	-446.
16.	ENTER YOUR LONG-TERM CAPITAL LOSS CARRYOVERS FROM SCHEDULE D, LINE 14, AND SCHEDULE K-1 (FORM 1041), LINE 11C	
17.	COMBINE LINES 14 THROUGH 16. IF THE RESULT IS ZERO OR A GAIN, ENTER -0-. IF THE RESULT IS A (LOSS), ENTER IT AS A POSITIVE AMOUNT	446.
18.	SUBTRACT LINE 17 FROM LINE 13. IF ZERO OR LESS, ENTER -0-. ENTER THE RESULT ON SCHEDULE D, LINE 19	0.

FORM 1116

WORLDWIDE CAPITAL GAINS
WORKSHEET FOR LINE 17

STATEMENT 18

1	ENTER THE AMOUNT FROM FORM 1040, LINE 41. IF YOU ARE A NONRESIDENT ALIEN, ENTER THE AMOUNT FROM FORM 1040NR, LINE 38	1,501,662.
2	ENTER WORLDWIDE 28% GAINS	
3	MULTIPLY LINE 2 BY 0.2000	
4	ENTER WORLDWIDE 25% GAINS	
5	MULTIPLY LINE 4 BY 0.2857	
6	ENTER WORLDWIDE 15% GAINS AND QUALIFIED DIVIDENDS	7,248.
7	MULTIPLY LINE 6 BY 0.5714	4,142.
8	ENTER WORLDWIDE 0% GAINS AND QUALIFIED DIVIDENDS	
9	ADD LINES 3, 5, 7, AND 8	4,142.
10	SUBTRACT LINE 9 FROM LINE 1. ENTER THE (RESULT HERE AND ON FORM 1116, LINE 17	<u>1,497,520.</u>

FORM 1116 ALTERNATIVE MINIMUM TAX FOREIGN TAX CREDIT STATEMENT 19
 WORLDWIDE CAPITAL GAINS
 WORKSHEET FOR LINE 17

1	ENTER THE AMOUNT FROM FORM 6251, LINE 29		1,523,994.
2	ENTER WORLDWIDE 25% GAINS		
3	MULTIPLY LINE 2 BY 0.1071		
4	ENTER WORLDWIDE 15% GAINS AND QUALIFIED DIVIDENDS	7,248.	
5	MULTIPLY LINE 4 BY 0.4643	3,365.	
6	ENTER WORLDWIDE 0% GAINS AND QUALIFIED DIVIDENDS		
7	ADD LINES 3, 5, AND 6		3,365.
8	SUBTRACT LINE 7 FROM LINE 1. ENTER THE RESULT HERE AND ON FORM 1116 AMT, LINE 17		1,520,629.

FORM 4562 PART I - BUSINESS INCOME STATEMENT 20

INCOME TYPE	AMOUNT
WAGES	285,004.
SCHEDULE C S CORPORATIONS	-30,157. 1,444,886.
TOTAL BUSINESS INCOME USED IN FORM 4562, LINE 11	1,699,733.

FORM 8582 OTHER PASSIVE ACTIVITIES - WORKSHEET 3 STATEMENT 21

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	0.	-24,592.	-25,893.		-50,485.
TOTALS	0.	-24,592.	-25,893.		-50,485.

FORM 8582 ALLOCATION OF UNALLOWED LOSSES - WORKSHEET 5 STATEMENT 22

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	RATIO	UNALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	50,485.	1.000000000	50,485.
TOTALS		50,485.	1.000000000	50,485.

FORM 8582 ALLOWED LOSSES - WORKSHEET 6 STATEMENT 23

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	UNALLOWED LOSS	ALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	50,485.	50,485.	
TOTALS		50,485.	50,485.	

FORM 8582 SUMMARY OF PASSIVE ACTIVITIES STATEMENT 24

NAME	FORM OR SCHEDULE	PRIOR YEAR C/O	NET GAIN/LOSS	UNALLOWED LOSS	ALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	-25,893.	-50,485.	50,485.	
TOTALS		-25,893.	-50,485.	50,485.	

PRIOR YEAR CARRYOVERS ALLOWED DUE TO CURRENT YEAR NET ACTIVITY INCOME

TOTAL TO FORM 8582, LINE 16

FORM 8582

ALTERNATIVE MINIMUM TAX
OTHER PASSIVE ACTIVITIES - WORKSHEET 3

STATEMENT 25

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	0.	-24,592.	-25,893.		-50,485.
TOTALS	0.	-24,592.	-25,893.		-50,485.

FORM 8582

ALTERNATIVE MINIMUM TAX
ALLOCATION OF UNALLOWED LOSSES - WORKSHEET 5

STATEMENT 26

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	RATIO	UNALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	50,485.	1.000000000	50,485.
TOTALS		50,485.	1.000000000	50,485.

FORM 8582

ALTERNATIVE MINIMUM TAX
ALLOWED LOSSES - WORKSHEET 6

STATEMENT 27

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	UNALLOWED LOSS	ALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	50,485.	50,485.	
TOTALS		50,485.	50,485.	

FORM 8582AMT SUMMARY OF PASSIVE ACTIVITIES - AMT STATEMENT 28

NAME	FORM OR SCHEDULE	GAIN/LOSS	PRIOR YEAR C/O	NET GAIN/LOSS	UNALLOWED LOSS	ALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	-24,592.	-25,893.	-50,485.	50,485.	
TOTALS		-24,592.	-25,893.	-50,485.	50,485.	

PRIOR YEAR CARRYOVERS ALLOWED DUE TO CURRENT YEAR NET ACTIVITY INCOME

TOTAL TO FORM 8582AMT, LINE 16

SOUTH CAROLINA INDIVIDUAL INCOME TAX RETURN 2008

For the year January 1 - December 31, 2008, or fiscal tax year beginning and ending

Print Your first name and initial (Sr, Jr, 2nd, 3rd, 4th) Last name ORVILLE H DYCE
Spouse's first name and initial, if married filing jointly Spouse's last name JAMIE C CURLEY
Check if now address 401 WOODLAND DRIVE
City, state and ZIP code HARTSVILLE, SC 29550
Area Code Daytime telephone 843-38-31667

For Office Use Only
Check this box if you are filing SC Schedule NR (Part year/Nonresident)
Check this box if you have filed a federal or state extension
Check this box if filing a composite return for partnership or "S" corporation.

CHECK YOUR FEDERAL FILING STATUS
(1) Single
(2) X Married filing jointly
(3) Married filing separately. Enter spouse's SSN here:
(4) Head-of-household
(5) Widow(er) with dependent child

Federal Exemptions: Enter the number of exemptions from line 6(d) of your 2008 federal return. 4
How many of the exemptions listed above were under the age of 6 years on December 31, 2008? 2
Enter the number of taxpayers age 65 or older, as of December 31, 2008. 0

STAPLE PAYMENT HERE

STAPLE W-2 / 1099 HERE

Table with columns: Line number, Description, Dollars, Cents. Includes rows for Federal taxable income (1492330), Total additions (80286), Total subtractions (1330906), Total South Carolina tax (88776), and Balance Due (501700).

877001 10-31-08

Staple a check or money order for the full amount payable to "SC Department of Revenue." Write your Social Security number and "2008 SC 1040" on the payment.

STATEMENT 1

STOP!

Resident filers complete lines 32 through 54.
Nonresident filers complete Schedule NR. Do not complete lines 32 through 54.

PART 1 ADDITIONS TO FEDERAL TAXABLE INCOME		Dollars	Cents
State tax addback, if itemizing on federal return. SEE STATEMENT 8	32	29173	00
33 Out-of-state losses - (See instructions)	33		00
34 Expenses related to National Guard and Military Reserve income.	34		00
35 Interest income on obligations of states and political subdivisions other than South Carolina.	35	2313	00
36 Other additions to income. Attach an explanation (See instructions) STATEMENT 7	36	48800	00
37 TOTAL ADDITIONS ---- add lines 32 through 36 and enter your total additions to income here and on line 2.	37	80286	00
PART 2 SUBTRACTIONS FROM FEDERAL TAXABLE INCOME			
38 State tax refund, if included on line 10, on your federal Form 1040.	38		00
39 Total and permanent disability retirement income, if taxed on your federal return.	39		00
40 Out-of-state income/gain - Do not include personal service income. (See instructions)	40		00
41 44% of net capital gains held for more than one year (See instructions) STMT 9	41	1481	00
42 Volunteer Firefighter/Rescue Squad Worker/Volunteer HAZMAT Team Member/ Reserve Police Officer/DNR Deputy Enforcement Officer/State Guard Member deduction. (See instructions)	42		00
43 Contributions to the SC Tuition Prepayment Program or the SC College Investment Program. (See instructions)	43		00
44 Active-Trade or Business Income Deduction (See instructions)	44	1314729	00
45 Interest income from obligations of the US government.	45		00
46 National Guard or Reserve annual training and drill pay. (See instructions)	46		00
47 Social Security and/or railroad retirement, if taxed on your federal return.	47		00
48 Caution: Retirement Deduction - (See instructions)			
a) Taxpayer: Date of Birth _____	48a		00
b) Spouse: Date of Birth _____	48b		00
c) Surviving Spouse: Date of Birth of Deceased Spouse _____	48c		00
49 Age 65 and older deduction - (See instructions)			
a) Taxpayer: Date of Birth _____	49a		00
b) Spouse: Date of Birth _____	49b		00
50 Negative amount of federal taxable income.	50		00
51 Subsistence Allowance _____ days @ \$8.00	51		00
52 Dependents under the age of 6 years on December 31 of the tax year. Date of Birth <u>04/05/2007</u> SSN <u>654-26-7737</u> Date of Birth <u>08/19/2008</u> SSN <u>655-30-4944</u>	52	7000	00
53 Other subtractions. (See instructions) STATE DEPR ADJ	53	7696	00
54 TOTAL SUBTRACTIONS ---- add lines 38 through 53 and enter the total here and on line 4.	54	1330906	00

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief.

Your Signature	Date	Spouse's Signature (if jointly, BOTH must sign)
I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer.		Preparer's Printed Name
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		AUSTIN M. SHEHEEN

If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Paid AUSTIN M. SHEHEEN 05/29/09 PO DRAWER 428

Preparer's Prepared by _____ Date _____ Address _____

Use Only 57-0522539 803-432-1424 CAMDEN, SC 29021

El Number _____ Phone Number _____ City _____ State _____ ZIP _____

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY IF you have income and/or (loss) on federal Schedules C, D, E, F or filed a SC Schedule NR, SC1040TC, I-319 or I-335.

PFX 877002 10-31-08

MAIL RETURN TO THE PROPER ADDRESS

REFUNDS OR ZERO TAX:
SC 1040 PROCESSING CENTER
P.O. BOX 101100
COLUMBIA SC 29211-0100

BALANCE DUE:
TAXABLE PROCESSING CENTER
P.O. BOX 101105
COLUMBIA SC 29211-0105

30752018

2658

Plaintiffs' Ex 0076.045

1019

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

**ACTIVE TRADE OR BUSINESS INCOME
REDUCED RATE COMPUTATION**

(Complete one I-335 for each return)

(Attach I-335 and all supporting Worksheets to SC1040 or SC1041)

I-335
(Rev. 10/10/08)
3410
2008

For the year January 1 - December 31, 2008, or fiscal tax year beginning and ending

Print your name DYCE ORVILLE H	Spouse's first name JAMIE C	Your Social Security number 083-64-2427
		Spouse's Social Security number 573-73-4698

- 1a. Enter amount from Worksheet 1, line 3 1a. \$ -30157.00
- 1b. Enter total of amounts from Worksheet 2, line 22, Column C 1b. \$ 1344886.00
- 1c. Add lines 1a and 1b 1c. \$ 1314729.00
- 2a. Enter any adjustments necessary because of at-risk rules, South Carolina net operating losses, and/or passive activity losses. <Enter in brackets if the adjustment is negative.> Enter -0- if no adjustments are necessary 2a. \$.00
- 2b. Enter the amount of one half of self-employment tax on partnership income related to South Carolina. Do not include the amount on line 2 of Worksheet 1. 2b. \$.00
- 2c. Line 2a minus line 2b. <Enter in brackets if negative.> 2c. \$.00
- 3. Add lines 1c and 2c. If zero or negative, STOP - DO NOT PROCEED 3. \$ 1314729.00
- 4. Enter amounts reasonably related to personal services of the taxpayer, the taxpayer's spouse, or any person claimed as dependent on the taxpayer's income tax return (see Rules for Using Safe Harbor below). Do not include amounts from W-2s or 1099s or guaranteed payments for personal services 4. \$.00
- Check here if using Safe Harbor
- 5. Subtract line 4 from line 3. If greater than zero, enter on SC1040, line 44; Schedule NR, line 39; or SC1041, Part I, line 2d. If zero or negative, STOP - DO NOT PROCEED 5. \$ 1314729.00
- 6. Tax Year 2008 rate on qualifying active trade or business income 6. 5.5% (.055)
- 7. Multiply line 5 by line 6 (enter here and on SC1040, line 8; or on SC1041, line 9) 7. \$ 72310.00

7711
-04-08

34101022

2659

1019

STATE OF SOUTH CAROLINA
 DEPARTMENT OF REVENUE
WORKSHEET 1
PASS-THROUGH INCOME FROM
A SOLE PROPRIETORSHIP
 (Complete one Worksheet 1 for all Schedules C, C-EZ and F)
 (Attach Worksheet 1 to your return)

I-335A
 (Rev. 10/10/08)
 3421

2008

For the year January 1 - December 31, 2008, or fiscal tax year beginning and ending

Print your name DYCE ORVILLE H	Spouse's first name JAMIE C	Your Social Security number 083-64-2427
		Spouse's Social Security number 573-73-4698

In order to use the flat tax rate on active trade or business income, an individual, estate or trust with pass-through income from one or more sole proprietorships or single-member LLCs not taxed as corporations must complete Worksheet 1.

A taxpayer needs to complete only one Worksheet 1 for all federal Schedules C, C-EZ and F.

- 1. South Carolina net profit (loss) all federal Schedules C, C-EZ and F 1. \$ -30157.00
- 2. One half of the self-employment tax related to line 1 (enter the amount from line 27 of federal Form 1040 if all business income is taxable to South Carolina) 2. \$.00
- 3. Subtract line 2 from line 1 and enter here and on I-335, line 1a 3. \$ -30157.00

Instructions to Worksheet 1

- Line 1** Enter total of South Carolina amounts from federal Schedule C, line 31; Schedule C-EZ, line 3; and Schedule F, line 36.
- Line 2** Enter the amount from Form 1040, line 27 that applies to line 1. The entire amount applies unless one or more of the Schedules C and F are from a multi-state business or business not taxable to South Carolina.
- Line 3** Subtract line 2 from line 1. Enter this amount on I-335, line 1a.

7721
1-04-08

34211029

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1019

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE**WORKSHEET 2**
PASS THROUGH INCOME FROM A PARTNERSHIP
OR S CORPORATION(Complete a separate Worksheet 2 for each SCK-1)
(Attach each Worksheet 2 to your return)**I-335B**
(Rev. 10/10/08)
3422**2008**

For the year January 1 - December 31, 2008, or fiscal tax year beginning		and ending
Print your name DYCE ORVILLE H	Spouse's first name JAMIE C	Your Social Security number 083-64-2427
		Spouse's Social Security number 573-73-4698

In order to use the flat rate on active trade or business income, an individual, estate or trust with pass-through income from one or more partnerships, S corporations, or LLCs taxed as partnerships or S corporations must complete a separate Worksheet 2 for each partnership, S corporation or LLC.

Complete a separate Worksheet 2 for each SCK-1.

Name of business:	Column A Federal K-1 amounts	Column B SCK-1 amounts	Column C SC active trade or business amounts
SOUTH CAROLINA EAR NOSE & THRO			
1. Ordinary business income (loss)	1444886.00	1444886.00	1. 1444886.00
2. Net rental real estate income (loss)			2.
3. Other net rental income (loss)			3.
4. Guaranteed payments *			4.
5. Interest income			5.
6. Ordinary/qualified dividends			
7. Royalties			7.
8. Net short-term capital gain (loss)			
9a. Net long-term capital gain (loss)			
9b. Collectibles (28%) gain (loss)			
9c. Unrecaptured section 1250 gain			
10. Net section 1231 gain (loss)			10.
11. Other income (loss)			11.
12. Section 179 deduction	100000.00	100000.00	12. 100000.00
13. Other deductions			
14. Self-employment earnings (loss) *			
15. Credits			
16. Foreign transactions			16.
17. Alternative minimum tax (AMT) items			17.
18. Tax-exempt income and nondeductible expenses *			
19. Distributions *			
20. Items affecting shareholder basis **			
21. Other information			
22. Total of Column C			22. 1344886.00

Note: Worksheet 2 combines elements of federal K-1s for Forms 1065 and 1120-S.

* identifies items on Form 1065, Schedule K-1 but not on Form 1120-S, Schedule K-1.

** identifies items on Form 1120-S, Schedule K-1 but not on Form 1065, Schedule K-1.

Ownership Interest: _____ %

7731
-04-08

34221028

2661

Plaintiffs' Ex 0076.048

1019

STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS

SC2210 (Rev. 1/22/09) 3098 2008

Attach to SC1040 or SC1041

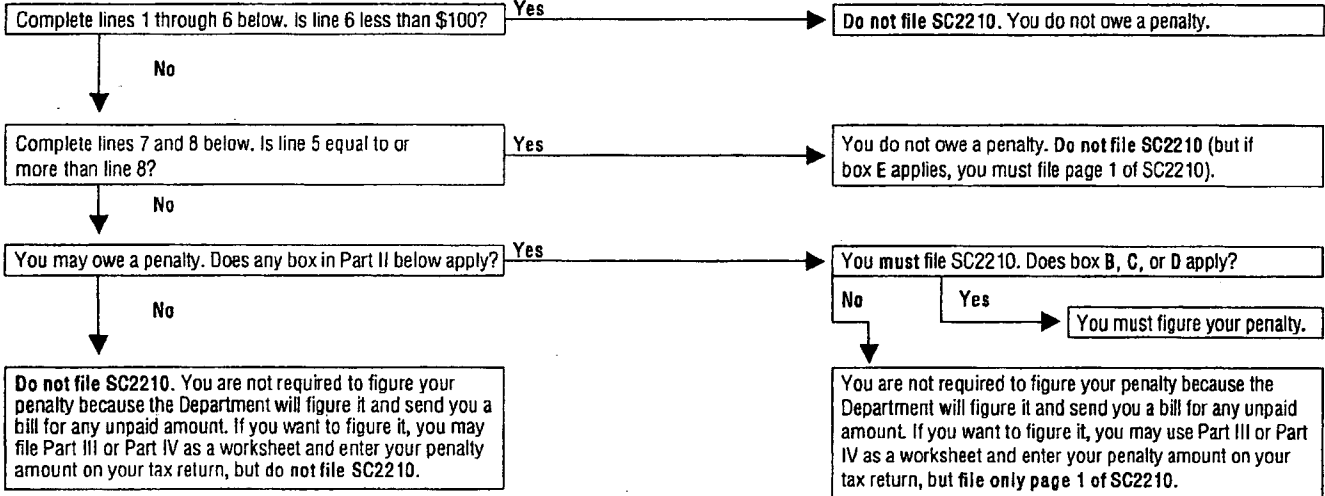
Name(s) as shown on SC1040 or SC1041

Social Security Number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Do You Have To File SC2210?



Part I Required Annual Payment

Table with 8 rows and 2 columns: Description and Amount. Row 1: 88,776.00; Row 2: 2; Row 3: 88,776.00; Row 4: 79,898.00; Row 5: 19,545.00; Row 6: 69,231.00; Row 7: 23,580.00; Row 8: 23,580.00

Next: Is line 8 more than line 5?

- No. You do not owe a penalty. Do not file SC2210 unless box E below applies.
Yes. You may owe a penalty, but do not file SC2210 unless one or more boxes in Part II below applies.

- If box B, C, or D applies, you must figure your penalty and file SC2210.
If only box A or E (or both) applies, file only page 1 of SC2210. You are not required to figure your penalty; the Department will figure it and send you a bill for any unpaid amount.

7121 1-28-09

30981021

2662

Part IV Regular Method

Section A - Figure Your Underpayment

	Payment Due Dates				
	(a) 4/15/08	(b) 6/15/08	(c) 9/15/08	(d) 1/15/09	
17 Required installment. If box C in Part II applies, complete federal Schedule AI for SC purposes. Enter the amounts from federal Schedule AI, line 25 for South Carolina. Otherwise, enter 25% (.25) of line 8, SC2210, in each column	17	5,895.00	5,895.00	5,895.00	5,895.00
18 Estimated tax paid and tax withheld (see instructions under How to Figure Your Underpayment). For column (a) only, also enter the amount from line 18 on line 22. If line 18 is equal to or more than line 17 for all payment periods, stop here; you do not owe the penalty. Do not file SC2210 unless you checked a box in Part II	18	11,493.00	9,886.00	6,206.00	6,207.00
19 Enter amount, if any, from line 25 of previous column	19		5,598.00	9,589.00	9,900.00
20 Add lines 18 and 19	20		15,484.00	15,795.00	16,107.00
21 Add amounts on lines 23 and 24 of the previous column	21				
22 Subtract line 21 from line 20. If zero or less, enter -0-. For column (a) only, enter the amount on line 18	22	11,493.00	15,484.00	15,795.00	16,107.00
23 If the amount on line 22 is zero, subtract line 20 from line 21. Otherwise enter -0-	23		0.00	0.00	
24 UNDERPAYMENT. If line 17 is equal to or more than line 22, subtract line 22 from line 17. Then go to line 19 of next column. Otherwise, go to line 25	24				
25 OVERPAYMENT. If line 22 is more than line 17, subtract line 17 from line 22. Then go to line 19 of the next column	25	5,598.00	9,589.00	9,900.00	

Section B - Figure the Penalty (Complete lines 26 through 33 of one column before going to the next column.)

		4/15/08	6/15/08		
Rate Period 1	April 16, 2008 - June 30, 2008				
	26 Number of days FROM the date shown above line 26 TO the date the amount on line 24 was paid or 6/30/08, whichever is earlier	Days:	Days:		
Rate Period 2	July 1, 2008 - September 30, 2008	6/30/08	6/30/08	9/15/08	
	28 Number of days FROM the date shown above line 28 TO the date the amount on line 24 was paid or 9/30/08, whichever is earlier	Days:	Days:	Days:	
Rate Period 3	October 1, 2008 - December 31, 2008	9/30/08	9/30/08	9/30/08	
	30 Number of days FROM the date shown above line 30 TO the date the amount on line 24 was paid or 12/31/08, whichever is earlier	Days:	Days:	Days:	
Rate Period 4	January 1, 2009 - April 15, 2009	12/31/08	12/31/08	12/31/08	1/15/09
	32 Number of days FROM the date shown above line 32 TO the date the amount on line 24 was paid or 4/15/2009, whichever is earlier	Days:	Days:	Days:	Days:
	27 Underpayment on line 24 X <u>Number of days on line 26</u> X .06 (See instructions) 366	27 \$	\$		
	29 Underpayment on line 24 X <u>Number of days on line 28</u> X .05 (See instructions) 366	29 \$	\$	\$	
	31 Underpayment on line 24 X <u>Number of days on line 30</u> X .06 (See instructions) 366	31 \$	\$	\$	
	33 Underpayment on line 24 X <u>Number of days on line 32</u> X .05 (See instructions) 365	33 \$	\$	\$	\$
34 PENALTY. Add all amounts on lines 27, 29, 31 and 33 in all columns. Enter the total here and in the space provided on the tax return					34 \$

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-28-09 PFX

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2008 INSTRUCTIONS FOR SC2210

PURPOSE OF FORM. Every taxpayer is required to prepay each year's tax by withholding or estimating tax payments. If you are an individual taxpayer, other than a qualified farmer or fisherman, and SC1040, line 15, or SC1041, line 13 is \$100 or more, use this form to find out if you paid enough income tax during the year. If you did not pay enough, you may have to pay a penalty on the amount of your underpayment.

FARMERS AND FISHERMEN. If you meet both tests 1 and 2 below, you will not have to pay a penalty for underpaying estimated tax:

1. Your gross income from farming and fishing is at least two-thirds of your annual gross income from all sources for 2007 or 2008; and
 2. You filed SC1040 and paid the entire tax due by March 2, 2009.
- If you meet this test, write the word "farmer" or "fisherman", whichever the case, on line 8. Attach this form to your tax return. File federal Form 2210-F "For S.C. purposes" if you meet test 1 but not test 2.

EXCEPTIONS TO THE PENALTY. You will not have to pay the penalty if either of the two following situations applies:

1. You had no tax liability for 2007, and you were a South Carolina resident for the entire year, and your 2007 tax return was (or would have been had you been required to file) for a full 12 months; or
2. The total tax shown on your 2008 return less the amount of tax you paid through withholding is less than \$100. To determine whether the total tax is less than \$100, complete lines 1 through 6.

WHO MUST PAY THE UNDERPAYMENT PENALTY. In general, you may owe the penalty for 2008 if you did not pay at least the smaller of:

1. 90% of your 2008 tax liability or
2. 100% of the tax shown on your 2007 tax return. However, if your adjusted gross income is more than \$150,000, the 100% rule is modified to be 110% of the tax shown on your 2007 tax return. The penalty is figured separately for each installment due date. Therefore, you may owe the penalty for an earlier due date, even if you paid enough tax later to make up the underpayment. This is true even if you are due a refund when you file your tax return.

ANNUALIZED INCOME INSTALLMENT METHOD. If your income varied during the year due to the seasonal nature of your business, or for other reasons, you may be able to lower the amount of your required installment for the due dates by using the Annualized Income Method. To use this method to figure your required installments, complete Schedule AI of federal Form 2210 for South Carolina purposes. Write the word "annualized" to the left of line 17 to indicate use of this method, and attach a copy of the Federal Schedule AI for South Carolina. Print the word "waiver" in the penalty box on the front of SC1040, line 31.

WAIVER OF PENALTY. If you have an underpayment on line 13 (line 24 if you use the regular method), all or part of the penalty for that underpayment may be waived if any of the following applies:

- An underpayment was due to a casualty, disaster, or other unusual circumstance and it would be inequitable to impose the penalty.
- In 2007 or 2008, you retired after age 62 or became disabled and your underpayment was due to reasonable cause.
- A taxpayer will be granted a waiver of the portion of an underpayment of estimated income tax penalty attributed to personal service income earned in another state on which income tax due the other state was withheld.

To claim any of the above waivers, check box A or B. Complete the entire form through line 15 (line 29 if you use the regular method) without regard to the waiver provision. Write the amount to be waived in brackets in the margin to the left of line 16 (line 30 for the regular method). Subtract the amount to be waived from the total penalty without regard to the waiver and enter the result on line 16 (line 30 for the regular method). Attach a statement explaining the reason for the waiver. Print the word "waiver" in the penalty box on the front of SC1040, line 31.

HOW TO FIGURE YOUR UNDERPAYMENT (REGULAR METHOD). The underpayment of any installment is the difference between the amount of your required installment and any payments you made by the due date of the installment. Payments are applied to any prior underpayment before being applied to the current installment. Income taxes withheld from your salary, pension or winnings are considered payments of estimated tax in equal installments on the four installment dates, unless you prove otherwise.

PERIOD OF UNDERPAYMENT (REGULAR METHOD). The penalty is applied to the number of days that the installment was not paid. You figure the period of the underpayment by counting the number of days after the due date of the installment to and including the date of payment or the end of the rate period (12/31/08 or 4/15/09), whichever is earlier.

If you are a calendar year taxpayer, payments were due on April 15, June 15 and September 15, 2008, and January 15, 2009. Payment of your entire 2008 estimated tax liability, or any balance due by January 15, 2009, or the filing of your 2008 income tax return and payment of the tax shown on the return by January 31, 2009, will not relieve you of the penalty if you did not pay the estimated income tax due earlier in your tax year. If you file your return and pay the tax due by January 31, 2009, you will have no penalty for the installment due January 15, 2009, and the periods of underpayment for earlier installments will end on January 15, 2009.

Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.

Passive Activity Loss Limitations

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

me(s) shown on return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Part I 2008 Passive Activity Loss Caution: Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see Special Allowance for Rental Real Estate Activities on page 3 of the instructions.)

- 1a Activities with net income (enter the amount from Worksheet 1, column (a))
- 1b Activities with net loss (enter the amount from Worksheet 1, column (b))
- 1c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))
- 1d Combine lines 1a, 1b, and 1c

1a	
1b	
1c	

1d

Commercial Revitalization Deductions From Rental Real Estate Activities

- 2a Commercial revitalization deductions from Worksheet 2, column (a)
- 2b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)
- 2c Add lines 2a and 2b

2a	
2b	

2c

All Other Passive Activities

- 3a Activities with net income (enter the amount from Worksheet 3, column (a))
- 3b Activities with net loss (enter the amount from Worksheet 3, column (b))
- 3c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))
- 3d Combine lines 3a, 3b, and 3c

3a	
3b	-24,592.
3c	-25,893.

3d

-50,485.

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used

4

-50,485.

- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 8 of the instructions for an example.

- 5 Enter the smaller of the loss on line 1d or the loss on line 4
- 6 Enter \$150,000. If married filing separately, see the instructions
- 7 Enter modified adjusted gross income, but not less than zero (see the instr.)
- 8 Subtract line 7 from line 6
- 9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see the instructions
- 10 Enter the smaller of line 5 or line 9

6	
7	
8	

5

9

10

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II on page 8 of the instructions.

- 11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions
- 12 Enter the loss from line 4
- 13 Reduce line 12 by the amount on line 10
- 14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13

11

12

13

14

Part IV Total Losses Allowed

- 15 Add the income, if any, on lines 1a and 3a and enter the total
- 16 Total losses allowed from all passive activities for 2008. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return

15

16

0.

SC SC1040 LATE PAYMENT INTEREST AND/OR PENALTY STATEMENT 1

DESCRIPTION	AMOUNT
SOUTH CAROLINA LATE PAYMENT INTEREST	33.00
TOTAL INCLUDED IN SC1040, PAGE 1, LINE 31	33.00

SC SC1040 LATE PAYMENT INTEREST STATEMENT 2

DESCRIPTION	DATE	AMOUNT	BALANCE	RATE	DAYS	INTEREST
TAX DUE	04/15/09	54,984.	54,984.	.0400		
FORM 4868 PAYMENT	04/15/09	-50,000.	4,984.	.0400	61	33.00
DATE FILED	06/15/09		5,017.			
TOTAL LATE PAYMENT INTEREST						33.00

SC1040 NET CAPITAL GAINS DEDUCTION - LONG-TERM LOSS SUMMARY STATEMENT 3

DESCRIPTION	AMOUNT
SCHEDULE D TRANSACTIONS	360.00
TOTAL TO SC NET CAPITAL GAINS DEDUCTION WORKSHEET - TOTAL NET LONG-TERM CAPITAL LOSS	360.00

SC1040 NET CAPITAL GAINS DEDUCTION - SHORT-TERM LOSS SUMMARY STATEMENT 4

DESCRIPTION	AMOUNT
SCHEDULE D TRANSACTIONS	446.00
TOTAL TO SC NET CAPITAL GAINS DEDUCTION WORKSHEET - TOTAL NET SHORT-TERM CAPITAL LOSS	446.00

SC1040 NET CAPITAL GAINS DEDUCTION - LONG-TERM GAIN SUMMARY STATEMENT 5

<u>DESCRIPTION</u>	<u>AMOUNT</u>
CAPITAL GAIN DISTRIBUTIONS	4,171.00
TOTAL TO SC NET CAPITAL GAINS DEDUCTION WORKSHEET - TOTAL NET LONG-TERM CAPITAL GAIN	4,171.00

SC SC1040 SOUTH CAROLINA TAX OPTIMIZATION STATEMENT 6

TAX USING I-335 REDUCED RATE COMPUTATION

1	FEDERAL TAXABLE INCOME (RESIDENTS ENTER SC1040, LINE 1 NON-RESIDENTS ENTER SCHEDULE NR, LINE 33B LESS LINE 49) . . .	1,492,330.00
2	TOTAL ADDITIONS	80,286.00
3	ADD LINES 1 AND 2	1,572,616.00
4	ACTIVE TRADE OR BUSINESS INCOME	1,314,729.00
5	OTHER SUBTRACTIONS	16,177.00
6	TOTAL SUBTRACTIONS	1,330,906.00
7	INCOME SUBJECT TO TAX (IF LESS THAN ZERO, ENTER ZERO)	241,710.00
8	TAX FROM SOUTH CAROLINA TAX TABLES	16,466.00
9	ACTIVE TRADE OR BUSINESS INCOME	1,314,729.00
10	TAX RATE ON ACTIVE TRADE OR BUSINESS INCOME	5.50%
11	TAX ON ACTIVE TRADE OR BUSINESS INCOME (LN 9 TIMES LN 10) . .	72,310.00
12	ADD LINES 8 AND 11	88,776.00

TAX NOT USING I-335 REDUCED RATE COMPUTATION

13	FEDERAL TAXABLE INCOME (RESIDENTS ENTER SC1040, LINE 1 NON-RESIDENTS ENTER SCHEDULE NR, LINE 33B LESS LINE 49) . . .	1,492,330.00
14	TOTAL ADDITIONS	80,286.00
15	ADD LINES 13 AND 14	1,572,616.00
16	TOTAL SUBTRACTIONS	16,177.00
17	INCOME SUBJECT TO TAX (IF LESS THAN ZERO, ENTER ZERO)	1,556,439.00
18	TAX FROM SOUTH CAROLINA TAX TABLES	108,497.00

[X] IF LINE 12 IS LESS THAN LINE 18 USE THE I-335 REDUCED RATE COMPUTATION.

[] IF LINE 18 IS LESS THAN OR EQUAL TO LINE 12 DO NOT USE THE I-335 REDUCED RATE COMPUTATION.

DESCRIPTION	AMOUNT
SC SC1040 OTHER ADDITIONS TO INCOME STATEMENT 7	
STATE 179	48,800.00
TOTAL TO SC1040, PAGE 2, LINE 36	48,800.00

SC SC1040 STATE INCOME TAX ADJUSTMENT STATEMENT 8

SHEET A

Table with 2 columns: Description and Amount. Rows include: 1. ITEMIZED DEDUCTIONS FROM 2008 FEDERAL FROM 1040, LINE 40. 95,318.00; 2. ENTER ALLOWABLE FEDERAL STANDARD DEDUCTION YOU WOULD HAVE BEEN ALLOWED IF YOU HAD NOT ITEMIZED. (ENTER ZERO IF MARRIED FILING SEPARATE [MFS] RETURNS -- SEE FEDERAL INSTRUCTIONS. 11,900.00; 3. SUBTRACT LINE 2 FROM LINE 1. (ENTER ZERO IF LINE 2 IS GREATER THAN LINE 1 83,418.00; 4. ENTER THE AMOUNT OF STATE AND LOCAL INCOME TAXES (OR GENERAL SALES TAXES) FROM LINE 5 OF FEDERAL SCHEDULE A. IF YOUR FEDERAL ITEMIZED DEDUCTIONS WERE LIMITED DUE TO YOUR ADJUSTED GROSS INCOME BEING MORE THAN \$159,950 (\$79,975 MARRIED FILING SEPARATE), GO TO WORKSHEET B 29,173.00; 5. THE LESSOR OF LINE 3 OR LINE 4. ENTER THIS AMOUNT ON SC1040 LINE 32 29,173.00

WORKSHEET B

Table with 2 columns: Description and Amount. Rows include: 1. STATE AND LOCAL INCOME TAXES (OR GENERAL SALES TAXES) FROM LINE 5 OF FEDERAL SCHEDULE A. 33,570.00; 2. ENTER THE AMOUNT FROM LINE 3 OF THE ITEMIZED DEDUCTIONS WORKSHEET IN THE INSTRUCTION BOOKLET FOR FEDERAL FORM 1040. 109,688.00; 3. DIVIDE LINE 1 BY LINE 2, AND ENTER THE RESULT HERE.3060; 4. ENTER THE AMOUNT FROM LINE 11 OF THE ITEMIZED DEDUCTIONS WORKSHEET IN THE INSTRUCTION BOOKLET FOR FEDERAL FORM 1040. 14,370.00; 5. MULTIPLY LINE 3 BY LINE 4, AND ENTER THE RESULT HERE. 4,397.00; 6. SUBTRACT LINE 5 FROM LINE 1. ENTER THIS AMOUNT ON LINE 4 OF WORKSHEET A. 29,173.00

SC1040 NET CAPITAL GAINS DEDUCTION STATEMENT 9

DESCRIPTION	AMOUNT
TOTAL LONG-TERM CAPITAL GAIN	4,171.00
LESS: TOTAL LONG-TERM CAPITAL LOSS	360.00
NET LONG-TERM CAPITAL GAIN (LOSS)	3,811.00
*ONLY LONG-TERM GAIN WILL CARRY TO CALCULATION BELOW	
TOTAL SHORT-TERM CAPITAL GAIN	0.00
LESS: TOTAL SHORT-TERM CAPITAL LOSS	446.00
NET SHORT-TERM CAPITAL GAIN (LOSS)	<446.00>
*ONLY SHORT-TERM LOSS WILL CARRY TO CALCULATION BELOW	
SC NET LONG-TERM CAPITAL GAIN	3,811.00
SC NET SHORT-TERM CAPITAL LOSS	<446.00>
SC NET CAPITAL GAINS	3,365.00
NET CAPITAL GAINS DEDUCTION	X 44%
TOTAL TO SC1040, PAGE 2, LINE 41	1,481.00

FORM 8582 OTHER PASSIVE ACTIVITIES - WORKSHEET 3 STATEMENT 10

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	0.	-24,592.	-25,893.		-50,485.
TOTALS	0.	-24,592.	-25,893.		-50,485.

FORM 8582 ALLOCATION OF UNALLOWED LOSSES - WORKSHEET 5 STATEMENT 11

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	RATIO	UNALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	50,485.	1.000000000	50,485.
TOTALS		50,485.	1.000000000	50,485.

FORM 8582 ALLOWED LOSSES - WORKSHEET 6 STATEMENT 12

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	UNALLOWED LOSS	ALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	50,485.	50,485.	
TOTALS		50,485.	50,485.	

FORM 8582 SUMMARY OF PASSIVE ACTIVITIES STATEMENT 13

NAME	FORM OR SCHEDULE	PRIOR YEAR C/O	NET GAIN/LOSS	UNALLOWED LOSS	ALLOWED LOSS
RENTAL - DANIEL ISLAND DRIVE, SC	SCH E	-25,893.	-50,485.	50,485.	
TOTALS		-25,893.	-50,485.	50,485.	

IRS e-file Signature Authorization

2008

▶ Do not send to the IRS. This is not a tax return.
 ▶ Keep this form for your records. See instructions.

Declaration Control Number (DCN) ▶ 00 - 570560 - 17123 - 9

Taxpayer's name ORVILLE H DYCE		Social security number 083 64 2427
Spouse's name JAMIE C CURLEY		Spouse's social security number 573 73 4698

Part I Tax Return Information - Tax Year Ending December 31, 2008 (Whole Dollars Only)

1	Adjusted gross income (Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4)	1	1,596,980.
2	Total tax (Form 1040, line 61; Form 1040A, line 37; Form 1040EZ, line 11)	2	492,279.
3	Federal income tax withheld (Form 1040, line 62; Form 1040A, line 38; Form 1040EZ, line 7)	3	69,843.
4	Refund (Form 1040, line 73a; Form 1040A, line 45a; Form 1040EZ, line 12a; Form 1040-SS, Part I, line 12a)	4	
5	Amount you owe (Form 1040, line 75; Form 1040A, line 47; Form 1040EZ, line 13)	* 5	272,176.

Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2008, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgment of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my Federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. I further understand that this authorization may apply to future Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). In order for me to initiate future payments, I request that the IRS send me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

*AMOUNT DUE WITH LATE PENALTIES AND INTEREST: 276,723.

Taxpayer's PIN: check one box only

I authorize SHEHEEN HANCOCK & GODWIN LLP CPAS to enter or generate my PIN 6 2 4 2 7 as my signature on my tax year 2008 electronically filed income tax return. Enter five numbers, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2008 electronically filed income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature ▶ _____ Date ▶ 05/29/2009

Spouse's PIN: check one box only

I authorize SHEHEEN HANCOCK & GODWIN LLP CPAS to enter or generate my PIN 2 4 6 9 8 as my signature on my tax year 2008 electronically filed income tax return. Enter five number, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2008 electronically filed income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature ▶ _____ Date ▶ 05/29/2009

Practitioner PIN Method Returns Only - continue below

Part III Certification and Authentication - Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 5 7 0 5 6 0 9 6 1 6 4
 do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2008 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

ERO's signature ▶ AUSTIN M. SHEHEEN Date ▶ 05/29/2009

**ERO Must Retain This Form - See Instructions
 Do Not Submit This Form to the IRS Unless Requested To Do So**

**Tax Year 2008 e-file Jurat/Disclosure
for Form 1040, 1040A, or 1040EZ
using Practitioner PIN method
(with or without Electronic Funds Withdrawal)**

ERO Declaration

I declare that the information contained in this electronic tax return is the information furnished to me by the taxpayer. If the taxpayer furnished me a completed tax return, I declare that the information contained in this electronic tax return is identical to that contained in the return provided by the taxpayer. If the furnished return was signed by a paid preparer, I declare I have entered the paid preparer's identifying information in the appropriate portion of this electronic return. If I am the paid preparer, under the penalties of perjury I declare that I have examined this electronic return, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information of which I have any knowledge.

ERO Signature

I am signing this Tax Return by entering my PIN below.

ERO's PIN 57056096164
(enter EFIN plus 5 self-selected numerics)

Taxpayer Declarations

Perjury Statement

Under penalties of perjury, I declare that I have examined this return, including any accompanying statements and schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

Consent to Disclosure

I consent to allow my Intermediate Service Provider, transmitter, or Electronic Return Originator (ERO) to send my return/form to IRS and to receive the following information from IRS: 1) acknowledgment of receipt or reason for rejection of transmission; 2) refund offset; 3) reason for any delay in processing the return or refund; and, 4) date of any refund.

I am signing this Tax Return and Electronic Funds Withdrawal Consent, if applicable, by entering my Self-Select PIN below.

Taxpayer's PIN: 62427 Date 05292009

Spouse's PIN: 24698

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
INDIVIDUAL INCOME TAX
DECLARATION FOR ELECTRONIC FILING

SC8453
(Rev. 6/13/08)
3299

DO NOT MAIL KEEP FOR YOUR RECORDS

Personal information section including names (ORVILLE H DYCE, JAMIE C CURLEY), social security numbers (083 64 2427, 573 73 4698), home address (401 WOODLAND DRIVE, HARTSVILLE SC 29550), and tax year (2008).

Table with 8 rows and 2 columns: Line number and Amount. Includes Federal taxable income (1,492,330.00), Net SC tax (88,776.00), Total Tax (88,776.00), and Amount you owe (5,017.00).

Part II: Direct Deposit of Refund or EFW Payment of Tax Due. Includes fields for RTN, BAN, account type (Checking/Savings), and withdrawal details.

Part III: Declaration of Taxpayer. Includes consent options for direct deposit and authorization for electronic funds withdrawal.

Sign Here section with lines for taxpayer and spouse signatures and dates.

Part IV: Declaration of Electronic Return Originator (ERO) and Paid Preparer. Includes signature of Austin M. Sheheen, date 05/29/09, and firm name SHEHEEN HANCOCK & GODWIN LLP CPAS.

Name, Address, and SSN

Form header section containing filer information: ORVILLE H DYCE, JAMIE C CURLEY, 401 WOODLAND DRIVE, HARTSVILLE, SC 29550. Includes social security numbers and OMB No. 1545-0074.

See separate instructions.

Presidential Election Campaign section with checkboxes for 'You' and 'Spouse'.

Filing Status

Filing status options: 1 Single, 2 Married filing jointly (checked), 3 Married filing separately, 4 Head of household, 5 Qualifying widow(er) with dependent child.

Exemptions

Exemptions section: 6a Yourself (checked), 6b Spouse (checked), 6c Dependents table with entries for RAINN A DYCE and ELLA C DYCE. Total number of exemptions claimed: 4.

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1-R if tax withheld.

If you did not get a W-2, see page 20.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Main income table with rows 7 through 22. Total income reported as 719,385.

Adjusted Gross Income

Adjusted Gross Income section with rows 23 through 37. Adjusted gross income reported as 719,385.

Tax and Credits

38 Amount from line 37 (adjusted gross income) **38 719,385.**

39a Check You were born before January 2, 1946, Blind. Spouse was born before January 2, 1946, Blind. Total boxes checked **39a**

b If your spouse itemizes on a separate return or you were a dual-status alien, check here **39b**

40 Itemized deductions (from Schedule A) or your standard deduction (see instructions) **40 189,412.**

41 Subtract line 40 from line 38 **41 529,973.**

42 Exemptions. Multiply \$3,650 by the number on line 6d **42 14,600.**

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **43 515,373.**

44 Tax. Check if any tax is from: a Form(s) 8814 b Form 4972 **44 148,666.**

45 Alternative minimum tax. Attach Form 6251 **45 38,229.**

46 Add lines 44 and 45 **46 186,895.**

47 Foreign tax credit. Attach Form 1116 if required **47 125.**

48 Credit for child and dependent care expenses. Attach Form 2441 **48**

49 Education credits from Form 8863, line 23 **49**

50 Retirement savings contributions credit. Attach Form 8880 **50**

51 Child tax credit (see instructions) **51**

52 Residential energy credits. Attach Form 5695 **52**

53 Other credits from Form: a 3800 b 8801 c **53**

54 Add lines 47 through 53. These are your total credits **54 125.**

55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- **55 186,770.**

Other Taxes

56 Self-employment tax. Attach Schedule SE **56**

57 Unreported social security and Medicare tax from Form: a 4137 b 8919 **57**

58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **58**

59 a Form(s) W-2, box 9 b Schedule H c Form 5405, line 16 **59**

60 Add lines 55 through 59. This is your total tax **60 186,770.**

Payments

61 Federal income tax withheld from Forms W-2 and 1099 **61 147,041.**

62 2010 estimated tax payments and amount applied from 2009 return **62**

63 Making work pay credit. Attach Schedule M **63**

64a Earned income credit (EIC) **64a**

b Nontaxable combat pay election **64b**

65 Additional child tax credit. Attach Form 8812 **65**

66 American opportunity credit from Form 8863, line 14 **66**

67 First-time homebuyer credit from Form 5405, line 10 **67**

68 Amount paid with request for extension to file **68**

69 Excess social security and tier 1 RRTA tax withheld **STMT 9 69 6,622.**

70 Credit for federal tax on fuels. Attach Form 4136 **70**

71 Credits from Form: a 2439 b 8839 c 8801 d 8885 **71**

72 Add lines 61, 62, 63, 64a, and 65 through 71. These are your total payments **72 153,663.**

Refund

73 If line 72 is more than line 60, subtract line 60 from line 72. This is the amount you overpaid **73**

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here **74a**

Direct deposit? See instructions. Routing number Account number c Type: Checking Savings d number

75 Amount of line 73 you want applied to your 2011 estimated tax **75**

Amount You Owe

76 Amount you owe. Subtract line 72 from line 60. For details on how to pay, see instructions **76 33,451.**

77 Estimated tax penalty (see instructions) **77 344.**

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete below. No

Designee's name **P. DAVID BOTZIS** Phone no. **843-722-6443** Personal identification number (PIN) **37301**

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation **PHYSICIAN** Daytime phone number

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Paid Preparer

Print/Type preparer's name **P. DAVID BOTZIS** Preparer's signature **P. DAVID BOTZIS** Date **04/13/11** Check if self-employed PTIN **P00137301**

Firm's name **DIXON HUGHES GOODMAN LLP** Firm's EIN **56-0747981**

Firm's address **P.O. BOX 973 CHARLESTON, SC 29402** Phone no. **843-722-6443**

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2010

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040. ▶ See Instructions for Schedule A (Form 1040).

Your social security number

Name(s) shown on Form 1040

ORVILLE H DYCE & JAMIE C CURLEY

083 64 2427

Medical and Dental Expenses		Caution. Do not include expenses reimbursed or paid by others.		
1	Medical and dental expenses (see instructions)	1		
2	Enter amount from Form 1040, line 38	2		
3	Multiply line 2 by 7.5% (.075)	3		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		
Taxes You Paid		5 State and local (check only one box):		
a	<input checked="" type="checkbox"/> Income taxes, or	SEE STATEMENT 11		5 57,260.
b	<input type="checkbox"/> General sales taxes			
6	Real estate taxes (see instructions)	6		2,946.
7	New motor vehicle taxes from line 11 of the worksheet on page 2 (for certain vehicles purchased in 2009). Skip this line if you checked box 5b	7		
8	Other taxes. List type and amount SEE STATEMENT 10	8		873.
9	Add lines 5 through 8	9		61,079.
Interest You Paid		10 Home mortgage interest and points reported to you on Form 1098		10 14,397.
		11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address		11
				12
				13
		14 Investment interest. Attach Form 4952 if required. (See instructions.)		14 1,261.
		15 Add lines 10 through 14		15 15,658.
Gifts to Charity		16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions		16 6,131. STMT 12
		17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500		17 4,866.
		18 Carryover from prior year		18
		19 Add lines 16 through 18		19 10,997.
Casualty and Theft Losses		20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)		20
Job Expenses and Certain Miscellaneous Deductions		21 Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.)		
		▶ FROM FORM 2106 113,092.		21 113,092.
		22 Tax preparation fees		22 1,960.
		23 Other expenses - investment, safe deposit box, etc. List type and amount		
		▶ NATIONAL FINANCIAL SERVICES #7014 1,014.		23 1,014.
		24 Add lines 21 through 23		24 116,066.
		25 Enter amount from Form 1040, line 38		25 719,385.
		26 Multiply line 25 by 2% (.02)		26 14,388.
		27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-		27 101,678.
Other Miscellaneous Deductions		28 Other - from list in instructions. List type and amount		28
Total Itemized Deductions		29 Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40		29 189,412.
		30 If you elect to itemize deductions even though they are less than your standard deduction, check here		<input type="checkbox"/>

Worksheet for Line 7 - New motor vehicle taxes Before you begin: You cannot take this deduction if the amount on Form 1040, line 38, is equal to or greater than \$135,000 (\$260,000 if married filing jointly).
 See the instructions for line 7 on page A-6.

Use this worksheet to figure the amount to enter on line 7. (Attach to Form 1040.)	1 Enter the state or local sales or excise taxes you paid in 2010 for the purchase of any new motor vehicle(s) after February 16, 2009, and before January 1, 2010 (see instructions)	1		3
	2 Enter the purchase price (before taxes) of the new motor vehicle(s)	2		
	3 Is the amount on line 2 more than \$49,500? <input type="checkbox"/> No. Enter the amount from line 1. <input type="checkbox"/> Yes. Figure the portion of the tax from line 1 that is attributable to the first \$49,500 of the purchase price of each new motor vehicle and enter it here (see instructions).			
	4 Enter the amount from Form 1040, line 38	4		
	5 Enter the total of any - • Amounts from Form 2555, lines 45 and 50; Form 2555-EZ, line 18; and Form 4563, line 15, and • Exclusion of income from Puerto Rico	5		
	6 Add lines 4 and 5	6		
	7 Enter \$125,000 (\$250,000 if married filing jointly)	7		
	8 Is the amount on line 6 more than the amount on line 7? <input type="checkbox"/> No. Enter the amount from line 3 above on Schedule A, line 7. Do not complete the rest of this worksheet. <input type="checkbox"/> Yes. Subtract line 7 from line 6	8		
	9 Divide the amount on line 8 by \$10,000. Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000	9		
	10 Multiply line 3 by line 9		10	
	11 Deduction for new motor vehicle taxes. Subtract line 10 from line 3. Enter the result here and on Schedule A, line 7		11	

SCHEDULE B
(Form 1040A or 1040)

Interest and Ordinary Dividends

OMB No. 1545-0074

2010

Attachment
Sequence No. **08**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040A or 1040.

▶ See instructions.

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083 64 2427

**Part I
Interest**

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶

ING DIRECT
FIDELITY INTERMEDIATE MUNI INCOME
NATIONAL FINANCIAL SERVICES #7014
FROM K-1 - SOUTH CAROLINA EAR NOSE & THROAT AND
FACIAL PLASTIC SURGERY INC
FROM K-1 - HARTSVILLE HMA, LLC

Amount
58.
1,349.
177.
8.
1.

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

SUBTOTAL FOR LINE 1
TAX-EXEMPT INTEREST SEE STATEMENT 15

1,593.
-1,526.

2 Add the amounts on line 1
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a ▶

2 67.
3
4 67.

Note. If line 4 is over \$1,500, you must complete Part III.

**Part II
Ordinary Dividends**

5 List name of payer ▶

CGM REALTY FUND
FIDELITY REAL ESTATE INCOME
FIDELITY SELECT MATERIALS PORTFOLIO
FIDELITY SELECT CONSUMER STPLES PORT
FIDELITY SELECT BROKERAGE & INVS MGT
FIDELITY SELECT CHEMICALS
FIDELITY NEW MARKETS INCOME
NATIONAL FINANCIAL SERVICES #7014
DODGE & COX FUNDS
AMERITRADE
FROM K-1 - SOUTH CAROLINA EAR NOSE & THROAT AND
FACIAL PLASTIC SURGERY INC

Amount
93.
756.
13.
62.
15.
28.
840.
6,237.
1,263.
116.
5,520.

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a ▶

6 14,943.

Note. If line 6 is over \$1,500, you must complete Part III.

**Part III
Foreign Accounts**

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

	Yes	No
7a At any time during 2010, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1		X
b If "Yes," enter the name of the foreign country ▶		
8 During 2010, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2		X

7a At any time during 2010, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1

b If "Yes," enter the name of the foreign country ▶

8 During 2010, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2

027501
10-18-10

LHA For Paperwork Reduction Act Notice, see separate instructions.

Schedule B (Form 1040A or 1040) 2010

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2010

Attachment
Sequence No. **09**

Name of proprietor

JAMIE C CURLEY

Social security number (SSN)

573-73-4698

A Principal business or profession, including product or service (see instructions)

Enter code from pages C-9, 10, & 11

HANDMADE CRAFTS

999999

C Business name. If no separate business name, leave blank.

Employer ID number (EIN), if any

RAINN MAKER HANDMADE, LLC

E Business address (including suite or room no.) **401 WOODLAND DRIVE**

City, town or post office, state, and ZIP code **HARTSVILLE, SC 29550**

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) _____

G Did you "materially participate" in the operation of this business during 2010? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2010, check here

Part I Income

1	Gross receipts or sales. Caution. See instructions and check the box if: • This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses.	<input type="checkbox"/>	1	5,836.
2	Returns and allowances		2	
3	Subtract line 2 from line 1		3	5,836.
4	Cost of goods sold (from line 42 on page 2)		4	
5	Gross profit. Subtract line 4 from line 3		5	5,836.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6	
7	Gross income. Add lines 5 and 6		7	5,836.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8		18	Office expense	18	951.
9	Car and truck expenses (see instructions)	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10	250.	20	Rent or lease (see instructions):	20a	
11	Contract labor (see instructions)	11		20b	a Vehicles, machinery, and equipment	20b	
12	Depletion	12		21	b Other business property	21	429.
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		22	Repairs and maintenance	22	3,730.
14	Employee benefit programs (other than on line 19)	14		23	Supplies (not included in Part III)	23	566.
15	Insurance (other than health)	15		24	Taxes and licenses	24a	798.
16	Interest:			24b	Travel, meals, and entertainment:	24b	371.
16a	a Mortgage (paid to banks, etc.)	16a		25	a Travel	25	759.
16b	b Other	16b	366.	26	b Deductible meals and entertainment (see instructions)	26	
17	Legal and professional services	17		27	Utilities	27	3,456.
28	Total expenses before expenses for business use of home. Add lines 8 through 27	28		28	Wages (less employment credits)	28	11,676.
29	Tentative profit or (loss). Subtract line 28 from line 7	29		29	Other expenses (from line 48 on page 2)	29	-5,840.
30	Expenses for business use of your home. Attach Form 8829	30		30		30	
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31		31		31	-5,840.
32	If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.			32a	<input checked="" type="checkbox"/> All investment is at risk.	32b	<input type="checkbox"/> Some investment is not at risk.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Schedule C (Form 1040) 2010

020001 12-27-10

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a Cost b Lower of cost or market c Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ / /

44 Of the total number of miles you drove your vehicle during 2010, enter the number of miles you used your vehicle for:
 a Business b Commuting c Other

Was your vehicle available for personal use during off-duty hours? Yes No

46 Do you (or your spouse) have another vehicle available for personal use? Yes No

47 a Do you have evidence to support your deduction? Yes No
 b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

POSTAGE	487.
PHONE	2,348.
PRODUCT LOSS	316.
REGISTRATION FEES/SHOWS	100.
WEBSITE	166.
AUTO EXPENSES	39.
48 Total other expenses. Enter here and on page 1, line 27	48 3,456.

2010 DEPRECIATION AND AMORTIZATION REPORT
 RAINN MAKER HANDMADE, LLC

SCHEDULE C- 1

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	EQUIPMENT	063009	200DB	5.00	17	4,620.		4,620.	0.			0.
	TOTAL SCH C DEPRECIATION					4,620.		4,620.	0.			0.

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

2684

Plaintiffs' Ex 0078.008

Schedule C - Two-Year Comparison Worksheet

2010

Business Name:

RAINN MAKER HANDMADE, LLC

Description	Tax Year 2009	Tax Year 2010	Increase (Decrease)
INCOME			
GROSS INCOME	5,881.	5,836.	-45.
EXPENSES			
COMMISSIONS AND FEES	294.	250.	-44.
CONTRACT LABOR	2,336.	0.	-2,336.
DEPRECIATION AND SEC. 179 EXPENSE	4,620.	0.	-4,620.
INSURANCE	300.	0.	-300.
OTHER INTEREST	1,274.	366.	-908.
OFFICE EXPENSE	4,861.	951.	-3,910.
REPAIRS AND MAINTENANCE	886.	429.	-457.
SUPPLIES	12,598.	3,730.	-8,868.
TAXES AND LICENSES	276.	566.	290.
TRAVEL	9,342.	798.	-8,544.
MEALS AND ENTERTAINMENT	2,912.	371.	-2,541.
UTILITIES	0.	759.	759.
OTHER EXPENSES	6,555.	3,456.	-3,099.
TOTAL EXPENSES	46,254.	11,676.	-34,578.
NET PROFIT OR (LOSS)	-40,373.	-5,840.	34,533.

010638 03-07-11

10.2

12110413 136189 101038

2685

2010.03040 DYCE, ORVILLE H

101038_1

Plaintiffs' Ex 0078.009

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.

Attach to Form 1040, 1040NR, or 1041.

See Instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2010

Attachment
Sequence No. **09**

Name of proprietor: **ORVILLE H DYCE**

Social security number (SSN): **083-64-2427**

A Principal business or profession, including product or service (see instructions):
MEDICAL EQUIPMENT LEASE

B Enter code from pages C-9, 10, & 11: **423400**

C Business name. If no separate business name, leave blank:
DYCE MEDICAL ENTERPRISES

D Employer ID number (EIN), if any: _____

E Business address (including suite or room no.): _____
City, town or post office, state, and ZIP code: _____

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) _____

G Did you "materially participate" in the operation of this business during 2010? If "No," see instructions for limit on losses: Yes No

H If you started or acquired this business during 2010, check here:

Part I Income

1	Gross receipts or sales. Caution. See instructions and check the box if: • This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses.	<input type="checkbox"/>	1
2	Returns and allowances		2
3	Subtract line 2 from line 1		3
4	Cost of goods sold (from line 42 on page 2)		4
5	Gross profit. Subtract line 4 from line 3		5
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6
7	Gross income. Add lines 5 and 6		7

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8		18	Office expense	18	1,245.
	Car and truck expenses (see instructions)	9	5.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20a	
11	Contract labor (see instructions)	11			a Vehicles, machinery, and equipment	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	9,768.	22	Supplies (not included in Part III)	22	494.
14	Employee benefit programs (other than on line 19)	14		23	Taxes and licenses	23	2,486.
15	Insurance (other than health)	15		24	Travel, meals, and entertainment:	24a	
16	Interest:				a Travel	24b	
	a Mortgage (paid to banks, etc.)	16a		25	Utilities	25	759.
	b Other	16b		26	Wages (less employment credits)	26	
17	Legal and professional services	17		27	Other expenses (from line 48 on page 2)	27	8,835.
28	Total expenses before expenses for business use of home. Add lines 8 through 27	28		28		28	23,592.
29	Tentative profit or (loss). Subtract line 28 from line 7	29		29		29	-23,592.
30	Expenses for business use of your home. Attach Form 8829	30		30		30	
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31		31		31	-23,592.
32	If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.			32a	<input checked="" type="checkbox"/> All investment is at risk.	32b	<input type="checkbox"/> Some investment is not at risk.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Schedule C (Form 1040) 2010

020001 12-27-10

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a Cost b Lower of cost or market c Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ ___ / ___ / ___

44 Of the total number of miles you drove your vehicle during 2010, enter the number of miles you used your vehicle for:
 a Business _____ b Commuting _____ c Other _____

45 Was your vehicle available for personal use during off-duty hours? Yes No

46 Do you (or your spouse) have another vehicle available for personal use? Yes No

47 a Do you have evidence to support your deduction? Yes No
 b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

MOVING COSTS	7,200.
POSTAGE AND FEES	56.
INTERVIEW COSTS	863.
AUTO EXPENSES	83.
FIREING	368.
CME CERTIFICATION	265.
48 Total other expenses. Enter here and on page 1, line 27	48 8,835.

2010 DEPRECIATION AND AMORTIZATION REPORT
DYCE MEDICAL ENTERPRISES

SCHEDULE C- 2

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
5	MEDICAL EQUIPMENT	110810	200DB	7.00	19C	5,000.		5,000.	0.			5,000.
6	MEDICAL EQUIPMENT	111010	200DB	7.00	19C	4,768.		4,768.	0.			4,768.
	TOTAL SCH C DEPRECIATION					9,768.		9,768.	0.			9,768.
	CURRENT ACTIVITY											
	BEGINNING BALANCE					0.		0.	0.	0.		
	ACQUISITIONS					9,768.		9,768.	0.	0.		
	DISPOSITIONS					0.		0.	0.	0.		
	ENDING BALANCE					9,768.		9,768.	0.	0.		

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

2688

Plaintiffs' Ex 0078.012

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2010

Attachment
Sequence No. 12

Name(s) shown on return

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083 64 2427

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) Subtract (e) from (d)
1 CGM REALTY FUND		10/25/10	19,730.	19,730.	0.
CGM FOCUS FUND		10/25/10	23,247.	23,247.	0.
AMERITRADE (SEE ATTACHED)		VARIOUS	13,126.	13,126.	0.
FIDELITY INDEPENDENCE ST	12/11/09	03/11/10	27.	34.	-7.
FIDELITY INTERMEDIATE MUNI INCOME ST	VARIOUS	08/23/10	5,266.	5,069.	197.
2 Enter your short-term totals, if any, from Schedule D-1, line 2		2	1,293.		-26.
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)		3	62,689.		
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824		4			
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1		5			
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet in the instructions		6			()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)		7			164.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) Subtract (e) from (d)
ETRP EMERGING EUROPE & MEDITERRANEAN	VARIOUS	04/08/10	4,872.	7,353.	-2,481.
FIDELITY INDEPENDENCE LT	VARIOUS	03/11/10	14,024.	17,341.	-3,317.
FIDELITY INTERMEDIATE MUNI INCOME LT	06/23/08	01/07/10	10,000.	9,744.	256.
FIDELITY INTERMEDIATE MUNI INCOME LT	VARIOUS	01/07/10	7,500.	7,308.	192.
FIDELITY INTERMEDIATE MUNI INCOME LT	VARIOUS	07/09/10	17,800.	17,385.	415.
9 Enter your long-term totals, if any, from Schedule D-1, line 9		9	47,627.		-6,314.
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)		10	101,823.		
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824		11			
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1		12			
13 Capital gain distributions		13	SEE STATEMENT 16		3,578.
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet in the instructions		14			()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2		15			-7,671.

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule D (Form 1040) 2010

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result</p>	<p>16</p>	<p>-7,507.</p>
<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
<p>17 Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.</p>		
<p>18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-8 of the instructions</p>	<p>18</p>	
<p>19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-9 of the instructions</p>	<p>19</p>	
<p>20 Are lines 18 and 19 both zero or blank? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040, line 44 (or in the Instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below. <input checked="" type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Schedule D Tax Worksheet on page D-10 of the instructions. Do not complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of: <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) <p style="text-align: center;">} SEE STATEMENT 17</p> </p>	<p>21</p>	<p>(3,000.)</p>
<p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>		
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input checked="" type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040, line 44 (or in the Instructions for Form 1040NR, line 42). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.</p>		

SCHEDULE D-1
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Continuation Sheet for Schedule D
(Form 1040)

▶ See instructions for Schedule D (Form 1040).
▶ Attach to Schedule D to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2010

Attachment
Sequence No. 12A

ie(s) shown on return

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083 64 2427

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) Subtract (e) from (d)
FIDELITY LEVERAGED COMPANY STOCK ST	VARIOUS	03/11/10	75.	93.	-18.
FIDELITY SELECT ENERGY ST 50 U EXTERRAN PARTNERS, L.P.	VARIOUS	04/08/10	29.	37.	-8.
	01/07/10	06/18/10	1,189.	1,189.	0.
Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, line 2			1,293.		-26.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Schedule D-1 (Form 1040) 2010

Name(s) shown on return. Do not enter name and social security number if shown on page 1.

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083 64 2427

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) Subtract (e) from (d)
FIDELITY INTERMEDIATE MUNI INCOME LT	VARIOUS	08/23/10	19,734.	18,997.	737.
FIDELITY LEVERAGED COMPANY STOCK LT	VARIOUS	03/11/10	14,311.	17,699.	-3,388.
FIDELITY SELECT ENERGY LT	VARIOUS	04/08/10	13,582.	17,245.	-3,663.
Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, line 9.			47,627.		-6,314.

Qualified Dividends and Capital Gain Tax Worksheet - Line 44

Keep for Your Records

Name(s) shown on return ORVILLE H DYCE & JAMIE C CURLEY	Your SSN 083-64-2427
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before you begin: ✓ See the instructions for line 44 on page 35 to see if you can use this worksheet to figure your tax.
 ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43. However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the worksheet on page 36	1.	<u>515,373.</u>
2. Enter the amount from Form 1040, line 9b*	2.	<u>10,114.</u>
3. Are you filing Schedule D?*	3.	<u>0.</u>
<input checked="" type="checkbox"/> Yes. Enter the smaller of line 15 or 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-		
<input type="checkbox"/> No. Enter the amount from Form 1040, line 13		
4. Add lines 2 and 3	4.	<u>10,114.</u>
5. If filing Form 4952 (used to figure investment interest expense deduction), enter any amount from line 4g of that form. Otherwise, enter -0-	5.	<u>0.</u>
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	<u>10,114.</u>
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	<u>505,259.</u>
8. Enter:	8.	<u>68,000.</u>
\$ 34,000 if single or married filing separately, \$ 68,000 if married filing jointly or qualifying widow(er), \$ 45,550 if head of household.		
9. Enter the smaller of line 1 or line 8	9.	<u>68,000.</u>
10. Enter the smaller of line 7 or line 9	10.	<u>68,000.</u>
11. Subtract line 10 from line 9. This amount is taxed at 0%	11.	<u>0.</u>
12. Enter the smaller of line 1 or line 6	12.	<u>10,114.</u>
13. Enter the amount from line 11	13.	<u>0.</u>
14. Subtract line 13 from line 12	14.	<u>10,114.</u>
15. Multiply line 14 by 15% (.15)	15.	<u>1,517.</u>
16. Figure the tax on the amount on line 7. If the amount on line 7 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet	16.	<u>147,149.</u>
17. Add lines 15 and 16	17.	<u>148,666.</u>
18. Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet	18.	<u>150,689.</u>
19. Tax on all taxable income. Enter the smaller of line 17 or line 18. Also include this amount on Form 1040, line 44. If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the worksheet on page 36	19.	<u>148,666.</u>

* If you are filing Form 2555 or 2555-EZ, see the footnote in the worksheet on page 36 before completing this line.

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2010

Attachment
Sequence No. **13**

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See instructions for Schedule E (Form 1040).

e(s) shown on return

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and address of each rental real estate property:	2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days or • 10% of the total days rented at fair rental value? (See page E-4)	Yes	No
		A	B
A RENTAL 2257 DANIEL ISLAND DRIVE, SC			X
B RENTAL - 15 WATROO PT			X
C			

Income:	Properties			Totals
	A	B	C	(Add columns A, B, and C.)
3 Rents received	3 18,523.	35,100.		3 53,623.
4 Royalties received	4			4
Expenses:				
5 Advertising	5			
6 Auto and travel (see page E-5)	6			
7 Cleaning and maintenance	7			
8 Commissions	8 4,595.			
9 Insurance	9 364.	6,153.		
10 Legal and other professional fees	10			
11 Management fees	11 1,802.	3,860.		
12 Mortgage interest paid to banks, etc. (see page E-5)	12 18,134.	80,471.		12 98,605.
Other interest	13			
14 Repairs	14 3,283.	7,478.		
15 Supplies	15			
16 Taxes	16 4,750.	9,989.		
17 Utilities	17	4,022.		
18 Other (list) ▶ SEE STATEMENT 18 SEE STATEMENT 19	18 4,334.	5,220.		
19 Add lines 5 through 18	19 37,262.	117,193.		19 154,455.
20 Depreciation expense or depletion (see page E-5)	20 11,067.	52,335.		20 63,402.
21 Total expenses. Add lines 19 and 20	21 48,329.	169,528.		
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-6 to find out if you must file Form 6198	22 -29,806.	-134,428.		
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-6 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23 2,276.	2,989.		
24 Income. Add positive amounts shown on line 22. Do not include any losses				24 0.
Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				25 5,265.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2				26 -5,265.

Name(s) shown on return. Do not enter name and social security number if shown on page 1.

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check column (e) on line 28 and attach Form 6198. See page E-2.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? Yes No
If you answered "Yes," see page E-7 before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 20				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				
B				
C				
D				
29a Totals	5,265.			174,524.
b Totals		57.	29,973.	
30 Add columns (g) and (j) of line 29a				30 179,789.
31 Add columns (f), (h), and (i) of line 29b				31 (30,030.)
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below				32 149,759.

Part III Income or Loss From Estates and Trusts

(a) Name	(b) Employer identification number
A	
B	

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a			35
36 Add columns (c) and (e) of line 34b			36 ()
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below			37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary * ENTIRE DISPOSITION OF PASSIVE ACTIVITY

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	144,494.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see page E-8)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see page E-2), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

INCOME FROM PASSTHROUGH STATEMENT, PAGE 1

2010

SCHEDULE E

Name ORVILLE & JAMIE DYCE

SSN/EIN 083-64-2427

Passthrough SOUTH CAROLINA EAR NOSE & THROAT AND FACIAL PLASTIC SURGE ID 20-2229599

TAXPAYER

S CORPORATION

2696

NONPASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
SCHEDULE E, PAGE 2								
Ordinary business income (loss)	174,524.							
Rental real estate income (loss)								
Other net rental income (loss)								
Intangible drilling costs/dry hole costs								
Self-charged passive interest expense								
Guaranteed payments								
Section 179 and carryover	29,973.							
Disallowed section 179 expense								
Excess farm loss								
Net income (loss)	144,551.							144,551.
First passive other								
Second passive other								
Cost depletion								
Percentage depletion								
Depletion carryover								
Disallowed due to 65% limitation								
Unreimbursed expenses (nonpassive)								
Nonpassive other								
Total Schedule E (page 2)	144,551.							144,551.
FORM 4797								
Section 1231 gain (loss)								
Section 179 recapture on disposition								
SCHEDULE D								
Net short-term cap. gain (loss)								
Net long-term cap. gain (loss)								
Section 1256 contracts & straddles ...								
FORM 4952								
Investment interest expense - Sch. A								
Other net investment income								
ITEMIZED DEDUCTIONS								
Charitable contributions	1,638.							1,638.
Deductions related to portfolio income								
Other								

Plaintiffs' Ex 0078.020

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

2010

SCHEDULE E

Name ORVILLE & JAMIE DYCE

SSN/EIN 083-64-2427

Passthrough SOUTH CAROLINA EAR NOSE & THROAT AND FACIAL PLASTIC SURGE ID 20-2229599

TAXPAYER

S CORPORATION

2697

NONPASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
INTEREST AND DIVIDENDS								
Interest income	8.							8.
Interest from U.S. bonds								
Ordinary dividends	5,520.							5,520.
Qualified dividends	5,520.							5,520.
Tax-exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/86	-2,434.							-2,434.
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (loss)/Wages	418,845.							418,845.
Gross farming & fishing inc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Cancellation of debt								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/recapture of credits								
Credits								
Casualty and theft loss								

Plaintiffs' Ex 0078.021

INCOME FROM PASSTHROUGH STATEMENT, PAGE 1

2010

SCHEDULE E

Name JAMIE C CURLEY

SSN/EIN 573-73-4698

Passthrough SCENT LAND HOLDINGS LLC

ID 26-3444911

SPOUSE

PARTNERSHIP

2698

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
SCHEDULE E, PAGE 2								
Ordinary business income (loss)								
Rental real estate income (loss)								
Other net rental income (loss)								
Intangible drilling costs/dry hole costs								
Self-charged passive interest expense								
Guaranteed payments								
Section 179 and carryover								
Disallowed section 179 expense								
Excess farm loss								
Net income (loss)								
First passive other								
Second passive other								
Cost depletion								
Percentage depletion								
Depletion carryover								
Disallowed due to 65% limitation								
Unreimbursed expenses (nonpassive)								
Nonpassive other								
Total Schedule E (page 2)								
FORM 4797								
Section 1231 gain (loss)								
Section 179 recapture on disposition								
SCHEDULE D								
Net short-term cap. gain (loss)								
Net long-term cap. gain (loss)								
Section 1256 contracts & straddles								
FORM 4952								
Investment interest expense - Sch. A								
Other net investment income								
ITEMIZED DEDUCTIONS								
Charitable contributions								
Deductions related to portfolio income								
Other								

Plaintiffs' Ex 0078.022

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

2010

SCHEDULE E

Name JAMIE C CURLEY

SSN/EIN 573-73-4698

Passthrough SCENT LAND HOLDINGS LLC

ID 26-3444911

SPOUSE

PARTNERSHIP

2699

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax-exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/86								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (loss)/Wages								
Gross farming & fishing inc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Cancellation of debt								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/recapture of credits								
Credits								
Casualty and theft loss								

INCOME FROM PASSTHROUGH STATEMENT, PAGE 1

2010

SCHEDULE E

Name ORVILLE & JAMIE DYCE

SSN/EIN 083-64-2427

Passthrough MID-STATE PHYSICIANS SURGICAL GROUP LLC

ID 20-8579063

TAXPAYER

PARTNERSHIP

2700

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
SCHEDULE E, PAGE 2								
Ordinary business income (loss)								
Rental real estate income (loss)								
Other net rental income (loss)								
Intangible drilling costs/dry hole costs								
Self-charged passive interest expense								
Guaranteed payments								
Section 179 and carryover								
Disallowed section 179 expense								
Excess farm loss								
Net income (loss)								
First passive other								
Second passive other								
Cost depletion								
Percentage depletion								
Depletion carryover								
Disallowed due to 65% limitation								
Unreimbursed expenses (nonpassive)								
Nonpassive other								
Total Schedule E (page 2)								
FORM 4797								
Section 1231 gain (loss)								
Section 179 recapture on disposition								
SCHEDULE D								
Net short-term cap. gain (loss)								
Net long-term cap. gain (loss)								
Section 1256 contracts & straddles								
FORM 4952								
Investment interest expense - Sch. A								
Other net investment income								
ITEMIZED DEDUCTIONS								
Charitable contributions								
Deductions related to portfolio income								
Other								

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

2010

SCHEDULE E

Name ORVILLE & JAMIE DYCE

SSN/EIN 083-64-2427

Passthrough MID-STATE PHYSICIANS SURGICAL GROUP LLC

ID 20-8579063

TAXPAYER

PARTNERSHIP

2701

	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
OTHER PASSIVE								
INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax-exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/86								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (loss)/Wages								
Gross farming & fishing inc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Cancellation of debt								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/recapture of credits								
Credits								
Casualty and theft loss								

INCOME FROM PASSTHROUGH STATEMENT, PAGE 1

2010

SCHEDULE E

Name JAMIE C CURLEY

SSN/EIN 573-73-4698

Passthrough BROOKFIELD INFRASTRUCTURE PARTNERS, L.P.

ID 98-0544123

SPOUSE

PUBLICLY TRADED PARTNERSHIP

2702

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
SCHEDULE E, PAGE 2								
Ordinary business income (loss)								
Rental real estate income (loss)								
Other net rental income (loss)								
Intangible drilling costs/dry hole costs								
Self-charged passive interest expense								
Guaranteed payments								
Section 179 and carryover								
Disallowed section 179 expense								
Excess farm loss								
Net income (loss)								
First passive other								
Second passive other								
Cost depletion								
Percentage depletion								
Depletion carryover								
Disallowed due to 65% limitation								
Unreimbursed expenses (nonpassive)								
Nonpassive other								
Total Schedule E (page 2)								
FORM 4797								
Section 1231 gain (loss)								
Section 179 recapture on disposition								
SCHEDULE D								
Net short-term cap. gain (loss)								
Net long-term cap. gain (loss)								
Section 1256 contracts & straddles ...								
FORM 4952								
Investment interest expense - Sch. A								
Other net investment income								
ITEMIZED DEDUCTIONS								
Charitable contributions								
Deductions related to portfolio income								
Other								

Plaintiffs' Ex 0078.026

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

2010

SCHEDULE E

Name JAMIE C CURLEY

SSN/EIN 573-73-4698

Passthrough BROOKFIELD INFRASTRUCTURE PARTNERS, L.P.

ID 98-0544123

SPOUSE

PUBLICLY TRADED PARTNERSHIP

2703

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax-exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/86								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (loss)/Wages								
Gross farming & fishing inc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Cancellation of debt								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/recapture of credits								
Credits								
Casualty and theft loss								

INCOME FROM PASSTHROUGH STATEMENT, PAGE 1

2010

SCHEDULE E

Name ORVILLE & JAMIE DYCE

SSN/EIN 083-64-2427

Passthrough HARTSVILLE HMA, LLC

ID 57-1029438

TAXPAYER

PARTNERSHIP

2704

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
SCHEDULE E, PAGE 2								
Ordinary business income (loss)	5,534.							
Rental real estate income (loss)								
Other net rental income (loss)	79.							
Intangible drilling costs/dry hole costs								
Self-charged passive interest expense								
Guaranteed payments								
Section 179 and carryover								
Disallowed section 179 expense								
Excess farm loss								
Net income (loss)	5,613.							5,613.
First passive other	-348.							-348.
Second passive other								
Cost depletion								
Percentage depletion								
Depletion carryover								
Disallowed due to 65% limitation								
Unreimbursed expenses (nonpassive)								
Nonpassive other								
Total Schedule E (page 2)	5,265.							5,265.
FORM 4797								
Section 1231 gain (loss)								
Section 179 recapture on disposition								
SCHEDULE D								
Net short-term cap. gain (loss)								
Net long-term cap. gain (loss)								
Section 1256 contracts & straddles								
FORM 4952								
Investment interest expense - Sch. A								
Other net investment income								
ITEMIZED DEDUCTIONS								
Charitable contributions								
Deductions related to portfolio income								
Other								

Plaintiffs' Ex 0078.028

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

2010

SCHEDULE E

Name ORVILLE & JAMIE DYCE

SSN/EIN 083-64-2427

Passthrough HARTSVILLE HMA, LLC

ID 57-1029438

TAXPAYER

PARTNERSHIP

2705

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
INTEREST AND DIVIDENDS								
Interest income	1.							1.
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax-exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/86								
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (loss)/Wages	5,186.							5,186.
Gross farming & fishing inc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Cancellation of debt								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/recapture of credits								
Credits	2.							2.
Casualty and theft loss								

INCOME FROM PASSTHROUGH STATEMENT, PAGE 1

2010

SCHEDULE E

Name JAMIE C CURLEY

SSN/EIN 573-73-4698

Passthrough EXTERRAN PARTNERS, L.P.

ID 22-3935108

SPOUSE

PUBLICLY TRADED PARTNERSHIP

2706

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
SCHEDULE E, PAGE 2								
Ordinary business income (loss)	-60.							
Rental real estate income (loss)								
Other net rental income (loss)	3.							
Intangible drilling costs/dry hole costs								
Self-charged passive interest expense								
Guaranteed payments								
Section 179 and carryover								
Disallowed section 179 expense								
Excess farm loss								
Net income (loss)	-57.							-57.
First passive other								
Second passive other								
Cost depletion								
Percentage depletion								
Depletion carryover								
Disallowed due to 65% limitation								
Unreimbursed expenses (nonpassive)								
Nonpassive other								
Total Schedule E (page 2)	-57.							-57.
FORM 4797								
Section 1231 gain (loss)								
Section 179 recapture on disposition								
SCHEDULE D								
Net short-term cap. gain (loss)								
Net long-term cap. gain (loss)								
Section 1256 contracts & straddles ...								
FORM 4952								
Investment interest expense - Sch. A								
Other net investment income								
ITEMIZED DEDUCTIONS								
Charitable contributions								
Deductions related to portfolio income								
Other								

Plaintiffs' Ex 0078.030

INCOME FROM PASSTHROUGH STATEMENT, PAGE 2

2010

SCHEDULE E

Name JAMIE C CURLEY

SSN/EIN 573-73-4698

Passthrough EXTERRAN PARTNERS, L.P.

ID 22-3935108

SPOUSE

PUBLICLY TRADED PARTNERSHIP

2707

OTHER PASSIVE	K-1 Input	Prior Year Unallowed Basis Loss	Disallowed Due to Basis Limitation	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Passive Loss	Disallowed Passive Loss	Tax Return
INTEREST AND DIVIDENDS								
Interest income								
Interest from U.S. bonds								
Ordinary dividends								
Qualified dividends								
Tax-exempt interest income								
FORM 6251								
Depreciation adjustment after 12/31/86	7.							7.
Adjusted gain or loss								
Beneficiary's AMT adjustment								
Depletion (other than oil)								
Other								
MISCELLANEOUS								
Self-employment earnings (loss)/Wages								
Gross farming & fishing inc								
Royalties								
Royalty expenses/depletion								
Undistributed capital gains credit								
Backup withholding								
Credit for estimated tax								
Cancellation of debt								
Medical insurance - 1040								
Dependent care benefits								
Retirement plans								
Qualified production activities income								
Passthrough adjustment to Form 1040								
Penalty on early withdrawal of savings								
NOL								
Other taxes/recapture of credits								
Credits								
Casualty and theft loss								

Plaintiffs' Ex 0078.031

2708

Schedule E			PASSTHROUGH RECA BASIC INFORMATION										2010		
ORVILLE H DYCE & JAMIE C CURLEY													083-64-2427		
TYP S J E	Schedule K-1 Line Reference: (1065/1120S/1041)			1/1/6	2/2/7	3/3/8	*	*	5/4/1	*	6a/5a/2a	7/6/*	8/7/3	9a/8a/4a	4/*/*
	Entity No.	Act. No.	Name	Ordinary Income (Loss)	Rental Real Estate Inc. (Loss)	Other Rental Income (Loss)	Passive Activity Loss C/O	AMT Passive Activity Loss C/O	Interest	US Treasury Bond Interest	Dividends	Royalties	Short-Term Capital Gain (Loss)	Net Long-Term Capital Gain (Loss)	Guaranteed Payments to Partner
TS	1	1	SOUTH CAROLINA EAR NOSE & THROA	174,524.					8.		5,520.				
SP	2	2	SCENT LAND HOLDINGS LLC												
ST	4	3	BROOKFIELD INFRASTRUCTURE PARTN												
TP	5	4	HARTSVILLE HMA, LLC	5,534.		79.			1.						
TP	3	5	MID-STATE PHYSICIANS SURGICAL G												
ST	6	6	EXTERRAN PARTNERS, L.P.	-60.		3.									
Totals				179,998.		82.			9.		5,520.				
Component of:				Schedule E, Page 2, Various	Schedule E, Page 2, Various	Schedule E, Page 2, Various	Form 8582 Line 3c	Form 8582 AMT, Line 3c	Schedule B, Line 1	Schedule B, Line 1	Schedule B, Line 5	Schedule E, Line 4	Schedule D, Line 5	Schedule D, Line 12	Schedule E, Page 2, Various

Schedule K-1																	
Line Reference: (1065/1120S/1041)																	
Entity No.	Act. No.	Section 1231 Gain (Loss)	Ordinary Gain (Loss) Form 4797	Other Income	Charitable Contributions 50%	Section 179 Expense	Deductions Related to Portfolio Income (2%)	Other Deductions	Investment Int. Expense (Schedule A)	Investment Int. Expense (Schedule E)	Investment Income	SE Health Insurance Premium	Wages for More Than 2% Shareholders	Net SE Earnings	AMT Depr Adj on Post '86 Property	Minimum Tax Adjustment	Exclusion Items
1	1				1,638.	29,973.					5,528.		418,845.		-2,434.		
5	4							348.			1.			5,186.			
6	6														7.		
Totals					1,638.	29,973.		348.			5,529.		418,845.	5,186.	-2,427.		
Component of:		Form 4797, Line 2	Form 4797, Line 10	Schedule E, Page 2, Various	Schedule A, Lines 16 & 17	Form 4562, Line 6	Schedule A, Line 23	Schedule E, Page 2, Various	Schedule A, Line 14	Schedule E, Page 2, Various	Form 4952, Line 4a	Form 1040, Line 29	Form 1040, Line 7	Schedule SE, Line 2	Form 6251, Line 19	Form 6251, Line 16	2010 Form 8801

* - No specific Schedule K-1 line reference for these amounts.

Plaintiffs' Ex 0078.032

2709

Schedule L		PASSTHROUGH RECAP - ADDITIONAL INCOME, DEDUCTIONS, AND PRIOR YEAR CARRYOVERS															2010
ORVILLE H DYCE & JAMIE C CURLEY																	083-64-2427
Schedule K-1																	
Line Reference: (1065/1120S/1041)																	
		17/15*	15/13/13	15/13/*	*/*/10	*/*/11	18/16/14	18/16/*	18/16/*	*	*	*	*	*	*	*	
Entity No.	Act. No.	AMT Adj. Gain or Loss	Low Income Housing Cr Pre '08	Low Income Housing Cr Post '07	Estate Tax Deduction	Excess Deductions on Termination	Tax-exempt Interest Income	Other Tax-exempt Income	Nondeductible Expenses	Section 1231 PAL Carryover	AMT Section 1231 PAL Carryover	ST Capital PAL C/O	AMT ST Capital PAL C/O	LT Capital PAL C/O	AMT LT Capital PAL C/O	Form 4797 Ordinary PAL C/O	AMT 4797 Ordinary PAL C/O
1	1								12,131.								
5	4								5.								
Totals									12,136.								
Component of:		Form 6251, Line 18	Form 8586 Line 4	Form 8586 Line 11	Schedule A, Line 28	Schedule A, Line 23	Schedule B, Line 1	Schedule B, Line 1	Form 8198, Line 4 Basic Lmt.	Form 8582, Line 3c	Form 8582 AMT, Line 3c	Form 8582, Line 3c	Form 8582 AMT, Line 3c	Form 8582, Line 3c	Form 8582 AMT, Line 3c	Form 8582, Line 3c	Form 8582 AMT, Line 3c

Schedule K-1																	
Line Reference: (1065/1120S/1041)																	
		/	13/12/*	13/12/*	13/12/*	13/*/*	13/*/*	13/*/*	13/*/*	11/10/5	*	9c/8c/4c	20/17/*	*	*/*/9	13/12/*	*
Entity No.	Act. No.	Section 179 Carryover	Charitable Contributions 30% Regular	Charitable Contributions 30% Special	Charitable Contributions 20%	Keogh Payments	SEP Payments	IRA Contributions	Other Portfolio Income (loss)	Other Nonportfolio Nonpassive Income	Unrecaptured Section 1250 Gain	Investment Expenses	Investment Interest Expense C/O (Sch. E)	Nonpassive Depreciation and Amortization	Deductions Related to Portfolio Income (not 2%)	Medical Payments for 2% Owner	
Totals																	
Component of:		Form 4562, Line 10	Schedule A, Lines 16 & 17	Schedule A, Lines 16 & 17	Schedule A, Lines 16 & 17	Form 1040, Line 28	Form 1040, Line 28	Form 1040, Line 32	Schedule E, Page 2, Various	Schedule E, Page 2, Various	Schedule D, Line 19	Form 4952, Line 5	Form 4952, Line 2	Schedule E, Line 33	Schedule A, Line 28	Schedule A, Line 1	

028072 05-01-10 * - No specific Schedule K-1 line reference for these amounts.

Plaintiffs' Ex 0078.033

2710

Schedule K-1		PASSTHROUGH RECAP - ADDITIONAL INFORMATION AND PRIOR YEAR AT-RISK CARRYOVERS														2010		
ORVILLE H DYCE & JAMIE C CURLEY																083-64-2427		
Line Reference: (1085/1120S/1041)		9b/8b/4b	*	15/13/13	*	*/*/13	15/13/13	15/13/13	15/13/13	15/13/13	15/13/*	15/13/13	15/13/13	17/15/12	17/15/*	17/15/*	17/15/*	17/15/*
Entity No.	Act. No.	Net LT Capital Gain (Loss) 28%	Form 4684 Casualty or Theft Gain (Loss)	Federal Income Tax Withheld	State Income Tax Withheld	Estimated Tax Paid by a Trust	Qualified Rehabilitation Expenditures Credit	Alcohol Fuel Credit	Non-conventional Source Fuel Credit	Patrons Credit	Welfare to Work Credit	Work Opportunity Credit	Form 6251 Depletion (Not Oil and Gas)	Form 6251 Interest Deduction Adjustments	Form 6251 Incentive Stock Options	Form 6251 Passive Activities	Form 6251 Tax-exempt Interest P.A. Bonds	
5	4																	
Totals														2.				
Component of:		Schedule D, Line 18	Form 4684, Section B	Form 1040, Line 61	Schedule A, Line 5	Form 1040, Line 62	Form 3468, Line 10	Form 6478, Line 7	Form 8907, Line 12	Form 5884, Line 3	Form 8861, Line 3	Form 5884, Line 3	Form 6251, Line 10	Form 6251, Line 9	Form 6251, Line 15	Form 6251, Line 20	Form 6251, Line 13	

Schedule K-1		PASSTHROUGH RECAP - ADDITIONAL INFORMATION AND PRIOR YEAR AT-RISK CARRYOVERS												2010	
Line Reference: (1085/1120S/1041)															
Entity No.	Act. No.	Schedule E At-Risk Carryover	AMT Schedule E At-Risk Carryover	ST At-Risk Carryover	AMT ST At-Risk Carryover	LT At-Risk Carryover	AMT LT At-Risk Carryover	Sec. 1231 At-Risk Carryover	AMT Sec. 1231 At-Risk Carryover	4797-Ord. At-Risk Carryover	AMT 4797-Ord. At-Risk Carryover	Other At-Risk Carryovers	AMT Other At-Risk Carryovers		
Totals															
Component of:		Form 6198, Line 1	Form 6198 AMT, Line 1	Form 6198, Line 2a	Form 6198 AMT, Line 2a	Form 6198, Line 2a	Form 6198 AMT, Line 2a	Form 6198, Line 2a	Form 6198 AMT, Line 2a	Form 6198, Line 2b	Form 6198 AMT, Line 2b	Form 6198, Various	Form 6198 AMT, Various		

028073 05-01-10 * - No specific Schedule K-1 line reference for these amounts.

Plaintiffs' Ex 0078.034

2711

Schedule		PASSTHROUGH RECAP - ADDITIONAL INFORMATION AND PRIOR YEAR BASIS CARRYOVERS											2010		
ORVILLE H DYCE & JAMIE C CURLEY													083-64-2427		
Schedule K-1 Line Reference: (1065/1120S/1041)															
Entity No.	Act. No.	6b/5b/2b	11/10*	13*/*	13/12/14	13/12*	15/13*	15/13/13	15/13/13	15/13*	15/13*	20/17/13	*/**		
Entity No.	Act. No.	Qualified Dividends	Sec. 1256 Contracts & Straddles	Dependent Care Benefits	Qualified Production Activities Income	Employer's W-2 Wages	Undistributed Capital Gains	Empowerment Zone Credit	Credit for Increasing Research Activities	New Markets Credit	Credit for SS & Medicare Taxes	Recapture of Low-Income Housing Credit	Royalty/Depletion Expenses		
1	1	5,520.													
Totals		5,520.													
Component of:		Form 1040, Line 9b	Form 6781, Line 1	Form 2441, Line 14	Form 8903, Line 7	Form 8903, Line 15	Form 1040, Line 70	Form 8844, Line 3	Form 6765, Line 37	Form 8874, Line 2	Form 8846, Line 5	Form 8611, Line 8	Schedule E, Page 1 or 2		

Schedule K-1 Line Reference: (1065/1120S/1041)														
Entity No.	Act. No.	*	*	*	*	*	*	*	*	*	*	*	*	*
Entity No.	Act. No.	Schedule E Basis Carryover	AMT Schedule E Basis Carryover	ST Basis Carryover	AMT Basis Carryover	LT Basis Carryover	AMT LT Basis Carryover	Sec. 1231 Basis Carryover	AMT Sec. 1231 Basis Carryover	4797-Ord. Basis Carryover	AMT 4797-Ord. Basis Carryover	Other Basis Carryovers	AMT Other Basis Carryovers	
Totals														
Component of:		Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	Basis Limitation Worksheet	

028076 05-01-10 * - No specific Schedule K-1 line reference for these amounts.

Schedule E

Publicly Traded Partnerships

Name of Activity: EXTERRAN PARTNERS, L.P. - ACTIVITY NO. 6

Activity net income
 Activity net loss -57.
 Prior year unallowed losses _____
 Net income (loss) -57. 100% DISPOSITION
 Total loss allowed from the PTP for 2010 57.
 Disallowed losses from this PTP

Form or Schedule	Gain/Loss	Prior Year Carryover	Net Gain/Loss	Unallowed Loss	Allowed Loss
SCH E	-57.	0.	-57.		57.
	-57.		-57.		57.

Alternative Minimum Tax

Activity net income
 Activity net loss -50.
 Prior year unallowed losses _____
 Net income (loss) -50. 100% DISPOSITION
 Total loss allowed from the PTP for 2010 50.
 Disallowed losses from this PTP
 Alternative minimum tax adjustment 7.

Form or Schedule	Gain/Loss	Prior Year Carryover	Net Gain/Loss	Unallowed Loss	Allowed Loss
SCH E	-50.	0.	-50.		50.
	-50.		-50.		50.

2010 DEPRECIATION AND AMORTIZATION REPORT
 RENTAL - 2257 DANIEL ISLAND DRIVE, SC

SCHEDULE E- 1

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
3	BUILDING	02/01/10	SL	27.50	16	332,000.			332,000.	39,909.		11,067.
4	LAND	02/01/10	L			83,000.			83,000.			0.
	TOTAL SCH E DEPRECIATION					415,000.			415,000.	39,909.		11,067.
	CURRENT ACTIVITY											
	BEGINNING BALANCE					0.		0.	0.	0.		
	ACQUISITIONS					415,000.		0.	415,000.	39,909.		
	DISPOSITIONS					0.		0.	0.	0.		
	ENDING BALANCE					415,000.		0.	415,000.	39,909.		

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

2713

Plaintiffs' Ex 0078.037

2010 DEPRECIATION AND AMORTIZATION REPORT
 RENTAL - 15 WATROO PT

SCHEDULE E- 2

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
2	BUILDING	010110	SL	27.50	16	1439200.			1439200.			52,335.
7	LAND	010110	L			359,800.			359,800.			0.
	TOTAL SCH E DEPRECIATION					1799000.			1799000.			52,335.
	CURRENT ACTIVITY											
	BEGINNING BALANCE					0.		0.	0.	0.		
	ACQUISITIONS					1799000.		0.	1799000.	0.		
	DISPOSITIONS					0.		0.	0.	0.		
	ENDING BALANCE					1799000.		0.	1799000.	0.		

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

2714

Plaintiffs' Ex 0078.038

Schedule E - Two-Year Comparison Worksheet

2010

Property Name:

RENTAL - 2257 DANIEL ISLAND DRIVE, SC

Description	Tax Year 2009	Tax Year 2010	Increase (Decrease)
INCOME			
RENTS RECEIVED	18,900.	18,523.	-377.
EXPENSES			
COMMISSIONS	0.	4,595.	4,595.
INSURANCE	364.	364.	0.
MANAGEMENT FEES	0.	1,802.	1,802.
MORTGAGE INTEREST	18,444.	18,134.	-310.
REPAIRS	0.	3,283.	3,283.
TAXES	4,708.	4,750.	42.
UTILITIES	2,948.	0.	-2,948.
OTHER	4,980.	4,334.	-646.
SUBTOTAL	31,444.	37,262.	5,818.
DEPRECIATION EXPENSE OR DEPLETION	14,695.	11,067.	-3,628.
TOTAL EXPENSES	46,139.	48,329.	2,190.
INCOME OR (LOSS)	-27,239.	-29,806.	-2,567.
DEDUCTIBLE RENTAL LOSS *	-5,187.	-2,276.	2,911.
INCLUDES PASSIVE ACTIVITY LOSS			

010830 05-01-10

35.3

12110413 1302715101038

2010.03040 DYCE, ORVILLE H

101038 1
Plaintiffs' Ex 0078.039

Alternative Minimum Tax - Individuals

OMB No. 1545-0074

2010

▶ Attach to Form 1040 or Form 1040NR.

Attachment
 Sequence No. **32**

re(s) shown on Form 1040 or Form 1040NR

Your social security number

ORVILLE H DYCE & JAMIE C CURLEY

083 64 2427

Part I Alternative Minimum Taxable Income

1 If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 and go to line 2. Otherwise, enter the amount from Form 1040, line 38 and go to line 6. (If less than zero, enter as a negative amount.)	1	529,973.
2 Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3 Taxes from Schedule A (Form 1040), lines 5, 6, and 8	3	61,079.
4 Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions	4	
5 Miscellaneous deductions from Schedule A (Form 1040), line 27	5	101,678.
6 If filing Schedule L (Form 1040A or 1040), enter as a negative amount the sum of lines 6 and 17 from that schedule	6	
7 Tax refund from Form 1040, line 10 or line 21	7	-5,897.
8 Investment interest expense (difference between regular tax and AMT)	8	212.
9 Depletion (difference between regular tax and AMT)	9	
10 Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11 Alternative tax net operating loss deduction	11	
12 Interest from specified private activity bonds exempt from the regular tax SEE STATEMENT 22	12	60.
13 Qualified small business stock (7% of gain excluded under section 1202)	13	
14 Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15 Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16 Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17 Disposition of property (difference between AMT and regular tax gain or loss)	17	
18 Depreciation on assets placed in service after 1986 (difference between regular tax and AMT) STMT 23	18	-2,434.
19 Passive activities (difference between AMT and regular tax income or loss) SEE STATEMENT 21	19	7.
20 Loss limitations (difference between AMT and regular tax income or loss)	20	
Circulation costs (difference between regular tax and AMT)	21	
Long-term contracts (difference between AMT and regular tax income)	22	
23 Mining costs (difference between regular tax and AMT)	23	
24 Research and experimental costs (difference between regular tax and AMT)	24	
25 Income from certain installment sales before January 1, 1987	25	
26 Intangible drilling costs preference	26	
27 Other adjustments, including income-based related adjustments	27	
28 Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$219,900, see instructions.)	28	684,678.

Part II Alternative Minimum Tax (AMT)

29 Exemption. (If you were under age 24 at the end of 2010, see instructions.) IF your filing status is ... AND line 28 is not over ... THEN enter on line 29 ... Single or head of household \$112,500 \$47,450 Married filing jointly or qualifying widow(er) 150,000 72,450 Married filing separately 75,000 36,225 If line 28 is over the amount shown above for your filing status, see instructions.		0.
30 Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 33 and 35 and skip the rest of Part II	30	684,678.
31 • If you are filing Form 2555 or 2555-EZ, see page 9 of the instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 54 here. • All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.	31	186,895.
32 Alternative minimum tax foreign tax credit (see instructions)	32	125.
33 Tentative minimum tax. Subtract line 32 from line 31	33	186,770.
34 Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Sch J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Sch J	34	148,541.
AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	38,229.

LHA For Paperwork Reduction Act Notice, see your tax return instructions.

Form 6251 (2010)

Part III Tax Computation Using Maximum Capital Gains Rates

36	Enter the amount from Form 6251, line 30. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet in the instructions	36	684,678.
	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as figured for the AMT, if necessary) (see the instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	37	10,114.
38	Enter the amount from Schedule D (Form 1040), line 19 (as figured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	38	1.
39	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as figured for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	39	10,114.
40	Enter the smaller of line 36 or line 39	40	10,114.
41	Subtract line 40 from line 36	41	674,564.
42	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result	42	185,378.
43	Enter: <ul style="list-style-type: none"> • \$68,000 if married filing jointly or qualifying widow(er), • \$34,000 if single or married filing separately, or • \$45,550 if head of household. 	43	68,000.
44	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-	44	505,259.
45	Subtract line 44 from line 43. If zero or less, enter -0-	45	0.
46	Enter the smaller of line 36 or line 37	46	10,114.
47	Enter the smaller of line 45 or line 46	47	
48	Subtract line 47 from line 46	48	10,114.
49	Multiply line 48 by 15% (.15)	49	1,517.
	If line 38 is zero or blank, skip lines 50 and 51 and go to line 52. Otherwise, go to line 50.		
50	Subtract line 46 from line 40	50	
51	Multiply line 50 by 25% (.25)	51	
52	Add lines 42, 49, and 51	52	186,895.
53	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result	53	188,210.
54	Enter the smaller of line 52 or line 53 here and on line 31. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 31. Instead, enter it on line 4 of the worksheet in the instructions	54	186,895.

Form 6251 (2010)

ALTERNATIVE MINIMUM TAX RECONCILIATION REPORT

Name(s) ORVILLE H DYCE & JAMIE C CURLEY	Social Security Number 083-64-2427
---	--

Form Name	Description	Income	Adjustment				
			Form 6251, Line 17	Form 6251, Line 18	Form 6251, Line 19	Form 6251, Line 20	Form 6251 Other Adjustment
K1-	SOUTH CAROLINA EAR NOS E & THROAT AND FACIAL						
	* REGULAR INCOME	174,524.					
	DEPR ADJ	-2,434.		-2,434.			
	* AMT NET INCOME	172,090.		-2,434.			
E-	EXTERRAN PARTNERS, L.P.						
	. - PTP						
	* REGULAR INCOME	-57.					
	AMT ADJUSTMENTS	7.			7.		
	* AMT NET INCOME	-50.					
K1-	HARTSVILLE HMA, LLC						
	* REGULAR INCOME	5,265.					
	* AMT NET INCOME	5,265.					
E-	RENTAL - 2257 DANIEL I SLAND DRIVE, SC						
	* REGULAR INCOME	-2,276.					
	PAL CARRYOVER	72,537.			72,537.		
	AMT PAL CARRYOVER	-22,052.			-22,052.		
	PAL DISALLOWED	-100,067.			-100,067.		
	AMT PAL DISALLOWED	50,392.			50,392.		
	* AMT NET INCOME	-1,466.			810.		

2718

Plaintiffs' Ex 0078.042

ALTERNATIVE MINIMUM TAX RECONCILIATION REPORT

Name(s) ORVILLE H DYCE & JAMIE C CURLEY	Social Security Number 083-64-2427
---	--

Form Name	Description	Income	Adjustment				
			Form 6251, Line 17	Form 6251, Line 18	Form 6251, Line 19	Form 6251, Line 20	Form 6251 Other Adjustment
E-	RENTAL - 15 WATROO PT						
	* REGULAR INCOME	-2,989.					
	PAL DISALLOWED	-131,439.			-131,439.		
	AMT PAL DISALLOWED	130,629.			130,629.		
	* AMT NET INCOME	-3,799.			-810.		
	** TOTAL ADJ & PREF **			-2,434.	7.		

2719

Plaintiffs' Ex 0078.043

ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

2720

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	Regular Depreciation	AMT Depreciation	AMT Adjustment
	DYCE MEDICAL ENTERPRISES								
5	MEDICAL EQUIPMENT	110810	200DE	7.00	5,000.	0.	5,000.	5,000.	0.
6	MEDICAL EQUIPMENT	111010	200DE	7.00	4,768.	0.	4,768.	4,768.	0.
	** SUBTOTAL **				9,768.	0.	9,768.	9,768.	0.
	*** GRAND TOTAL ***				9,768.	0.	9,768.	9,768.	0.

028104
05-01-10

Nondeductible IRAs

▶ See separate instructions.

▶ Attach to Form 1040, Form 1040A, or Form 1040NR.

e. If married, file a separate form for each spouse required to file Form 8606. See the instructions.

Your social security number

ORVILLE H DYCE

083 64 2427

**Fill in Your Address Only
If You Are Filing This
Form by Itself and Not
With Your Tax Return**

Home address (number and street, or P.O. box if mail is not delivered to your home)

Apt. no.

City, town or post office, state, and ZIP code

Part I Nondeductible Contributions to Traditional IRAs and Distributions From Traditional, SEP, and SIMPLE IRAs

Complete this part only if one or more of the following apply.

- You made nondeductible contributions to a traditional IRA for 2010.
- You took distributions from a traditional, SEP, or SIMPLE IRA in 2010 and you made nondeductible contributions to a traditional IRA in 2010 or an earlier year. For this purpose, a distribution does not include a rollover, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You converted part, but not all, of your traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2010 (excluding any portion you recharacterized) and you made nondeductible contributions to a traditional IRA in 2010 or an earlier year.

1	Enter your nondeductible contributions to traditional IRAs for 2010, including those made for 2010 from January 1, 2011, through April 18, 2011 (see instructions)	1						
2	Enter your total basis in traditional IRAs (see instructions)	2	3,250.					
3	Add lines 1 and 2	3	3,250.					
<table border="1"> <tr> <td rowspan="2">In 2010, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?</td> <td>No</td> <td>Enter the amount from line 3 on line 14. Do not complete the rest of Part I.</td> </tr> <tr> <td>Yes</td> <td>Go to line 4.</td> </tr> </table>		In 2010, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?	No	Enter the amount from line 3 on line 14. Do not complete the rest of Part I.	Yes	Go to line 4.		
In 2010, did you take a distribution from traditional, SEP, or SIMPLE IRAs, or make a Roth IRA conversion?	No		Enter the amount from line 3 on line 14. Do not complete the rest of Part I.					
	Yes	Go to line 4.						
4	Enter those contributions included on line 1 that were made from January 1, 2011, through April 18, 2011	4						
5	Subtract line 4 from line 3	5	3,250.					
6	Enter the value of all your traditional, SEP, and SIMPLE IRAs as of December 31, 2010, plus any outstanding rollovers (see instructions)	6	43,048.					
7	Enter your distributions from traditional, SEP, and SIMPLE IRAs in 2010. Do not include rollovers, a one-time distribution to fund an HSA, conversions to a Roth IRA, certain returned contributions, or recharacterizations of traditional IRA contributions (see instructions)	7						
8	Enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2010. Do not include amounts converted that you later recharacterized (see instructions). Also enter this amount on line 16	8	3,633.					
9	Add lines 6, 7, and 8	9	46,681.					
10	Divide line 5 by line 9. Enter the result as a decimal rounded to at least 3 places. If the result is 1.000 or more, enter "1.000"	10	x .069621473					
11	Multiply line 8 by line 10. This is the nontaxable portion of the amount you converted to Roth IRAs. Also enter this amount on line 17	11	253.					
12	Multiply line 7 by line 10. This is the nontaxable portion of your distributions that you did not convert to a Roth IRA	12						
13	Add lines 11 and 12. This is the nontaxable portion of all your distributions	13	253.					
14	Subtract line 13 from line 3. This is your total basis in traditional IRAs for 2010 and earlier years	14	2,997.					
15	Taxable amount. Subtract line 12 from line 7. If more than zero, also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b Note: You may be subject to an additional 10% tax on the amount on line 15 if you were under age 59 1/2 at the time of the distribution (see instructions).	15						

Part II 2010 Conversions From Traditional, SEP, or SIMPLE IRAs to Roth IRAs

Complete this part if you converted part or all of your traditional, SEP, and SIMPLE IRAs to a Roth IRA in 2010 (excluding any portion you recharacterized).

16	If you completed Part I, enter the amount from line 8. Otherwise, enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2010. Do not include amounts you later recharacterized back to traditional, SEP, or SIMPLE IRAs in 2010 or 2011 (see instructions)	16	3,633.
17	If you completed Part I, enter the amount from line 11. Otherwise, enter your basis in the amount on line 16 (see instructions)	17	253.

Part II 2010 Conversions From Traditional, SEP, or SIMPLE IRAs to Roth IRAs (Continued)

18 Taxable amount. Subtract line 17 from line 16	18	3,380.
Amount subject to tax in 2010. Check the box if you elect to report the entire taxable amount in 2010 rather than reporting 1/2 of it in 2011 and 1/2 in 2012. Generally, you must check this box if you check the box on line 24 (see instructions) <input type="checkbox"/> If you checked the box, enter the amount from line 18 on this line and include this amount on Form 1040, line 15b, Form 1040A, line 11b, or Form 1040NR, line 16b. If you did not check the box, skip line 19 and go to line 20a.	19	
20a Amount subject to tax in 2011. If you did not check the box on line 19, multiply the amount on line 18 by 50% (.50) and enter it here. Include this amount on the applicable line of your 2011 tax return	20a	1,690.
b Amount subject to tax in 2012. Subtract line 20a from line 18. Include this amount on the applicable line of your 2012 tax return	20b	1,690.

Part III 2010 Rollovers From Qualified Retirement Plans to Roth IRAs and In-plan Rollovers to Designated Roth Accounts Complete this part if you rolled over part or all of your qualified retirement plan to a Roth IRA (excluding recharacterizations), or rolled over an amount to a designated Roth account within the same plan, in 2010.

21 Enter the amount you rolled over from qualified retirement plans to Roth IRAs and any in-plan rollovers to designated Roth accounts, in 2010. Do not include amounts you later recharacterized to traditional IRAs in 2010 or 2011 (see instructions)	21	
22 Enter your basis in the amount on line 21	22	
23 Taxable amount. Subtract line 22 from line 21	23	
24 Amount subject to tax in 2010. Check the box if you elect to report the entire taxable amount in 2010 rather than reporting 1/2 of it in 2011 and 1/2 of it in 2012. Generally, you must check this box if you checked the box on line 19 (see instructions) <input type="checkbox"/> If you checked the box, enter the amount from line 23 on this line and include this amount on Form 1040, line 16b, Form 1040A, line 12b, or Form 1040NR, line 17b. If you did not check the box, skip line 24 and go to line 25a.	24	
25a Amount subject to tax in 2011. If you did not check the box on line 24, multiply the amount on line 23 by 50% (.50) and enter it here. Include this amount on the applicable line of your 2011 tax return	25a	
b Amount subject to tax in 2012. Subtract line 25a from line 23. Include this amount on the applicable line of your 2012 tax return	25b	

Part IV Distributions From Roth IRAs (and Certain Distributions from Designated Roth Accounts) (see instructions) Complete this part only if you took a distribution from a Roth IRA, and for certain distributions from a designated Roth account, in 2010. For this purpose, a distribution does not include a rollover, a one-time distribution to fund an HSA, recharacterization, or return of certain contributions (see instructions).

26 Enter your total nonqualified distributions from a Roth IRA in 2010, including any qualified first-time homebuyer distributions, and certain qualified distributions (see instructions)	26	
27 Qualified first-time homebuyer distributions (see instructions). Do not enter more than \$10,000	27	
28 Subtract line 27 from line 26. If zero or less, enter -0- and stop here	28	
29 Enter your basis in Roth IRA contributions (see instructions)	29	
30 Subtract line 29 from line 28. If zero or less, enter -0- and stop here. If the amount is more than zero, you may be subject to an additional tax (see instructions)	30	
31 Enter your basis in conversions from traditional, SEP, and SIMPLE IRAs and rollovers from qualified retirement plans to a Roth IRA (see instructions)	31	
32 Subtract line 31 from line 30. If zero or less, enter -0- and do not complete the rest of Part IV	32	
Note. If you completed lines 20a and 20b, or 25a and 25b, go to line 33. Otherwise, enter the amount from line 32 on line 35 and go to line 36.		
33 Enter the smaller of line 32 or the total of lines 20a, 20b, 25a, and 25b	33	
34 Subtract line 33 from line 32. If zero, enter -0- and skip line 35 and go to line 36	34	
35 Subtract the total of lines 17 and 22 from line 34. If zero or less, enter -0-	35	
36 Taxable amount. Add lines 33 and 35. If more than zero, also include this amount on Form 1040, line 15b, Form 1040A, line 11b, or Form 1040NR, line 16b. For distributions from designated Roth accounts, see instructions	36	

Sign Here Only If You Are Filing This Form by Itself and Not With Your Tax Return

Under penalties of perjury, I declare that I have examined this form, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature

Date

Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name	Firm's EIN		Phone no.	
	Firm's address				

Form **4952****Investment Interest Expense Deduction**

OMB No. 1545-0191

2010Attachment
Sequence No. **51**Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY**083-64-2427****Part I Total Investment Interest Expense**

1	Investment interest expense paid or accrued in 2010 (see instructions)	1	
2	Disallowed investment interest expense from 2009 Form 4952, line 7	2	1,261.
3	Total investment interest expense. Add lines 1 and 2	3	1,261.

Part II Net Investment Income

4a	Gross income from property held for investment (excluding any net gain from the disposition of property held for investment)	4a	15,010.
b	Qualified dividends included on line 4a	4b	10,114.
c	Subtract line 4b from line 4a	4c	4,896.
d	Net gain from the disposition of property held for investment	4d	
e	Enter the smaller of line 4d or your net capital gain from the disposition of property held for investment (see instructions)	4e	
f	Subtract line 4e from line 4d	4f	
g	Enter the amount from lines 4b and 4e that you elect to include in investment income (see instructions)	4g	
h	Investment income. Add lines 4c, 4f, and 4g	4h	4,896.
5	Investment expenses (see instructions)	5	1,014.
6	Net investment income. Subtract line 5 from line 4h. If zero or less, enter -0-	6	3,882.

Part III Investment Interest Expense Deduction

7	Disallowed investment interest expense to be carried forward to 2011. Subtract line 6 from line 3. If zero or less, enter -0-	7	0.
8	Investment interest expense deduction. Enter the smaller of line 3 or 6. See instructions	8	1,261.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **4952** (2010)018901
10-29-10

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12110413 130723101038

2010.03040 DYCE, ORVILLE H

101038_1
Plaintiffs' Ex 0078.047

ALTERNATIVE MINIMUM TAX

Form **4952**

Investment Interest Expense Deduction

OMB No. 1545-0181

2010

Attachment Sequence No. **51**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Part I Total Investment Interest Expense

1	Investment interest expense paid or accrued in 2010 (see instructions)	1	
2	Disallowed investment interest expense from 2009 Form 4952, line 7	2	1,049.
3	Total investment interest expense. Add lines 1 and 2	3	1,049.

Part II Net Investment Income

4a	Gross income from property held for investment (excluding any net gain from the disposition of property held for investment)	4a	15,070.
4b	Qualified dividends included on line 4a	4b	10,114.
4c	Subtract line 4b from line 4a	4c	4,956.
4d	Net gain from the disposition of property held for investment	4d	
4e	Enter the smaller of line 4d or your net capital gain from the disposition of property held for investment (see instructions)	4e	
4f	Subtract line 4e from line 4d	4f	
4g	Enter the amount from lines 4b and 4e that you elect to include in investment income (see instructions)	4g	
4h	Investment income. Add lines 4c, 4f, and 4g	4h	4,956.
5	Investment expenses (see instructions)	5	
6	Net investment income. Subtract line 5 from line 4h. If zero or less, enter -0-	6	4,956.

Part III Investment Interest Expense Deduction

7	Disallowed investment interest expense to be carried forward to 2011. Subtract line 6 from line 3. If zero or less, enter -0-	7	0.
8	Investment interest expense deduction. Enter the smaller of line 3 or 6. See instructions	8	1,049.

REGULAR FORM 4952, LINE 8	1,261.
LESS RECOMPUTED FORM 4952, LINE 8	1,049.
INTEREST ADJUSTMENT - FORM 6251, LINE 9	212.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **4952** (2010)

018901
10-29-10

2010

Attachment Sequence No. 67

4562

Form

Depreciation and Amortization (Including Information on Listed Property) SUMMARY

Department of the Treasury Internal Revenue Service (99)

See separate instructions. Attach to your tax return.

(s) shown on return

Business or activity to which this form relates

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

ALL BUSINESS ACTIVITIES

083-64-2427

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 columns: Line number, Description, Amount, and Total. Rows include Maximum amount, Total cost, Threshold cost, Reduction in limitation, Dollar limitation, and Total allowable pass-through section 179 expense.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

Table with 3 columns: Line number, Description, and Amount. Rows include Special depreciation allowance, Property subject to section 168(f)(1) election, and Other depreciation.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 3 columns: Line number, Description, and Amount. Rows include MACRS deductions for assets placed in service in tax years beginning before 2010 and a checkbox for grouping assets.

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year property, Residential rental property, and Nonresidential real property.

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 12-year and 40-year class life.

Part IV Summary (See instructions.)

Table with 3 columns: Line number, Description, and Amount. Rows include Listed property, Total, and portion of the basis attributable to section 263A costs.

SCHEDULE C- 2
Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

ORVILLE H DYCE & JAMIE C CURLEY	Business or activity to which this form relates DYCE MEDICAL ENTERPRISES	Identifying number 083-64-2427
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Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6		
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	9,768.
Property subject to section 168(f)(1) election	15	
Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2010	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21.		
Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.		
	22	9,768.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with 9 columns for percentage and other details.

27 Property used 50% or less in a qualified business use: Table with 9 columns for percentage and other details.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with 6 main columns: (a) Vehicle, (b) Vehicle, (c) Vehicle, (d) Vehicle, (e) Vehicle, (f) Vehicle. Rows include 30-36 regarding miles driven and personal use.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table for Section C with 2 columns: Yes, No. Rows include 37-41 regarding policy statements and information retention.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 Amortization of costs that begins during your 2010 tax year: Table with 6 columns.

43 Amortization of costs that began before your 2010 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44

Work Opportunity Credit

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

e(s) shown on return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

1	Enter on the applicable line below the total qualified first- or second-year wages paid or incurred during the tax year, and multiply by the percentage shown, for services of employees who are certified (if required) as members of a targeted group.		
a	Qualified first-year wages of employees who worked for you at least 120 hours but fewer than 400 hours \$ _____ x 25% (.25)	1a	
b	Qualified first-year wages of employees who worked for you at least 400 hours \$ _____ x 40% (.40)	1b	
c	Qualified second-year wages of employees certified as long-term family assistance recipients \$ _____ x 50% (.50)	1c	
2	Add lines 1a, 1b, and 1c. See instructions for the adjustment you must make to salaries and wages	2	
3	Work opportunity credit from partnerships, S corporations, cooperatives, estates, and trusts STMT 29	3	2.
4	Add lines 2 and 3. Partnerships and S corporations, report this amount on Schedule K; all others, go to line 5	4	2.
5	Work opportunity credit included on line 4 from passive activities (see instructions)	5	2.
	Subtract line 5 from line 4	6	0.
7	Work opportunity credit allowed for 2010 from a passive activity (see instructions)	7	
8	Carryforward of any work opportunity credit that originated in a tax year that began after 2006 and carryforward from 2009 of the New York Liberty Zone business employee credit	8	
9	Carryback of the work opportunity credit from 2011 (see instructions)	9	
10	Add lines 6 through 9. Cooperatives, estates, and trusts, continue on to line 11. All others, report this amount on Form 3800, line 29b	10	
11	Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)	11	
12	Cooperatives, estates, and trusts, subtract line 11 from line 10. Report this amount on Form 3800, line 29b	12	

For Paperwork Reduction Act Notice, see instructions.

Form **5884** (2010)

LHA

019451
02-07-11

Passive Activity Loss Limitations

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

(e)(s) shown on return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Part I 2010 Passive Activity Loss Caution: Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see Special Allowance for Rental Real Estate Activities on page 3 of the instructions.)

1a	Activities with net income (enter the amount from Worksheet 1, column (a))		
1b	Activities with net loss (enter the amount from Worksheet 1, column (b))	-164,234.	
1c	Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	-72,537.	
1d	Combine lines 1a, 1b, and 1c		-236,771.

Commercial Revitalization Deductions From Rental Real Estate Activities

2a	Commercial revitalization deductions from Worksheet 2, column (a)		
2b	Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)		
2c	Add lines 2a and 2b		

All Other Passive Activities

3a	Activities with net income (enter the amount from Worksheet 3, column (a))	5,265.	
3b	Activities with net loss (enter the amount from Worksheet 3, column (b))		
3c	Prior years unallowed losses (enter the amount from Worksheet 3, column (c))		
3d	Combine lines 3a, 3b, and 3c		5,265.

4	Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used		-231,506.
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- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 9 of the instructions for an example.

5	Enter the smaller of the loss on line 1d or the loss on line 4		231,506.
6	Enter \$150,000. If married filing separately, see the instructions	150,000.	
7	Enter modified adjusted gross income, but not less than zero (see the instr.)	719,385.	
8	Subtract line 7 from line 6		
9	Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see the instructions		
10	Enter the smaller of line 5 or line 9		0.

Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

STATEMENT 35

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II on page 9 of the instructions.

11	Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions		
12	Enter the loss from line 4		
13	Reduce line 12 by the amount on line 10		
14	Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13		

Part IV Total Losses Allowed

15	Add the income, if any, on lines 1a and 3a and enter the total		5,265.
16	Total losses allowed from all passive activities for 2010. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return	SEE STATEMENT 34	5,265.

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.

Worksheet 1 - For Form 8582, Lines 1a, 1b, and 1c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
SEE ATTACHED STATEMENT FOR WORKSHEET 1					
Total. Enter on Form 8582, lines 1a, 1b, and 1c ▶					
		-164,234.	-72,537.		

Worksheet 2 - For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b ▶			

Worksheet 3 - For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
SEE ATTACHED STATEMENT FOR WORKSHEET 3					
Total. Enter on Form 8582, lines 3a, 3b, and 3c ▶					
	5,265.				

Worksheet 4 - Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Total ▶					

Worksheet 5 - Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
SEE ATTACHED STATEMENT FOR WORKSHEET 5				
Total ▶				
		236,771.	1.000000000	231,506.

Worksheet 6 - Allowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
SEE ATTACHED STATEMENT FOR WORKSHEET 6				
Total		236,771.	231,506.	5,265.

Worksheet 7 - Activities With Losses Reported on Two or More Forms or Schedules (See instructions.)

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Total					

Form 8582 (2010)

Passive Activity Credit Limitations

▶ See separate instructions.
 ▶ Attach to Form 1040 or 1041.

OMB No. 1545-1034

Attachment
 Sequence No. **89**

Name(s) shown on return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Part I Passive Activity Credits

Caution: If you have credits from a publicly traded partnership, see Publicly Traded Partnerships (PTPs) on page 14 of the instructions.

Credits From Rental Real Estate Activities With Active Participation (Other Than Rehabilitation Credits and Low-Income Housing Credits) (See Lines 1a through 1c on page 9.)

1a Credits from Worksheet 1, column (a)	1a	
b Prior year unallowed credits from Worksheet 1, column (b)	1b	
c Add lines 1a and 1b		1c

Rehabilitation Credits From Rental Real Estate Activities and Low-Income Housing Credits for Property Placed in Service Before 1990 (or From Pass-Through Interests Acquired Before 1990) (See Lines 2a through 2c on page 9.)

2a Credits from Worksheet 2, column (a)	2a	
b Prior year unallowed credits from Worksheet 2, column (b)	2b	
c Add lines 2a and 2b		2c

Low-Income Housing Credits for Property Placed in Service After 1989 (See Lines 3a through 3c on page 9.)

3a Credits from Worksheet 3, column (a)	3a	
b Prior year unallowed credits from Worksheet 3, column (b)	3b	
c Add lines 3a and 3b		3c

Other Passive Activity Credits (See Lines 4a through 4c on page 10.)

a Credits from Worksheet 4, column (a)	4a		2.
b Prior year unallowed credits from Worksheet 4, column (b)	4b		
c Add lines 4a and 4b		4c	2.
5 Add lines 1c, 2c, 3c, and 4c		5	2.
6 Enter the tax attributable to net passive income (see page 10)		6	0.
7 Subtract line 6 from line 5. If line 6 is more than or equal to line 5, enter -0- and see page 10		7	2.

Note: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II, III, or IV. Instead, go to line 37.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Complete this part only if you have an amount on line 1c. Otherwise, go to Part III.

8 Enter the smaller of line 1c or line 7		8	
9 Enter \$150,000. If married filing separately, see page 10	9		
10 Enter modified adjusted gross income, but not less than zero (see page 10). If line 10 is equal to or more than line 9, skip lines 11 through 15 and enter -0- on line 16	10		
11 Subtract line 10 from line 9	11		
12 Multiply line 11 by 50% (.50). Do not enter more than \$25,000. If married filing separately, see page 10	12		
13a Enter the amount, if any, from line 10 of Form 8582	13a		
b Enter the amount, if any, from line 14 of Form 8582	13b		
c Add lines 13a and 13b	13c		
14 Subtract line 13c from line 12	14		
Enter the tax attributable to the amount on line 14 (see page 10)		15	
16 Enter the smaller of line 8 or line 15		16	

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **8582-CR** (Rev. 12-2009)

019771 05-01-10

Part III Special Allowance for Rehabilitation Credits From Rental Real Estate Activities and Low-Income Housing Credits for Property Placed in Service Before 1990 (or From Pass-Through Interests Acquired Before 1990)

Note: Complete this part only if you have an amount on line 2c. Otherwise, go to Part IV.

17	Enter the amount from line 7		17
18	Enter the amount from line 16		18
19	Subtract line 18 from line 17. If zero, enter -0- here and on lines 30 and 36, and then go to Part V		19
20	Enter the smaller of line 2c or line 19		20
21	Enter \$250,000. If married filing separately, see page 13. (See page 13 to find out if you can skip lines 21 through 26.)	21	
22	Enter modified adjusted gross income, but not less than zero. (See instr. for line 10 on page 10.) If line 22 is equal to or more than line 21, skip lines 23 through 29 and enter -0- on line 30	22	
23	Subtract line 22 from line 21	23	
24	Multiply line 23 by 50% (.50). Do not enter more than \$25,000. If married filing separately, see page 13	24	
25a	Enter the amount, if any, from line 10 of Form 8582	25a	
b	Enter the amount, if any, from line 14 of Form 8582	25b	
c	Add lines 25a and 25b	25c	
26	Subtract line 25c from line 24	26	
27	Enter the tax attributable to the amount on line 26 (see page 13)	27	
28	Enter the amount, if any, from line 18	28	
29	Subtract line 28 from line 27		29
30	Enter the smaller of line 20 or line 29		30

Part IV Special Allowance for Low-Income Housing Credits for Property Placed in Service After 1989

Note: Complete this part only if you have an amount on line 3c. Otherwise, go to Part V.

31	If you completed Part III, enter the amount from line 19. Otherwise, subtract line 16 from line 7	31
32	Enter the amount from line 30	32
33	Subtract line 32 from line 31. If zero, enter -0- here and on line 36	33
34	Enter the smaller of line 3c or line 33	34
35	Tax attributable to the remaining special allowance (see page 13)	35
36	Enter the smaller of line 34 or line 35	36

Part V Passive Activity Credit Allowed

37	Passive Activity Credit Allowed. Add lines 6, 16, 30, and 36. See page 13 to find out how to report the allowed credit on your tax return and how to allocate allowed and unallowed credits if you have more than one credit or credits from more than one activity. If you have any credits from a publicly traded partnership, see Publicly Traded Partnerships (PTPs) on page 14	37	0.
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Part VI Election To Increase Basis of Credit Property

38	If you disposed of your entire interest in a passive activity or former passive activity in a fully taxable transaction, and you elect to increase your basis in credit property used in that activity by the unallowed credit that reduced your basis in the property, check this box. See page 15	<input type="checkbox"/>
39	Name of passive activity disposed of ▶	
40	Description of the credit property for which the election is being made ▶	
41	Amount of unallowed credit that reduced your basis in the property ▶	\$

Form **8582**

Department of the Treasury
Internal Revenue Service (99)

**ALTERNATIVE MINIMUM TAX
Passive Activity Loss Limitations**

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

OMB No. 1545-1008

2010
Attachment
Sequence No. **88**

ne(s) shown on return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Part I 2010 Passive Activity Loss Caution: Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see Special Allowance for Rental Real Estate Activities on page 3 of the instructions.)

1a	Activities with net income (enter the amount from Worksheet 1, column (a))		
1b	Activities with net loss (enter the amount from Worksheet 1, column (b))	-164,234.	
1c	Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	-22,052.	
1d	Combine lines 1a, 1b, and 1c		-186,286.

Commercial Revitalization Deductions From Rental Real Estate Activities

2a	Commercial revitalization deductions from Worksheet 2, column (a)		
2b	Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)		
2c	Add lines 2a and 2b		

All Other Passive Activities

3a	Activities with net income (enter the amount from Worksheet 3, column (a))	5,265.	
3b	Activities with net loss (enter the amount from Worksheet 3, column (b))		
3c	Prior years unallowed losses (enter the amount from Worksheet 3, column (c))		
3d	Combine lines 3a, 3b, and 3c		5,265.

Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used

- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See page 9 of the instructions for an example.

5	Enter the smaller of the loss on line 1d or the loss on line 4		181,021.
6	Enter \$150,000. If married filing separately, see the instructions	150,000.	
7	Enter modified adjusted gross income, but not less than zero (see the instr.)	719,385.	
8	Subtract line 7 from line 6		
9	Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see the instructions		
10	Enter the smaller of line 5 or line 9		0.

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II on page 9 of the instructions.

11	Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions		
12	Enter the loss from line 4		
13	Reduce line 12 by the amount on line 10		
14	Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13		

Part IV Total Losses Allowed

15	Add the income, if any, on lines 1a and 3a and enter the total		5,265.
16	Total losses allowed from all passive activities for 2010. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return	SEE STATEMENT 43	5,265.

LHA 019761 01-12-11 For Paperwork Reduction Act Notice, see separate instructions.

Form 8582 (2010)

ALTERNATIVE MINIMUM TAX

Form 8582 (2010) **ORVILLE H DYCE & JAMIE C CURLEY**

083-64-2427 Page 2

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.

Worksheet 1 - For Form 8582, Lines 1a, 1b, and 1c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
SEE ATTACHED STATEMENT FOR WORKSHEET 1					
Total. Enter on Form 8582, lines 1a, 1b, and 1c		-164,234.	-22,052.		

Worksheet 2 - For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b			

Worksheet 3 - For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
SEE ATTACHED STATEMENT FOR WORKSHEET 3					
Total. Enter on Form 8582, lines 3a, 3b, and 3c	5,265.				

Worksheet 4 - Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Total					

Worksheet 5 - Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
SEE ATTACHED STATEMENT FOR WORKSHEET 5				
Total		186,286.	1.000000000	181,021.

ALTERNATIVE MINIMUM TAX

Form 8582 (2010) **ORVILLE H DYCE & JAMIE C CURLEY**

083-64-2427 Page 3

Worksheet 6 - Allowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
SEE ATTACHED STATEMENT FOR WORKSHEET 6				
Total		186,286.	181,021.	5,265.

Worksheet 7 - Activities With Losses Reported on Two or More Forms or Schedules (See instructions.)

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Form or schedule and line number to be reported on (see instructions):					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If zero or less, enter -0-					
Total					

Form 8582 (2010)

Employee Business Expenses

2010

Attachment Sequence No. **129**

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1040NR.

Your name ORVILLE H DYCE	Occupation in which you incurred expenses PHYSICIAN	Social security number 083 64 2427
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Part I Employee Business Expenses and Reimbursements

	Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
Step 1 Enter Your Expenses		
1 Vehicle expense from line 22 or line 29. (Rural mail carriers: See instructions.) ...	1	
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	2	
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3	
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment SEE STATEMENT 44	4	113,092.
5 Meals and entertainment expenses (see instructions)	5	
6 Total expenses. In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5	6	113,092.

Note: If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7 Enter reimbursements received from your employer that were not reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions)	7	
---	---	--

Step 3 Figure Expenses To Deduct on Schedule A (Form 1040 or Form 1040NR)

8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7 (or on Form 1040NR, line 8)	8	113,092.
Note: If both columns of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.		
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.)	9	113,092.
10 Add the amounts on line 9 of both columns and enter the total here. Also, enter the total on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9). (Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities: See the instructions for special rules on where to enter the total.)	10	113,092.

LHA For Paperwork Reduction Act Notice, see instructions.

Form 2106 (2010)

Part II Vehicle Expenses

Section A - General Information (You must complete this section if you are claiming vehicle expenses.) Table with columns (a) Vehicle and (b) Vehicle. Rows 11-17 include fields for date of service, total miles, business miles, percent of business use, average daily roundtrip commuting distance, commuting miles, and other miles.

19 Do you (or your spouse) have another vehicle available for personal use? [] Yes [] No

20 Do you have evidence to support your deduction? [] Yes [] No

21 If "Yes," is the evidence written? [] Yes [] No

Section B - Standard Mileage Rate (See the instructions for Part II to find out whether to complete this section or Section C.)

22 Multiply line 13 by 50¢ (.50). Enter the result here and on line 1 [] 22

Section C - Actual Expenses Table with columns (a) Vehicle and (b) Vehicle. Rows 23-29 include fields for gasoline, oil, repairs, vehicle insurance, etc.; vehicle rentals; inclusion amount; value of employer-provided vehicle; and depreciation.

Section D - Depreciation of Vehicles (Use this section only if you owned the vehicle and are completing Section C for the vehicle.)

Section D - Depreciation of Vehicles Table with columns (a) Vehicle and (b) Vehicle. Rows 30-38 include fields for cost or other basis, section 179 deduction and special allowance, depreciation method and percentage, and applicable limit explained.

Noncash Charitable Contributions

▶ **Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.**

▶ **See separate instructions.**

Name(s) shown on your income tax return

Identifying number

ORVILLE H DYCE & JAMIE C CURLEY

083-64-2427

Note. Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A. Donated Property of \$5,000 or Less and Certain Publicly Traded Securities - List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is more than \$5,000 (see instructions).

Part I Information on Donated Property - If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property <small>(For a donated vehicle, enter the year, make, model, condition, and mileage, and attach Form 1098-C if required.)</small>
A	HABITAT FOR HUMANITY 120 W. WASHINGTON, HARTSVILLE, SC 29551	FURNITURE
B	CAROLINA KIDS LLC PO BOX 28, HARTSVILLE, SC 29550	PROM DRESSES, SUITS
C	SALVATION ARMY 215 NORTH 5TH STREE, HARTSVILLE, SC 29550	WOOL JACKETS, SUITS, BEDDING
D		
E		

Note. If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

A	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value (see instructions)	(h) Method used to determine the fair market value
A			PURCHASE	3,000.	750.	THRIFT SHOP VALUE
B			PURCHASE	11,320.	2,830.	THRIFT SHOP VALUE
C			PURCHASE	5,144.	1,286.	THRIFT SHOP VALUE
D						
E						

Part II Partial Interests and Restricted Use Property - Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see instructions).

2 a Enter the letter from Part I that identifies the property for which you gave less than an entire interest ▶ _____
If Part II applies to more than one property, attach a separate statement.

b Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year ▶ _____
(2) For any prior tax years ▶ _____

c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):

Name of charitable organization (donee)

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

d For tangible property, enter the place where the property is located or kept ▶ _____

e Name of any person, other than the donee organization, having actual possession of the property ▶ _____

3 a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?

b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?

c Is there a restriction limiting the donated property for a particular use?

	Yes	No

TABLE 1 (Keep for your records.)

Part I		Qualified Loan Limit	
1	Enter the average balance of all your grandfathered debt. See line 1 instructions	1	
	Enter the average balance of all your home acquisition debt. See line 2 instructions	2	
3	Enter \$1,000,000 (\$500,000 if married filing separately)	3	
4	Enter the larger of the amount on line 1 or the amount on line 3	4	
5	Add the amounts on lines 1 and 2. Enter the total here	5	
6	Enter the smaller of the amount on line 4 or the amount on line 5	6	
7	Enter \$100,000 (\$50,000 if married filing separately) or your limited amount. See line 7 instructions for a limit that may apply	7	100,000.
8	Add the amounts on lines 6 and 7. Enter the total. This is your qualified loan limit	8	100,000.
Part II		Deductible Home Mortgage Interest	
9	Enter the total of the average balances of all mortgages on all qualified homes. See line 9 instructions <ul style="list-style-type: none"> If line 8 is less than line 9, go on to line 10. If line 8 is equal to or more than line 9, stop here. All of your interest on all the mortgages included on line 9 is deductible as home mortgage interest on Schedule A (Form 1040). 	9	
10	Enter the total amount of interest that you paid. See line 10 instructions	10	
11	Divide the amount on line 8 by the amount on line 9. Enter the result as a decimal amount (rounded to three places)	11	X
12	Multiply the amount on line 10 by the decimal amount on line 11. Enter the result. This is your deductible home mortgage interest . Enter this amount on Schedule A (Form 1040)	12	
13	Subtract the amount on line 12 from the amount on line 10. Enter the result. This is not home mortgage interest . See line 13 instructions	13	

FORM 1040

MISCELLANEOUS INCOME

STATEMENT 1

DESCRIPTION

AMOUNT

KERSHAWHEALTH

18,000.

LESS AMOUNTS REMITTED TO AND REPORTED ON ID

#20-222959 SC EAR NOSE & THROAT

-18,000.

TOTAL TO FORM 1040, LINE 21

0.

FORM 1040	STATE AND LOCAL INCOME TAX REFUNDS	STATEMENT	2
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	2009	2008	2007
	SOUTH CAROLINA		
GROSS STATE/LOCAL INC TAX REFUNDS	7,455.		
LESS: TAX PAID IN FOLLOWING YEAR	1,558.		
NET TAX REFUNDS SOUTH CAROLINA	5,897.		
TOTAL NET TAX REFUNDS	5,897.		

FORM 1040	TAXABLE STATE AND LOCAL INCOME TAX REFUNDS		STATEMENT	3
	2009	2008	2007	
NET TAX REFUNDS FROM STATE AND LOCAL INCOME TAX REFUNDS STMT.	5,897.			
LESS: REFUNDS-NO BENEFIT DUE TO AMT -SALES TAX BENEFIT REDUCTION				
1 NET REFUNDS FOR RECALCULATION	5,897.			
2 TOTAL ITEMIZED DEDUCTIONS BEFORE PHASEOUT	245,275.			
3 DEDUCTION NOT SUBJ TO PHASEOUT	14,041.			
4 NET REFUNDS FROM LINE 1	5,897.			
5 LINE 2 MINUS LINES 3 AND 4	225,337.			
6 MULT LN 5 BY APPL SEC. 68 PCT	60,090.			
7 PRIOR YEAR AGI	1,666,626.			
8 ITEM. DED. PHASEOUT THRESHOLD	166,800.			
9 SUBTRACT LINE 8 FROM LINE 7 (IF ZERO OR LESS, SKIP LINES 10 THROUGH 15, AND ENTER AMOUNT FROM LINE 1 ON LINE 16)	1,499,826.			
10 MULT LN 9 BY APPL SEC. 68 PCT	14,998.			
11 ALLOWABLE ITEMIZED DEDUCTIONS (LINE 5 LESS THE LESSER OF LINE 6 OR LINE 10)	210,339.			
12 ITEM DED. NOT SUBJ TO PHASEOUT	14,041.			
13A TOTAL ADJ. ITEMIZED DEDUCTIONS	224,380.			
13B PRIOR YR. STD. DED. AVAILABLE	12,400.			
14 PRIOR YR. ALLOWABLE ITEM. DED.	230,277.			
15 SUBTRACT THE GREATER OF LINE 13A OR LINE 13B FROM LINE 14	5,897.			
16 TAXABLE REFUNDS (LESSER OF LINE 15 OR LINE 1)	5,897.			
17 ALLOWABLE PRIOR YR. ITEM. DED.	230,277.			
18 PRIOR YEAR STD. DED. AVAILABLE	12,400.			
19 SUBTRACT LINE 18 FROM LINE 17	217,877.			
20 LESSER OF LINE 16 OR LINE 19	5,897.			
21 PRIOR YEAR TAXABLE INCOME	1,426,617.			
22 AMOUNT TO INCLUDE ON FORM 1040, LINE 10 * IF LINE 21 IS -0- OR MORE, USE AMOUNT FROM LINE 20 * IF LINE 21 IS A NEGATIVE AMOUNT, NET LINES 20 AND 21				5,897.
STATE AND LOCAL INCOME TAX REFUNDS PRIOR TO 2007				
TOTAL TO FORM 1040, LINE 10				5,897.

FORM 1040	IRA DISTRIBUTIONS	STATEMENT	4
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NAME OF PAYER	GROSS DISTRIBUTION	TAXABLE AMOUNT
FIDELITY INVESTMENTS	3,633.	0.
NATIONAL FINANCIAL SERVICES LL - FROM FORM 8606	3,633.	0.
TOTAL TO FORM 1040, LINE 15	7,266.	0.

FORM 1040	TAX-EXEMPT INTEREST	STATEMENT	5
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NAME OF PAYER	AMOUNT
FIDELITY INTERMEDIATE MUNI INCOME	1,349.
NATIONAL FINANCIAL SERVICES #7014	177.
TOTAL TO FORM 1040, LINE 8B	1,526.

FORM 1040 REFUNDS ATTRIBUTABLE TO EST. TAX PAID FOLLOWING YR STATEMENT 6

	2009	STATE REFUND	AMOUNT SUBTRACTED FROM TAXABLE REFUND
STATE TAX PAID IN FOLLOW YEAR	SOUTH CAROLINA 20,000.		
TOTAL STATE TAX PAID 2009	95,721.	7,455. =	1,558.

FORM 1040 WAGES RECEIVED AND TAXES WITHHELD STATEMENT 7

T S EMPLOYER'S NAME	AMOUNT PAID	FEDERAL TAX WITHHELD	STATE TAX WITHHELD	CITY SDI TAX W/H	FICA TAX	MEDICARE TAX
T SOUTH CAROLINA EAR NOSE & THROAT PLASTIC SURGERY	418,845.	104,950.	27,931.		6,622.	6,094.
T HARTSVILLE MEDICAL GROUP LLC	159,849.	42,091.	10,887.		6,622.	2,318.
TOTALS	578,694.	147,041.	38,818.		13,244.	8,412.

FORM 1040 QUALIFIED DIVIDENDS STATEMENT 8

NAME OF PAYER	ORDINARY DIVIDENDS	QUALIFIED DIVIDENDS
CGM REALTY FUND	93.	33.
FIDELITY REAL ESTATE INCOME	756.	44.
FIDELITY SELECT MATERIALS PORTFOLIO	13.	13.
FIDELITY SELECT CONSUMER STPLS PORT	62.	62.
FIDELITY SELECT BROKERAGE & INVS MGT	15.	15.
FIDELITY SELECT CHEMICALS	28.	28.
NATIONAL FINANCIAL SERVICES #7014	6,237.	4,283.
AMERITRADE	116.	116.
FROM K-1 - SOUTH CAROLINA EAR NOSE & THROAT AND FACIAL PLASTIC SURGERY INC	5,520.	5,520.
TOTAL INCLUDED IN FORM 1040, LINE 9B		10,114.

FORM 1040 EXCESS SOCIAL SECURITY TAX WORKSHEET STATEMENT 9

TAXPAYER SPOUSE

Table with 5 rows of tax calculations. Row 1: ADD ALL SOCIAL SECURITY TAX WITHHELD... TOTAL HERE 13,244. Row 2: ENTER ANY UNCOLLECTED SOCIAL SECURITY TAX ON TIPS OR GROUP-TERM LIFE INSURANCE... FORM 1040, LINE 60. Row 3: ADD LINES 1 AND 2 13,244. Row 4: SOCIAL SECURITY TAX LIMIT 6,622. Row 5: SUBTRACT LINE 4 FROM LINE 3. EXCESS SOCIAL SECURITY TAX INCLUDED IN FORM 1040, LINE 69. 6,622.

SCHEDULE A OTHER TAXES STATEMENT 10

Table with 2 columns: DESCRIPTION, AMOUNT. Rows: 2007 BMW (0), 2007 MINI (411), 2007 GMC (462), TOTAL TO SCHEDULE A, LINE 8 (873).

SCHEDULE A STATE AND LOCAL INCOME TAXES STATEMENT 11

Table with 2 columns: DESCRIPTION, AMOUNT. Rows: SOUTH CAROLINA EAR NOSE & THROAT PLASTIC SURGERY (27,931), HARTSVILLE MEDICAL GROUP LLC (10,887), SOUTH CAROLINA PRIOR YEAR BALANCE DUE AND EXTENSION PAYMENTS (20,000), REDUCTION OF STATE TAX DEDUCTION - STATE REFUNDS (-1,558), TOTAL TO SCHEDULE A, LINE 5 (57,260).

SCHEDULE A CASH CONTRIBUTIONS STATEMENT 12

DESCRIPTION	AMOUNT 50% LIMIT	AMOUNT 30% LIMIT
FIRST PRESBYTERIAN CHURCH	4,150.	
CAROLINA CHILDREN'S CHARITY	110.	
CAROLINA KIDS	233.	
FROM K-1 - SOUTH CAROLINA EAR NOSE & THROAT AND FACIAL PLASTIC SURGERY INC	1,638.	
SUBTOTALS	6,131.	
TOTAL TO SCHEDULE A, LINE 16		6,131.

SCHEDULE A MORTGAGE INTEREST AND POINTS REPORTED ON FORM 1098 STATEMENT 13

DESCRIPTION	AMOUNT
FIRST FEDERAL - 401 WOODLAND	14,397.
TOTAL TO SCHEDULE A, LINE 10	14,397.

SCHEDULE A INVESTMENT INTEREST STATEMENT 14

DESCRIPTION	AMOUNT
FIRST FEDERAL - 401 WOODLAND DR DISALLOWED INVESTMENT INTEREST PRIOR YEARS	1,261.
TOTAL TO SCHEDULE A, LINE 14	1,261.

SCHEDULE B TAX-EXEMPT INTEREST STATEMENT 15

NAME OF PAYER	AMOUNT
FIDELITY INTERMEDIATE MUNI INCOME	1,349.
NATIONAL FINANCIAL SERVICES #7014	177.
TOTAL TAX-EXEMPT INTEREST TO SCHEDULE B, LINE 1	1,526.

SCHEDULE D

CAPITAL GAIN DISTRIBUTIONS

STATEMENT 16

<u>NAME OF PAYER</u>	<u>TOTAL CAPITAL GAIN</u>	<u>28% GAIN</u>
FIDELITY SELECT CHEMICALS	748.	
NATIONAL FINANCIAL SERVICES #7014	2,830.	
TOTALS TO SCHEDULE D, LINE 13	3,578.	

SCHEDULE D	CAPITAL LOSS CARRYOVER	STATEMENT 17
1. ENTER THE AMOUNT FROM FORM 1040, LINE 41		529,973.
2. ENTER THE LOSS FROM SCHEDULE D, LINE 21, AS A POSITIVE AMOUNT.		3,000.
3. COMBINE LINES 1 AND 2. IF ZERO OR LESS, ENTER -0-		532,973.
4. ENTER THE SMALLER OF LINE 2 OR LINE 3		3,000.
5. ENTER THE LOSS FROM SCHEDULE D, LINE 7, AS A POSITIVE AMOUNT .		
6. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 15		
7. ADD LINES 4 AND 6		
8. SHORT-TERM CAPITAL LOSS CARRYOVER TO NEXT YEAR. SUBTRACT LINE 7 FROM LINE 5. IF ZERO OR LESS, ENTER -0- . . .		
9. ENTER THE LOSS FROM SCHEDULE D, LINE 15, AS A POSITIVE AMOUNT.		7,671.
10. ENTER THE GAIN, IF ANY, FROM SCHEDULE D, LINE 7		164.
11. SUBTRACT LINE 5 FROM LINE 4. IF ZERO OR LESS, ENTER -0-		3,000.
12. ADD LINES 10 AND 11		3,164.
13. LONG-TERM CAPITAL LOSS CARRYOVER TO NEXT YEAR. SUBTRACT LINE 12 FROM LINE 9. IF ZERO OR LESS, ENTER -0- . . .		4,507.

SCHEDULE E	OTHER EXPENSES	STATEMENT 18
RENTAL - 2257 DANIEL ISLAND DRIVE, SC		
DESCRIPTION		AMOUNT
HOA DUES		4,334.
TOTAL TO SCHEDULE E, PAGE 1, LINE 18		4,334.

SCHEDULE E	OTHER EXPENSES	STATEMENT 19
RENTAL - 15 WATROO PT		
DESCRIPTION		AMOUNT
HOA DUES		5,220.
TOTAL TO SCHEDULE E, PAGE 1, LINE 18		5,220.

SCHEDULE E INCOME OR (LOSS) FROM PARTNERSHIPS AND S CORPS STATEMENT 20

NAME

EMPLOYER ID NO.	ANY NOT X		PASSIVE LOSS	PASSIVE INCOME	NONPASSIVE LOSS	SEC. 179 DEDUCTION	NONPASSIVE INCOME
	AT RISK	IF FRN CODE					
SOUTH CAROLINA EAR NOSE & THROAT AND FACIAL PLASTIC SURGERY INC							
20-2229599		S				29,973.	174,524.
SCENT LAND HOLDINGS LLC							
26-3444911		P	0.				
MID-STATE PHYSICIANS SURGICAL GROUP LLC							
20-8579063		P	0.				
BROOKFIELD INFRASTRUCTURE PARTNERS, L.P.							
98-0544123		P	0.				
HARTSVILLE HMA, LLC							
57-1029438		P		5,265.			
EXTERRAN PARTNERS, L.P.							
22-3935108		P *			57.		
TOTALS TO SCH. E, LN. 29				5,265.	57.	29,973.	174,524.

* ENTIRE DISPOSITION OF PASSIVE ACTIVITY

FORM 6251

PASSIVE ACTIVITIES

STATEMENT 21

NET INCOME (LOSS)

NAME OF ACTIVITY	FORM	NET INCOME (LOSS)		
		AMT	REGULAR	ADJUSTMENT
HARTSVILLE HMA, LLC	SCH E	5,265.	5,265.	
RENTAL - 2257 DANIEL	SCH E			
ISLAND DRIVE, SC		-1,466.	-2,276.	810.
RENTAL - 15 WATROO PT	SCH E	-3,799.	-2,989.	-810.
EXTERRAN PARTNERS, L.P. - PTP	SCH E	-50.	-57.	7.
TOTAL TO FORM 6251, LINE 19				7.

FORM 6251 INTEREST FROM SPECIFIED PRIVATE ACTIVITY BONDS STATEMENT 22

DESCRIPTION	AMOUNT
FIDELITY INTERMEDIATE MUNI INCOME	52.
NATIONAL FINANCIAL SERVICES #7014	8.
TOTAL TO FORM 6251, LINE 12	60.

FORM 6251 DEPRECIATION ON ASSETS PLACED IN SERVICE AFTER 1986 STATEMENT 23

DESCRIPTION	AMOUNT
FROM K-1 - SOUTH CAROLINA EAR NOSE & THROAT AND FACIAL PLASTIC	-2,434.
TOTAL TO FORM 6251, LINE 18	-2,434.

FORM 4952 INVESTMENT INTEREST EXPENSE STATEMENT 24

DESCRIPTION	CURRENT	CARRYOVER
FIDELITY FEDERAL - 401 WOODLAND DR DISALLOWED INVESTMENT INTEREST PRIOR YEARS	0.	1,261.
TOTALS TO FORM 4952, LINES 1 AND 2		1,261.

FORM 4952 INCOME FROM PROPERTY HELD FOR INVESTMENT STATEMENT 25

DESCRIPTION	AMOUNT
INTEREST INCOME	67.
DIVIDEND INCOME	14,943.
TOTAL TO FORM 4952, LINE 4A	15,010.

FORM 4952	INVESTMENT EXPENSES	STATEMENT 26
DESCRIPTION		AMOUNT
SCHEDULE A DEDUCTIONS		1,014.
TOTAL TO FORM 4952, LINE 5		1,014.

FORM 4952	INVESTMENT INTEREST EXPENSE DEDUCTION SUMMARY	STATEMENT 27			
NAME	FORM OR SCHEDULE	INVESTMENT INTEREST EXPENSE	INVESTMENT INTEREST EXPENSE C/O	DISALLOWED INVESTMENT INTEREST EXPENSE	ALLOWED INVESTMENT INTEREST EXPENSE
FIRST FEDERAL - 401 WO	SCH A	0.	0.	0.	0.
DISALLOWED INVESTMENT	SCH A	0.	1,261.	0.	1,261.
TOTALS		0.	1,261.	0.	1,261.

FORM 4562	PART I - BUSINESS INCOME	STATEMENT 28
INCOME TYPE		AMOUNT
WAGES		578,694.
SCHEDULE C		-29,432.
PARTNERSHIPS		5,186.
S CORPORATIONS		174,524.
TOTAL BUSINESS INCOME USED IN FORM 4562, LINE 11		728,972.

FORM 5884	FLOWTHROUGH WORK OPPORTUNITY CREDITS	STATEMENT 29
NAME OF ACTIVITY		AMOUNT
HARTSVILLE HMA, LLC		2.
TOTAL TO FORM 5884, LINE 3		2.

FORM 8582 ACTIVE RENTAL OF REAL ESTATE - WORKSHEET 1 STATEMENT 30

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
RENTAL - 2257 DANIEL ISLAND DRIVE, SC	0.	-29,806.	-72,537.		-102,343.
RENTAL - 15 WATROO PT	0.	-134,428.			-134,428.
TOTALS	0.	-164,234.	-72,537.		-236,771.

FORM 8582 OTHER PASSIVE ACTIVITIES - WORKSHEET 3 STATEMENT 31

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
HARTSVILLE HMA, LLC	5,265.	0.		5,265.	
TOTALS	5,265.	0.		5,265.	

FORM 8582 ALLOCATION OF UNALLOWED LOSSES - WORKSHEET 5 STATEMENT 32

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	RATIO	UNALLOWED LOSS
RENTAL - 2257 DANIEL ISLAND DRIVE, SC	SCH E	102,343.	.432244658	100,067.
RENTAL - 15 WATROO PT	SCH E	134,428.	.567755342	131,439.
TOTALS		236,771.	1.000000000	231,506.

FORM 8582

ALLOWED LOSSES - WORKSHEET 6

STATEMENT 33

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	UNALLOWED LOSS	ALLOWED LOSS
RENTAL - 2257 DANIEL ISLAND DRIVE, SC	SCH E	102,343.	100,067.	2,276.
RENTAL - 15 WATROO PT	SCH E	134,428.	131,439.	2,989.
TOTALS		236,771.	231,506.	5,265.

FORM 8582

SUMMARY OF PASSIVE ACTIVITIES

STATEMENT 34

R R E A NAME	FORM OR SCHEDULE	GAIN/LOSS	PRIOR YEAR C/O	NET GAIN/LOSS	UNALLOWED LOSS	ALLOWED LOSS
HARTSVILLE HMA, LLC	SCH E	5,265.		5,265.		
X RENTAL - 2257 DANIEL ISLAND DRIVE, SC	SCH E	-29,806.	-72,537.	-102,343.	100,067.	2,276.
X RENTAL - 15 WATROO PT	SCH E	-134,428.		-134,428.	131,439.	2,989.
TOTALS		-158,969.	-72,537.	-231,506.	231,506.	5,265.

PRIOR YEAR CARRYOVERS ALLOWED DUE TO CURRENT YEAR NET ACTIVITY INCOME

TOTAL TO FORM 8582, LINE 16

5,265.

FORM 8582

MODIFIED AGI

STATEMENT 35

INCOME

WAGES, SALARIES, TIPS ETC.		578,694.
DIVIDEND INCOME		14,943.
TAXABLE REFUNDS		5,897.
ALIMONY RECEIVED		
TAXABLE IRA DISTRIBUTIONS		
TAXABLE PENSIONS AND ANNUITIES		
UNEMPLOYMENT COMPENSATION		7,722.
OTHER INCOME		

INTEREST INCOME	67.	
ADD: SERIES EE AND I EXCLUSION		

BUSINESS INCOME OR LOSS	-29,432.	67.
ADD: PASSIVE LOSSES		
SUBTRACT: PASSIVE INCOME		

SALE OF ASSETS (BEFORE CAPITAL LOSS LIMITATION)	-7,507.	-29,432.
ADD: PASSIVE/RREA PROFESSIONAL LOSSES		
SUBTRACT: PASSIVE INCOME		

RENTAL, ROYALTY OR PASSTHROUGH INCOME OR LOSS	LIMITED 144,494.	-3,000.
ADD: PASSIVE/RREA PROFESSIONAL LOSSES	5,265.	
SUBTRACT: PASSIVE INCOME	-5,265.	

FARM OR FARM RENTAL INCOME OR LOSS		144,494.
ADD: PASSIVE/RREA PROFESSIONAL LOSSES		
SUBTRACT: PASSIVE INCOME		

TOTAL INCOME		719,385.
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ADJUSTMENTS

MOVING EXPENSES
 SELF-EMPLOYED HEALTH INSURANCE DEDUCTION
 PENALTY ON EARLY WITHDRAWAL OF SAVINGS
 ALIMONY PAID
 KEOGH/SEP DEDUCTION
 OTHER ADJUSTMENTS

TOTAL ADJUSTMENTS

TO: TO FORM 8582, LINE 7		719,385.
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FORM 8582-CR OTHER PASSIVE ACTIVITY CREDITS STATEMENT 36
WORKSHEET 4

NAME OF ACTIVITY	FORM	CURRENT YEAR CREDITS	PRIOR YEAR UNALLOWED CREDITS	TOTAL CREDITS
HARTSVILLE HMA, LLC	FORM 5884	2.		2.
TOTALS		2.		2.

FORM 8582-CR ALLOCATION OF UNALLOWED CREDITS - WORKSHEET 8 STATEMENT 37

NAME OF ACTIVITY	FORM	CREDITS	RATIO	UNALLOWED CREDITS
HARTSVILLE HMA, LLC	FORM 5884	2.	1.000000000	2.
TOTALS		2.	1.000000000	2.

FORM 8582-CR ALLOWED CREDITS - WORKSHEET 9 STATEMENT 38

NAME OF ACTIVITY	FORM	CREDITS	UNALLOWED CREDITS	ALLOWED CREDITS
HARTSVILLE HMA, LLC	FORM 5884	2.	2.	0.
TOTALS		2.	2.	0.

FORM 8582 ALTERNATIVE MINIMUM TAX STATEMENT 39
ACTIVE RENTAL OF REAL ESTATE - WORKSHEET 1

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
RENTAL - 2257 DANIEL ISLAND DRIVE, SC	0.	-29,806.	-22,052.		-51,858.
RENTAL - 15 WATROO PT	0.	-134,428.			-134,428.
TOTALS	0.	-164,234.	-22,052.		-186,286.

FORM 8582

ALTERNATIVE MINIMUM TAX
OTHER PASSIVE ACTIVITIES - WORKSHEET 3

STATEMENT 40

NAME OF ACTIVITY	CURRENT YEAR		PRIOR YEAR UNALLOWED LOSS	OVERALL GAIN OR LOSS	
	NET INCOME	NET LOSS		GAIN	LOSS
HARTSVILLE HMA, LLC	5,265.	0.		5,265.	
TOTALS	5,265.	0.		5,265.	

FORM 8582

ALTERNATIVE MINIMUM TAX
ALLOCATION OF UNALLOWED LOSSES - WORKSHEET 5

STATEMENT 41

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	RATIO	UNALLOWED LOSS
RENTAL - 2257 DANIEL ISLAND DRIVE, SC	SCH E	51,858.	.278378407	50,392.
RENTAL - 15 WATROO PT	SCH E	134,428.	.721621593	130,629.
TOTALS		186,286.	1.000000000	181,021.

FORM 8582

ALTERNATIVE MINIMUM TAX
ALLOWED LOSSES - WORKSHEET 6

STATEMENT 42

NAME OF ACTIVITY	FORM OR SCHEDULE	LOSS	UNALLOWED LOSS	ALLOWED LOSS
RENTAL - 2257 DANIEL ISLAND DRIVE, SC	SCH E	51,858.	50,392.	1,466.
RENTAL - 15 WATROO PT	SCH E	134,428.	130,629.	3,799.
TOTALS		186,286.	181,021.	5,265.

FORM 8582AMT SUMMARY OF PASSIVE ACTIVITIES - AMT STATEMENT 43

FORM OR SCHEDULE	GAIN/LOSS	PRIOR YEAR C/O	NET GAIN/LOSS	UNALLOWED LOSS	ALLOWED LOSS
HARTSVILLE HMA, LLC	5,265.		5,265.		
X RENTAL - 2257 DANIEL ISLAND DRIVE, SC	-29,806.	-22,052.	-51,858.	50,392.	1,466.
X RENTAL - 15 WATROO PT	-134,428.		-134,428.	130,629.	3,799.
TOTALS	-158,969.	-22,052.	-181,021.	181,021.	5,265.
PRIOR YEAR CARRYOVERS ALLOWED DUE TO CURRENT YEAR NET ACTIVITY INCOME					
TOTAL TO FORM 8582AMT, LINE 16					<u>5,265.</u>

FORM 2106/SBE OTHER BUSINESS EXPENSES STATEMENT 44

DESCRIPTION	AMOUNT
LEGAL FEES	101,456.
ACCOUNTANT FEES	11,636.
TOTAL TO FORM 2106/SBE, PART I, LINE 4	<u>113,092.</u>

STATE DEPRECIATION ADJUSTMENT

ASSET NUMBER	DESCRIPTION	FEDERAL DEPRECIATION	STATE DEPRECIATION	ADJUSTMENT
5	MEDICAL EQUIPMENT	5,000.	179.	4,821.
6	MEDICAL EQUIPMENT	4,768.	170.	4,598.
	TOTAL DIFFERENCES	9,768.	349.	9,419.

#700811351

GUARANTY

CAMDEN SOUTH CAROLINA
(City) (State)

AUGUST 01 2009

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce FIRST PALMETTO SAVINGS BANK (SR) herein, with its participants, successors and assigns, called "Lender", at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of SCENT EQUIPMENT SERVICES, L.P.

herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. If this [] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender, evidenced by or arising out of the following _____ and any extensions,

renewals or replacements thereof (hereinafter referred to as the "Indebtedness")

B. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness") Without limitation, this guaranty includes the following described debt(s) _____

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ UNLIMITED (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured, [] secured by a mortgage or security agreement dated _____ [] secured by _____

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written

Signature of ROBERT PUCHALSKI, CHVILLE DISTRICT

ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all indebtedness; (ii) any one or more extensions or renewals of indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any indebtedness; (v) any discharge of any evidence of indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon indebtedness; (x) any election by the Lender under § 1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay indebtedness even though any other person obligated to pay indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing indebtedness. Lender shall not be required first to resort for payment of the indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

100877365

GUARANTY

CAMDEN SOUTH CAROLINA
(City) (State)

MARCH 19, 2009

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce FIRST PALMETTO SAVINGS BANK, FSB (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of SCENT EQUIPMENT SERVICES, L.P.

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. If this is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following:

_____ and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

B. If this is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s): _____

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ UNLIMITED (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is unsecured; secured by a mortgage or security agreement dated _____
 secured by _____

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

ROBERT S. ...
ORVILLE ...
"Undersigned" shall refer to all persons who sign the guaranty, severally and jointly.

ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all indebtedness; (ii) any one or more extensions or renewals of indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any indebtedness, (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any indebtedness, (v) any discharge of any evidence of indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon indebtedness; (x) any election by the Lender under §1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay indebtedness even though any other person obligated to pay indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing indebtedness. Lender shall not be required first to resort for payment of the indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not effect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

Page 2 of 2

#750855626

GUARANTY

CAMDEN SOUTH CAROLINA
(City) (State)

MARCH 01 2008

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce FIRST PALMETTO SAVINGS BANK FSB (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of SCEPT LAND HOLDINGS, LLC

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. If this [] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: and any extensions,

renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

B. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several, all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ UNLIMITED (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the indebtedness and securing the payment of the indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [] secured by a mortgage or security agreement dated [] secured by []

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

ROBERT BUSHALSKI
ORVILLE DYCE

"Undersigned" shall refer to all persons who sign this guaranty, severally and jointly.

ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all indebtedness, (ii) any one or more extensions or renewals of indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any indebtedness; (v) any discharge of any evidence of indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor, (vi) any failure to obtain collateral security (including rights of setoff) for indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security, or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security, (viii) any transfer of any indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon indebtedness; (x) any election by the Lender under §1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay indebtedness even though any other person obligated to pay indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing indebtedness. Lender shall not be required first to resort for payment of the indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

(Page 7 of 2)

GUARANTY

CAMDEN

SOUTH CAROLINA

(City)

(State)

OCTOBER 07 2008

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce FIRST PALMETTO SAVINGS BANK FSB

(herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of SCENT LAND HOLDINGS LLC

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. if this [] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

B. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s):

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all Indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all Indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ UNLIMITED. If unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as to amount, plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the Indebtedness and securing the payment of the Indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the Indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned, under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [] secured by a mortgage or security agreement dated _____; [] secured by _____

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

CHARLE OTCE

083-64-2427

Undersigned shall refer to all persons who sign this guaranty, severally and jointly

ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security, or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness; (x) any election by the Lender under § 111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to Indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any Indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing Indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay Indebtedness even though any other person obligated to pay Indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to Indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to Indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the Indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such Indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay Indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness. Lender shall not be required first to resort for payment of the Indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

150060675

GUARANTY

CAMDEN (City) SOUTH CAROLINA (State)

MARCH 01, 2008

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce FIRST PALMETTO SAVINGS BANK, FSB (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of SCENTLAND HOLDINGS, LLC

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. If this is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: _____ and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

B. If this is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s): _____

The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

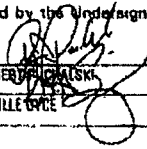
4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ UNLIMITED (if unlimited or if no amount is stated, the Undersigned shall be liable for all indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the indebtedness and securing the payment of the indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is unsecured, secured by a mortgage or security agreement dated _____
 secured by _____

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.


ROBERT MICHALSKI
ORVILLE OFFICE

*Undersigned shall refer to all persons who sign this guaranty, severally and jointly.

ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all indebtedness; (ii) any one or more extensions or renewals of indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any indebtedness; (v) any discharge of any evidence of indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon indebtedness; (x) any election by the Lender under § 111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower or any other obligor, pertaining to indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

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9. If any payment applied by Lender to indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing indebtedness. Lender shall not be required first to resort for payment of the indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise charged except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

GUARANTY

CAMDEN

SOUTH CAROLINA

(City)

(State)

JULY 06 2008

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce FIRST PALMETTO SAVINGS BANK, FSB (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of SEENT LANDHOLDINGS, LLC

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. If this [] is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: _____ and any extensions, renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

B. If this [X] is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several, all such debts, liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation, this guaranty includes the following described debt(s): _____

The Undersigned further acknowledges and agrees with Lender that

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ UNLIMITED (if unlimited or if no amount is stated, the Undersigned shall be liable for all indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the indebtedness and securing the payment of the indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is [X] unsecured; [] secured by a mortgage or security agreement dated _____ secured by _____

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

ORVILLE OYER

ROBERT PUGH

"Undersigned" shall refer to all persons who sign this guaranty, separately and jointly.

ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all indebtedness; (ii) any one or more extensions or renewals of indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any indebtedness, (v) any discharge of any evidence of indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor, (vi) any failure to obtain collateral security (including rights of setoff) for indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon indebtedness, (x) any election by the Lender under §1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay indebtedness even though any other person obligated to pay indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing indebtedness. Lender shall not be required first to resort for payment of the indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

#770861015

GUARANTY

CANDLER SOUTH CAROLINA
ICryl (State)

MAY 28 2008

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce FIRST PALMETTO SAVINGS BANK FSB (herein, with its participants, successors and assigns, called "Lender"), at its option, at any time or from time to time to make loans or extend other accommodations to or for the account of SCENT LAND HOLDINGS LLC

(herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows.

A. If this is checked, the Undersigned guarantees to Lender the payment and performance of the debt, liability or obligation of Borrower to Lender evidenced by or arising out of the following: _____ and any extensions,

renewals or replacements thereof (hereinafter referred to as the "indebtedness").

B. If this is checked, the Undersigned guarantees to Lender the payment and performance of each and every debt, liability and obligation of every type and description which Borrower may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several, all such debts, liabilities and obligations being hereinafter collectively referred to as the "indebtedness"). Without limitation, this guaranty includes the following described debts: _____

The Undersigned further acknowledges and agrees with Lender that

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit or release the liability of the Undersigned hereunder.

2. This is an absolute, unconditional and continuing guaranty of payment of the indebtedness and shall continue to be in force and be binding upon the Undersigned, whether or not all indebtedness is paid in full, until this guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as to indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the incompetent and only prospectively, as to future transactions, as herein set forth.

3. If the Undersigned shall be dissolved, shall die, or shall be or become insolvent (however defined) or revoke this guaranty, then the Lender shall have the right to declare immediately due and payable, and the Undersigned will forthwith pay to the Lender, the full amount of all indebtedness, whether due and payable or unmatured. If the Undersigned voluntarily commences or there is commenced involuntarily against the Undersigned a case under the United States Bankruptcy Code, the full amount of all indebtedness, whether due and payable or unmatured, shall be immediately due and payable without demand or notice thereof.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ UNLIMITED (if unlimited or if no amount is stated, the Undersigned shall be liable for all indebtedness, without any limitation as to amount), plus accrued interest thereon and all other costs, fees, and expenses agreed to be paid under all agreements evidencing the indebtedness and securing the payment of the indebtedness, and all attorneys' fees, collection costs and enforcement expenses referable thereto. Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount, without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received by or available to Lender on account of the indebtedness from Borrower or any other person (except the Undersigned), from their properties, out of any collateral security or from any other source to payment of the excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a written transmittal document, received by the Lender, advising the Lender that such payment is made under this guaranty for such purpose.

5. The Undersigned will pay or reimburse Lender for all costs and expense (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation or bankruptcy or insolvency proceedings.

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

This guaranty is unsecured; secured by a mortgage or security agreement dated _____; secured by _____

IN WITNESS WHEREOF, this guaranty has been duly executed by the Undersigned the day and year first above written.

ROBERT PUGH
ORVILLE DYCE

* Under penalty of perjury, I declare that I am the person who signed this guaranty, severally and jointly.

ADDITIONAL PROVISIONS

6. Whether or not any existing relationship between the Undersigned and Borrower has been changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of indebtedness, without any consent or approval by the Undersigned and without any notice to the Undersigned. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without notice to or approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all indebtedness; (ii) any one or more extensions or renewals of indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue, Borrower or any other guarantor or other person liable in respect of any indebtedness; (v) any discharge of any evidence of indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) any foreclosure or enforcement of any collateral security; (viii) any transfer of any indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon indebtedness; (x) any election by the Lender under §1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned waives any and all defenses, claims and discharges of Borrower, or any other obligor, pertaining to indebtedness, except the defense of discharge by payment in full. Without limiting the generality of the foregoing, the Undersigned will not assert, plead or enforce against Lender any defense of waiver, release, statute of limitations, res judicata, statute of frauds, fraud, incapacity, minority, usury, illegality or unenforceability which may be available to Borrower or any other person liable in respect of any indebtedness, or any setoff available against Lender to Borrower or any such other person, whether or not on account of a related transaction. The Undersigned expressly agrees that the Undersigned shall be and remain liable, to the fullest extent permitted by applicable law, for any deficiency remaining after foreclosure of any mortgage or security interest securing indebtedness, whether or not the liability of Borrower or any other obligor for such deficiency is discharged pursuant to statute or judicial decision. The Undersigned shall remain obligated, to the fullest extent permitted by law, to pay such amounts as though the Borrower's obligations had not been discharged.

8. The Undersigned further agrees that the Undersigned shall be and remain obligated to pay indebtedness even though any other person obligated to pay indebtedness, including Borrower, has such obligation discharged in bankruptcy or otherwise discharged by law. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

9. If any payment applied by Lender to indebtedness is thereafter set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the indebtedness to which such payment was applied shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such application, and this guaranty shall be enforceable as to such indebtedness as fully as if such application had never been made.

10. Until the obligations of the Borrower to Lender have been paid in full, the Undersigned waives any claim, remedy or other right which the Undersigned may now have or hereafter acquire against Borrower or any other person obligated to pay indebtedness arising out of the creation or performance of the Undersigned's obligation under this guaranty, including, without limitation, any right of subrogation, contribution, reimbursement, indemnification, exoneration, and any right to participate in any claim or remedy the Undersigned may have against the Borrower, collateral, or other party obligated for Borrower's debts, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

11. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing indebtedness. Lender shall not be required first to resort for payment of the indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for indebtedness, before enforcing this guaranty.

12. The liability of the Undersigned under this guaranty is in addition to and shall be cumulative with all other liabilities of the Undersigned to Lender as guarantor or otherwise, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

13. This guaranty shall be enforceable against each person signing this guaranty, even if only one person signs and regardless of any failure of other persons to sign this guaranty. If there be more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. This guaranty shall be governed by the laws of the State in which it is executed. The Undersigned waives notice of Lender's acceptance hereof.

6-13-10

**PHYSICIAN EMPLOYMENT AGREEMENT
GROUP PRACTICE**

This Agreement ("Agreement") is made as of September 15th, 2010, between Hartsville HMA, LLC ("we" or "us") and Orville Dyce, M.D. ("you").

1. AGREEMENT OF EMPLOYMENT

You and we agree that you will become our employee and will practice at 701 Medical Park Drive (the "Practice") and Carolina Pines Regional Medical Center (the "Hospital") under the terms and conditions of this Agreement.

2. TERM

This Agreement will start on the 18th day of October, 2010 ("Effective Date") and will remain in effect for a period of 36 months unless either you or we terminate this Agreement earlier, as permitted in Article 5.

3. YOUR OBLIGATIONS

3.1 Professional Duties. You will:

3.1.1 render and prescribe reasonable, prudent, medically necessary and appropriate medical treatment to Practice patients, except when ethical or legal conflicts, legitimate confidentiality issues, or legitimate reasons dictated by sound professional practice prevent you from accepting a particular patient;

3.1.2 consult with other professionals when doing so is in the best interest of the patients;

3.1.3 promptly complete all medical records and maintain patient confidentiality;

3.1.4 when requested, participate in any of our or the Hospital's community outreach programs without additional compensation; and,

3.1.5 do all other things reasonably in your power to promote, develop, and extend the business of us, the Practice and the Hospital.

3.2 License to Practice Medicine. You will obtain and maintain an unlimited license to practice medicine in the state in which the Practice is located. You will also be duly registered to prescribe controlled substances, in accordance with all applicable federal and state laws and regulations, and will maintain the registration in good standing.

3.3 Exclusive Staff Privileges. Prior to the Effective Date, you will apply for and maintain thereafter active or provisional active medical staff membership with appropriate clinical privileges exclusively at hospitals with which we are

affiliated. You won't have medical staff membership at any other hospital unless we agree in writing; provided, however, that you won't be required to refer any patient to any of our affiliated hospitals if (1) the patient or payer expresses a preference for a different hospital; or, (2) referral to one of our affiliated hospitals isn't in the patient's best medical interest.

- 3.4 Your Assignment and Supervision. You will be our employee during the term of this Agreement. You will report to and be under the supervision of the Medical Director of the Practice or another individual whom we designate.
- 3.5 Full-Time Practice. You will work full-time and be subject to the work schedule we establish. In order to ensure that the medical needs of patients are met, your work schedule will include, without limitation, office hours and weekend, night, and holiday on-call periods at the Practice and at the Hospital. We may change your work schedule from time to time. You shall participate in the Hospital on-call schedule as required by the Hospital Bylaws and Hospital Rules and Regulations. We may change Practice location upon thirty (30) days written notice to you; provided however, in no event shall we relocate you outside of our geographic service area.
- 3.6 Performance. You will perform the duties of your profession in accordance with acceptable medical practices. You won't practice medicine or perform any medical services outside the scope of this Agreement.
- 3.7 Medical Records and Documentation. You will properly and promptly complete all medical records and other records necessary (1) to meet the medical needs of the patient; and, (2) to bill and collect for your services. We will be the custodian and owner of all patient records and you won't remove the records from the Practice or the Hospital without our prior approval. The terms of this Section will apply even after this Agreement expires or is terminated.
- 3.8 The Physician/Patient Relationship. The employment relationship between you and us won't affect your physician-patient relationships. You will exercise independent professional judgment in the treatment and care of your patients, and will always have exclusive control over decisions requiring professional medical judgment.
- 3.9 Employment Policies. You will observe and comply with our policies and procedures, including those in our Employee Handbook. Our policies and procedures are subject to change at any time at our discretion. If there are any conflicts between this Agreement and our Employee Handbook, we will follow this Agreement.
- 3.10 Assignment of Fees. We will be responsible for the billing, collecting and

accounting for professional fees for your services. We are also entitled to keep all of the professional fees that we collect. If necessary, you will sign forms that we might need to bill for or collect professional fees. The terms of this Section will apply even after this Agreement expires or is terminated.

3.11 Rates. We will determine your fee schedule.

3.12 Notice upon Occurrence of Certain Events. You will let us know immediately if anything happens that causes you to be in breach of this Agreement, or that may cause a future breach.

4. OUR OBLIGATIONS

4.1 Compensation. We will pay you the amount and in the manner described in Schedule 4.1. There will be more than one Schedule 4.1 attached to this Agreement if the method of calculating your compensation will change during the term of the Agreement. Each Schedule 4.1 will clearly describe the amount of compensation and the method by which it will be calculated, and each will also clearly state the period of time to which it applies.

4.2 Facilities and Personnel. We will furnish you with office space, supplies, equipment, and services that you need. You won't use our facilities for purposes other than treating Practice patients. We also will provide nursing, technical, clerical, and other support staff that we think is necessary for the Practice. But, the staff we provide will report to you and be under your direct supervision unless we designate someone else.

4.3 Professional Liability Protection. We will provide and maintain professional liability insurance on your behalf, but only for your actions as our employee. If we provide "claims-made" coverage, we will also provide "tail" coverage when your employment ends, but only for the medical services you provided as our employee. The policy limit of the insurance we provide will be at least as much as the limit required under the Hospital's medical staff bylaws. You acknowledge that due to the prohibitive cost of commercial malpractice insurance, we may provide your malpractice insurance and tail through self-funding, a captive insurer, a risk retention group, or some other vehicle. You will cooperate with us and our insurers in risk management activities and in the investigation and defense of claims. The terms of this Section will apply even after this Agreement expires or is terminated.

4.4 Continuing Medical Education. You are entitled to 10 days during each calendar year to participate in continuing medical education ("Allowable CME Days"). You will forfeit any Allowable CME Days that you earn but don't use in any calendar year. If this Agreement starts after the beginning, or is terminated or expires before the end, of a calendar year, your Allowable CME

Days will be pro-rated. You acknowledge that to the extent your compensation is dependent on professional receipts that you generate, you will not receive compensation for Allowable CME Days that you use.

Additionally, we will pay up to \$8,000-during each calendar year for your reasonable expenses and course registration fees for continuing medical education ("Paid CME Expenses"). Of course, the training must relate directly to your duties at either the Practice or the Hospital. You will forfeit any Paid CME Expenses that you earn but don't use in any calendar year, and you won't be entitled to compensation for unused Paid CME Expenses. If this Agreement starts after the beginning, or is terminated or expires before the end, of a calendar year, your Paid CME Expenses will be pro-rated.

- 4.5 Employee Benefits. You will be eligible to participate in our employee benefits program. But, you and we may agree in this Agreement to provide you with more or different employee benefits than we provide to other employees.
- 4.6 Professional Memberships and Publications. We will pay the following dues and fees: state licensure; D.E.A. registration; A.M.A. or A.O.A. dues; dues for one state and one local medical association and fees for your membership on one board recognized by the National Board of Medical Specialties. We will also provide a book and manual allowance of up to \$1,000 per calendar year.
- 4.7 Vacation. You are entitled to 20 vacation days during each calendar year ("Allowable Vacation Days"). If this Agreement starts after the beginning, or is terminated or expires before the end, of a calendar year, your Allowable Vacation Days will be pro-rated. You will give us as much advance notice as possible that you want to use Allowable Vacation Days. You acknowledge that we must approve in advance your proposed use of any Allowable Vacation Days, and you understand that we may not permit you to use Allowable Vacation Days at certain times if your absence may adversely affect the Practice. We won't unreasonably refuse to approve your use of Allowable Vacation Days. You acknowledge that to the extent your compensation is dependent on professional receipts or work relative value units that you generate, you will not receive compensation for Allowable Vacation Days that you use.

5. TERMINATION

5.1 Termination for Cause.

5.1.1 We may terminate this Agreement upon contemporaneous written notice to you if any of the following occurs:

5.1.1.1 Your conduct, in our sole discretion, has jeopardized any

person's health or safety, or your conduct, in our sole discretion, has jeopardized the safety or reputation of the Practice or the Hospital.

5.1.1.2 You resign or are suspended or removed from the medical staff of the Hospital, your medical license or DEA registration is suspended or revoked, or you are excluded from participation in any federal health care program.

5.1.1.3 You are convicted of any felony.

5.1.1.4 You won't comply with our Drug-Free Workplace policy, or there is a confirmed positive result after you submit to drug testing.

5.1.1.5 We can't get malpractice insurance for you at a price we think is reasonable.

5.1.2 Either you or we may terminate this Agreement if the other party commits a material breach, but only after the party who wants to terminate has given the other at least 30 days written notice, and the breaching party doesn't cure the breach within 30 days after receiving the notice. The notice will state which part(s) of this Agreement were breached and will also detail the event(s) that caused the breach.

5.2 Termination without Cause. Despite any conflicting provisions in this Agreement:

5.2.1 either you or we may terminate this Agreement without cause by providing at least 90 days ("Notice Period") prior written notice to the other party; and,

5.2.2 we may, at our sole discretion, terminate this Agreement immediately upon written notice, at any time, for reason or for no reason, no matter which party gave notice. However, if we do terminate this Agreement under this Subsection 5.2.2, we will pay you Severance Pay for the Notice Period, calculated as provided in Schedule 4.1.

5.3 Mail. After this Agreement expires or is terminated, we will sort and manage any mail addressed to the Practice (or any forwarding address). We will separate mail that we think belongs to you, and you may pick up this mail at your convenience. The terms of this Section will apply even after this Agreement expires or is terminated.

6. OTHER TERMS AND CONDITIONS

6.1 Compliance.

6.1.1 You have received and read a copy of the Health Management Associates, Inc., Corporate Compliance Manual and Code of Conduct, Third Edition ("Compliance Manual").

6.1.2 You accept and agree to comply with the requirements in the Compliance Manual.

6.1.3 You will immediately report any suspected violations of law or other questionable conduct involving the Hospital, the Practice, us or any employee to our or the Hospital's Compliance Officer and/or the HMA confidential helpline or post office box. The terms of this Subsection will apply even after this Agreement expires or is terminated.

6.2 Confidentiality. You and we agree that this Agreement is confidential. You won't disclose any information in this Agreement to anyone, except for your spouse, tax, legal, or accounting advisors, unless required by law. Moreover, unless otherwise permitted by law, neither you nor we will use or disclose certain confidential, proprietary, and nonpublic financial and other information concerning patients ("Protected Health Information") in violation of the requirements of 45 C.F.R. Sections 165.504 and 164.506(e)1, known as the Health Insurance Portability and Accountability Act of 1996, Privacy and Security Standards ("HIPAA"). The terms of this Section will apply even after this Agreement expires or is terminated.

6.3 Compliance with Laws. You and we each want this Agreement to comply with all applicable federal and state statutes and regulations, including, but not limited to, the Federal Anti-Kickback Law and the Federal Physician Self-Referral Law.

6.3.1 If (1) changes in state or federal government statutes or regulations or third-party reimbursement policies or their interpretation (collectively, the "Laws") cause any provision of this Agreement to be in violation of or inconsistent with any of the Laws (or that may change the way that you and we operate under this Agreement); or, (2) any federal or state governmental agency or court determines that any provision of this Agreement violates any of the Laws, you and we will try to renegotiate the applicable provision or provisions in order to comply with the Laws and to preserve the economic viability of this Agreement.

- 6.3.2 A party shall provide notice of its request to renegotiate under Subsection 6.3.1 to the other party. If you and we can't agree on appropriate revisions to this Agreement within 30 days, then either party may terminate this Agreement effective immediately upon the expiration of the 30 days.
- 6.3.3 You will promptly notify us of any regulatory or other investigation that may lead to a determination that any provision of this Agreement violates any of the Laws. The terms of this Subsection will apply even after this Agreement expires or is terminated.
- 6.4 No Exclusion from Programs. You represent that you have not been excluded from participating in any government-funded health care programs. You also represent that you are not, to the best of your knowledge, currently under investigation for any alleged misconduct and have not engaged in misconduct that could form the basis for future exclusion from government-funded health care programs.
- 6.5 Patient Records and Accounts. All patient records and all patient accounts shall remain our property at all times during and after your employment. You won't take any patient records from our premises unless we approve.
- 6.6 Revenue Stream and Accounts Receivable. All charges, revenue, cash receipts, payments by insurance companies, capitation payments and payments made by patients or institutions related to your services are our property.
- 6.7 Covenant Not to Compete. You won't practice your medical specialty or otherwise compete with the Practice's operations, directly or indirectly, within a radius of 30 miles of the Practice location(s) where you worked, for a period of 12 months after this Agreement expires or is terminated. You acknowledge that we possess a legitimate business interest to protect through an enforcement of this covenant not to compete. You acknowledge and agree that a breach of this Section will cause us irreparable damage, the exact monetary value of which will be difficult or impossible to ascertain, and the remedies at law for any such breach will be inadequate. So, you agree that if you breach this Section, we will be entitled to injunctive relief and any other available equitable relief. These remedies will be cumulative and non-exclusive, and in addition to any and all other remedies that may be available to us. You waive any security or bond requirement in connection with enforcement of this Section. However, this covenant not to compete shall not apply if we terminate this Agreement under Section 5.2.
- 6.8 Assignment. You acknowledge that your employment obligations are personal

in nature so you won't assign or dispose of any of your rights or obligations under this Agreement.

- 6.9 **Notices.** Any demand, request, or notice that either party desires or may be required to deliver to the other will be in writing and shall be deemed received when personally delivered, or when delivered by private courier service (such as Federal Express) or 3 days after being deposited in the United States mail, postage prepaid, in registered or certified form, return receipt requested, addressed, if to you, at the Practice, and if addressed to us, at the following addresses:

Chief Executive Officer at the Hospital
CPRMC
1804 W. Bobo Newsom Hwy
Hartsville, SC 29550

With a copy to: Physician Practice Management
5811 Pelican Bay Blvd., Suite 500
Naples, FL 34108-2710

With a copy to: Office of the General Counsel
5811 Pelican Bay Blvd., Suite 500
Naples, FL 34108-2710

or to any other address and person as either party may communicate to the other by written notice.

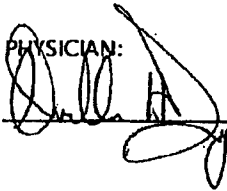
- 6.10 **Governing Law: Jurisdiction.** This Agreement shall be interpreted and construed exclusively according to, and governed by, the laws of the state in which the Practice is located, without regard to any laws that might otherwise require the application of the laws of another jurisdiction. The federal or state courts located in the state in which the Practice is located will have exclusive jurisdiction to hear any dispute under this Agreement. The terms of this Section will apply even after this Agreement expires or is terminated.
- 6.11 **No Third-Party Beneficiaries.** The terms and provisions of this Agreement are intended solely for the benefit of you and us. It is not the intention of the parties to confer third-party beneficiary rights upon any other person.
- 6.12 **No Implied Waiver or Verbal Modifications.** This Agreement may not be modified, amended, supplemented or waived except by written agreement, signed by you and us. No delay, omission or failure by either you or us to exercise any right, power or remedy to which either you or we may be entitled will impair any such right, power or remedy, nor shall such be construed as a release by a party of such right, power or remedy or as a waiver, unless it is in

a written agreement, signed by you and us. A waiver by either you or us of any right, power or remedy in any one instance shall not constitute a waiver of the same or any other right, power or remedy in any other instance.

- 6.13 **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision.
- 6.14 **Headings.** The subject headings of the articles and sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.
- 6.15 **Entire Agreement.** You acknowledge that this Agreement and any properly executed corrections, amendments and addenda (all of which are incorporated by reference herein), incorporate adequately, completely, and entirely this Agreement between the parties setting out all of the terms, compensation, inducements, and benefits offered to you by us, and there are no others beyond or in addition to those stated in this Agreement. Any promises, inducements, or benefits of any kind or nature made or alleged to have been made by any agent or employee of us or the Hospital to you or to any representative or agent of you and not specifically written in this Agreement, won't have any force and effect whatsoever, and you agree that you haven't relied upon such promises, inducements, or benefits in executing this Agreement.
- 6.16 **Previous Employment Agreements.** This Agreement terminates any prior employment agreements between the parties, including any amendments thereto; provided however, in the event your previous employment agreement was terminated by either party, for any reason prior to the Effective Date of this Agreement, this Agreement shall be null and void.
- 6.17 **Attorney Fees.** The prevailing party in any litigation arising under or in any way related to this Agreement will be entitled to recover from the other party his reasonable attorney's fees and court costs, including those related to appeals.
- 6.18 **Approval.** Even if you and we have negotiated and agreed on the terms of this Agreement, it isn't binding on either you or us until it is signed by you and us. You shouldn't make any commitments (such as closing or resigning from your current medical practice, or buying a house) until you have received a copy of this Agreement that has been signed by you and us.

By signing below, you and we each acknowledge that we have read and that we understand, accept and agree to the terms of this Agreement.

PHYSICIAN:

 ND 9/21/10

EMPLOYER:


President and Chief Executive Officer

Schedule 4.1 ♦ Compensation
Base Salary plus Production (Relative Value Units)
Conversion Factor Adjustment

1. **Application.** If this box is checked, this Schedule 4.1 will apply for the entire duration of this Agreement. If this box isn't checked, this Schedule 4.1 will apply only during the period of time starting on 10/18/10 and ending on 10/17/12. After this period and for the remaining balance of the Agreement, Physician agrees that Employer may unilaterally reevaluate and accordingly adjust wRVU conversion factor based upon MGMA data.
2. **Base Salary.** We will pay you based on an annualized amount of \$485,000 (year one) & \$250,000 (year two) ("Base Salary") for Years one and two of the Agreement in line with our normal payroll practices. At the end of Years one and two of the Agreement, your Base Salary will be reviewed. If you meet or exceeded your Annual wRVU Target at the end of the previous Year, your Base Salary will remain unchanged in the following Year. If your Annual wRVU Target was not achieved at the end of any given Year, your Base Salary will adjust to an amount that corresponds to your wRVU productivity level for the prior Year; provided however, Base Compensation shall not exceed the Base Salary in the Initial Year of the Agreement.
3. **Production Compensation.** You may earn additional compensation based on the calculation below ("Production Compensation").
 - a. **Definitions:**
 - i. **Month** means a calendar month, **Quarter** means three consecutive months, **Year** means twelve consecutive months.
 - ii. **Relative Value Unit ("RVU")** means non-monetary units of measure that correlate to the value of health care services and the relative difference in resources consumed when providing different procedures and services. RVUs assign weights (also known as units) to procedures and services.
 - iii. **Work Component of the Relative Value Unit ("wRVU").** For purposes of paying you Production Compensation, we will be using the work component of the RVU which is expressed as wRVU. wRVUs are a standard method in analyzing resources and converting that unit into potential compensation paid to you.
 - iv. **Origin and maintenance of RVUs.** The RVU system was developed and is maintained by the Center for Medicare and Medicaid Services (CMS). It is updated by CMS annually to reflect new and updated codes for services provided. From time to time we may elect to update our billing system to reflect the most recent codes. However, we will reconcile your generated RVUs Monthly to ensure all used codes have an applicable value attached to them. If a code does not have a value, we will assign one (when applicable) based on a code of similar complexity. If Medicare makes revisions to RVUs for specific medical or surgical specialties or all specialties during the term of this Agreement, we reserve the right on the decision to reflect those revisions in your wRVU Production Compensation.

Schedule 4.1 ♦ Compensation
Base Salary plus Production (Relative Value Units)
Conversion Factor Adjustment

- v. Use of physician extenders. You will not be given credit for wRVUs generated by physician extenders (such as nurse practitioners and physician assistants) personally supervised by you.
- vi. Private Pay (uninsured) wRVU's. Any wRVU's generated and booked under the private pay payer code will be discounted by 67%. Both you and we recognize there is added risk and greatly diminished likelihood of either party getting appropriate payment for these services. This in no way relieves your obligation in regards to Hospital ER call and EMTALA laws related to your provision of call.
- vii. Compensation Eligible wRVUs means the wRVUs generated through the professional services you provided during any Quarter which exceed the Quarterly wRVU Target.
- viii. Quarterly wRVU Target means the amount of wRVUs per Quarter that correlate to your Base Salary. For purposes of determining your Production Compensation, wRVUs generated in a Quarter which exceed your Quarterly wRVU Target may be Compensation Eligible wRVUs.

Based on your Base Salary for Year one, your Quarterly wRVU Target will be: 2,548. Your Quarterly wRVU Target may adjust in subsequent Years of the Agreement to correlate with changes in your Base Salary.

- ix. Annual wRVU Target means the amount of wRVUs per Year that correlate to your Base Salary which shall be a summary of your Quarterly wRVU Target multiplied by four.
- x. Conversion Factor ("CF") means a dollar value which will be applied to each Compensation Eligible wRVU. We will determine the CF which will be applied to calculate your Production Compensation, and such CF will be based on our payer reimbursement and may take into account changes in the CMS conversion factor. The CF will be set in advance of your start date, and any changes in the CF will only be made with appropriate notification to you.

The dollar value which will be applied to each Compensation Eligible wRVU is summarized as follows:

WRVU MGMA Median	Conversion Factor (CF) Median	Level 1 Earnings	WRVU MGMA 75 th Percentile	Conversion Factor (CF) 75 th Percentile	Level 2 Earnings	WRVU MGMA 90 th Percentile	Conversion Factor (CF) 90 th Percentile	Level 3 Earnings
<u>5728</u>	<u>\$47.57</u>	wRVU's times CF equals earnings	<u>8816</u>	<u>\$49.61</u>	wRVU's times CF equals earnings	<u>10,907</u>	<u>\$53.66</u>	wRVU's times CF equals earnings
Level 1 Earnings paid per wRVU up to wRVU MGMA Median Percentile			Level 2 Earnings paid per wRVU above wRVU Median Percentile up to wRVU 75 th Percentile			Level 3 Earnings paid per wRVU above wRVU 75 th Percentile		

Schedule 4.1 ♦ Compensation
Base Salary plus Production (Relative Value Units)
Conversion Factor Adjustment

b. **Calculation.** We will calculate your Production Compensation by:

- i. Subtract your Quarterly wRVU Target from Quarterly wRVU's generated (this will equal your Compensation Eligible wRVU's); then
- ii. Multiply the Compensation Eligible wRVUs by the appropriate Conversion Factor.

Example A

wRVUs Physician Generated for Quarter:	500	wRVU Modifiers	500
Dollar Conversion Factor Tier 1:	\$32.15	75% Percapita	\$606
Dollar Conversion Factor Tier 2:	\$33.45	90% Percapita	\$670
Dollar Conversion Factor Tier 3:	\$35.40		

Production Compensation equals: 500 wRVUs physician generated from professional services in the Quarter (wRVUs 1-36) are eligible for conversion factor Tier 1 = 32 X 132.15 = \$4,228.80; wRVUs 38-46 are eligible for conversion factor Tier 2 = 34 X 33.45 = \$1,157.30; and wRVUs 48 and higher are eligible for conversion factor Tier 3 = 35 X 35.40 = \$1,239.00

We will pay you \$7,125.10 as Production Compensation for the current Quarter. Production Compensation shall be paid in three monthly installments during the next Quarter after which the Production Compensation was earned. If your Compensation Eligible wRVUs are 0 or less then you will not be entitled to Production Compensation for the applicable Quarter.

4. **Adjusting the wRVU Rate.** We may from time to time adjust the wRVU rate for certain modified codes according to our wRVU calculation methodology. Such calculation methodology follows routine payer standards regarding increasing or decreasing reimbursable amounts related to services coded with modifiers. We will notify you of any such changes to the wRVU rate.
5. **Payment.** At the end of each Quarter, we will pay your Production Compensation, if you earn any, in equal installments in the next Quarter.
6. **Withholdings.** We will make whatever deductions, withholdings, and payments on your behalf that are either required by law or to which you and we agree.
7. **Severance Pay.** If we terminate this Agreement under Section 5.2.2, while this compensation schedule is in effect, we will continue to pay your Base Salary during the Notice Period. ~~We will also pay you Production Compensation earned before the Notice Period based on the calculation described in Section 3 of this Schedule, within 30 days following the end of the Notice Period. You won't be entitled to any Production Compensation for services provided during the Notice~~

[Handwritten signature]
 9/21/10

[Handwritten notes]
 9/21/10
 Production Compensation

Schedule 4.1 ♦ Compensation
Base Salary plus Production (Relative Value Units)
Conversion Factor Adjustment

Schedule 4.1 ♦ Compensation

WRVU Production Only

1. **Application.** If this box is checked, this Schedule 4.1 will apply for the entire duration of this Agreement. If this box isn't checked, this Schedule 4.1 will apply only during the period of time starting on 10/18/12 and ending on 10/17/13. After this period and for the remaining balance of the Agreement, Physician agrees that Employer may unilaterally reevaluate and accordingly adjust wRVU conversion factor based upon MGMA data.
2. **Compensation.** You will earn compensation based on the calculation below ("Compensation").
 - a. **Definitions:**
 - i. **Month** means a calendar month, **Quarter** means three consecutive months, **Year** means twelve consecutive months.
 - ii. **Relative Value Unit ("RVU")** means non-monetary units of measure that correlate to the value of health care services and the relative difference in resources consumed when providing different procedures and services. RVUs assign weights (also known as units) to procedures and services.
 - iii. **Work Component of the Relative Value Unit ("wRVU").** For purposes of paying you Production Compensation, we will be using the work component of the RVU which is expressed as wRVU. wRVUs are a standard method in analyzing resources and converting that unit into potential compensation paid to you.
 - iv. **Origin and maintenance of RVUs.** The RVU system was developed and is maintained by the Center for Medicare and Medicaid Services (CMS). It is updated by CMS annually to reflect new and updated codes for services provided. From time to time we may elect to update our billing system to reflect the most recent codes. However, we will reconcile your generated RVUs Monthly to ensure all used codes have an applicable value attached to them. If a code does not have a value, we will assign one (when applicable) based on a code of similar complexity. If Medicare makes revisions to RVUs for specific medical or surgical specialties or all specialties during the term of this Agreement, we reserve the right on the decision to reflect those revisions in your wRVU Production Compensation.
 - v. **Use of physician extenders.** You will not be given credit for wRVUs generated by physician extenders (such as nurse practitioners and physician assistants) personally supervised by you.
 - vi. **Private Pay (uninsured) wRVU's.** Any wRVU's generated and booked under the private pay payer code will be discounted by 67%. Both you and we recognize there is added risk and greatly diminished likelihood of either party getting appropriate payment for these services. This in no way relieves your obligation in regards to Hospital ER call and EMTALA laws related to your provision of call.
 - vii. **Compensation Eligible wRVU's** means the wRVUs generated through the professional services you provide.

Schedule 4.1 ♦ Compensation
wRVU Production Only

viii. **Conversion Factor** ("CF") means a dollar value which will be applied to each Compensation Eligible wRVU. We will determine the conversion factor which will be applied to calculate your Compensation, and such CF will be based on our payer reimbursement and may take changes in the CMS conversion factor into consideration. The CF will be set in advance of your start date, and any changes in the CF will only be made with notification to you.

The dollar value which will be applied to each Compensation Eligible wRVU will be **47.57**. Any changes in the Conversion Factor will only be made with notification to you.

b. **Calculation.** We will calculate your Compensation by multiplying the Compensation Eligible wRVUs by the Conversion Factor.

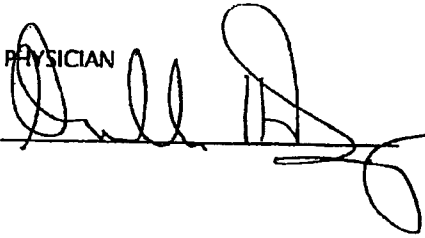
WRVU's Generated	490
<less> reduction of uninsured WRVU's by 67%	23 (35 total units x 67% = 23)
Total WRVU's available for compensation	467
WRVU Conversion Factor	\$37.79
Compensation Due	\$14,472


3. **Adjusting the wRVU Rate.** We may from time to time adjust the wRVU rate for certain modified codes according to our wRVU calculation methodology. Such calculation methodology follows routine payer standards regarding increasing or decreasing reimbursable amounts related to services coded with modifiers. We will notify you of any such changes to the wRVU rate.
4. **Payment.** We will pay you Compensation in accordance with our normal payroll practices.
5. **Withholdings.** We will make whatever deductions, withholdings, and payments on your behalf that are either required by law or to which you and we agree.
6. **Severance Pay.** If we terminate this Agreement under Section 5.2.2, while this compensation schedule is in effect, we will continue to pay you Compensation based on the calculation described in Section 2 of this Schedule; provided however, you won't be entitled to any Compensation for services provided during the Notice Period.

SIGN-ON & COMMITMENT BONUS AMENDMENT
to Physician Employment Agreement-Group Practice

This Amendment ("Amendment") is made as of September 15th, 2010, between Hartsville HMA, LLC ("we" or "us") and Orville Dyce, M.D. ("you").

1. You and we signed a Physician Employment Agreement ("Agreement") in order to memorialize the terms of your employment with us. You and we have agreed to modify the Agreement as follows:
2. In addition to the compensation we have promised, we will pay you \$25,000 as a sign-on bonus within 30 days of (a) a fully executed agreement and (b) our receipt of your clean submission of all of your necessary credentialing information, up to and including the following:
 - a. Application for Medical Staff membership at the Hospital; and
 - b. Medicare credentialing application.
3. In addition to the bonus above we have promised, so long as you are not in breach of the Agreement, we will pay you an additional amount equal to \$50,000 as a continued commitment bonus in the following manner: Within 30 days after Physician Employment Agreement Effective Date.
4. You will not have any repayment obligations under this Amendment so long as you remain employed for the term of the Agreement or if your employment with us is severed, for whatever reason, you remain in the primary service area of the hospital actively practicing as and independent member of the Hospital's medical staff, not affiliated with or employed by a practice that competes with us nor are employed by an entity or an affiliate of an entity that competes with the Hospital. However, if you terminate the Agreement without cause under Section 5.2, or if we terminate the Agreement with cause under Section 5.1, and you do not remain in the primary service area of the Hospital (consistent with the aforementioned narrowly tailored competitive restrictions and active practice requirements) then you will immediately repay us the entire amount that we paid to you under this Amendment.
5. By signing below, you and we each acknowledge that we have read and that we understand and accept the terms of the Amendment, and that when this Amendment is fully executed it will become part of the Agreement.

PHYSICIAN  _____

EMPLOYER  _____
President and Chief Executive Officer

AMENDMENT TO PHYSICIAN EMPLOYMENT AGREEMENT

THIS AMENDMENT ("Amendment") is made as of September 15th, 2010, between Orville Dyce, MD ("You") and Hartsville HMA, LLC ("we" or "us").

1. **Agreement to Amend.** You and we signed a Physician Employment Agreement ("Agreement") in order to memorialize the terms of your employment with us. You and we have agreed to modify the Agreement as follows:

2. **Performance.** The following shall be added to the end of Section 3.6 of the Agreement as additional duties within the course and scope of the Agreement:

(a) **Chesterfield General Hospital:** ICD 9 codes of 31231, 31233, 31235, 31237, 31238, 69436-69450, 30130, 30140, 30801, 30802, 30930, 30117, 30300, 30310, 30520, 30620, 30630, 30465, 42820, 42836, 42835, 42821, 42825, 42826, 42830, 42831, 42700, 42160, 40510, 40520, 40525, 40806, 41110, 41112, 41113, 41115, 41520, 41116, 95806, 95826, 69000, 69005, 69020, 69205, 69540, 21310, 21315, 21320, 21325, 21330, 21335, 21337 and 30100 (the "Chesterfield Services"); and *replacement and/or complementary codes*

(b) **Veterans Administration Hospital ("VA"):** Reading of sleep lab studies. To this end, we shall endeavor to memorialize a Services Agreement between ourselves and the VA for your reads within the next 90 days.

3. **External On-Call Services.** A new Section 3.6.1 is incorporated into the Agreement and it shall read:

3.6.1 **External On-Call Services.** While Section 3.6 states that you shall not perform medical services outside the scope of this Agreement, we are agreeable to allowing a limited exception. This limited exception shall only encompass your provision of on-call coverage for Kershaw County Medical Center for one (1) night/week, so long as you are not on-call for Carolina Pines Regional Medical Center and provide us, in advance, with evidence of professional liability coverage with such limits generally acceptable for the on-call services (e.g., 1,000,000M/3,000,000M). Our willingness to allow you the flexibility to provide these on-call services is strictly conditioned upon the fact that the on-call services will not interfere with your full-time practice obligations, as required by the Agreement. If the on-call services appear to interfere with your full-time practice, in our sole discretion, we may (at anytime) terminate our conditioned consent. **CAVEAT:** We will not provide you with professional liability protection for the on-call services at Kershaw County Medical Center and we will not be responsible for the billing and collection associated with these services as they are outside of the scope of the Agreement. Furthermore, you agree that you will not hold yourself out as an employee of Hartsville ENT, LLC while you are providing the on-call services on your own accord.

4. **Covenant Not to Compete.** The contents of Section 6.7 shall be deleted in its entirety and revised to read as follows:

Covenant Not to Compete. You won't practice your medical specialty or otherwise compete with the Practice's operations, directly or indirectly, within a radius of 30 miles of the Practice location(s) where you worked, for a period of 12 months after this Agreement expires or is terminated. You acknowledge that we possess a legitimate business interest to protect through an enforcement of this covenant not to compete. You acknowledge and agree that a breach of this Section will cause us irreparable damage, the exact monetary value of which will be difficult or impossible to ascertain, and the remedies at law for any such breach will be inadequate. So, you agree that if you breach this Section, we will be entitled to injunctive relief and any other available equitable relief. These remedies will be cumulative and non-exclusive, and in addition to any and all other remedies that may be available to us. You waive any security or bond requirement in connection with enforcement of this Section. However, this covenant not to compete shall not apply if, after the expiration or termination of the Agreement, you remain in the primary service area of the Hospital, actively practicing as an independent member of the Hospital's medical staff, not affiliated with or employed by a practice that competes with us nor are employed by an entity or an affiliate of an entity that competes with the Hospital.

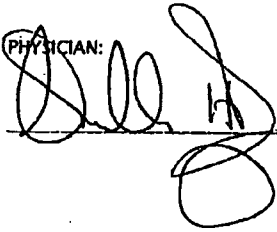
5. **Capitalized Terms.** Capitalized terms in this Amendment will have the same meaning as they do in the Agreement.

*ad 9/15/10
J. P. [Signature]
9/21/10*

AMENDMENT TO PHYSICIAN EMPLOYMENT AGREEMENT

6. Agreement to Be Bound. By signing below, you and we each acknowledge that we have read and that we understand and accept the terms of this Amendment, and that when this Amendment is fully signed and approved it will become part of the Agreement.

PHYSICIAN:


_____ 09/24/10

EMPLOYER:



President and Chief Executive Officer



Carollna Pines presents Dr. Orville Dyce's employment package for final approval.

REDACTED

Dr. Dyce's Intent is to transltion to Private Practice within 12-18 months:

Terms:	Year 1	\$485K base + wRVU
	Year 2	\$250K base + wRVU
	Year 3	100% wRVU
	Sign on Bonus	\$25K
	Commencement	\$50K
	Call Pay	\$187/ 24 hours period

REDACTED

Dr. Dyce is respectfully submitted for approval.

Texts from Dyce to Gunnlaugsson

July	1
August	0
September	0
October	11
November	8
December	16
January	55
February	28

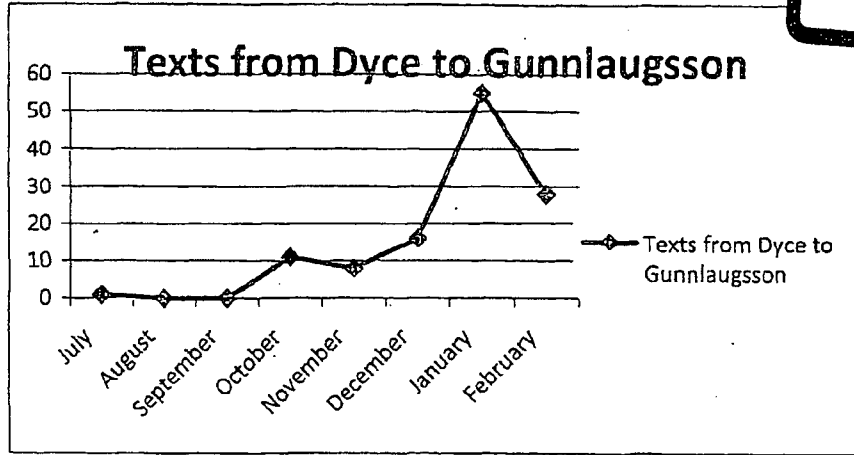
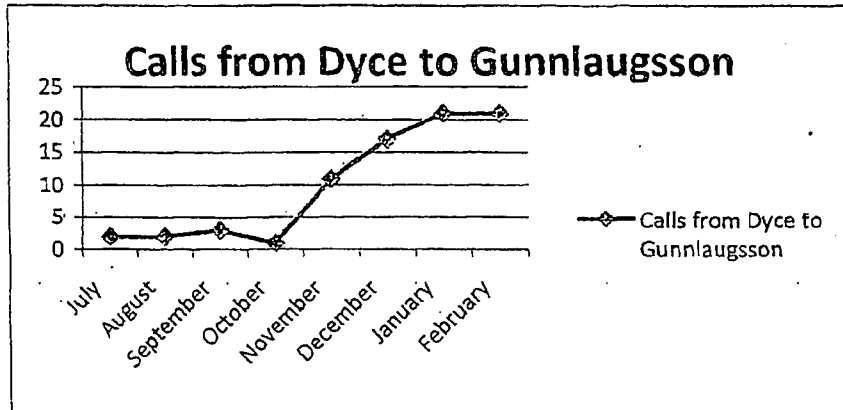


EXHIBIT
75

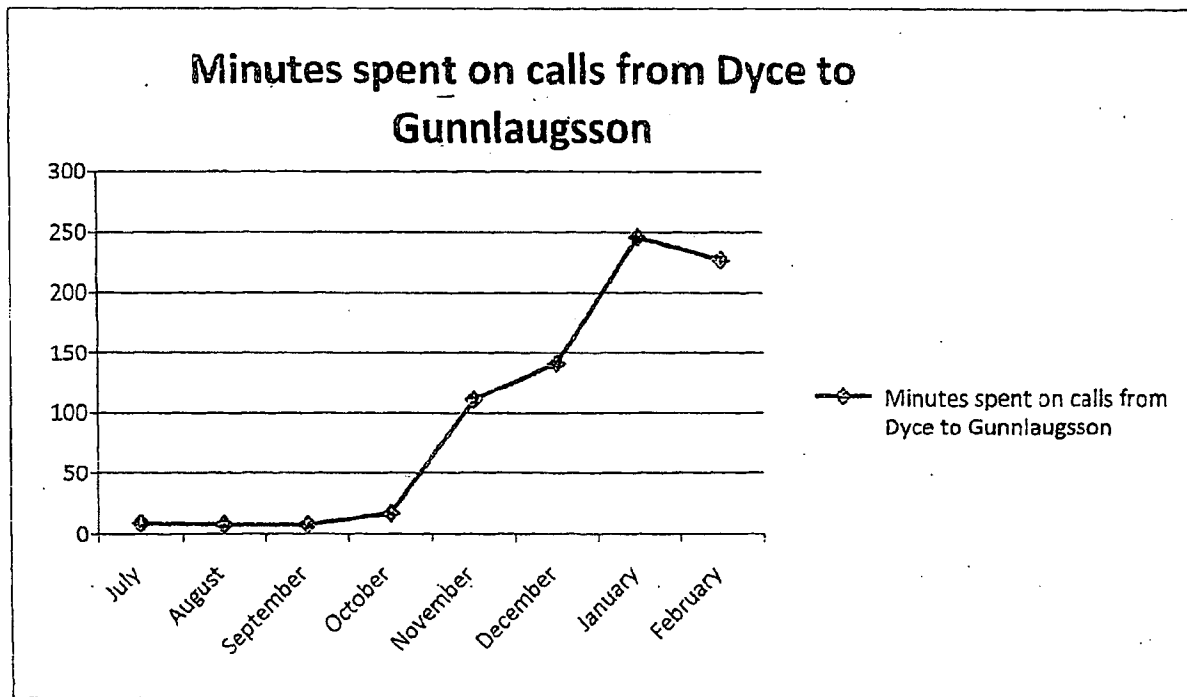
Calls from Dyce to Gunnlaugsson

July	2
August	2
September	3
October	1
November	11
December	17
January	21
February	21



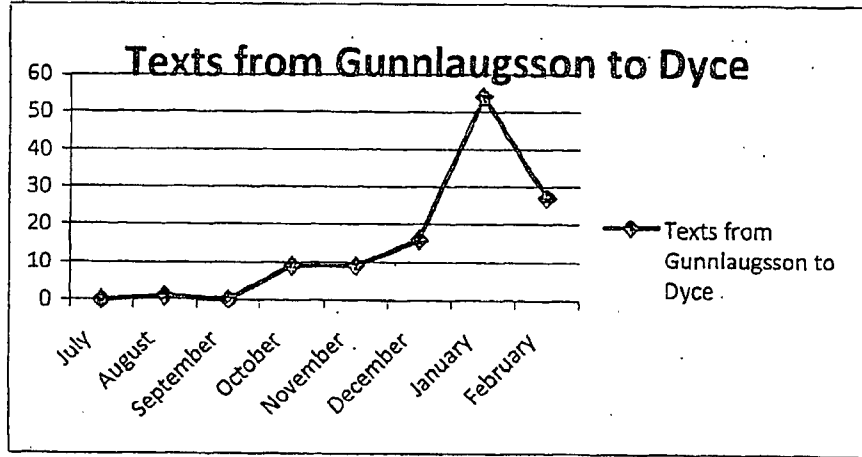
Minutes spent on calls from Dyce to Gunnlaugsson

July	9
August	8
September	8
October	17
November	111
December	141
January	246
February	227



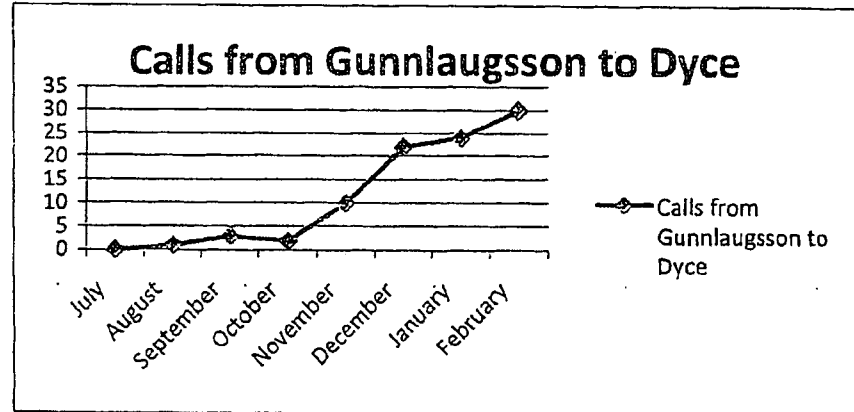
Texts from Gunnlaugsson to Dyce

July	0
August	1
September	0
October	9
November	9
December	16
January	54
February	27



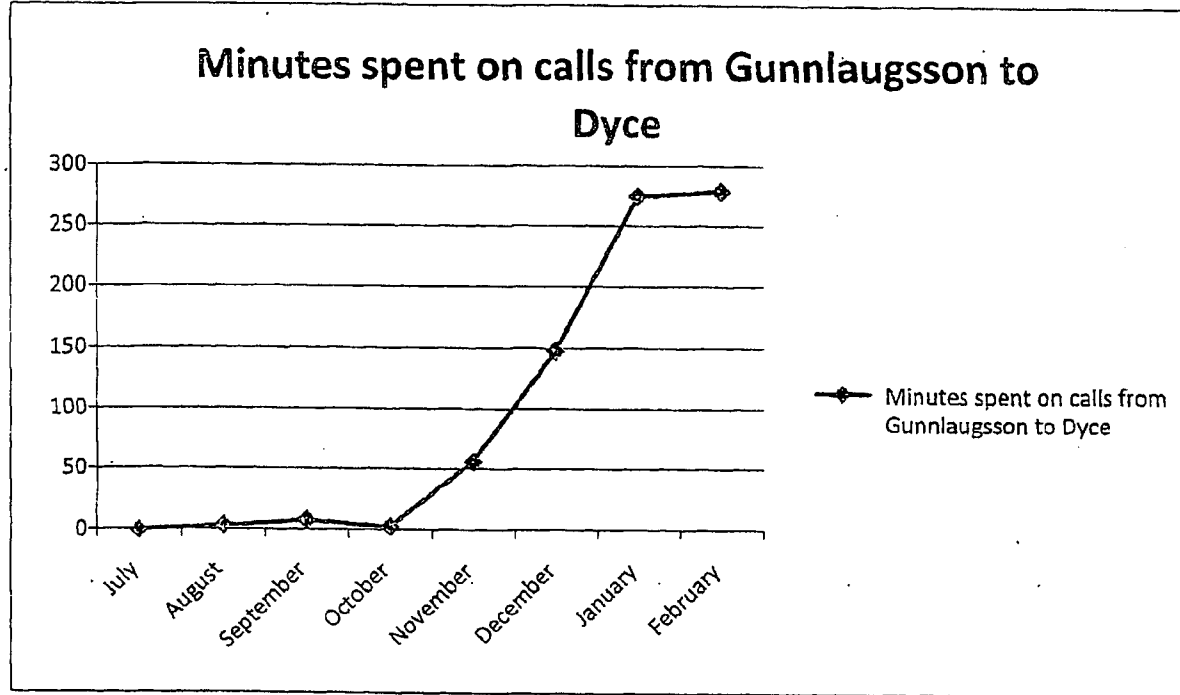
Calls from Gunnlaugsson to Dyce

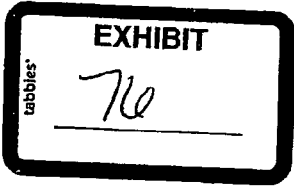
July	0
August	1
September	3
October	2
November	10
December	22
January	24
February	30



Minutes spent on calls from Gunnlaugsson to Dyce

July	0
August	4
September	8
October	3
November	56
December	148
January	275
February	279





State of South Carolina)
)
 County of Richland, Court of Common Pleas)
)
 Chad Gunnlaugsson,)
)
 Plaintiff,)
)
 v.)
)
 South Carolina ENT, Allergy and Sleep Medicine)
)
 PA and Dr. Robert Puchalski (in his capacity as)
 officer or agent of South Carolina ENT, Allergy)
 and Sleep Medicine PA))
)
 Defendants.)
)
 _____)

C. A. No. _____

AFFIDAVIT

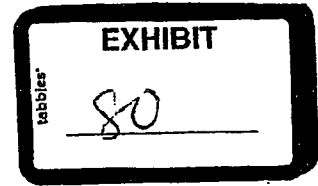
I declare under penalty of perjury that the foregoing is true and correct.

1. My name is Dr. Orville Dyce and (prior to the admission, as shareholder, of Dr. Gunnlaugsson) am a 50% shareholder of South Carolina ENT, Allergy and Sleep Medicine PA (SCENT)).
2. Prior to the admission of Dr. Gunnlaugsson, the other 50% of shares in SCENT were held by Dr. Robert Puchalski.
3. Following the admission of Dr. Gunnlaugsson, we (myself, Dr. Puchalski and Dr. Gunnlaugsson) should each hold 33.3% of the shares of SCENT.
4. Dr. Gunnlaugsson has completed all payments and actions necessary to receive his shares and should be, in fact, a shareholder of SCENT. This understanding is based on my access to records of SCENT, my knowledge of the payments for shares made by Dr. Gunnlaugsson and my knowledge that SCENT contractually agreed to issue shares to Dr. Gunnlaugsson and that Dr. Gunnlaugsson has fully performed his part of that agreement.
5. Dr. Pulchalski is the President of SCENT and has exercised most managerial control. I have heard him state that Dr. Gunnlaugsson has completed his obligations for his shares and is entitled to receive them.
6. Dr. Pulchalski is blocking Dr. Gunnlaugsson's receipt of his shares because Dr. Pulchalski is attempting to force acceptance of a new shareholders agreement. The new shareholder agreement gives Dr. Pulchalski significant new rights, gives him additional control of SCENT, and imposes large monetary penalties on the other shareholders if he were ever to be voted out of SCENT by the other shareholders.

7. On Tuesday, February 2, Dr. Pulchalski called a meeting of the shareholders. At this meeting, he made a motion to terminate Dr. Gunnlaugsson's employment. I voted against and oppose any effort to terminate Dr. Gunnlaugsson's employment or access to SCENT offices, records, or patients or to interfere with his continued practice with SCENT.
8. The unanimous approval of the all shareholders is required before taking action to terminate or restrict Dr. Gunnlaugsson's practice of medicine at SCENT and no such approval has occurred.
9. Dr. Gunnlaugsson and I have significant disagreements and concerns with Dr. Pulchalski concerning the management of the practice. I myself have grave concerns over the proposed shareholders agreement which, through my attorney, I have expressed to SCENT. Despite these disagreements, I and Dr. Gunnlaugsson have been able to continue our practice at SCENT without these disagreements affecting the standard of care. We are able to deal with Dr. Pulchalski in a professional manner and I do not believe Dr. Gunnlaugsson's disagreements with Dr. Pulchalski will affect his ability to continue to practice within SCENT and, in fact, our individual practices within SCENT are largely independent and significant interaction between the physicians is not required.
10. If SCENT and Dr. Pulchalski were barred by this court from terminating Dr. Gunnlaugsson, there would be no harm to SCENT or Dr. Pulchalski. Dr. Gunnlaugsson is an excellent physician who performs his duties in a very proficient manner. He is very professional in his dealings with Dr. Pulchalski and resolution of this dispute should cause no professional difficulties. On the other hand, terminating Dr. Gunnlaugsson would cause irreparable harm to him and his patients. Dr. Gunnlaugsson has an extensive patient base which would erode if he lost access to them. In addition, Dr. Gunnlaugsson treats patients with significant injuries and immediate surgical and other medical needs. Terminating his employment would deprive the patients of care. In addition, Dr. Gunnlaugsson has unique skills and accreditations that would leave significant gaps in SCENT's ability to provide some services.

Dr. Orville Dyce

Notary Public, State of South Carolina
My commission expires _____
I acknowledge having sworn the affiant



Orville H. Dyce, M.D.
401 Woodland Drive
Hartsville, SC 29550

Dear Orville:

As previously discussed, and in accordance with Regulation 47-23, Offers of Work, of the South Carolina Code of Regulations, this letter confirms the offer by South Carolina ENT, Allergy and Sleep Medicine, P.A. ("SCENT"), to employ you as a physician on an at-will basis as follows:

1. You would be an at-will employee of SCENT, working as a physician for SCENT.
2. You would be paid commiserate with what you were being paid prior to your previous termination.
3. Your hours and other conditions of employment, such as call, would be commiserate with what they were prior to your previous termination, subject to our mutually agreeing upon any modifications requested by you.
4. You would begin work as soon as possible. You and I would discuss the specific details of your return to the practice. I will be glad to discuss with you reports and other processes we can implement to ensure you are receiving any requested information and having appropriate input.
5. The parties mutually agree that your being re-employed as an at-will employee will have no impact, and will not be used by either party to try and impact, the consequences of your previous termination of employment on your status as a shareholder. These are issues that we can address after you return to work.

Orville, SCENT would very much like for you to return to work and believe that your talent and skills are far too valuable for you to be collecting unemployment benefits. SCENT and I are very hopeful that you will accept this offer of employment.

If you would like to accept this offer, please sign below where indicated, and we can discuss the specific details of your return to the practice. This offer of employment will expire at the end of the day on August 31, 2010.

Sincerely,

Robert Puchalski, M.D.
President

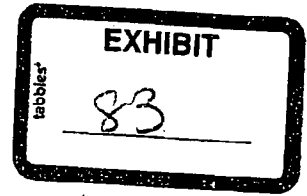
Accepted and agreed:

Orville H. Dyce, M.D.

-//4813-8439-4758 v.1-

CONFIDENTIAL

DYCE/SCENT 115



State of South Carolina)
)
County of Kershaw)

AFFIDAVIT

Kieley Taylor, personally appeared before me, the undersigned officer duly authorized by the laws of South Carolina to administer oaths, and now on this 26 day of April, in the year of 2010, being by me first duly sworn on his/her oath/affirmation, deposes and says:

I was one of the last employees leaving clinic on a Wednesday afternoon in February. When I walked out the back door at the Lugoff office, I saw Dr. Gunnlaugsson and Dr. Dyce in the parking lot, having what appeared to be a confidential conversation. They both looked at me and paused their discussion until I entered my car. When I drove off, I saw them entering a vehicle together.

On April 1, Dr. Gunnlaugsson approached me to put in a vacation request for April 23 stating he needed a "last minute day off" because of an event. This request was followed up by an email which I have included with this affidavit. I thought this request was very out of character for Dr. Gunnlaugsson, as he normally gives at least a few months notice before taking vacation days. He also elaborates on where he is going or why he needs time off, so I found the vagueness of this request to be a little odd. Dr. Dyce made a request on February 2 to take a vacation day on April 23.

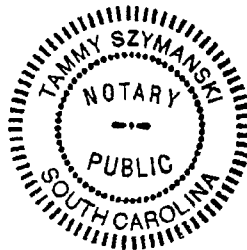
In early April, Dr. Gunnlaugsson approached me to inquire about his original medical license. He wanted to know if the original was kept in a secure place, such as a bank vault. I told him original wallet cards for your medical license are no longer issued because you can now look up a licensee online. I did not provide him with the original medical license that was issued to him in the past.

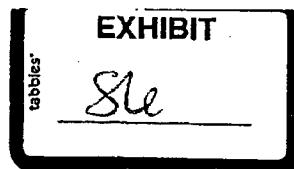
Kieley D. Taylor
(signature of affiant)

Kieley D. Taylor
(printed name of affiant)

Sworn/affirmed to and subscribed before me
On this 26 day of April, 2010.

Tammy Szymanski
Tammy Szymanski
My Commission expires May 5, 2015





South Carolina ENT, Allergy, and Sleep Medicine (referred to as SCENT) is a 4 physician practice started in ~2002 by the current Managing Shareholder, Robert Puchalski. The current physicians are Robert Puchalski, Orville Dyce (began employment 2005), Chad Gunnlaugsson (June 1st, 2006), and Macy Vidrine(2007). Currently, Drs. Puchalski and Dyce are shareholders of the S-Corp designated SCENT. There is also a separate LLC for equipment (SCENT Equipment) and land purchases (SCENT Landholdings). I was hired in 2006 after spending 2 years in another private practice in Tallahassee, FL. I signed an original 2 year employment contract which expired on June 1st, 2008. At this time, I was offered "full and equal partnership" via a signed letter which I have in my possession dated January 7th, 2008. I was subsequently offered the current Partnership Employment and Partnership Shareholder contracts (2 separate documents) which I have forwarded to you and are signed/dated June 1, 2008. I was told prior to my initial hire that my "buy-in" to the practice would be approximately 1/3 of 1.1 million dollars. At the time the partnership contracts were given to me in May of 2008, several changes had been made. Notably:

- 1.) A markedly enlarged "buy-in" formula based on the net revenues of the practice as described in section 4.5 of the Shareholders Agreement. This was agreed upon by Drs. Dyce and Puchalski during the inclusion of Dr. Dyce into the partnership track. He successfully completed this in 2008. He purchased shares in the practice for \$50,000 in addition to the formula "buy-in" price. I was told upon entering the practice that the stock share price was based on a minimal dollar amount based on the tax structure of the corporation. This was told to me at my hiring to be \$50,000 and is indeed what Dr. Dyce paid Dr. Puchalski to finalize his transfer of shares. In actuality, the stock shares have no substantive dollar value and could be sold for a little as \$1 – based on discussions with our practice accountant. This will be important later in this summary.
- 2.) I was individually not made eligible for a "Non Metropolitan Bonus" listed in 4.2b of the Employment contract. It should be noted that I was recruited to the Greater Columbia area to serve as the physician to grow the business in this demographic region. At no time prior to initiating partnership contract talks was I told I would be paid a lesser amount than the other physicians for serving this area. In addition, my residence in the Columbia area was restricted to the extreme eastern part of the Greater Columbia area as listed in section 3.1b. Therefore, my pay was decreased by \$78,000/yr compared to other employed physicians in addition to having my home residence restricted.
- 3.) The Shareholders agreement contained clauses specific to only Robert Puchalski as designated in section 3.9 of the Shareholders Agreement.
- 4.) The partnership contracts were given to me for review only 2 weeks prior to my initial employment agreement expiring despite several earlier requests. This placed unnecessary stress on both myself and my family and was likely done to force an agreement with me to sign the current contract which is in place. I was in a position where I could have been terminated from the practice for not agreeing to sign the new agreement and was subject to

a noncompete clause. Nevertheless, I signed the agreements as they currently stand and this was agreed upon mutually by Dr. Puchalski, Dr. Dyce, and myself. This completes the history of my prior contract negotiations and leads to the current impending situation. I have followed the current contract (which is in effect for 5 years) and am not unsatisfied with how it stands.

From June 1st, 2008-April 30th, 2009 I completed the formula "buy-in" price as designated in the Shareholders agreement. Our practice also owned land in Hartsville, SC and Columbia, SC which is operated via the SCENT Landholdings LLC. I have never been given access to this document and was told I cannot visualize this document until I am offered my stock certificate. My "buy-in" price also included an equal purchase of the equity paid on the land purchases (1/3 the amount that Dr. Dyce and Dr. Puchalski had previously invested in the landholdings including assessments, surveys, etc.) and an equal purchase of the bank accounts AT THE TIME that I signed the Employment and Shareholders Agreements (June 1st, 2008). This total "buy-in" amount totaled approximately \$620,000. Beginning May 1st, 2009, I was then paid the same monthly base salary (item 1 below) and secondary distribution (item 2 below) as Drs. Puchalski and Dyce since the formula price, landholdings amount, and bank account purchase had been met. Our salary payment structure includes 4 different distributions as follows:

- 1.) A base salary which is paid equally to each partnership-tract employee with minor discrepancies based on 4.2d of the Shareholders Agreement.
- 2.) A secondary distribution paid equally to each partnership-tract employee. This has been termed a "K-1" distribution by the practice and is the money used to fund the "buy-in". Essentially, from June 1st, 2008-April 30th, 2009, my "K-1" distribution went to Drs. Puchalski and Dyce to fund the "buy-in" price listed above. Beginning May 1st, 2009 the "K-1" distribution came to me as the "buy-in" price (\$620,000) had been completed.
- 3.) A third distribution known as a "sweep". In legal terms, this is actual K-1 flow-through money paid to the SHAREHOLDERS as part of the S-corp structure. This dollar amount can be significant. Since May 1st, 2009, I have not received a "sweep" payment as I am not yet a shareholder. My designation as a shareholder and the ability to purchase shares has been delayed due to two factors: the stock share price and the payment of back taxes to the two current shareholders. For example, Dyce agreed to pay Dr. Puchalski the taxable amount of money that Dr. Puchalski absorbed during Dr. Dyce's "buy-in" period. This would be approximately equal to 40% (taxable rate) of the \$620,000 "buy-in" in my case, or approximately \$248,000. Based on actual dollar amounts (not approximations which have been used in this Microsoft word document) provided by Dr. Puchalski, my actual number was \$292,000 (in addition to the original ~\$620,000) via a "gross up" formulation method. One half of this amount was to be paid equally to Drs. Puchalski and Dyce to reimburse them for the taxes they acquired for my original formula "buy-in" amount. Since Dr. Dyce agreed to do this prior to becoming a shareholder, I did not take issue with this policy. If the stock share price (which was paid by Dr. Dyce and quoted to me as \$50,000) is included with the previously mentioned payment of back taxes, my total remaining "buy-in" amount to

become a shareholder would be \$342,000 (\$292,000 + \$50,000) in addition to the previous "buy-in" formula amount of \$620,000. The \$342,000 would be paid to Drs. Puchalski and Dyce via my monthly "sweep" distribution. Therefore, I have not personally collected a "sweep" check to this point and these monetary distributions have been made to Drs. Puchalski and Dyce since May 1st, 2009, up to this point. As of December 31st, 2009, (and likely earlier – this will be discussed in a latter discussion) the \$342,000 will have been paid and I should be eligible for stock share distribution and inclusion into the SCENT Equipment and SCENT Landholding LLCs.

- 4.) A fourth distribution described as "Variable Compensation" in Section 4.2a of the Employment Agreement. In actuality, this is "pay for call" money that is received by the practice for nighttime ER and inpatient hospitals duties at the 3 hospitals which we cover. This dollar amount is to be split evenly amongst the partners after expenses (e.g. our physician assistants are paid a stipend for answering certain patient phone calls during the night). This clause is of considerable importance as it pertains to the "Covenant Not To Compete" section of the Employment Agreement. As will be mentioned, this clause has been breached by Dr. Puchalski for several months and potentially years.

With this background information, I will now state my need for legal representation via the following issues that I am facing concerning the current Employment and Shareholder Contracts (which are in effect until June 1st, 2013) as well as my impending Stock Certificate Purchase.

- 1.) In June of this year Dr. Puchalski, using our legal practice representative Edward White, attempted to renegotiate our present contracts. He presented us with new contracts which had some of the following provisions:
 - a. Dr. Puchalski maintaining the office of "Managing Shareholder" and "President" of the S-Corp based solely on the gross revenues of the practice increasing and not by voting rights of the shareholders.
 - b. Dr. Puchalski would be paid an additional 4% of the "sweep" revenues each month.
 - c. Dr. Puchalski would maintain solitary control over any sleep laboratory ventures which our practice builds as a cooperative unit with corporate funds.
 - d. That the stock share price would be increased to \$100,000. He stated that both Dr. Dyce and I would have pay this money to him. This would increase my final "buy-in" amount from \$342,000 to \$392,000.

Obviously, Dr. Dyce and I did not sign this new contract and clearly stated that we had issues with the numerous Dr. Puchalski provisions and the increased stock share price (an empty asset that has no hard value). Since this time, Dr. Puchalski has noticeably decreased the financial transparency of the practice and has had a visible change in demeanor. Regardless, Dr. Puchalski unilaterally has enforced the \$100,000 stock share price without the approval of Dr. Dyce (who has also obtained legal representation concerning this issue as well as past/future matters). He is currently forcing me to pay the practice the \$392,000 amount despite my objections. This additional amount not only prevents me from collecting "sweep" revenue earlier, it also delays my transfer of stock shares. Therefore, I require legal advice to:

- a. Determine the legality of the increased stock share price and withholding of the transfer of stock shares. I fully expect Dr. Puchalski to not transfer the shares until the \$392,000 is met and at that point I feel he will likely restrict me from getting the shares by either trying to force me to sign a new contract (and if I do not do this by terminating me without cause and enforcing a noncompete clause) or by not offering me equal representation in the SCENT Equipment or SCENT Landholdings LLCs. He has already threatened to charge me the appraised value rather than an equal share of the equity value to the Hartsville building which opened in 2009. It should be noted that the building was completed while I was part of the partnership contract (and therefore used a 1/3 share of my net revenues for expenses) and that I had previously purchased the 1/3 equity value as part of my "buy-in". I feel that Dr. Puchalski would rather not bring aboard new "shareholder partners" and instead hire only non-partnership track physicians to increase his monetary income. I have acted as a partner within the practice and have completed all of the contractual requirements to become a shareholder of the S-Corp – I simply seek fair and legal transfer of the shares, accountability, and ownership of the practice.
- b. Potentially challenge the "Covenant Not To Compete" as listed in the latter section of the Employment agreement. Dr. Puchalski, as managing partner, has breached section 4.2a of the Employment agreement by not distributing the "Pay for Call Stipend" as defined in the contractual agreement.
- c. Potentially challenge multiple aspects of the contract involving Dr. Puchalski and clauses involving:
 - i. Gross or flagrant professional negligence
 - ii. Violation of any law or ethical practice of medicine or the Standard of Care
 - iii. Providence of office coverage, call coverage, and adherence to a holiday schedule
 - iv. Expenditures paid by the practice for the personal use of Dr. Puchalski which may violate the Employment/Shareholder Agreements as well as the S-corp status.
 - v. Agreements made solely by the decisions of Dr. Puchalski which bind the group without shareholder and partnership physician approval. These may include loans, capital contributions, and agreements with third parties.

It is my hope that these issues can be solved fairly and amicably. Dr. Orville Dyce, the other shareholder in the practice, has already retained legal counsel concerning many of the issues that are described above. Cooperation between legal counsels may be necessary and encouraged. It is my sole goal to become a shareholder of the practice which I helped build to its current state. I am not seeking to leave the practice and challenge the noncompete provision to start a new practice. Upon conclusion, I would like to seek repayment of my legal expenses through the SCENT practice. This has been done previously in negotiations between Dr. Puchalski and Dr. Dyce and is mentioned in the current contracts.

STATE OF SOUTH CAROLINA
COUNTY OF KERSHAW

IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT
Civil Action No.: 2010-CP-28-00475

Chad Gunnaugsson

Plaintiff,

v.

South Carolina ENT, Allergy and Sleep
Medicine PA, and Dr. Robert Puchalski

Defendants.

**CONSENT ORDER OF DISMISSAL WITH
PREJUDICE AS TO DISMISS ALL
CLAIMS**

FILED FOR RECORD
2012 DEC 21 PM 3:26
JOYCE McDONALD
CLERK OF COURT
KERSHAW COUNTY, S.C.

South Carolina ENT, Allergy and Sleep
Medicine, P.A.,

Third-Party Plaintiff,

v.

Southeastern Ear Nose Throat Allergy
and Sleep Disorders Institute, LLC

Third-Party Defendants.

The parties, pursuant to Rule 43 (k) of the S.C.Rules of Civ. Proc., having informed the Court on December 11, 2012 in open court and on court record that they have resolved this matter, and upon the taking of sworn testimony from the parties and witnesses, the Court hereby finds that the parties have agreed:

- 1) Plaintiff admits that he is not and never was a shareholder of South Carolina ENT, Allergy and Sleep Medicine, PA (SCENT) or any of its subsidiaries or affiliates and

TRUE, Correct & Certified
Copy of Original on File in this
Court

Clyde S. ...
Clerk of Court
Kershaw County
CG

consents to a finding of the Court to this effect.

- 2) Plaintiff does not contest the validity and enforceability of the Covenants Not to Compete contained within and attached to his 2008 Employment Agreement with SCENT, and does not contest findings by this Court that the Covenants are valid and enforceable.
- 3) Plaintiff admits that he did not give SCENT adequate and/or requisite notice as required by his 2008 Employment Agreement when he terminated his employment with SCENT.
- 4) Gunnlaugsson and or Southeastern Ear Nose Throat Allergy and Sleep Disorders Institute (Southeastern) or its subsidiaries, successors, affiliates, and or assigns agree to refrain from the sale of Southeastern or opening of new sites of Southeastern, its subsidiaries, successors and or assigns or any other practice for which Dr. Gunnlaugsson is an owner or employee for a period of 18 months from the date of settlement. Furthermore, Gunnlaugsson/and/or Southeastern its subsidiaries, affiliates, successors and/ or assigns agree to refrain from the hiring of a physician, physician assistant, and or nurse practitioner beyond Southeastern's current levels for a period of 18 months from the date of settlement. However, Gunnlaugsson or Southeastern may obtain a release from the provisions of this paragraph after six months upon a payment of \$350,000 to SCENT or after twelve months for a payment of \$175,000.
- 5) Gunnlaugsson agrees to produce an affidavit acknowledging he has read the Battiata/Rabon Complaint in the United States District Court for the District of South Carolina, CA No. 3:11-CV-3360, and that 1) he is not aware of any billing

GT # 2

CG

irregularities other than those specifically outlined in the May 28, 2010 letter from Charles Thompson to Ed White and 2) that he has no knowledge of any incorrect billing being intentionally done. Gunnlaugsson also agrees that any testimony he may give in any cases related to any allegations of improper billing will be truthful.

- 6) Gunnlaugsson admits that he received confidential information of SCENT during the course of his employment with SCENT.
- 7) Gunnlaugsson and Southeastern, its subsidiaries, affiliates, successors, and assigns agree not to hire any employees of SCENT or its affiliates or subsidiaries in the future unless those employees have been departed from SCENT for a period of at least six months.
- 8) Gunnlaugsson and Southeastern and its affiliates, subsidiaries, successors, or assigns agree not to practice medicine or open a medical office of any type within the boundaries of Kershaw County for a period of three years. Furthermore, Gunnlaugsson agrees to relinquish his privileges at Kershaw County Health Hospital and its organizations for a period of three years from the date of settlement.
- 9) The parties agree not to disparage the other parties in their medical profession, personal characters, ability to practice medicine, businesses, or other similar manners or capacities.
- 10) The parties understand that a willful violation of this order may be enforceable by the Court's contempt powers or by the assessment of money damages.
- 11) SCENT agrees to dismiss its claims currently pending against Dr. Gunnlaugsson in a matter involving the parties in the federal district court of South Carolina with the case number of 3:11-CV-3360. This dismissal is without prejudice as to any parties'



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rights for indemnification or contribution that may exist, if any.

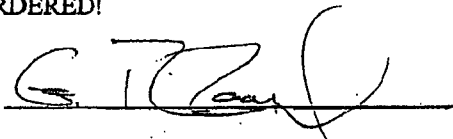
12) By December 31, 2012, Plaintiff shall pay to Defendant SCENT the sum of \$10,000 in settlement of SCENT's second amended counterclaims asserted in this action and shall pay the additional sum of \$5,000 to SCENT for settlement of the pending appeal in this matter.

13) The parties consent that this matter be dismissed with prejudice and are bound by the provisions of Rule 43(k) of the South Carolina Rules of Civil Procedure and further agree to jointly make a motion for the dismissal and/or withdraw of the pending appeal and cross-appeal in this case.

Therefore, after hearing testimony and evidence in this case the Court finds:

- 1) Dr. Chad Gunnaugsson is not and never was a shareholder or owner of South Carolina ENT Allergy and Sleep Medicine and enters a finding of such, granting judgment to the Defendants on this issue
- 2) The Covenants Not to Compete contained within and attached to the 2008 Employment Agreement between the parties are valid and enforceable.
- 3) This matter is dismissed with prejudice.
- 4) A willful violation of this Order shall be enforced by the Contempt Powers of the Court and by any available damages or causes of action to the parties.

AND IT IS SO ORDERED!




The Honorable G. Thomas Cooper
Presiding Judge, Fifth Judicial Circuit

Camden, South Carolina; 12-21-12

We So move and Consent:



Dr. Chad Gunmlogsson personally and on behalf of South Eastern



Dr. Robert Puchalski personally and on behalf of SCENT

South Carolina ENT Allergy & Sleep Medicine
Balance Sheet
As of April 30, 2010

	Total
ASSETS	
Current Assets	
Bank Accounts	
Carolina Cosmetics	0.00
Carolina Cosmetics Insti	52,143.15
CHC	36,606.82
Clarity	0.00
Old SCENT - Checking	0.00
SC ENT Equipment, LLC	34,003.20
SC ENT, Allergy & Sleep Medicine	518,882.40
Wachovia	609.93
Total Bank Accounts	\$642,245.50
Other Current Assets	
Employee Loan	0.00
Inventory Asset	8,972.25
N/R - SCENT Land Holdings	726,949.45
Transfers	0.00
Total Other Current Assets	\$735,921.70
Total Current Assets	\$1,378,167.20
Fixed Assets	
Accumulated Depreciation	-1,309,343.58
Equipment	0.00
Equipment-Cheraw	4,658.00
Equipment-Hartsville	449,776.21
Original Cost	694.43
Total Equipment-Hartsville	450,470.64
Equipment-Kershaw	708,301.09
Original Cost	10,880.25
Total Equipment-Kershaw	719,181.34
Equipment-PNE	351,728.34
Equipment-Sleep Lab	13,056.67
Hartsville Bldg.	1,541.87
Leasehold Improvement	0.00
Leasehold Improvement-Kershaw County	10,965.41
Medical & Office Equipment	0.00
Richland Lot	0.00
Vehicles	46,632.00
Total Fixed Assets	\$288,890.69
Other Assets	
Carolina Pines Stock	496,800.00
CSV - Life Insurance	33,901.78
Investment - Mid State Group	140,000.00
Prepaid Almeds Support	206,554.08
Total Other Assets	\$877,255.86
TOTAL ASSETS	\$2,544,313.75
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	0.00
Accounts Payable	0.00

	<u>Total</u>
Total Accounts Payable	\$0.00
Other Current Liabilities	
401K Deduction	0.00
Child Support Deduction	0.00
Dental Ins Deduction	0.00
Fed WH Tax Liability	0.00
FICA SS - Liability	0.00
Health Ins Deduction	0.00
N/P - 1st Pal - Allmeds 1707.37	0.00
N/P - 1st Pal Server Upgrade	0.00
N/P - Amy Puchalski	0.00
N/P - Jamie Dyce	0.00
N/P - Tygris Vendor Finance	0.00
N/P SCENT Land Holdings	0.00
N/P software loan 3700	0.00
N/P Somnus	-13,016.57
N/P VGM Financial	25,719.47
N/P-Puchalski-Hosp syn	469,248.80
Other PR Deductions	0.00
Payroll Liabilities	0.00
Profit Sharing Contribution Lia	0.00
Sales tax payable	
SC WH Tax Liability	0.00
Uniform Deduction	0.00
Total Other Current Liabilities	<u>\$481,951.70</u>
Total Current Liabilities	\$481,951.70
Long Term Liabilities	
N/P - 1st Pal LOC	247,272.12
N/P - CT Scanner	0.00
N/P - First Pal Eulpment	0.00
N/P - Richland Lot	0.00
N/P - US Express - Software	0.00
N/P Allmeds 302-7	164,066.73
N/P CT 913-2	507,542.68
N/P Hypothocation Agreement	0.00
Total Long Term Liabilities	<u>\$918,881.53</u>
Total Liabilities	\$1,400,833.23
Equity	
AAA	131,929.49
Additional Paid in Capital	156,069.73
K-1 Distribution - Dr Dyce	-1,240,336.36
Dr Dyce - Med Ins	-13,225.65
Dr. Dyce - Hartsville Bldg.	0.00
Dr. Dyce - Richland Lot	0.00
Total K-1 Distribution - Dr Dyce	<u>-1,253,562.01</u>
K-1 Distribution - Dr Puch	-1,071,534.71
Dr Puch - Bonus	0.00
Dr Puch - Federal Tax	-50,000.00
Dr Puch - Lake Lot	0.00
Dr Puch - Med Ins	-13,225.65
Dr Puch - Richland Lot	2,802.31
Dr Puch - SC Tax	-50,000.00
Dr Puch - Social Dues	0.00
Dr Puch-Political Contribution	-1,175.00
Dr. Puch - Hartsville Bldg	0.00
Total K-1 Distribution - Dr Puch	<u>0.00</u>

	<u>Total</u>
	-1,183,133.05
Opening Bal Equity	0.00
Retained Earnings	2,657,900.39
Net Income	<u>634,275.97</u>
Total Equity	<u>\$1,143,480.52</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$2,544,313.75</u></u>

Wednesday, May 12, 2010 02:43:33 PM GMT-4 - Cash Basis

EXECUTIVE SUMMARY

12-172

Subject Property: Medical Office Building
15 Exchange Drive
Lugoff, Kershaw County, South Carolina

Tax Map Number: 309-00-00-075

Date of Value: May 9, 2010

Date of Inspection: March 1, 2012

Date of Appraisal Report:

Owner of Record: SCENT Land Holdings, LLC

Value Reported: Market Value (Retrospective to May 9, 2010)

Property Rights: Fee Simple Interest

Site Information: Irregular shaped parcel containing approximately 87,120 S.F., or 2.0 acres of land.

Improvements: Two story medical office building with 9,862 S.F.

Flood Zoning District:

Census Tract:

Zoning: I-1, Kershaw County

Highest and Best Use:
If Vacant: General or Medical Office Development
As Improved: As improved

EXECUTIVE SUMMARY CONTINUED

Income Information:

Market Rent: \$19.00/S.F. (net basis)

PGI: \$ 187,378

Vacancy: \$ 9,369

EGI: \$ 178,009

Expenses: \$ 10,572

NOI: \$ 167,437

Cap. Rate: 8.0%

Value Estimates:

Land Value: N/A

Cost Approach N/A

Sales Comparison Approach: \$2,125,000 (\$215.00/S.F.)

Income Approach:
Direct Capitalization: \$2,100,000

Retrospective Market Value: \$2,100,000 (as of May 9, 2010)

Estimated Exposure Period: 12 months

Estimated Marketing Period: 12 months

CERTIFICATION OF THE APPRAISER

The undersigned certifies that to the best of his knowledge and belief:

The Retrospective Market Value of the Fee Simple Interest in the following real property has been estimated, as of **May 9, 2010**.

Medical Office Building
15 Exchange Drive
Lugoff, Kershaw County, South Carolina
Tax Map Number: 309-00-00-075

The property was inspected by Curtis S. McCall, Jr., MAI, CRE, on March 1, 2012 with **May 9, 2010** being the effective date of value.

I have not performed an appraisal related service regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Neither C.S. McCall & Co., LLC, nor the signatory of this Certification, has any present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

The reported analyses, opinions and conclusions are limited only by the reported special and General Assumptions and General Limiting Conditions set forth in this report, and are my personal unbiased professional analyses, opinions and conclusions.

To the best of the appraiser's knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct. No one, other than the signatory of this Certification, prepared the analyses, opinions and conclusions concerning the real estate set forth in this report.

No one else provided significant professional assistance to the person signing this Certification.

To the best of the appraiser's knowledge and belief, the reported analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and to the Code of Professional Ethics and Standards of Professional Appraisal Practice of The Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, Curtis S. McCall, Jr., CRE, MAI, have completed the continuing education program of the Appraisal Institute.

The compensation for this appraisal is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

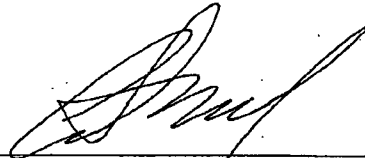
C. S. MCCALL & CO., LLC

Based on my investigation, analysis and conclusions, an opinion has been formed that the Retrospective Market Value of the fee simple interest in the subject property, subject to the General Assumptions and General Limiting Conditions set forth herein, as of May 9, 2010, is:

Market Value (Retrospective to May 9, 2010):

TWO MILLION ONE HUNDRED THOUSAND DOLLARS

\$2,100,000



Curtis S. McCall, Jr., CRE, MAI
State Certified General Real Estate Appraiser
South Carolina Certificate No. CG 305
North Carolina Certificate No. A4426
Georgia Certificate No. CG005428

GENERAL ASSUMPTIONS

This appraisal report has been made with, and is subject to, the following General Assumptions:

- That title to the property is assumed to be good and marketable unless otherwise stated. No responsibility is assumed for the legal descriptions or for any legal matter.
- That the definition of value together with other definitions and assumptions on which our analyses are based is set forth in appropriate sections of this report and is a part of these General Assumptions as if included here in their entirety.
- That title to the property is assumed to be marketable. The property is considered to be under responsible ownership and management and free of all liens and encumbrances except as specifically discussed herein.
- That the facts, estimates and opinions furnished the appraisers by others and contained in this report are considered to be from reliable sources and where feasible have been verified. Any information obtained from private professionals or government documents or agencies is assumed to be correct. However, no responsibility is assumed for the accuracy of the information. We reserve the right to modify the value estimates should more reliable or accurate information become available subsequent to delivery of this report.
- All engineering and/or surveys are assumed to be correct. The sketches, plot plans and drawings included in the report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or other unapparent conditions in the soil, sub-soil, structures or property which would render them more or less valuable. The appraisers specifically accept no responsibility for damage by termites, wood borers or any other wood infesting insects. No responsibility is assumed for such conditions or for engineering or inspection which would be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially dangerous or hazardous materials, gases or toxic substances may affect the value of the property and in this appraisal the value estimate is predicated on the assumption that there is no such element on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
- Good structural and mechanical conditions are assumed to exist, and no opinion as to these matters is to be inferred or construed from the attached report.
- It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been

C. S. MCCALL & CO., LLC

complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

- It is assumed that all required licenses, certificates of occupancy, legislated or administrative consents from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described herein and that there is no encroachment or trespass unless noted within the report.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about conditions external to the property such as market conditions or trends, or the integrity of data used in an analysis" (USPAP).

- It is assumed that there have been no significant changes to the property between the effective date of appraisal and the date of inspection.

GENERAL LIMITING CONDITIONS

This appraisal report has been made with, and is subject to, the following General Limiting Conditions:

- The liability of C. S. McCall & Co., LLC, its employees and independent contractors is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. Further, notwithstanding, anything herein to the contrary, the client will forever indemnify and hold C. S. McCall & Co., LLC, and its officers and employees harmless from any claims by third party related in any way to the appraisal or study which is the subject hereof. Third parties shall include limited partners of client if client is a partnership and stock holders of client, if client is a corporation, and all lenders, tenants, past owners, successors, assigns, transferees and spouse of client. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally.
- The appraisers, by reason of this appraisal report, are not required to give further consultation, testimony or to be in attendance in court or at any governmental or other hearing with reference to the property without prior arrangements.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separated allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.
- Use and disclosure of the contents of this report are governed by the bylaws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI or SRA designations) shall be disseminated to the general public through advertising or sales media, public relations media, news media, or other public means of communication without the prior written consent and approval of the appraiser(s).
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
- The party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report.

C. S. MCCALL & CO., LLC

- Additional copies of this appraisal may be obtained for an appropriate fee only with the knowledge and consent of the client.

- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "that which is contrary to what exists, but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis" (USPAP).

- There are no hypothetical conditions.

C. S. MCCALL & CO., LLC

TAX MAP OF SUBJECT PROPERTY

C. S. MCCALL & CO., LLC

AERIAL

IDENTIFICATION

PURPOSE AND DATE OF APPRAISAL

The purpose of the appraisal is to estimate the Retrospective Market Value of the subject property. The property was inspected on March 1, 2012; however, the effective date of value is May 9, 2010. Therefore, the appraisal is based upon market data and economic factors available through that date. A definition of Market Value, as used above, may be found on the following page.

INTENDED USE OF THE APPRAISAL

The Intended Use of the appraisal is for the client's internal use, including but not limited to, providing a value to client for potential litigation support. The intended user of this report is Ms. Jana Baker, and/or her designees.

Should a copy of this report be provided to a third party by the client, that party does not become a recognized client by the appraiser, without written agreement in advance, nor does that third party have any rights of the client.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the Fee Simple Interest, which is defined as "*absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat*".¹

¹ Dictionary of Real Estate Appraisal, 5th Edition 2010, page 78.

MARKET VALUE DEFINITION

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- A. Buyer and Seller are typically motivated;
- B. Both parties are well informed or well advised, and each acting in what they consider their own best interests;
- C. A reasonable time is allowed for exposure in the open market;
- D. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
- E. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale".²

² Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), [Pub. L. No. 101-73, 103 Stat. 183(1989)], 12 U.S.C. 3310, 3331-3351, and section 5(b) of the Bank Holding Company Act, 12 U.S.C. 1844(b); Part 225, Subpart G: Appraisals; Paragraph 225.62 (f).

Improved Sales

	Subject	Sale No. M-1	Sale No. M-2	Sale No. M-3	Sale No. M-4	Sale No. M-5
TMS No.:	309-00-00-075	535-00-00-111	535-00-00-117	529-00-00-529	559-14-00-002	309-020-00-355 thru 368
Location:	Exchange Drive Lugoff Kershaw	929 Bowman Road Mt Pleasant Charleston	913B Bowman Road Mt Pleasant Charleston	1705 Beaucastel Road Mt Pleasant Charleston	Stuart Engals Blvd Mt Pleasant Charleston	Physicians Dr West Ashley Charleston
County:						
Date of Sale:		4/10/2007	4/17/2007	10/2/2007	4/11/2008	12/10/2008
Sale Price:		\$1,500,000	\$1,500,000	\$1,170,000	\$2,250,000	\$2,340,000
Financing:		Market	Market	Market	Market	Market
Conditions of Sale:		\$0	\$0	\$375,000	\$0	\$420,000
Normal Sale Price:		\$1,500,000	\$1,500,000	\$1,545,000	\$2,250,000	\$2,760,000
S.F.	9,862	7,400	7,139	5,000	8,687	12,000
Sale Price per SF:		\$202.70	\$210.11	\$309.00	\$259.01	\$230.00
Time Adjustment @:	0.0%	0%	0%	0%	0%	0%
Time Adjusted Sale Price/SF:		\$202.70	\$210.11	\$309.00	\$259.01	\$230.00
ADJUSTMENTS:						
Location		-5%	-5%	-5%	-15%	0%
Age/Quality/Cond.		15%	15%	-15%	-5%	-5%
Utility		0%	0%	0%	5%	0%
Size		-5%	-5%	-10%	-5%	0%
Net Adjustment:		5%	5%	-30%	-20%	-5%
Indicated Value Range:		\$212.84	\$220.62	\$216.30	\$207.21	\$218.50
average \$		215.09	215			
median		216.30	2,120,330.00			
			\$2,125,000			

Direct Capitalization Summary

	Rent/SF	Size	Annual Income
Market Rent	\$19.00	9,862	\$187,378
Total		9,862	\$187,378

Potential Gross Income:		\$187,378	\$19.00	
Vacancy & Credit Loss:	5.0%	\$9,369	\$0.95	
Effective Gross Income:		\$178,009	\$18.05	
EXPENSES:				
Management		\$7,120	\$0.72	4.0%
Structural Maintenance		\$1,972	\$0.20	
Reserves		\$1,479	\$0.15	
Total Expenses		\$10,572	\$1.07	5.9%
Net Operating Income		\$167,437	\$16.98	
Capitalization Rate		8.00%		
Indicated Value By Direct Capitalization		\$2,092,963	\$212.23	
	Rounded	<u>\$2,100,000</u>		



Selected Parcel(s)

Kershaw County Assessor

Parcel: 309-00-00-075 Acres: 2.77867	
Name:	SCENIC LAND HOLDINGS LLC
Site:	15 EXCHANGE DRIVE
Sale:	\$\$\$125,000 on 07-2009 Vacant - Qual = C
Mail:	1165 HWY 1 S LUGOFF SC 29078
Land Value:	\$350,000.00
Building Value:	\$1,323,900.00
Misc Value:	\$0.00
Just Value:	\$0.00
Assessed Value:	\$0.00
Exempt Value:	\$0.00
Taxable Value:	\$1,673,900.00



The Kershaw County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. PLEASE NOTE THAT THE PROPERTY APPRAISER MAPS ARE FOR ASSESSMENT PURPOSES ONLY NEITHER KERSHAW COUNTY NOR ITS EMPLOYEES ASSUME RESPONSIBILITY FOR ERRORS OR OMISSIONS —THIS IS NOT A SURVEY—
Date printed: 02/29/12 : 12:08:09

NEW ASSIGNMENT

12-172

Property:

MEDICAL OFFICE BLDG.
15 Exchange Dr.

Address:

Lugoff, Kershaw County.

TMS No.:

Client:

JANA BAKER WINDYKLE C. STATE

Appraiser:

CM

Due Date:

3/15/12

Area:

0

90

Type:

M

620

Comments:

Appraisal Worksheet

Subject Property:

Medical Office Bldg File: 12-172
15 Exchange Dr
Lugoff, Kershaw Co Date of Appraisal: 4/5/12

09
17620

Project ID: _____
Report Type: _____
Book & Page: _____
Plat: _____

Tax Number: 309-00-00-075

Site:

2.0 Ac. 87,120

Census: _____

Flood Map _____

Zoning I-1 Kershaw Co.

Taxes: _____

Improvements:

9,862

63

Land Value: _____

Cost: _____

SCA _____

Income _____

Direct Cap _____

DCF _____

Files: _____

Curt McCall

From: Baker, Jana <JaBaker@wcsr.com>
Sent: Friday, February 24, 2012 11:46 AM
To: Curt McCall
Cc: Ellison, Morris
Subject: FW: contact information

Curt,
See below. You have authority to visit the Hartsville property and you can contact Russell Baxley. See below. Thanks.

From: Flowers, Faye A. [mailto:fayeflowers@parkerpoe.com]
Sent: Friday, February 24, 2012 11:34 AM
To: Baker, Jana
Cc: 'Russell.Baxley@hma.com'
Subject: RE: contact information

Jana – your appraiser can come at 11 am on Tues 2/28. He should contact Russell Baxley for entry to the premises. Russell's info is below.

Russell Baxley, MHA
Chief Operating Officer
Carolina Pines Regional Medical Center
1304 W. Bobo Newsom Hwy
Hartsville, SC 29550
phone: 843-339-4692
fax: 843-339-4627

Faye Flowers
Special Counsel



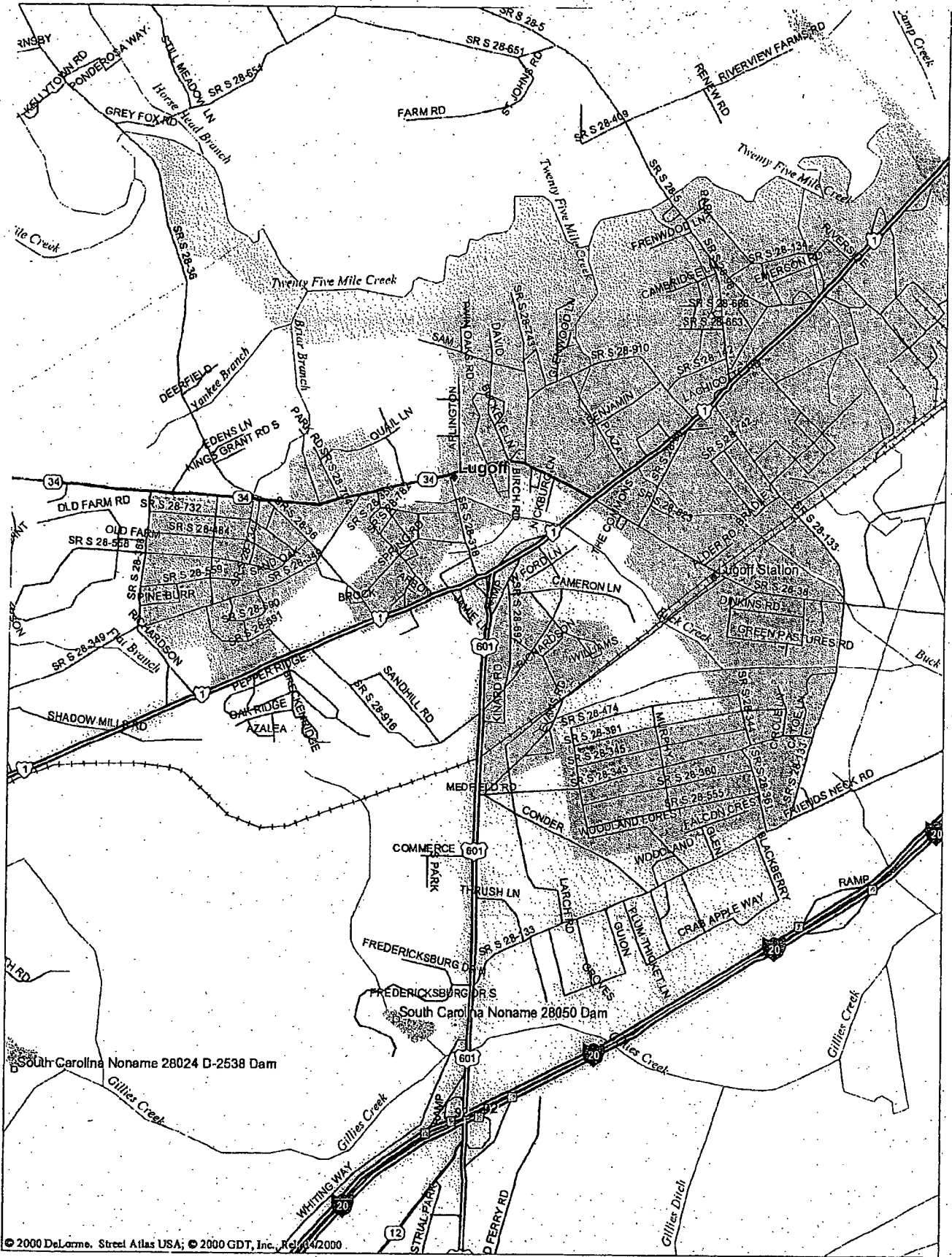
1201 Main Street | Suite 1450 | Columbia, SC 29201
Phone: 803.253.8912 | Fax: 803.255.8017 | www.parkerpoe.com | [vcard](#) | [map](#)

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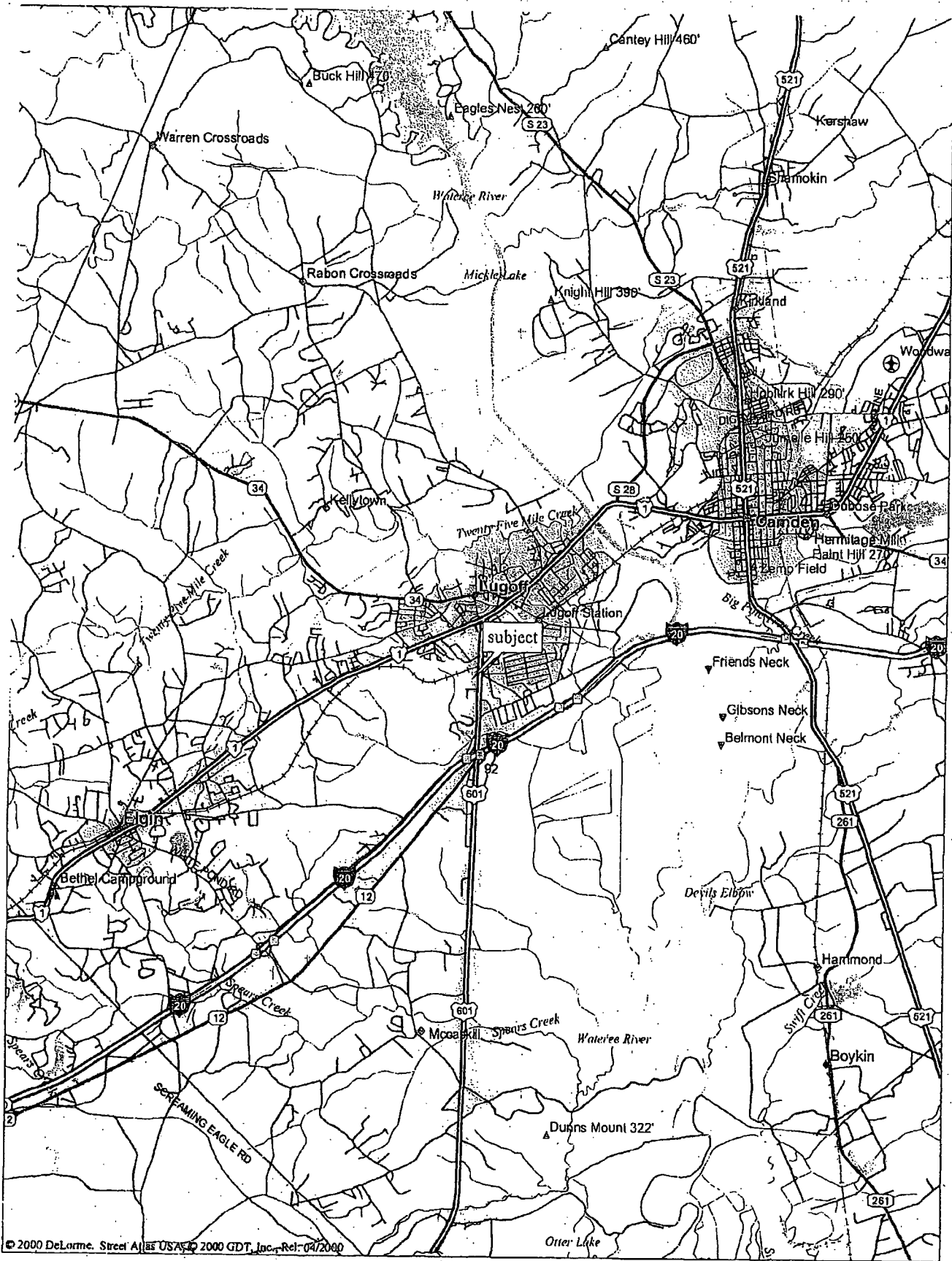
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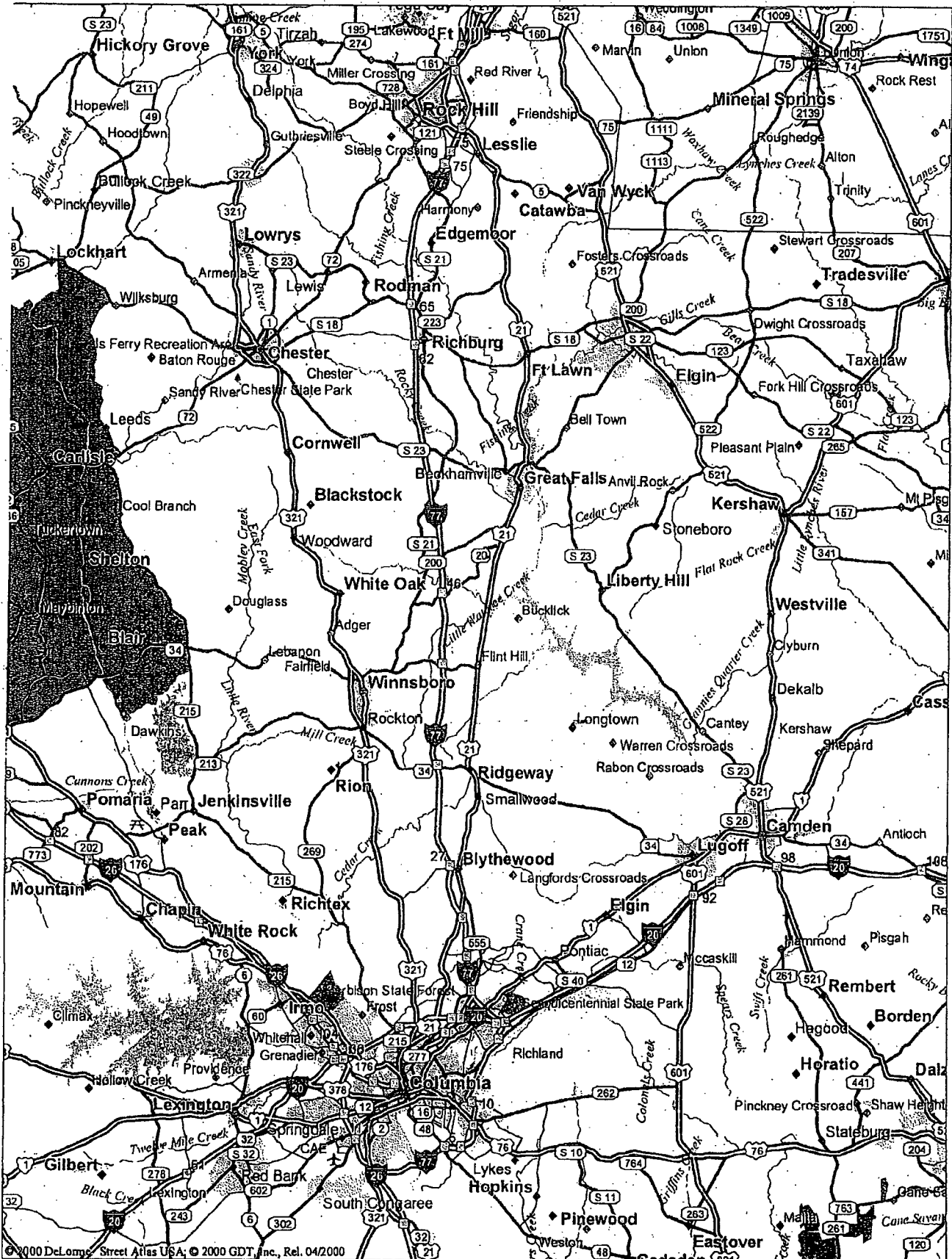


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McCALL 91

2834

Plaintiffs' Ex 0100.020



Kershaw County Assessors Office

Recent Sales In Area	Previous Parcel	Next Parcel	Return to Main Search Page	Kershaw Home
Owner and Parcel Information				
Owner Name	SCENT LAND HOLDINGS LLC	Today's Date	February 29, 2012	
Mailing Address	15 EXCHANGE DRIVE	Parcel Number	309-00-00-075	
	1165 HWY 1 S	Tax District	County (District 277F)	
	LUGOFF SC 29078	Zoning	I-1	
Location Address	15 EXCHANGE DRIVE	Acres	2.00	
Class Code (NOTE: Not Zoning Info)	RG	Parcel Map	Show Parcel Map	
Description	2547-126 2486-108	Record Type		
Legal Information		Owner Occupied		
Town Code / Neighborhood				
General Owner / Ass. By, Ratio				

2011 Value Information				Online Taxes
Land Value	Improvement Value	Total Value	Taxable Value	Total Assessment
\$ 350,000	\$ 1,323,900	\$ 1,673,900	\$ 1,673,900	\$ 100,435

Building Information
No information available at this time

Lot Size Information (Dimensions in Feet)				
Front	Back	Left	Right	

Sale Information				
Sale Date	Price	Deed Book	Plat Book	Grantor
07-08-2009	\$ 125,000	2547 126	2547 125	EASTERN LAND & TIMBER

[Recent Sales In Area](#)
 [Previous Parcel](#)
 [Next Parcel](#)
 [Return to Main Search Page](#)
 [Kershaw Home](#)

The Kershaw County Tax Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Website Updated: February 5, 2012

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Frequently Asked Questions

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Taxpayer Search, View, & Pay

Tax Receipt Number: 041679113

Tax Year: 2011

Description: Property Tax

Name: SCENT LAND HOLDINGS LLC

Map Number: 309-00-00-075

Mailing Address: 1165 HWY 1 S

Assessed Value: 100435

City/State/Zip: LUGOFF SC 29078

Tax Market Value: \$1,673,900.00

Penalties:

Total Due: \$33,222.75

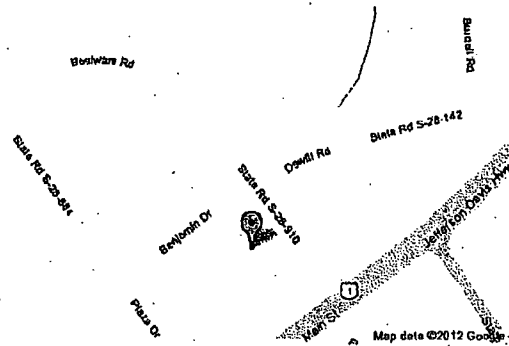
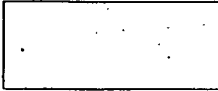
[Search For Additional Records](#)

[Update Mailing Address Information](#)

Tax Status: Not Paid

Amount Due: \$33,222.75 [ADD TO CART](#)

A 1.9% convenience fee will be applied plus a 30 cents per transaction fee.



Shopping Cart
No Tax Bills have been Added

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Taxpayer Search, View, & Pay

Tax Receipt Number: 041304103

Tax Year: 2010

Description: Property Tax

Name: SCENT LAND HOLDINGS LLC

Map Number: 309-00-00-075

Mailing Address: 1165 HWY 1 S

Assessed Value: 13500

City/State/Zip: LUGOFF SC 29078

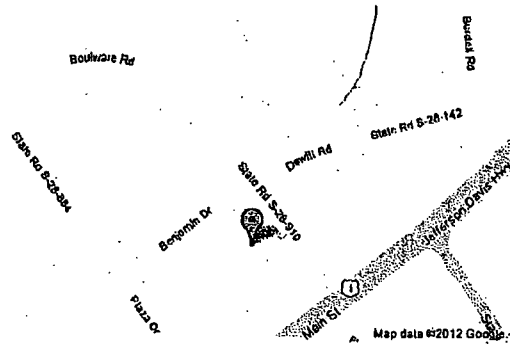
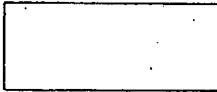
Tax Market Value: \$225,000.00

Penalties: \$0.00

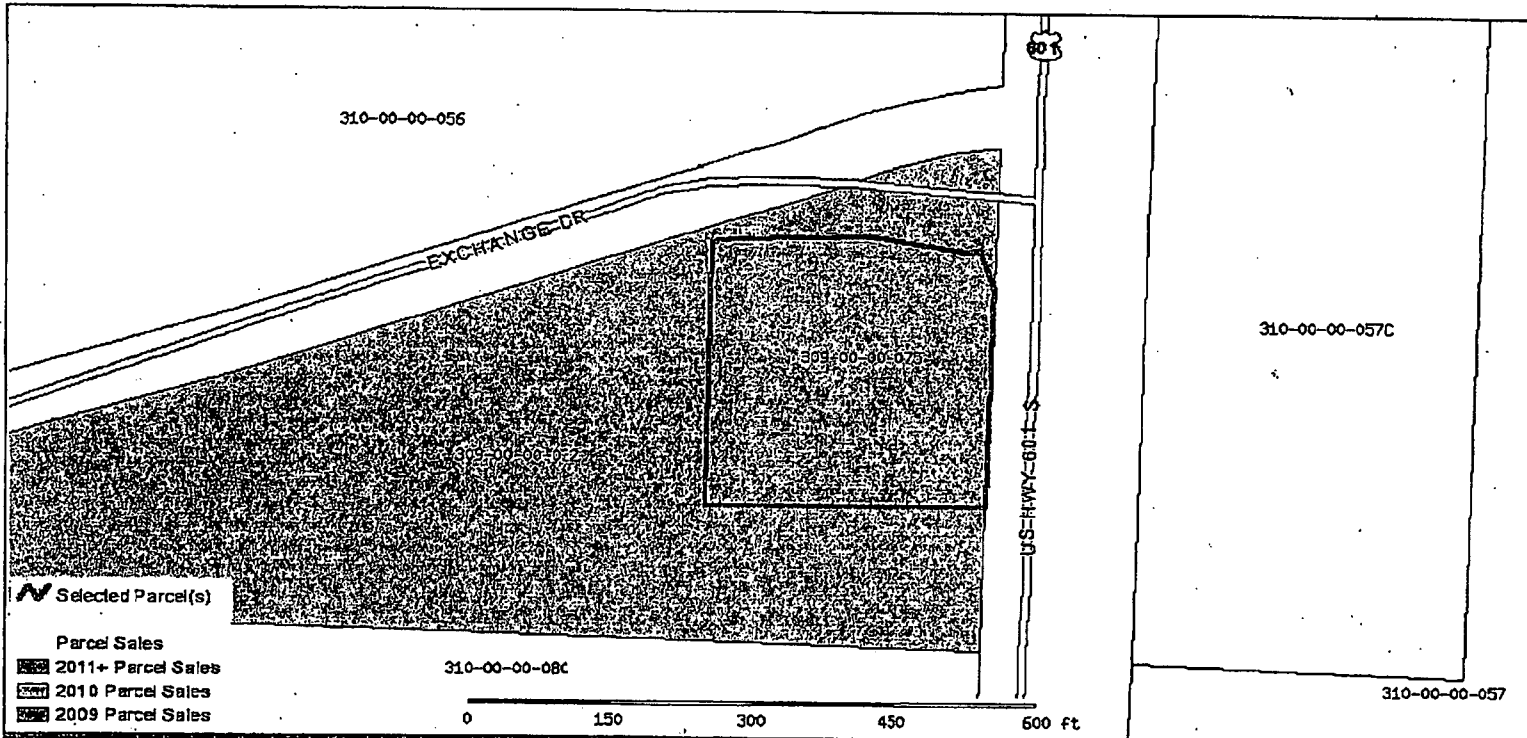
Total Due: \$0.00

Tax Status: Paid

Paid Date: 1/19/2011
Taxes Paid: \$4,065.07



Copyright 2012 © Kershaw County, SC Treasurer's Office



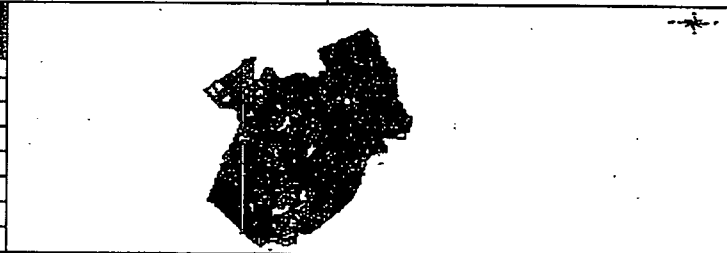
Selected Parcel(s)

- Parcel Sales**
- 2011+ Parcel Sales
 - 2010 Parcel Sales
 - 2009 Parcel Sales

Kershaw County Assessor

Parcel: 310-00-00-075 Acres: 2.2

Name:	SCENT LAND HOLDINGS LLC	Land Value:	\$350,000.00
Site:	15 EXCHANGE DRIVE	Building Value:	\$1,323,800.00
Sale:	\$5125,000 on 07-2009 Vacant Qual=Q	Misc Value:	\$0.00
	1165 HWY 1 S	Just Value:	\$0.00
	LUGOFF SC	Assessed Value:	\$0.00
	29078	Exempt Value:	\$0.00
		Taxable Value:	\$1,673,800.00



The Kershaw County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. PLEASE NOTE THAT THE PROPERTY APPRAISER MAPS ARE FOR ASSESSMENT PURPOSES ONLY NEITHER KERSHAW COUNTY NOR ITS EMPLOYEES ASSUME RESPONSIBILITY FOR ERRORS OR OMISSIONS —THIS IS NOT A SURVEY—
 Date printed: 02/29/12 : 12:06:48

Curt McCall

From: Baker, Jana <JaBaker@wcsr.com>
Sent: Friday, February 24, 2012 1:49 PM
To: Curt McCall
Cc: Ellison, Morris
Subject: FW: SCENT Land case - appraiser

Curt,

Please see the below numbers for Theresa per your request. Please be advised that if you need to email Ms. Williams please make sure to copy Morris and me on the email to Williams. Also, if you have a problem accessing the property, please call us. Many thanks, Jana

JANA B. BAKER

ATTORNEY | WOMBLE CARLYLE SANDRIDGE & RICE, LLP
5 Exchange Street | P.O. Box 999 | Charleston SC 29401 | 843.720.4635
jabaker@wcsr.com | [Firm Website](#) | [Bio](#) | [VCard](#)

From: Theresa Williams [<mailto:twilliams@southcarolinaent.com>]
Sent: Friday, February 24, 2012 12:55 PM
To: Baker, Jana; Vincent Sheheen
Subject: RE: SCENT Land case - appraiser

The office number is 803-424-2201 cell number 803-549-0911. Please share my email address with Mr. McCall should he need to contact me via email.

From: Baker, Jana [<mailto:JaBaker@wcsr.com>]
Sent: Friday, February 24, 2012 11:01 AM
To: Theresa Williams; 'Vincent Sheheen'
Subject: RE: SCENT Land case - appraiser

Theresa,

Curt McCall is the appraiser. Can you provide him the best number to reach you since he will be travelling from Rock Hill, SC? Thanks, Jana

From: Theresa Williams [<mailto:twilliams@southcarolinaent.com>]
Sent: Friday, February 24, 2012 10:07 AM
To: Baker, Jana
Subject: RE: SCENT Land case - appraiser

Yes. I will be here to meet him. Thanks.

From: Baker, Jana [<mailto:JaBaker@wcsr.com>]
Sent: Friday, February 24, 2012 10:01 AM
To: 'Vincent Sheheen'
Cc: Theresa Williams
Subject: RE: SCENT Land case - appraiser

The appraiser is available Thursday March 1st. He will arrive between 6 and 630 pm. Does that suit? Jana

From: Vincent Sheheen [mailto:VSheheen@thesavagefirm.com]
Sent: Friday, February 24, 2012 9:25 AM
To: Baker, Jana
Cc: Theresa Williams
Subject: FW: SCENT Land case - appraiser

Jana, please alert Theresa to time per message below. Thanks! V

From: Theresa Williams [mailto:twilliams@southcarolinaent.com]
Sent: Friday, February 24, 2012 9:09 AM
To: Vincent Sheheen
Subject: RE: SCENT Land case - appraiser

Thursday is ok.
Yes, just me know what time

From: Vincent Sheheen [mailto:VSheheen@thesavagefirm.com]
Sent: Friday, February 24, 2012 8:01 AM
To: Theresa Williams
Subject: FW: SCENT Land case - appraiser

Theresa, does this suit.

From: Baker, Jana [mailto:JaBaker@wcsr.com]
Sent: Thursday, February 23, 2012 12:58 PM
To: Vincent Sheheen
Subject: SCENT Land case - appraiser

Vincent:

Can our appraiser visit the Lugoff property either Thursday, March 1, at 6:00-6:30 PM, or on Friday, March 2, at 6:00 PM ? The appraiser assured me that the interior inspection will not take long. Please advise if this suits. Many thanks, Jana

JANA B. BAKER

ATTORNEY | WOMBLE CARLYLE SANDRIDGE & RICE, LLP
5 Exchange Street | P.O. Box 999 | Charleston SC 29401 | 843.720.4635
jbaker@wcsr.com | [Firm Website](#) | [Bio](#) | [VCard](#)

IRS CIRCULAR 230 NOTICE: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication (or in any attachment) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this communication (or in any attachment).

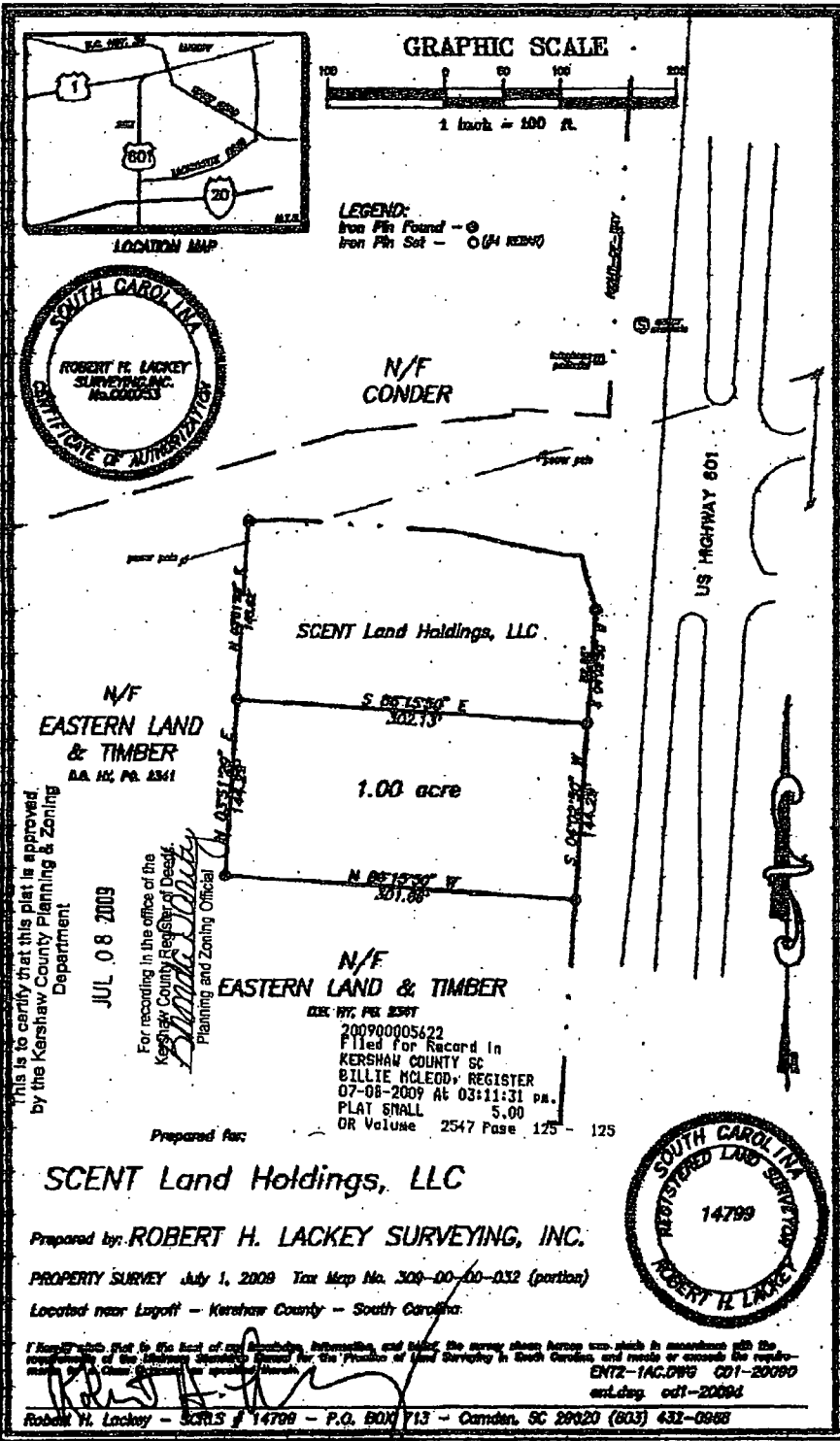
CONFIDENTIALITY NOTICE: This electronic mail transmission has been sent by a lawyer. It may contain information that is confidential, privileged, proprietary, or otherwise legally exempt from disclosure. If you are not the intended recipient, you are hereby notified that you are not authorized to read, print, retain, copy or disseminate this message, any part of it, or any attachments. If you have received this message in error, please delete this message and any attachments from your system without reading the content and notify the sender immediately of the inadvertent transmission. There is no intent on the part of the sender to waive any privilege, including the attorney-client privilege, that may attach to this communication. Thank you for your cooperation.

This email was Anti Virus checked by Astaro Security Gateway. <http://www.astaro.com>

D22840
S25-365

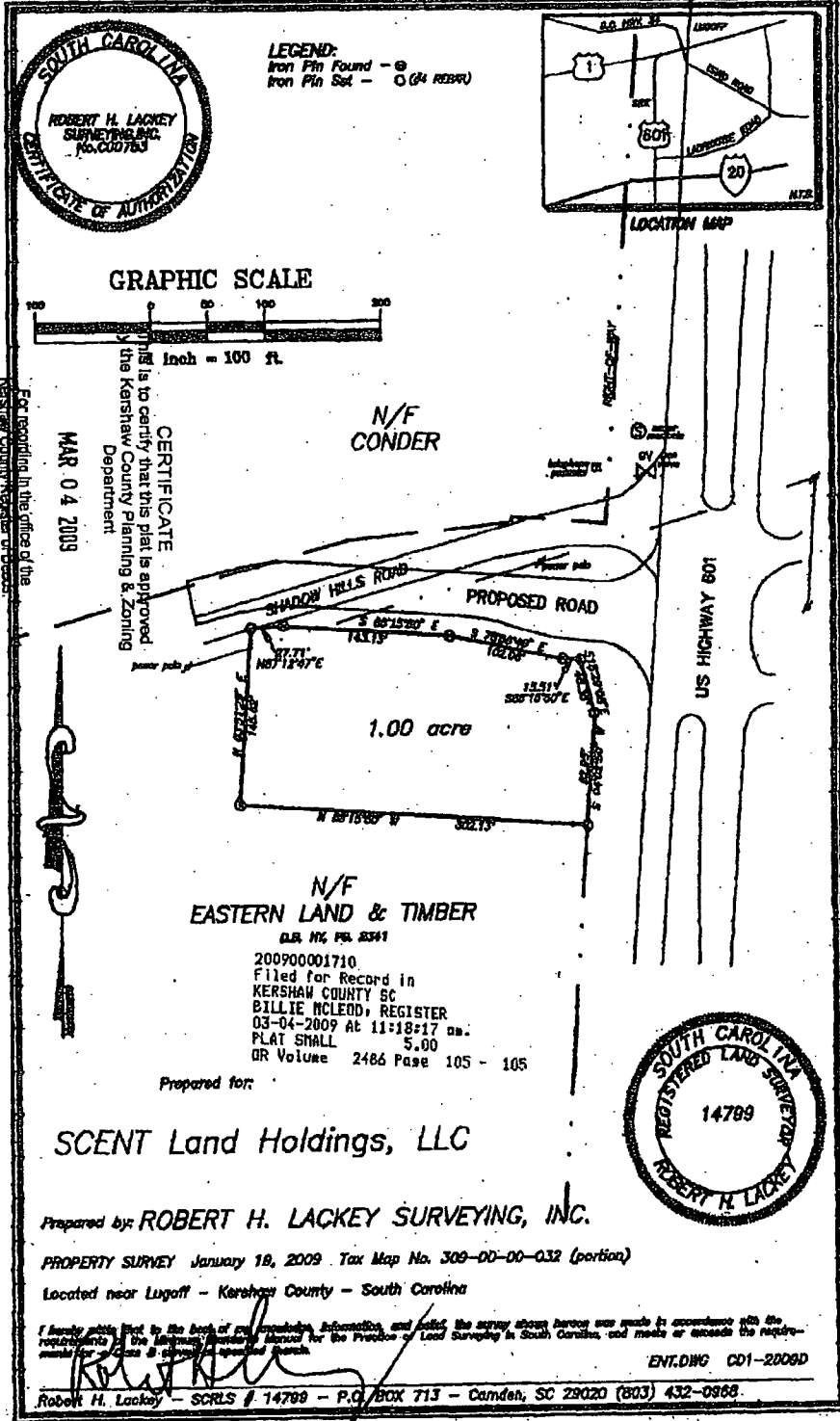
Instrument
200900005622 OR

Volume Page
2547 125



D22840-
SRS/JGJ

Instrument 200900001710 OR Volume Page 2486 105



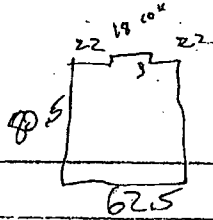
For recording in the office of the
Kershaw County Register of Deeds
William H. Lane
Planning and Zoning Official

Search Results for Kershaw, SC

Click the magnifying glass to preview the document (displayed at the bottom of the screen).

Result Matches: [1 - 10 of 10]									
	Name	Series	Type	File Date	Number	Volume	Page	Inst Date	# of Pages
	SCENT LAND HOLDINGS LLC	Grantor	PLAT SMALL	3/4/2009	00001710	002486	0105	0/0/0	1
	SCENT LAND HOLDINGS LLC	Grantee	DEED	3/4/2009	00001712	002486	0108	0/0/0	8
	SCENT LAND HOLDINGS LLC	Grantor	MORTGAGE	3/4/2009	00001713	002486	0116	0/0/0	9
	SCENT LAND HOLDINGS LLC	Grantor	PLAT SMALL	7/8/2009	00005622	002547	0125	0/0/0	1
	SCENT LAND HOLDINGS LLC	Grantee	DEED	7/8/2009	00005623	002547	0126	0/0/0	8
	SCENT LAND HOLDINGS LLC	Grantor	MORTGAGE	7/8/2009	00005624	002547	0134	0/0/0	9
	SCENT LAND HOLDINGS LLC	Grantor	MORTGAGE	5/7/2010	00003380	002667	0296	0/0/0	9
	SCENT LAND HOLDINGS LLC	Grantor	ASSIGNMENT	5/7/2010	00003381	002667	0305	0/0/0	8
	SCENT LAND HOLDINGS LLC	Grantor	SATISFACTIO	8/26/2010	00006116	002707	0221	0/0/0	1
	SCENT LAND HOLDINGS LLC	Grantor	MORTGAGE	9/15/2010	00006530	002713	0267	0/0/0	12

3/1/12



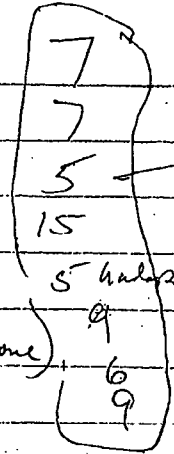
Lobby/entrance

Hard wood

open

2x2 tile in entry room

sheetrock



Brick (two-tone)

Arch Shutter

Window

Window Soffits

ext. lighting

Extra room

carpet

2x2 tile

metal door

solid wood door

6 extra rooms

see how fit

Arcs station

7th EUS

VCT

2nd floor

Business office

1-pet/2x2 tile

Attic

VCT tile

1st floor

Wainscoting

heavy ceiling

Physician office

Wainscoting

Wainscoting

Sprinklers

WALK in shower on 2nd floor

granite

more complete and accurate description. Be all measurements a little more or less.

DERIVATION: This being a portion of the same property conveyed to Eastern Land & Timber Company, a South Carolina Limited Liability Partnership by deed of Gay L. Conder, recorded in Book 2457 at Page 274, KCROD. AND ALSO a portion of the same property conveyed to Eastern Land & Timber Company, a South Carolina limited partnership by deed of Westvaco Corporation (formerly West Virginia Pulp and Paper Company) recorded in Book HY at Page 2341. THEREAFTER, John W. Conder, IV, Lydia Conder Vann, R. Justin Conder, The JHC Trust by and through its trustees, R. Justin Conder and Joanna Conder Heaton, and Joanna Conder Heaton, Quit Claimed any interest they may have owned in the above referenced property to Eastern Land & Timber Company, a South Carolina limited liability company by deeds recorded in Book 2457 at Page 277, Page 280, Page 283, and Page 286 and in Book 2459 at Page 151. AN AFFIDAVIT has been filed with the Kershaw County Register of Deeds in Book 2436 at Page 106, detailing this derivation.

This conveyance is made subject to any restrictions, reservations, zoning ordinances or easements that may appear of record on the recorded plats or on the premises. **AND MADE SUBJECT TO RESTRICTIONS ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF.**

Grantee's Address:

1165 Highway I South
Lugoff, SC 29078

TMS No.: Portion of 309-00-00-032

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining;

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the Grantee, and the Grantee's successors and assigns forever. And the Grantor does hereby bind the grantor and the grantor's heirs or successors, executors and administrators to warrant and forever defend all and singular said premises unto the Grantee and the Grantee's successors or assigns and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Any reference to this instrument to the singular shall include the plural, and vice versa. Any reference to one gender shall include the others, including the neuter. Such words of inheritance shall be applicable as are required by the gender of the Grantee.

WITNESS the Grantor's hands and seals this the 3rd day of March, 2009.

SIGNED, SEALED AND DELIVERED
in the presence of:

EASTERN LAND & TIMBER COMPANY,
A SOUTH CAROLINA LIMITED LIABILITY PARTNERSHIP

BY: R. Justin Conder
R. Justin Conder, Managing Partner

[Signature]
[Signature]

State of South Carolina)
County of Kershaw)

PROBATE

PERSONALLY APPEARED BEFORE ME the undersigned witness and made oath that (s)he saw the within-named EASTERN LAND & TIMBER COMPANY, A SOUTH CAROLINA LIMITED LIABILITY PARTNERSHIP by and through its managing partner, R. Justin Conder, sign, seal, and, as its act and deed, deliver the within-written Title to Real Estate, and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me this 3rd day of March, 2009.

[Signature] (SEAL)
Notary Public for South Carolina
My Commission Expires: 5-23-11

[Signature]

EXHIBIT "A"

1. **IMPROVEMENTS:** No improvements shall be constructed, erected, placed, altered, maintained or permitted on the Property until plans and specifications therefore have been approved as provided herein by the Grantor, its successors or assigns. Improvements shall include, but not be limited to Building Plans; Landscaping Plans; Signage; Fences; Walls.
2. Grantee shall cause the Property to remain in a reasonably neat and orderly condition, preventing the accumulation of trash and shall prevent runoff of surface water and soil from the Property onto adjacent property or streets. Grantee shall comply in all respects with all governmental statutes, ordinances, regulations and health, police and fire requirements.
3. Upon completion of construction of improvements on the Property, all exposed disturbed ground areas shall be stabilized and landscaped.
4. **STORM DRAINAGE:** Plans and specifications for any improvement on the Property shall include a detailed Storm Drainage Plan indicating quantity and direction of storm water runoff, and including, if required, pipe size and location, catch basins, headwalls, ditches, swales and other structures or improvements to be constructed by the Grantee. All drainage plans shall be designed to coordinate with the drainage of Grantor's remaining property. Except as agreed to by Grantor, no storm drainage shall be carried across the Grantor's property line.
5. No parking shall be permitted on any street or any place other than paved parking spaces provided on the Property by Grantee.
6. All utility connections or tap fees and rollback taxes shall be paid by Grantee.
7. **PERMITTED USES:** No use, other than as approved by Grantor and which is allowed under applicable governmental zoning ordinance shall be of the Property without the written consent of Grantor. The use of the Property shall be limited primarily to hospital, medical and health related activities and other professional offices, including but not limited to non-medical professional offices; no other general commercial activity shall be permitted on the Property without the prior written consent of Grantor.
8. Grantor shall have 30 days from receipt of a complete package from Grantee to approve submitted plans for approval. In the event approval or disapproval has not been granted by the Grantor within the 30 days, then such plans shall be deemed approved; provided, however, that in all events such plans must comply in all other respects with the requirements set forth herein.
9. The purpose of these restrictions is to insure the property development and use of the Property and to protect the Grantor against such improper development and use as will adversely affect the value of the Grantor's property, to prevent the erection on the Property of improvements built of improper design or materials, to prevent haphazard and inharmonious improvements, to secure and maintain proper setbacks from streets, where appropriate, and in general to provide adequately for a superior type and quality development on the Property and the Grantor's remaining or after acquired property.
10. **TERM:** These restrictions shall continue in full force and effect for a period of twenty (20) years from the date hereof and shall continue automatically for another

Instrument Volume Page
200900001712 OR 2486 112

twenty (20) year term, unless modified or terminated by mutual decision of the Grantor and Grantee. THESE AMENDMENTS MAY BE MODIFIED BY AN INSTRUMENT IN WRITING SIGNED BY THE GRANTOR AND GRANTEE.

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on page 2 of this affidavit and I understand such information.

2. The property located at U.S. Highway 601, a portion of TMS # 309-00-00-032, Kershaw County, South Carolina, was transferred by Eastern Land & Timber Co., LLP to SCENT Land Holdings, LLC.

3. Check one of the following:

- (a) XXX subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
- (c) _____ exempt from the deed recording fee because (See Information section of affidavit):

(If exempt, please skip items 4 -7, and go to item 8 of this affidavit.)

4. Check one of the following if either 3(a) or item 3(b) above has been checked (See Information section of this affidavit).

- (a) XXX The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$200,000.
- (b) _____ The fee is computed on the fair market value of the realty which is _____.
- (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is _____.

5. Check Yes _____ or No X to the following: A lien or encumbrance existed on the land, tenement, or realty before and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is: \$0.

6. The deed recording fee is computed as follows:

- (a) Place the amount listed in Item 4 here: \$200,000
- (b) Place the amount listed in Item 5 here: \$0
(If no amount is listed, place zero here.)
- (c) Subtract Line 6(b) from Line 6(a) and place result here: \$200,000

7. The deed recording fee due is based on the amount Listed on Line 6(c) above and the deed recording fee due is: \$740.00.

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with this transaction as: Grantor.

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

R. Just
Responsible Person Connected with the Transaction

Eastern Land & Timber Co, LLP
Print or Type Name Here

SWORN to before me this 3rd
day of March, 2009.

[Signature] (L.S.)
Notary Public for the State of South Carolina
My Commission Expires: 3/2/14

INFORMATION

Except as provided in this paragraph, the term "value" means "the consideration paid or to be paid in money or money's worth for the realty." Consideration paid or to be paid in money's worth includes, but is not limited to, other realty, personal property, stocks, bonds, partnership interest and other tangible property, the forgiveness or cancellation of a debt, the assumption of a debt, and the surrendering of any right. The fair market value of the consideration must be used in calculating the consideration paid in money's worth. Taxpayers may elect to use the fair market value of the realty being transferred in determining fair market value of the consideration. In the case of realty being transferred between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, and in the case of realty transferred to a trust or as a distribution to a trust beneficiary, "value" means the realty's fair market value. A deduction from value is allowed for the amount of any lien or encumbrance existing on land, tenement, or realty before the transfer and remaining on the land, tenement, or realty after the transfer. Taxpayers may elect to use the fair market value for property tax purposes in determining fair market value under the provisions of the law.

Exempted from the fee are deeds:

- (1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or less than one hundred dollars;
- (2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
- (3) that are otherwise exempted under the laws of the Constitution of this State or of the United States;
- (4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are being exchanged in order to partition the realty;
- (6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;
- (7) that constitute a contract for the sale of timber to be cut;

(8) transferring realty to a corporation, a partnership, or a trust in order to become, or as, a stockholder, partner, or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee even if the realty is transferred to another corporation, a partnership, or trust;

(9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, provided no consideration is paid for the transfer other than a reduction in the grantee's interest in the partnership or trust. A "family partnership" is a partnership whose partners are all members of the same family. A "family trust" is a trust, in which beneficiaries are all members of the same family. The beneficiaries of a family trust may also include charitable entities. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, grandchildren, and the spouses and lineal descendants of any of the above. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A);

(10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;

(11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership; and,

(12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the grantee, provided that no consideration of any kind is paid or to be paid under the corrective or quitclaim deed.

022840-
SAS/SGJ

200900005423 OR Volume Page

This document prepared by:
Anne S. Conder, Attorney at Law
P.O. Box 1502, Camden, SC 29020

200900005423
Filed for Record in
KERSHAW COUNTY SC
BILLIE MCLEOD, REGISTER
07-08-2009 At 03:12:15 PM.
DEED 11.00
STATE 325.00
COUNTY 137.50
OR Volume 2547 Page 126 - 133

Return to:
Savage Law Firm
1111 Church Street
Camden, SC 29020

State of South Carolina)
)
County of Kershaw)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, that **EASTERN LAND & TIMBER COMPANY, A SOUTH CAROLINA LIMITED LIABILITY PARTNERSHIP**, (hereinafter called "Grantor"), in consideration of **One Dollar (\$1.00) and other valuable consideration**, to the Grantor in hand paid at and before the sealing of these presents, by **SCENT LAND HOLDINGS, LLC** (hereinafter called Grantee) in the State aforesaid, the receipt of which is hereby acknowledged, has granted, bargained, sold, and released, and by these presents does grant, bargain, sell and release unto

SCENT LAND HOLDINGS, LLC,

All that certain piece parcel or lot of land situate, lying and being in the township of Lugoff, County of Kershaw, State of South Carolina, located off of U.S. Highway No. 601, containing 1.00 acre more or less, as shown on a plat prepared for SCENT Land Holdings, LLC by Robert H. Lackey Surveying, Inc., dated July 1, 2009 and recorded in the Register of Deeds for Kershaw County in Book 2547 at Page 125 ; said property being bound as follows beginning at a point at the Northeastern corner of the property and heading S 04 02'50" W for a distance of 144.29 feet to a point; thence turning and running N 86 15'50" W for a distance of 301.66 feet; thence turning and running N 03 51'29" E for a distance of 144.29 feet; thence turning and running S 86 15'50" E for a distance of 302.13 feet to a point which is the point of beginning. Reference being made to said plat for a more complete and

Recorded this 8th Day
Of July, 2009

Robin H. Watkins,
Kershaw County Auditor

accurate description. Be all measurements a little more or less.

DERIVATION: This being a portion of the same property conveyed to Eastern Land & Timber Company, a South Carolina Limited Liability Partnership by deed of Gay L. Conder, recorded in Book 2457 at Page 274, KCROD. AND ALSO a portion of the same property conveyed to Eastern Land & Timber Company, a South Carolina limited partnership by deed of Westvaco Corporation (formerly West Virginia Pulp and Paper Company) recorded in Book HY at Page 2341. THEREAFTER, John W. Conder, IV, Lydia Conder Vann, R. Justin Conder, The JHC Trust by and through its trustees, R. Justin Conder and Joanna Conder Heaton, and Joanna Conder Heaton, Quit Claimed any interest they may have owned in the above referenced property to Eastern Land & Timber Company, a South Carolina limited liability company by deeds recorded in Book 2457 at Page 277, Page 280, Page 283, and Page 286 and in Book 2459 at Page 151. AN AFFIDAVIT has been filed with the Kershaw County Register of Deeds in Book 2486 at Page 106, detailing this derivation.

This conveyance is made subject to any restrictions, reservations, zoning ordinances or easements that may appear of record on the recorded plats or on the premises. **AND MADE SUBJECT TO RESTRICTIONS ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF.**

Grantee's Address:

1165 Highway 1 South
Lugoff, SC 29078

TMS No.: Portion of 309-00-00-032

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining;

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the Grantee, and the Grantee's successors and assigns forever. And the Grantor does hereby bind the grantor and the grantor's heirs or successors, executors and administrators to warrant and forever defend all and singular said premises unto the Grantee and the Grantee's successors or assigns and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Any reference to this instrument to the singular shall include the plural, and vice versa. Any reference to one gender shall include the others, including the neuter. Such words of inheritance shall be applicable as are required by the gender of the Grantee.

WITNESS the Grantor's hands and seals this the 6th day of July, 2009.

SIGNED, SEALED AND DELIVERED
in the presence of:

EASTERN LAND & TIMBER COMPANY,
A SOUTH CAROLINA LIMITED LIABILITY PARTNERSHIP

BY: R. Justin Conder
R. Justin Conder, Managing Partner

Christie Pugh

[Signature]

State of South Carolina)
County of Kershaw)

PROBATE

PERSONALLY APPEARED BEFORE ME the undersigned witness and made oath that (s)he saw the within-named EASTERN LAND & TIMBER COMPANY, A SOUTH CAROLINA LIMITED LIABILITY PARTNERSHIP by and through its managing partner, R. Justin Conder, sign, seal, and, as its act and deed, deliver the within-written Title to Real Estate, and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me this 6th day of July, 2009.

[Signature] (SEAL)

Christie Pugh

Notary Public for South Carolina
My Commission Expires: 3/2/11

EXHIBIT "A"

1. **IMPROVEMENTS:** No improvements shall be constructed, erected, placed, altered, maintained or permitted on the Property until plans and specifications therefore have been approved as provided herein by the Grantor, its successors or assigns. Improvements shall include, but not be limited to Building Plans; Landscaping Plans; Signage; Fences; Walls.
2. Grantee shall cause the Property to remain in a reasonably neat and orderly condition, preventing the accumulation of trash and shall prevent runoff of surface water and soil from the Property onto adjacent property or streets. Grantee shall comply in all respects with all governmental statutes, ordinances, regulations and health, police and fire requirements.
3. Upon completion of construction of improvements on the Property, all exposed disturbed ground areas shall be stabilized and landscaped.
4. **STORM DRAINAGE:** Plans and specifications for any improvement on the Property shall include a detailed Storm Drainage Plan indicating quantity and direction of storm water runoff, and including, if required, pipe size and location, catch basins, headwalls, ditches, swales and other structures or improvements to be constructed by the Grantee. All drainage plans shall be designed to coordinate with the drainage of Grantor's remaining property. Except as agreed to by Grantor, no storm drainage shall be carried across the Grantor's property line.
5. No parking shall be permitted on any street or any place other than paved parking spaces provided on the Property by Grantee.
6. All utility connections or tap fees and rollback taxes shall be paid by Grantee.
7. **PERMITTED USES:** No use, other than as approved by Grantor and which is allowed under applicable governmental zoning ordinance shall be of the Property without the written consent of Grantor. The use of the Property shall be limited primarily to hospital, medical and health related activities and other professional offices, including but not limited to non-medical professional offices; no other general commercial activity shall be permitted on the Property without the prior written consent of Grantor.
8. Grantor shall have 30 days from receipt of a complete package from Grantee to approve submitted plans for approval. In the event approval or disapproval has not been granted by the Grantor within the 30 days, then such plans shall be deemed approved; provided, however, that in all events such plans must comply in all other respects with the requirements set forth herein.
9. The purpose of these restrictions is to insure the property development and use of the Property and to protect the Grantor against such improper development and use as will adversely affect the value of the Grantor's property, to prevent the erection on the Property of improvements built of improper design or materials, to prevent haphazard and inharmonious improvements, to secure and maintain proper setbacks from streets, where appropriate, and in general to provide adequately for a superior type and quality development on the Property and the Grantor's remaining or after acquired property.
10. **TERM:** These restrictions shall continue in full force and effect for a period of twenty (20) years from the date hereof and shall continue automatically for another

RLC

Instrument Volume Page
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twenty (20) year term, unless modified or terminated by mutual decision of the Grantor and Grantee. THESE AMENDMENTS MAY BE MODIFIED BY AN INSTRUMENT IN WRITING SIGNED BY THE GRANTOR AND GRANTEE.

R/C

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on page 2 of this affidavit and I understand such information.

2. The property located as a 1.00 acre Portion of 309-00-00-032, Kershaw County, South Carolina, was transferred by EASTERN LAND & TIMBER COMPANY, A SOUTH CAROLINA LIMITED LIABILITY PARTNERSHIP to SCENT LAND HOLDINGS, LLC.

3. Check one of the following:

- (a) XXXX subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
- (c) _____ exempt from the deed recording fee because (See Information section of affidavit):

(If exempt, please skip items 4 -7, and go to item 8 of this affidavit.)

4. Check one of the following if either 3(a) or item 3(b) above has been checked (See Information section of this affidavit).

- (a) XXX The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$125,000.
- (b) _____ The fee is computed on the fair market value of the realty which is _____.
- (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is _____.

5. Check Yes _____ or No _____ to the following: A lien or encumbrance existed on the land, tenement, or realty before and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is: \$ _____.

6. The deed recording fee is computed as follows:

- (a) Place the amount listed in Item 4 here: \$125,000
- (b) Place the amount listed in Item 5 here: \$ 0
(If no amount is listed, place zero here.)
- (c) Subtract Line 6(b) from Line 6(a) and place result here: \$125,000

7. The deed recording fee due is based on the amount Listed on Line 6(c) above and the deed recording fee due is: \$462.50

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with this transaction as: Grant

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

R. Justin Corder
Responsible Person Connected with the Transaction

R. Justin Corder
Print or Type Name Here

SWORN to before me this 17th
day of July, 2009.

[Signature] (L.S.)
Notary Public for the State of South Carolina
My Commission Expires: 3/2/14

INFORMATION

Except as provided in this paragraph, the term "value" means "the consideration paid or to be paid in money or money's worth for the realty." Consideration paid or to be paid in money's worth includes, but is not limited to, other realty, personal property, stocks, bonds, partnership interest and other tangible property, the forgiveness or cancellation of a debt, the assumption of a debt, and the surrendering of any right. The fair market value of the consideration must be used in calculating the consideration paid in money's worth. Taxpayers may elect to use the fair market value of the realty being transferred in determining fair market value of the consideration. In the case of realty being transferred between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, and in the case of realty transferred to a trust or as a distribution to a trust beneficiary, "value" means the realty's fair market value. A deduction from value is allowed for the amount of any lien or encumbrance existing on land, tenement, or realty before the transfer and remaining on the land, tenement, or realty after the transfer. Taxpayers may elect to use the fair market value for property tax purposes in determining fair market value under the provisions of the law.

Exempted from the fee are deeds:

- (1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or less than one hundred dollars;
- (2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
- (3) that are otherwise exempted under the laws of the Constitution of this State or of the United States;
- (4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are being exchanged in order to partition the realty;
- (6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;

- (7) that constitute a contract for the sale of timber to be cut;
- (8) transferring realty to a corporation, a partnership, or a trust in order to become, or as, a stockholder, partner, or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee even if the realty is transferred to another corporation, a partnership, or trust;
- (9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, provided no consideration is paid for the transfer other than a reduction in the grantee's interest in the partnership or trust. A "family partnership" is a partnership whose partners are all members of the same family. A "family trust" is a trust, in which beneficiaries are all members of the same family. The beneficiaries of a family trust may also include charitable entities. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, grandchildren, and the spouses and lineal descendants of any of the above. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;
- (11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership; and,
- (12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the grantee, provided that no consideration of any kind is paid or to be paid under the corrective or quitclaim deed.

This being the same property conveyed to Amy L. Puchalski by deed of Leroy F. Robinson and Scott H. Daniel Dated December 23, 2005, and recorded in the office of the Clerk of Court for Darlington County in Book D1041, at page 9132 on January 11, 2006.

TOGETHER WITH AND SUBJECT TO the appurtenant right of ingress and egress (which runs with the land) over that certain driveway/road from S.C. Highway 151, which is shown as a private drive and is "shaded" on a plat prepared by Heller & Associates, dated 2/15/99 and together with an subject to the appurtenant right of ingress and egress over that certain fifteen (15) foot access/utility strip of land which runs from the said private drive to Lot 6 as shown on a plat prepared by Heller & Associates, Inc. Dated 2/15/99 and which grant of both easements was made by Hartsville HMA, Inc. To Wade H. Hicks, III, Lee S. Hicks, James Miley Hicks, and Jane B. Hicks, their heirs, successors and assigns as is reflected on an easement, dated 5/12/99 and recorded in the Office of the Clerk of Court for Darlington County in Deed Book D240, page 57.

Subject to those Restrictive Covenants dated 6/20/97 and recorded in the office of the Clerk of Court for Darlington County in Deed Book D-168, page 136.

Subject to that certain seven and one-half (7.5) foot utility easement along the Southwestern and Northwestern boundaries as shown on the above referenced Walker plat and that certain 15 foot utility easement as shown on the Southeastern and Northwestern boundaries as shown on the above referenced Walker plat, which has been reserved unto Wade H. Hicks, III, Lee S. Hicks, James Miley Hicks and Jane B. Hicks, for utility purposes.

TMS# 036-00-01-096

Grantee's Address:

1165 Highway 1, South, Ste. 300
Lugoff, SC 29078

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

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the said SCENT Land Holdings, LLC, its successors and assigns, forever.

And I do hereby bind myself and my heirs, executors and administrators, to warrant and forever defend all and singular the said premises unto the said SCENT Land Holdings, LLC, its successors and assigns, against me and my heirs and against every person whomsoever lawfully claiming or to claim, the same or any part thereof.

SAVAGE, ROYALL
& STEPHEN, L.L.P.
1111 CHURCH STREET
CAMDEN, S.C. 29202

SCENT Land Holdings-022840.Ddeed to SCENT.wpd

WITNESS my Hand and Seal this 30th day of September in the year of our Lord two thousand eight and in the two hundred and thirty-third year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

Ryan Hunter
witness sign

Amy L. Puchalski
Amy L. Puchalski

David Chodor
notary sign

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF KERSHAW)

I, David K. Chodor, Notary Public for the State of South Carolina, do hereby certify that Amy L. Puchalski personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn to before me this 30th day of September, 2008.

David Chodor
Notary Public for South Carolina
My Commission Expires: 4-7-14

THIS PROPERTY DESIGNATED ON RECORD AS
DIST. 32-1 MAP 231c SECT. 00 BLK. 01 PARCEL 011c
DIST. MAP SECT. BLK. PARCEL
DIST. MAP SECT. BLK. PARCEL
D.O.I. 9-30-08 SPLIT FROM
RECEIVED 10-13-08 TIME OUT
KYLE JOHNSON ASSESSOR, COUNTY OF DARLINGTON

SAVAGE, BOYALL & SKECHEN L.L.P.
111 CHURCH STREET
CAMDEN, S.C. 29020
C:\COCOX\LLP.LLC\SCENT Land Holdings-022840\Deed to SCENT.wp4

STATE OF SOUTH CAROLINA)
COUNTY OF DARLINGTON)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred bearing Darlington County Tax Map Number 036-00-01-096, was transferred by Amy L. Puchalski, to SCENT Land Holdings, LLC on September 30 2008.
3. Check one of the following: The deed is
 - (a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) exempt from the deed recording fee because (See information section of Affidavit): 12-24-40(B)-conveyance to LLC for no consideration other than membership interest (if exempt, please skip items 4-7 and go to item 8 of this affidavit).
4. Check one of the following if either item 3(a) or 3(b) above has been checked (See information section of this affidavit).
 - (a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ _____
 - (b) The fee is computed on the fair market value of the realty which is _____
 - (c) The fee is computed on the fair market value of the realty as established for property tax purposes which is _____
5. Check Yes or No to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes", the amount of the outstanding balance of this lien or encumbrance is _____.
6. The deed recording fee is computed as follows:

(a) Place the amount listed in item 4 above here:	\$ _____
(b) Place the amount listed in item 5 above here:	\$ <u>-0-</u>
(c) Subtract Line 6(b) from Line 6(a) and place result here:	\$ _____
7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is \$ -0-.
8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: attorney for Grantee
9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN to before me this 30th
day of September, 2008.
[Signature]
Notary Public for S.C.
My Commission Expires: 4-1-14

[Signature]
William B. Cox, Jr.

EXECUTIVE SUMMARY

12-173
Subject Property: Medical Office Building
696 Medical Park Drive
Hartsville, Darlington County, South Carolina

Tax Map Number: 036-00-01-096

Date of Value: May 9, 2010

Date of Inspection: March 1, 2012

Date of Appraisal Report:

Owner of Record: SCENT Land Holdings, LLC

Value Reported: Market Value (Retrospective to May 9, 2010)

Property Rights: Fee Simple Interest

Site Information: Irregular shaped parcel containing approximately 38,333
S.F., or 0.88 acres of land.

Improvements: Two story medical office building with 6,684 S.F.

Flood Zoning District:

Census Tract:

Zoning: OI, Darlington County

Highest and Best Use:
If Vacant: General or Medical Office Development
As Improved: As improved

EXECUTIVE SUMMARY CONTINUED

Income Information:

Market Rent: \$18.00/S.F. (net basis)

PGI: \$ 120,312

Vacancy: \$ 6,016

EGI: \$ 114,296

Expenses: \$ 6,911

NOI: \$ 107,385

Cap. Rate: 8.0%

Value Estimates:

Land Value: N/A

Cost Approach N/A

Sales Comparison Approach: \$1,350,000 (\$202.00/S.F.)

Income Approach:

Direct Capitalization: \$1,350,000

DCF:

Retrospective Market Value: \$1,350,000 (as of May 9, 2010)

Estimated Exposure Period: 12 months

Estimated Marketing Period: 12 months

CERTIFICATION OF THE APPRAISER

The undersigned certifies that to the best of his knowledge and belief:

The Retrospective Market Value of the Fee Simple Interest in the following real property has been estimated, as of May 9, 2010.

Medical Office Building
696 Medical Park Drive
Hartsville, Darlington County, South Carolina
Tax Map Number: 036-00-01-096

The property was inspected by Curtis S. McCall, Jr., MAI, CRE, on April 5, 2012 with May 9, 2010 being the effective date of value.

I have not performed an appraisal related service regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Neither C.S. McCall & Co., LLC, nor the signatory of this Certification, has any present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

The reported analyses, opinions and conclusions are limited only by the reported special and General Assumptions and General Limiting Conditions set forth in this report, and are my personal unbiased professional analyses, opinions and conclusions.

To the best of the appraiser's knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct. No one, other than the signatory of this Certification, prepared the analyses, opinions and conclusions concerning the real estate set forth in this report.

No one else provided significant professional assistance to the person signing this Certification.

To the best of the appraiser's knowledge and belief, the reported analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and to the Code of Professional Ethics and Standards of Professional Appraisal Practice of The Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, Curtis S. McCall, Jr., CRE, MAI, have completed the continuing education program of the Appraisal Institute.

The compensation for this appraisal is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

C. S. MCCALL & CO., LLC

Based on my investigation, analysis and conclusions, an opinion has been formed that the Retrospective Market Value of the fee simple interest in the subject property, subject to the General Assumptions and General Limiting Conditions set forth herein, as of May 9, 2010, is:

Market Value (Retrospective to May 9, 2010):

ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS

\$1,350,000



Curtis S. McCall, Jr., CRE, MAI
State Certified General Real Estate Appraiser
South Carolina Certificate No. CG 305
North Carolina Certificate No. A4426
Georgia Certificate No. CG005428

McCALL 151

GENERAL ASSUMPTIONS

This appraisal report has been made with, and is subject to, the following General Assumptions:

- That title to the property is assumed to be good and marketable unless otherwise stated. No responsibility is assumed for the legal descriptions or for any legal matter.
- That the definition of value together with other definitions and assumptions on which our analyses are based is set forth in appropriate sections of this report and is a part of these General Assumptions as if included here in their entirety.
- That title to the property is assumed to be marketable. The property is considered to be under responsible ownership and management and free of all liens and encumbrances except as specifically discussed herein.
- That the facts, estimates and opinions furnished the appraisers by others and contained in this report are considered to be from reliable sources and where feasible have been verified. Any information obtained from private professionals or government documents or agencies is assumed to be correct. However, no responsibility is assumed for the accuracy of the information. We reserve the right to modify the value estimates should more reliable or accurate information become available subsequent to delivery of this report.
- All engineering and/or surveys are assumed to be correct. The sketches, plot plans and drawings included in the report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or other unapparent conditions in the soil, sub-soil, structures or property which would render them more or less valuable. The appraisers specifically accept no responsibility for damage by termites, wood borers or any other wood infesting insects. No responsibility is assumed for such conditions or for engineering or inspection which would be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially dangerous or hazardous materials, gases or toxic substances may affect the value of the property and in this appraisal the value estimate is predicated on the assumption that there is no such element on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
- Good structural and mechanical conditions are assumed to exist, and no opinion as to these matters is to be inferred or construed from the attached report.
- It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been

complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

- It is assumed that all required licenses, certificates of occupancy, legislated or administrative consents from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described herein and that there is no encroachment or trespass unless noted within the report.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about conditions external to the property such as market conditions or trends, or the integrity of data used in an analysis" (USPAP).

- It is assumed that there have been no significant changes to the property between the effective date of appraisal and the date of inspection.

GENERAL LIMITING CONDITIONS

This appraisal report has been made with, and is subject to, the following General Limiting Conditions:

- The liability of C. S. McCall & Co., LLC, its employees and independent contractors is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. Further, notwithstanding, anything herein to the contrary, the client will forever indemnify and hold C. S. McCall & Co., LLC, and its officers and employees harmless from any claims by third party related in any way to the appraisal or study which is the subject hereof. Third parties shall include limited partners of client if client is a partnership and stock holders of client, if client is a corporation, and all lenders, tenants, past owners, successors, assigns, transferees and spouse of client. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally.
- The appraisers, by reason of this appraisal report, are not required to give further consultation, testimony or to be in attendance in court or at any governmental or other hearing with reference to the property without prior arrangements.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separated allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.
- Use and disclosure of the contents of this report are governed by the bylaws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI or SRA designations) shall be disseminated to the general public through advertising or sales media, public relations media, news media, or other public means of communication without the prior written consent and approval of the appraiser(s).
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
- The party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report.

- Additional copies of this appraisal may be obtained for an appropriate fee only with the knowledge and consent of the client.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "that which is contrary to what exists, but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis" (USPAP).

- There are no hypothetical conditions.

C. S. MCCALL & CO., LLC

TAX MAP OF SUBJECT PROPERTY

McCALL 156

C. S. MCCALL & CO., LLC

AERIAL

McCALL 157

2875

Plaintiffs' Ex 0102.010

IDENTIFICATION

PURPOSE AND DATE OF APPRAISAL

The purpose of the appraisal is to estimate the Retrospective Market Value of the subject property. The property was inspected on April 5, 2012; however, the effective date of value is May 9, 2010. Therefore, the appraisal is based upon market data and economic factors available through that date. A definition of Market Value, as used above, may be found on the following page.

INTENDED USE OF THE APPRAISAL

The Intended Use of the appraisal is for the client's internal use, including but not limited to, providing a value to client for potential litigation support. The intended user of this report is Ms. Jana Baker, and/or her designees.

Should a copy of this report be provided to a third party by the client, that party does not become a recognized client by the appraiser, without written agreement in advance, nor does that third party have any rights of the client.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the Fee Simple Interest, which is defined as *"absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat"*.¹

¹ Dictionary of Real Estate Appraisal, 5th Edition 2010, page 78.

MARKET VALUE DEFINITION

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- A. Buyer and Seller are typically motivated;
- B. Both parties are well informed or well advised, and each acting in what they consider their own best interests;
- C. A reasonable time is allowed for exposure in the open market;
- D. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
- E. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale".²

² Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), [Pub. L. No. 101-73, 103 Stat. 183(1989)], 12 U.S.C. 3310, 3331-3351, and section 5(b) of the Bank Holding Company Act, 12 U.S.C. 1844(b); Part 225, Subpart G: Appraisals; Paragraph 225.62 (f).

Improved Sales

	Subject	Sale No. M-1	Sale No. M-2	Sale No. M-3	Sale No. M-4	Sale No. M-5
TMS No.:	036-00-01-096	535-00-00-111	535-00-00-117	529-00-00-529	559-14-00-002	309-020-00-355 thru 368
Location:	Medical Park Dr Hartsville	929 Bowman Road Mt Pleasant	913B Bowman Road Mt Pleasant	1705 Beaucastel Road Mt Pleasant	Stuart Engals Blvd Mt Pleasant	Physicians Dr West Ashley
County:	Darlington	Charleston	Charleston	Charleston	Charleston	Charleston
Date of Sale:		4/10/2007	4/17/2007	10/2/2007	4/11/2008	12/10/2008
Sale Price:		\$1,500,000	\$1,500,000	\$1,170,000	\$2,250,000	\$2,340,000
Financing:		Market	Market	Market	Market	Market
Conditions of Sale:		\$0	\$0	\$375,000	\$0	\$420,000
Normal Sale Price:		\$1,500,000	\$1,500,000	\$1,545,000	\$2,250,000	\$2,760,000
S.F.:	6,684	7,400	7,139	5,000	8,687	12,000
Sale Price per SF:		\$202.70	\$210.11	\$309.00	\$259.01	\$230.00
Time Adjustment @:	0.0%	0%	0%	0%	0%	0%
Time Adjusted Sale Price/SF :		\$202.70	\$210.11	\$309.00	\$259.01	\$230.00
ADJUSTMENTS:						
Location		-10%	-10%	-10%	-20%	-10%
Age/Quality/Cond.		15%	15%	-15%	-5%	-5%
Utility		0%	0%	0%	5%	0%
Economic		0%	0%	0%	5%	0%
Size		-5%	-5%	-10%	-5%	0%
Net Adjustment:		0%	0%	-35%	-20%	-15%
Indicated Value Range:		\$202.70	\$210.11	\$200.85	\$207.21	\$195.50
average \$		203.27	202			
median		202.70	1,350,168.00			
			\$1,350,000			

Direct Capitalization Summary

	Rent/SF	Size	Annual Income
Market Rent	\$18.00	6,684	\$120,312
Total		6,684	\$120,312

Potential Gross Income:		\$120,312	\$18.00	
Vacancy & Credit Loss:	5.0%	<u>\$6,016</u>	\$0.90	
Effective Gross Income:		\$114,296	\$17.10	
EXPENSES:				
Management		\$4,572	\$0.68	4.0%
Structural Maintenance		\$1,337	\$0.20	
Reserves		<u>\$1,003</u>	\$0.15	
Total Expenses		<u>\$6,911</u>	\$1.03	6.0%
Net Operating Income		\$107,385	\$16.07	
Capitalization Rate		<u>8.00%</u>		
Indicated Value By Direct Capitalization		\$1,342,314	\$200.83	
	Rounded	<u><u>\$1,350,000</u></u>		

2 new physicians
this summer

And what Pines
egmont med
Hospital

morris pediatric group

18
12
11

Hartsville Surgical Center - 10-12 net 18 gross.

Hartsville Ortho & Sports medicine

Subject.

2 story brick
wood truss / Asphalt shingles

Lot on site
(843) 332-6508
Segars Realty
GRAY Segars
332-2537 858-0033

970,000

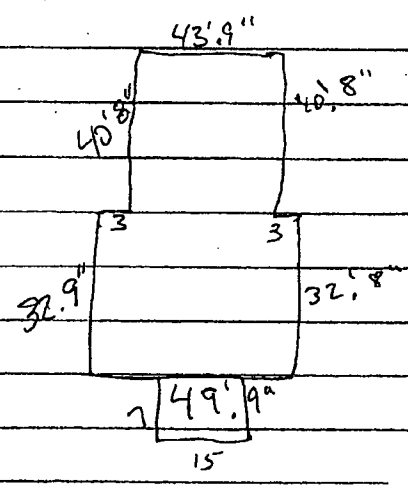
11-13

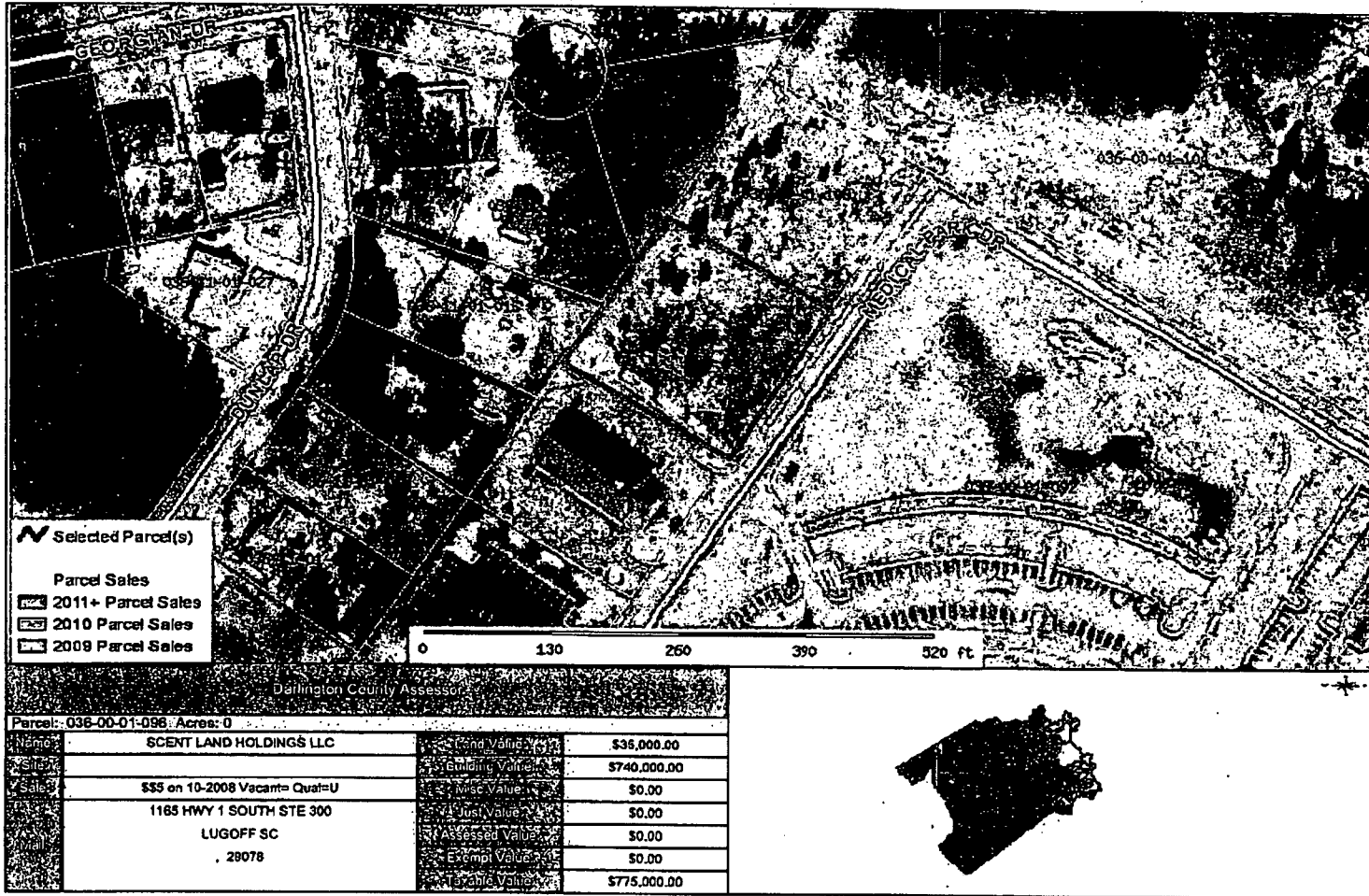
19-21

Hardwood lobby/warm
2x2 tile

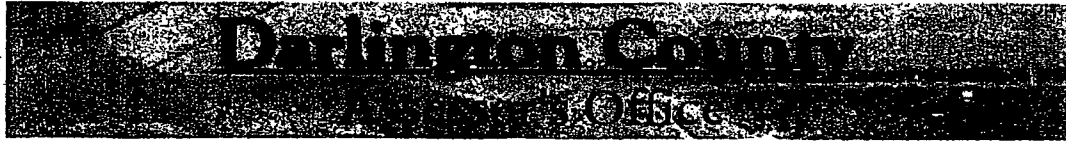
7 exam rooms

2 walk elevators





The Darlington County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. PLEASE NOTE THAT THE PROPERTY APPRAISER MAPS ARE FOR ASSESSMENT PURPOSES ONLY NEITHER DARLINGTON COUNTY NOR ITS EMPLOYEES ASSUME RESPONSIBILITY FOR ERRORS OR OMISSIONS —THIS IS NOT A SURVEY—
Date printed: 04/03/12 : 15:11:23



Recent Sales in Area	Previous Parcel	Next Parcel	Return to Main Search Page	Darlington Home
Owner and Parcel Information				
Owner Name	SCENT LAND HOLDINGS LLC		Today's Date	April 3, 2012
Mailing Address	1165 HWY 1 SOUTH STE 300 LUGOFF SC 29078		Parcel Number	036-00-01-096
Location Address			Tax District	County (District 32-1)
Class Code (NOTE: Not Zoning Info)	C		Acres	.00
Description	MEDICAL PARK DRIVE		Parcel Map	Show Parcel Map
Legal Information	SPLIT FROM 036-00-01-074/PB 178 PG 3/PB 179 PG 119		Record Type	Residential
Town Code / Neighborhood			Owner Occupied	
Generate Owner List by Range				

2011 Value Information				Online Taxes
Land Value	Improvement Value	Total Value	Taxable Value	Total Assessment
\$ 35,000	\$ 740,000	\$ 775,000	\$ 775,000	\$ 46,500

Building Information			
First Floor Square Footage	Second Floor Square Footage	Garage Square Footage	Year Built
3,399	3,147	0	2008

Lot Size Information (Dimensions in Feet)			
Front	Back	Left	Right
190	190	201	200

Sale Information				
Sale Date	Price	Deed Book	Plat Book	Grantor
10-13-2008	\$ 5	1054 7472	179 119	PUCHALSKI AMY L
12-23-2005	Not Available	1041 9132	Not Available	Not Available
10-11-1999	Not Available	D255 92	Not Available	Not Available

Recent Sales in Area	Previous Parcel	Next Parcel	Return to Main Search Page	Darlington Home
--------------------------------------	---------------------------------	-----------------------------	--	---------------------------------

The Darlington County Tax Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Website Updated: March 10, 2012

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Darlington County Tax Assessor's Office

Photograph 1 for Parcel: 036-00-01-096



[Next Photo](#)

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http://qpublic5.qpublic.net/sc_photo.php?county=sc_darlington&parcel=036-00-01-096&st... 4/3/2012

McCALL 165

2883

Plaintiffs' Ex 0102.018

Appraisal Worksheet

Subject Property:

M03
690 Medical Center
Way

File: 12-172

Date of Appraisal: 4/3/12

620

Project ID: _____
Report Type: _____

Book & Page: _____
Plat: _____

Tax Number: 036-00-01-096

Site:

Census: _____

Flood Map _____

Zoning OI office Check

Taxes: 38,000

740,000

778,000

46,000

16,675.08

Improvements:

6,684

Land Value: _____

Cost: _____

SCA _____

Income _____

Direct Cap _____

DCF _____

Files: 12-189

12-170

12-163

11/1/12
12/31/2016
12/31/2016
12/31/2016

119.00
Land
Taxes
Insurance
Operating Expenses

BASE	19	
1	19.95	
2	20.95	

Direct Capitalization Summary

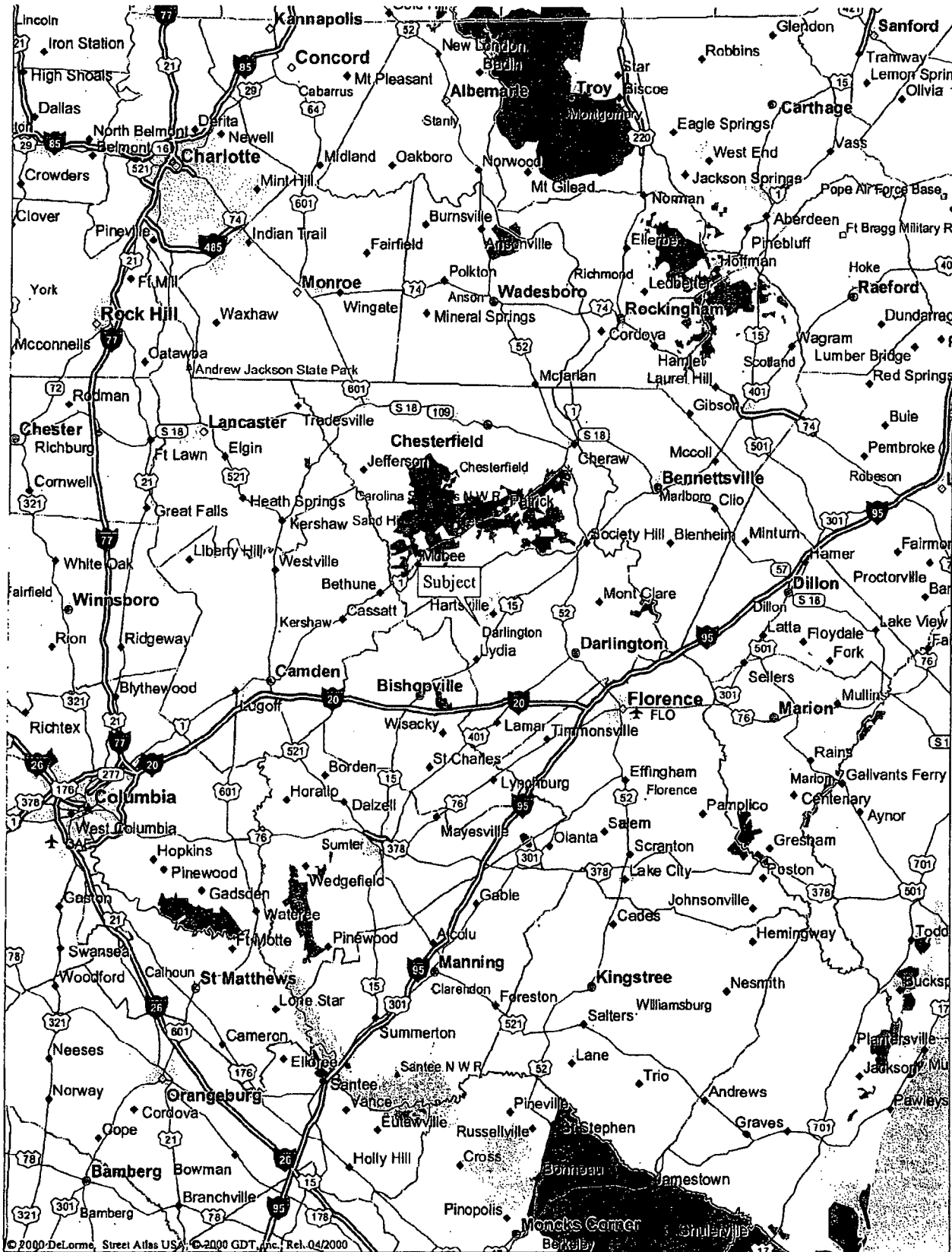
4/5/12

	Rent/SF	Size	Annual Income
Contract Rent	\$19.00	6,684	\$126,996
Total		6,684	\$126,996

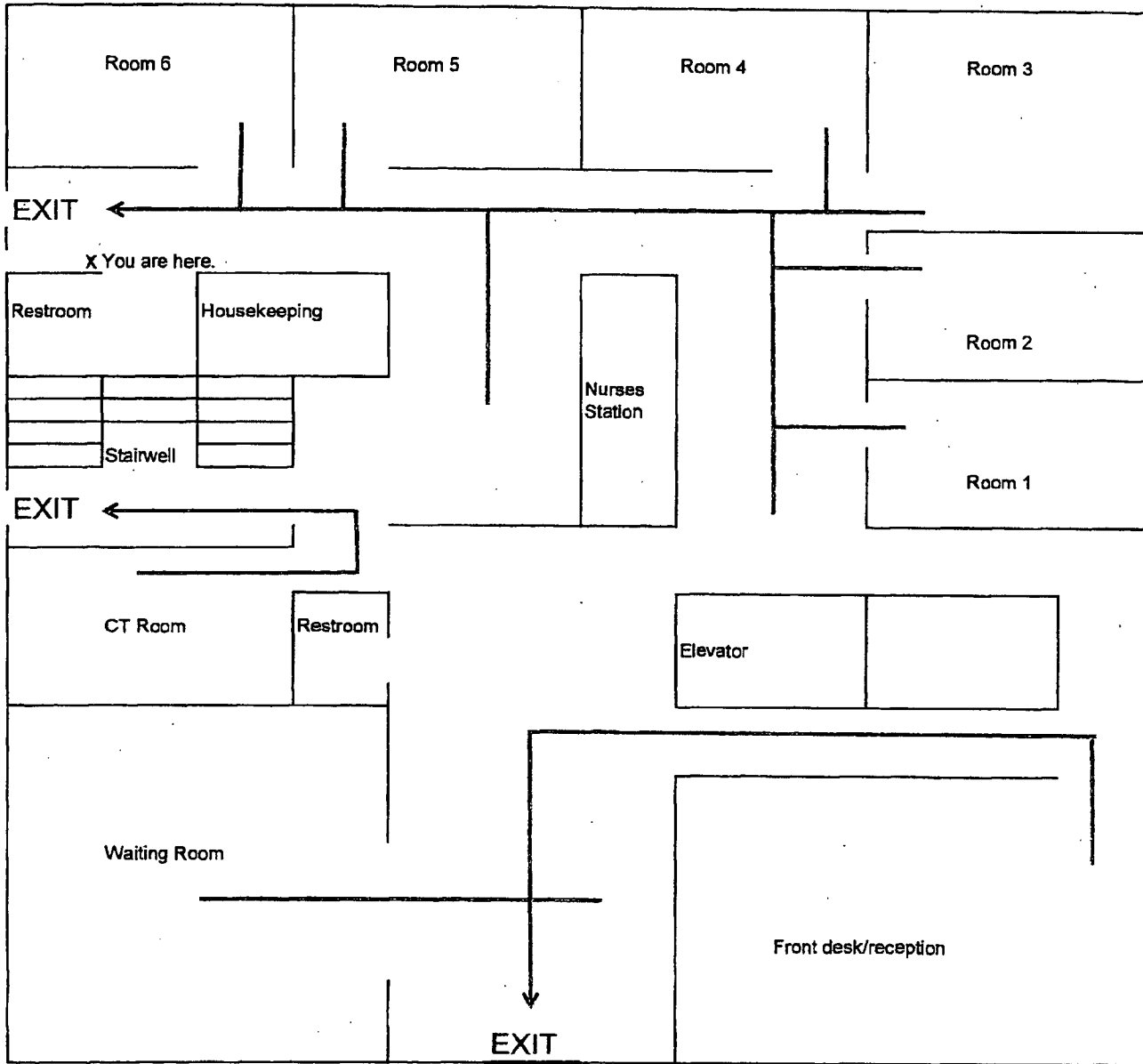
Potential Gross Income:		\$126,996	\$19.00	
Vacancy & Credit Loss:	3.0%	<u>\$3,810</u>	\$0.57	
Effective Gross Income:		\$123,186	\$18.43	
EXPENSES:				
Real Estate Taxes		\$16,676	\$2.49	
Insurance		\$5,681	\$0.85	
Management		\$4,927	\$0.74	4.0%
Structural Maintenance		\$1,337	\$0.20	
Reserves		<u>\$1,003</u>	\$0.15	
Total Expenses		<u>\$29,624</u>	\$4.43	24.0%
Net Operating Income		\$93,562	\$14.00	
Capitalization Rate		<u>8.00%</u>		
Indicated Value By Direct Capitalization		\$1,169,523	\$174.97	
	Rounded	<u><u>\$1,175,000</u></u>		



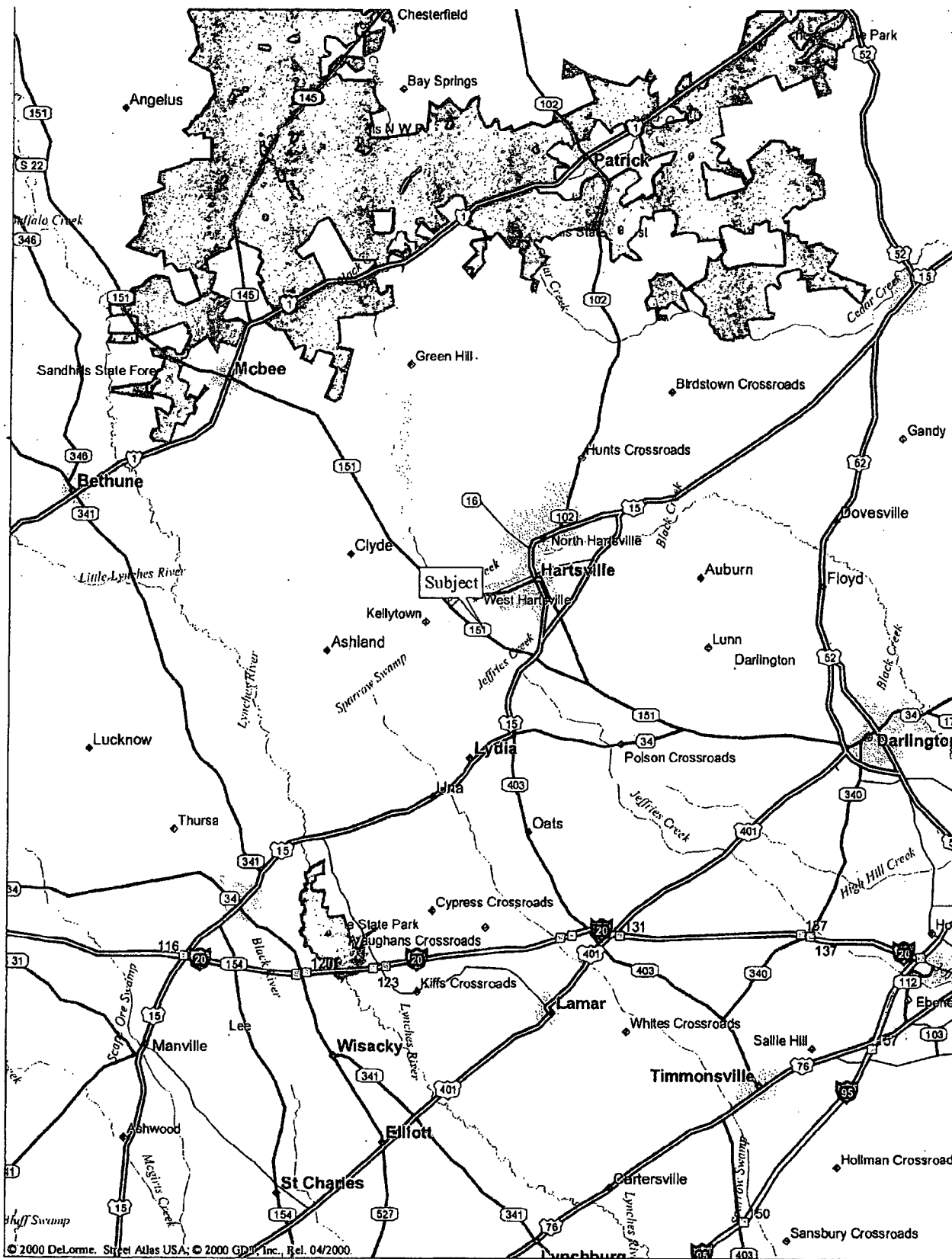
McCALL 168



McCALL 169

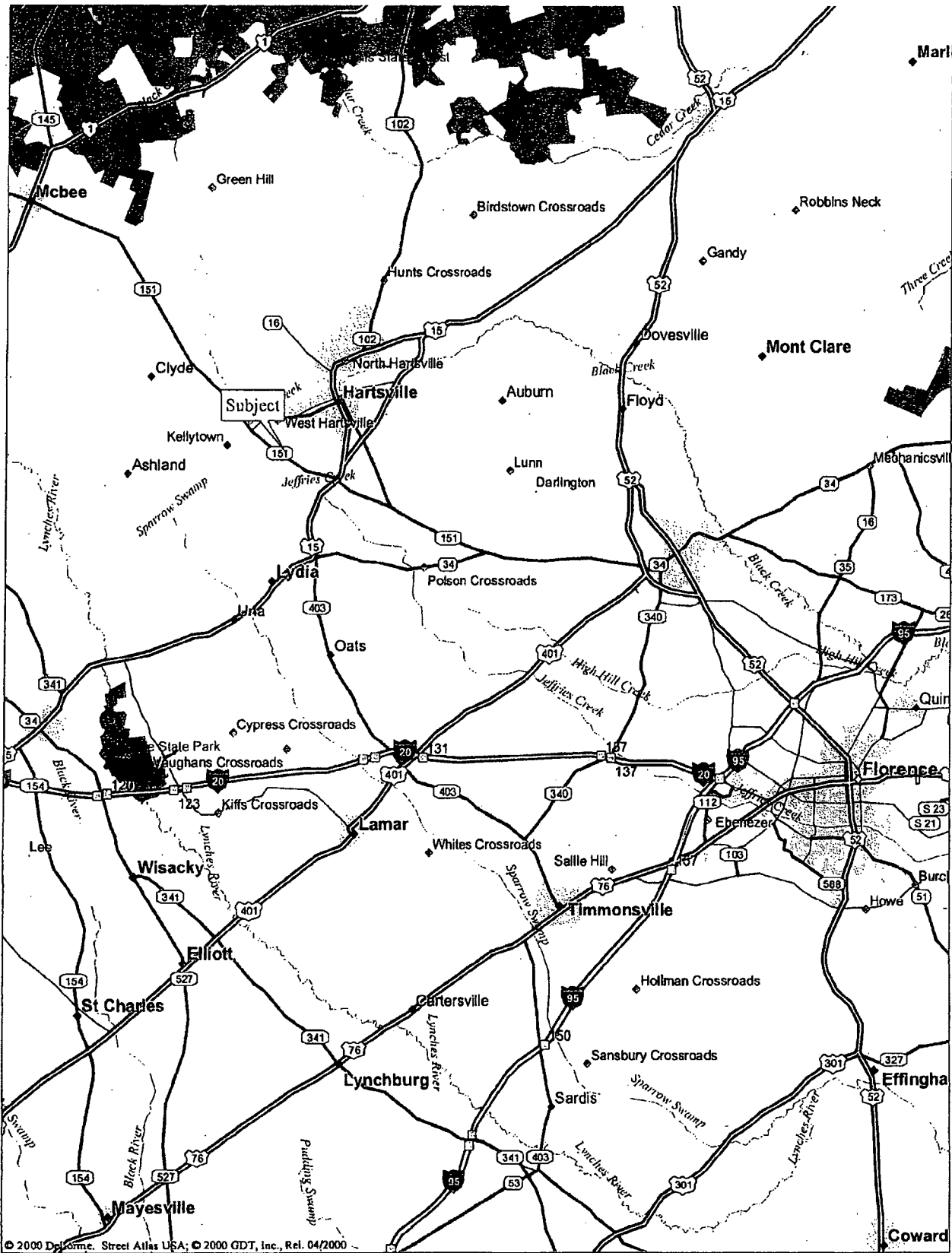


LOWER LEVEL
FIRE ESCAPE
PLAN



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McCALL 171



McCALL 172

MEDICAL OFFICE BUILDING SPACE LEASE
(HOSPITAL OR AFFILIATED COMPANY AS TENANT)

LEASE SUMMARY PAGE

(PAGE 1 of 2)

	TENANT (Hospital or Company Affiliated with Hospital, such as PPM Company):	Hartsville Medical Group, LLC
	LANDLORD:	SCENT Land Holdings, LLC
1	PREMISES:	Medical Office Building located at 696 Medical Park Drive, Hartsville, S.C.
	GROSS RENTABLE SQUARE FEET:	6684 sq. ft.
2	LEASE START DATE:	January 1, 2012
2	LEASE EXPIRATION DATE:	December 31, 2016 (subject to two optional 5-year renewal terms)
3	BASE RENT:	\$19 per sq. ft payable in twelve monthly installments*
	<u>Lease Year:</u>	<u>Annual Base Rent per Square Foot:</u> <u>Monthly Base Rent Payment:</u>
	Lease Year 1	\$19.00 \$10,583*
	Lease Year 2	\$19.00 \$10,583
	Lease Year 3	\$19.00 \$10,583
	Lease Year 4	\$19.00 \$10,583
	Lease Year 5	\$19.00 \$10,583

*Lease Year 1's Base Rent is payable in full in advance of occupancy in the amount of \$126,996.00.

**MEDICAL OFFICE BUILDING SPACE LEASE
(HOSPITAL OR AFFILIATED COMPANY AS TENANT)**

LEASE SUMMARY PAGE

(PAGE 2 of 2)

5.4 Building Services, Equipment and Furnishings: In accordance with the provisions of Section 5.4 of the Lease, Landlord will provide the following additional services, equipment and furnishings (if any are listed) (list and describe any additional services that are included in the Rent, such as janitorial, security, furniture, equipment, etc.) (if none, state none):

- taxes
- hazard insurance
- Major Maintenance (as defined in Section 5.3)

16.2 Notices. Notices addressed to the Landlord shall be sent (in accordance with the terms of Article 17 of the Lease) to:

SCENT Land Holdings, LLC
15 Exchange Drive
Lugoff, South Carolina 29078

With a copy to:

William Cox, Esquire
Savage, Royall & Sheheen, LLP
P.O. Drawer 10
Camden, SC 29021

16.3 Notices. Notices addressed to the Tenant shall be sent (in accordance with the terms of Article 17 of the Lease) to:

Mr. Tim Browne, Chief Executive Officer
Carolina Pines Regional Medical Center
1302 W. Bobo Newsom Hwy
Hartsville, SC 29550

With a copy to:

Office of the General Counsel
5811 Pelican Bay Blvd., Suite 500
Naples, FL 34108

**MEDICAL OFFICE BUILDING SPACE LEASE
(HOSPITAL OR AFFILIATED COMPANY AS TENANT)**

1. AGREEMENT TO LEASE.

Landlord and Tenant agree that Tenant will lease the "Premises" (defined on the Lease Summary Page) from Landlord, upon the terms and conditions in this Lease. The parties agree that the Premises contain the Gross Rentable Square Feet set forth on the Lease Summary Page.

2. TERM.

The original term of this Lease ("Term") will begin on the "Lease Start Date" (defined on the Lease Summary Page) and end on the "Lease Expiration Date" (defined on the Lease Summary Page), subject to the right of Tenant to renew for two additional five year terms as set forth herein. The term "Lease Year" means each 365 consecutive day period throughout the Term, beginning on the Lease Start Date. This Lease will automatically terminate on the Lease Expiration Date unless Tenant gives at least ninety (90) days prior written notice of its intent to renew the Lease for an additional five-year term. Tenant may elect to renew for a second five year term by giving Landlord written notice at least ninety (90) days prior to expiration of the first five-year renewal term. Such renewals shall be on the same terms and conditions as stated in this Lease except that Base Rent shall be increased by five percent (5%) for each additional five year renewal term.

3. RENT.

3.1. Tenant shall pay Landlord the base rent set forth on the Lease Summary Page ("Base Rent"). The Base Rent and Additional Rent (defined Section 3.2) shall be payable in monthly installments in advance, with the first installment due on the Lease Start Date. If Tenant occupies the Premises for a fraction of a month at the beginning or the end of the Term, Tenant shall pay a proportionate part of the applicable monthly installment of the Base Rent. Notwithstanding the foregoing, Tenant agrees that rental payments due for the first year of the original Term shall be paid in total in advance of occupancy under this Lease.

3.2. Any amounts payable by Tenant to Landlord under any provisions of this Lease other than the Base Rent shall be payable as "Additional Rent".

3.3. Rent and Additional Rent shall hereinafter be collectively referred to as "Rent."

4. USE OF PREMISES.

Tenant shall use and occupy the Premises as a medical office or for any other purpose reasonably related to the business operation of Tenant.

5. **BUILDING SERVICES, EQUIPMENT AND FURNISHINGS.**

- 5.1. All taxes, hazard insurance, and Major Maintenance (as defined in 5.3 below) for the Premises will be provided and paid for by Landlord. Landlord shall ensure the availability of water, heat and air-conditioning as required for Tenant's comfortable use and occupancy of the Premises; however, Tenant shall be solely responsible for the payment of any regularly assessed fees or charges associated with the use of utilities or services by Tenant, including electricity, water, telephone service, Internet, cable services, garbage collection, and electronic and/or manual security services.
- 5.2. The failure of Landlord to furnish any of the services for which Landlord is responsible under this Lease shall be deemed constructive eviction in which case Tenant shall either:
- 5.2.1. Be relieved from the performance of any of the obligations imposed upon Tenant by this Lease until such services are restored to the same condition as existed prior to such failure by Landlord; or
- 5.2.2. Terminate this Lease in which case neither party shall have any continuing liability or obligation to the other; or
- 5.2.3. Repair and/or restore such services, the cost of which Tenant may deduct from the next due payment of Rent.
- 5.3. Within 72 hours after written notice, Landlord shall, in a workmanlike manner, and at no cost or expense to Tenant, perform or cause to be performed all Major Maintenance to include repairs and/or replacements required to keep the Premises functional for the purposes for which the Premises was leased. "Major Maintenance" includes all structural and non-structural maintenance on the Premises such as repair, replacement, and maintenance of the heating, ventilation and air conditioning systems, security/fire protection systems, plumbing system, electrical system, sprinkler systems, sidewalks, roof, parking lot surfacing, and exterior doors, windows, glass replacement, sidewalks and exterior landscaping replacement. Landlord agrees to make all repairs that may become necessary by reason of fire, acts of war, insurrection or riot, earthquake, other elements including damage by termites, fungus growth or dry rot. Landlord shall be solely responsible for any damage to the Premises or Tenant's personal property resulting from Landlord's failure to perform the Major Maintenance; provided however, that the need for such repairs shall not have been caused by the carelessness or negligence of Tenant, its agents, employees, or servants, in which event Tenant shall pay to Landlord, as additional rent, the reasonable cost of such repairs.
- 5.4. Tenant shall be responsible for routine janitorial cleaning and minor maintenance to the Premises and for the routine upkeep and clearing of the

grounds and parking lot. Tenant shall also have the obligation for replacement of light bulbs on the Premises.

5.5. Landlord will provide the additional services, equipment and furnishings (if any) that are described on the Lease Summary Page.

6. **ALTERATIONS.**

Tenant may make changes, additions, alterations, improvements or additions to the Premises or attach or affix any articles thereto without Landlord's consent; except that any major structural changes such as building new, or removing existing, walls, closing or relocating entrances or exits, or creating new entrances or exits shall require the prior written approval of the Landlord, which approval shall not be unreasonably withheld. All alterations, additions or improvements which may be made upon the Premises by Landlord or Tenant (except unattached trade fixtures and office furniture and equipment owned by Tenant) shall not be removed by Tenant, but shall become and remain the property of Landlord unless Landlord otherwise requires the removal of same as hereinafter provided. All alterations, improvements and additions to the Premises may be done by Tenant or Tenant's contractors or agents at Tenant's expense. Any alterations shall be made in conformity with the applicable building codes utilized by Darlington County.

7. **INSURANCE.**

During the Term, Tenant shall, at Tenant's expense, maintain a policy of commercial general liability insurance or self-insurance with respect to Tenant's operations and use of the Premises, covering bodily injury, death and property damage, in the amount of at least One Million and no/100 Dollars (\$1,000,000.00) per occurrence and with at least a Two Million and no/100 Dollars (\$2,000,000.00) general aggregate limit. During the Term, Landlord shall, at Landlord's expense, maintain a policy of commercial general liability insurance with respect to Landlord's use and management of the Premises, covering bodily injury, death and property damage, in the amount of at least One Million and no/100 Dollars (\$1,000,000.00) per occurrence and with at least a Two Million and no/100 Dollars (\$2,000,000.00) general aggregate limit. Landlord shall also keep the Premises building insured against loss or damage under a Standard Cause of Loss Special Form property insurance policy (except that Landlord need not carry earthquake and war risks insurance) in an amount equal to the full replacement cost of the building (exclusive of foundation and footings).

8. **ASSIGNMENT AND SUBLETTING.**

Tenant may assign this Lease, or sublet the Premises (or any part thereof), without the prior written consent of Landlord, provided that such assignment or subletting shall not relieve Tenant from its primary liability under the Lease and that sub-lessee or assignee shall provide medical related services.

9. **DAMAGE OR DESTRUCTION.**

- 9.1. If the Premises is damaged by fire or other casualty (collectively "Casualty"), the damage shall be immediately repaired by and at the sole expense of Landlord. Until such repairs are made, the Rent shall be abated in proportion to the part of the Premises that are unusable by Tenant as determined by Tenant.
- 9.2. If Landlord cannot complete said repairs within 30 days, then Tenant may, by written notice to Landlord:
- 9.2.1. Terminate this Lease as of the date of the Casualty, it being understood that a total destruction of the Building shall automatically terminate the Lease; or
- 9.2.2. Undertake such repairs on behalf of Landlord and deduct the cost thereof from the next due payment of Rent.

10. **EMINENT DOMAIN.**

If the whole of the Premises or so much thereof as to render the balance unusable by Tenant shall be taken under power of eminent domain, condemnation or by deed in lieu of foreclosure or otherwise, this Lease shall automatically terminate as of the date of such condemnation, together with any and all rights of Tenant existing or hereafter arising in or to the same or any part thereof, provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for: (1) the taking of personal property and trade fixtures belonging to Tenant; and (2) cost of relocation expenses incurred by Tenant. In the event of a partial taking that does not result in a termination of the Lease, the Rent shall be equitably apportioned according to the part of the Premises remaining usable by Tenant.

11. **DEFAULTS.**

- 11.1. The occurrence of any of the following shall constitute an event of default and a breach of this Lease:
- 11.1.1. A failure by Tenant to pay the Rent or to make any other payment required to be made by Tenant within ten (10) days after written demand therefor from Landlord.
- 11.1.2. A failure by Tenant or Landlord to observe and perform any provision of this Lease.
- 11.2. Tenant shall not be in default of any obligation provided for herein, except with reference to the payment of Rent, unless and until Tenant has failed to perform such obligation within 30 days after written notice by Landlord to Tenant of such default; provided that, if such default cannot be cured within

such 30 day period but Tenant commences such cure within such 30 day period and diligently pursues such cure thereafter, the 30 day period shall be extended for such period of time as may be reasonably necessary to complete such cure. In the event Tenant commits an act of default, Landlord may exercise one or more of the remedies described in Article 12.

- 11.3. Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder until it has failed to perform such obligation within 30 days after written notice by Tenant to Landlord specifying such default, unless however, such failure by Landlord renders any portion of the Premises unusable by Tenant in Tenant's sole discretion in which case Tenant may declare Landlord in default and exercise one or more of the remedies described in Articles 5, 9, and 12, in addition to all other rights and remedies at law or in equity whether or not stated in this Lease.

12. REMEDIES.

- 12.1. Upon the occurrence of any event of default by Tenant, Landlord can continue this Lease in full force and effect and shall continue to have the ongoing right to collect Rent when due. Following a default by Tenant and Tenant's opportunity to cure such default, Landlord may re-enter the Premises by legal proceeding only. Landlord shall be responsible for all claims for damages by reason of such re-entry as well as any and all claims for damages by reason of any distress warrants or other proceedings that Landlord may employ to recover said rents. Tenant shall be responsible for all reasonable costs Landlord incurs in re-letting the Premises, including, without limitation, brokers' commissions, expenses of repairing and remodeling the Premises and other reasonable costs incurred by Landlord in connection with such re-letting or otherwise, including attorneys fees.
- 12.2. Upon Landlord's failure to timely cure any Landlord Default, Tenant shall be entitled, but not obligated, to either (i) cure such Default and deduct from the Rent the cost to cure such Default or (ii) terminate this Lease by written notice to Landlord and recover any actual damages incurred by Tenant as a result of the termination of the Lease and Landlord's Default.
- 12.3. Should any of these remedies not be permitted under the law, then such remedy or portion thereof shall be considered invalid and/or unenforceable, and the remaining remedies or portions thereof shall be and remain in full force and effect. Landlord or Tenant may avail itself of those remedies expressly set forth herein as well as any other remedies or damages allowed by law, in equity or otherwise. All rights, options and remedies of Landlord and Tenant stated herein or elsewhere by law or in equity shall be deemed cumulative and not exclusive of one another.

13. **RULES AND REGULATIONS.**

Tenant shall observe and comply substantially with the Rules and Regulations set forth on the final pages of this Lease and made a part hereof, and such other rules and regulations as Landlord may from time to time reasonably adopt for the safety, care and cleanliness of the Premises or the preservation of good order therein, provided such rules and regulations do no result in materially increased cost to Tenant or otherwise conflict with the spirit of the Lease. No such rule shall be intended to deprive Tenant of a substantial right or privilege delineated in the Lease.

14. **END OF TERM.**

14.1. At the termination of this Lease, Tenant shall surrender the Premises to Landlord in good condition and repair (ordinary wear and tear excepted) in as good a condition as provided on the Lease Start Date. If not then in default, Tenant shall have the right prior to said termination to remove any signage, equipment, furniture, trade fixtures or other personal property placed in the Premises by Tenant, provided that Tenant promptly repairs any damage to the Premises caused by such removal.

14.2. If Tenant shall fail to vacate the Premises upon the expiration or sooner termination of this Lease, Tenant shall be a month-to-month Tenant upon the same terms and subject to all laws of the state where the Premises is located. The Rent to be paid by Tenant to Landlord during such continued occupancy shall be the same being paid by Tenant as of the date of expiration or termination.

15. **MECHANIC'S LIENS.** Tenant shall see that all contractors, subcontractors, workman, laborers, suppliers and all others who may by law be permitted by statute or common law to place a mechanic's lien on the Tenant's Leasehold Interest or the property or any part thereof is paid in a timely fashion and that any lien placed on Tenant's Leasehold Interest or the property or any part thereof is paid or removed from the interest or property by Tenant's procurement of a bond within seven (7) days after notice from Landlord. The provisions in the lease agreement shall not create an agency relationship between Landlord and Tenant or constitute consent of the Landlord, or a person having authority from, or rightfully acting for, the Landlord as contemplated or required by Section 29-5-10 of the Code of Laws of South Carolina (1976, as Amended).

16. **SUBORDINATION TO MORTGAGE, ATTORNMENT AND NONDISTURBANCE.** This Lease Agreement and all rights of Tenant under this Lease Agreement shall be subject and subordinate to the lien of any all mortgages that may now or hereafter affect the Leased Premises, or any part of the Leased Premises, and to any and all renewals, modifications, or extensions of any such mortgages. Tenant shall on demand execute, acknowledge, and deliver to Landlord, any and all instruments that may be necessary

or proper to subordinate this Lease Agreement and all rights in this Lease Agreement to the lien of any such mortgage or mortgages. If a lender loaning money and recording a mortgage after the date of this Lease requires this Lease to be subordinate to such mortgage, this Lease shall be subordinate to said mortgage provided Landlord first obtains from the lender a written agreement that provides substantially the following: "As long as Tenant performs its obligations under this Lease, no foreclosure of deed given in lieu of foreclosure of, or sale under the mortgage, and no steps or procedures taken under the mortgage, shall affect Tenant's rights under this Lease." If Landlord's interest is transferred to any person or entity by reason of foreclosure or other proceedings for enforcement of any mortgage, deed of trust or security interest, or by delivery of a deed in lieu of foreclosure or other proceedings, Tenant shall, upon delivery to Tenant by said transferee of a non-disturbance agreement, immediately and automatically attach to such person or entity. In the event of such transfer, this Lease and Tenant's rights hereunder shall continue undisturbed so long as Tenant is not in default beyond any applicable notice and cure periods hereunder.

17. **NOTICES.** Any notice required or permitted to be given hereunder shall be given by (1) personal delivery and shall be deemed given on the date of delivery; (2) registered or certified mail and shall be deemed given the third day following the date of mailing; or (3) guaranteed overnight delivery and shall be deemed given the day following deposit with the overnight delivery company.

17.1. All notices to Landlord shall be addressed to the Landlord at the addresses set forth on the Lease Summary Page.

17.2. All notices to Tenant shall be addressed to the Tenant listed at the addresses set forth on the Lease Summary Page.

18. **LANDLORD'S ACCESS.**

Landlord (and its agents, employees, contractors and representatives) shall, upon reasonable prior notice to Tenant, have the right to enter the Premises upon not less than 48 hour advance written notice to Tenant (or at any time without prior notice in the event of an emergency) for the purposes of inspecting or making repairs to the same and Tenant agrees to make access available to the Premises at all reasonable times to any prospective or existing mortgagees, purchasers or tenants of all or any part of the Premises. Notwithstanding the foregoing, Tenant shall have the right to keep certain portions of the Premises locked for the purpose of protecting patient confidentiality or trade secrets of Tenant.

19. **SIGNAGE.**

Tenant shall have the option of placing signage on the Premises as desired except that neither the placement nor the removal of such signage shall cause permanent damage to the Premises.

20. MISCELLANEOUS PROVISIONS.

- 20.1. Headings. The captions and headings contained in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.
- 20.2. Incorporation of Prior Agreements; Amendments. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. This Lease may not be modified, amended, supplemented or waived except by written agreement of the parties.
- 20.3. Waiver. No waiver by Landlord of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act of Tenant which requires Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved. No act by Landlord or Landlord's agents during the Term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such a surrender shall be valid unless in writing and signed by Landlord. The subsequent acceptance of Rent shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of the Lease, other than the failure of Tenant to pay the particular Rent so accepted.
- 20.4. Quiet Enjoyment. Landlord agrees that Tenant, upon paying the Rent and other charges provided for herein and observing and keeping the covenants and conditions of this Lease, shall lawfully and quietly hold and enjoy the Premises during the Term without interference by Landlord.
- 20.5. Binding Effect. This Lease shall be binding upon, and inure to the benefit of the parties hereto and their respective heirs, successors, assigns, executors and administrators. However, nothing in this Section shall be deemed to amend the provisions of this Lease relating to assignment and subletting.
- 20.6. Compliance with Laws. It is the intention of the parties that the provisions of this Lease shall comply with all applicable federal and state statutes and regulations, including, but not limited to, the Federal Anti-kickback Law and the Federal Physician Self-Referral Law.
- 20.6.1. In the event that (1) changes in state or federal government statutes or regulations or third-party reimbursement policies or the interpretation thereof (collectively, the "Laws") cause any provision of this Lease to be in violation of any of the Laws (or cause the method

of operation or consideration to be adversely affected), or, (2) any federal or state governmental agency or court determines that any provision of this Lease violates any of the Laws, the parties agree to renegotiate the applicable provision or provisions in order to comply with the Laws and to preserve the economic viability of this Lease.

20.6.2. A party shall provide notice of its request for renegotiation pursuant to the preceding Subsection to the other party at any time during the Term. If the parties fail to agree to appropriate revisions to the Lease within 30 days following such notice, then either party may terminate this Lease effective immediately upon the expiration of the 30 days.

20.6.3. Each party agrees to promptly notify the other of any regulatory or other investigation that may lead to a determination that any provision of this Lease violates any of the Laws.

20.6.4. Landlord acknowledges that the Premises may constitute a place of public accommodation or a commercial facility under Title III of the Americans with Disabilities Act ("ADA") and that the ADA is applicable to both an owner and tenant of a place of public accommodation or commercial facility. Landlord represents that the Premises is currently ADA compliant. Landlord acknowledges that, under the ADA, any structural alteration to the Premises must comply with accessibility standards set forth in the rules promulgated by the Department of Justice, 28 C.F.R. 836.101 et seq. In the event Landlord makes any structural alteration to the Premises which would require compliance with Title III of the ADA and the accessibility standards promulgated by the Department of Justice, Landlord agrees to design and build such structural alterations so as to comply with the ADA and the accessibility standards. Landlord hereby agrees to indemnify and hold Tenant harmless from and against any and all liabilities, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and causes of action of any and every kind and nature arising or growing out of or in any way connected with any structural alteration of the Premises by Landlord.

20.6.5. In addition to Section 19.6.4 with respect to the ADA, Landlord warrants and represents that the Premises and the surrounding premises, as of the Lease Start Date, comply in all respects with current applicable Federal, State and Local codes and regulations. If during the Term, any governmental authority requires any portion of the common areas of the Building to be upgraded to meet revised regulations, such upgrade will be at Landlord's sole expense.

- 20.7. **Access to Records.** Subject to the legality and applicability of Section 952 of the Omnibus Reconciliation Act of 1980 and implementing regulations, the parties agree to, until the expiration of four years after the furnishing of the services provided under this Lease, make available to the Secretary, U.S. Department of Health and Human Services, the U.S. Comptroller General, and their representatives, this Lease and all books, documents and records necessary to certify the nature and extent of the costs of the services rendered under this Lease. If the duties of this Agreement are carried out through a subcontract worth \$10,000 or more over a 12-month period with a related organization, the subcontract will also contain an access provision to permit access by the Secretary, Comptroller General and their representatives to the related organization's books and records. This provision applies regardless of whether the party is designated elsewhere in this Lease as a contractor, subcontractor, vendor, and seller, landlord, tenant or otherwise.
- 20.8. **Other Expenses.** Any and all expenses not reserved herein to Tenant shall be the sole and absolute responsibility of Landlord and Landlord shall have no right to demand payment thereof by Tenant.
- 20.9. **Landlord Equipment and Furnishings.** Certain equipment and furnishings to be designated by Landlord prior to occupancy by the Tenant shall remain on the Premises with the understanding that Landlord shall remove such equipment and furnishings after Tenant's business hours by no later than Midnight, January 15, 2012. Effective 12:01 a.m., January 16, 2012 all such equipment and furnishings left behind by Landlord shall become the property of the Tenant.
- 20.10. **Indemnity.** Except for claims, rights of recovery and causes of action covered by the waiver of subrogation or waived as provided below, Landlord shall indemnify and hold harmless Tenant and its agents, directors, officers, shareholders, partners, members, employees and invitees, from all claims, losses, costs, damages, or expenses (including reasonable attorneys' fees) in connection with any injury to, including death of, any person or damage to any property arising, wholly or in part, out of any action, omission, or neglect of Landlord or its directors, officers, shareholders, members, partners, employees, agents, invitees, or guests, or any parties contracting with such party relating to the Premises. If Tenant shall without fault on its part, be made a party to any action commenced by or against Landlord, Landlord shall protect and hold Tenant harmless and shall pay all costs, expenses, including reasonable attorneys' fees in connection therewith.

Except for claims, rights of recovery and causes of action covered by the waiver of subrogation or waived as provided below, Tenant shall indemnify and hold harmless Landlord and its agents, directors, officers, shareholders,

partners, members, employees and invitees, from all claims, losses, costs, damages, or expenses (including reasonable attorneys' fees) in connection with any injury to, including death of, any person or damage to any property arising, wholly or in part, out of any action, omission, or neglect of Tenant or its directors, officers, shareholders, members, partners, employees, agents, invitees, or guests, or any parties contracting with such party relating to the Premises. If Landlord shall without fault on its part, be made a party to any action commenced by or against Tenant, Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses, including reasonable attorneys' fees in connection therewith.

IN WITNESS WHEREOF, the parties have duly executed this Lease effective as of the day and year first above written.

SOENT Land Holdings, LLC

Signature

By: Robert Puchalski, M.D.
Printed Name

Manager
Title

Tenant

Signature

By: Tim Browne
Printed Name

Chief Executive Officer
Title

RULES AND REGULATIONS

1. Conduct

Tenant shall not conduct its practice or business, or advertise such business, profession or activities of Tenant conducted in the Premises in any manner that violates local, state or federal laws or regulations.

2. Nuisances

Tenant shall not make or permit any noise, odor or act that is objectionable to other occupants of the Building to emanate from the Premises, and shall not create or maintain a nuisance thereon.

3. Locks

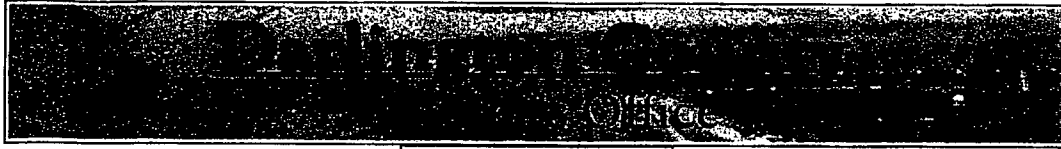
No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof unless reasonably required to protect patient confidentiality or trade-secrets of Tenant. Tenant must upon the termination of its tenancy return to Landlord all keys to the Premises and toilet rooms either furnished to or otherwise procured by Tenant, and in the event of loss of any keys so furnished, Tenant shall pay to Landlord the cost thereof.

4. Wiring

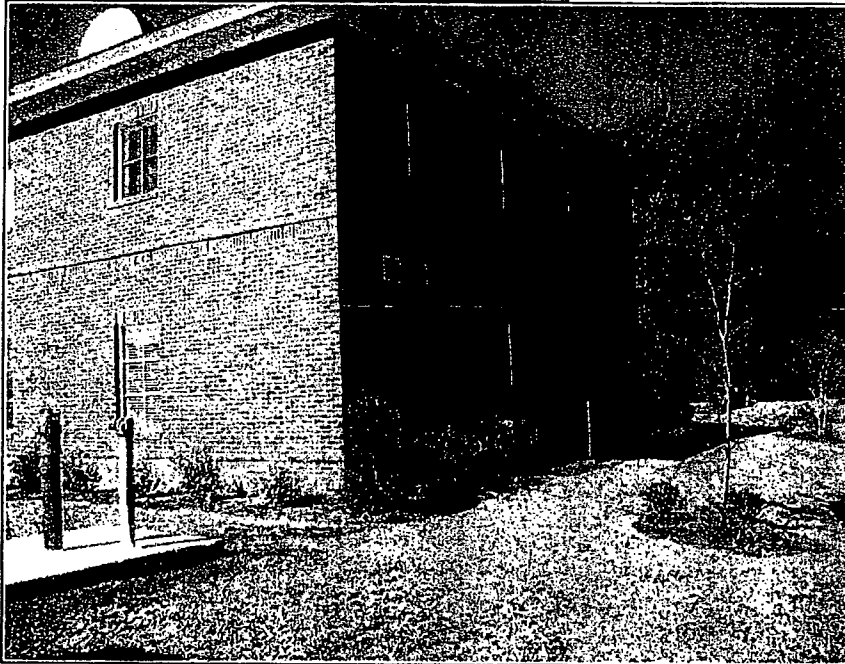
Electrical wiring of every kind shall be introduced and connected only as directed by Landlord, and no boring or cutting of wires will be allowed except with the consent of Landlord as part of Tenant's alterations, if any.

5. Equipment Defects

Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.



Photograph 2 for Parcel: 036-00-01-096



[Previous Photo](#) | [Next Photo](#)

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http://qpublic5.qpublic.net/sc_photo.php?county=sc_darlington&parcel=036-00-01-096&st... 4/3/2012

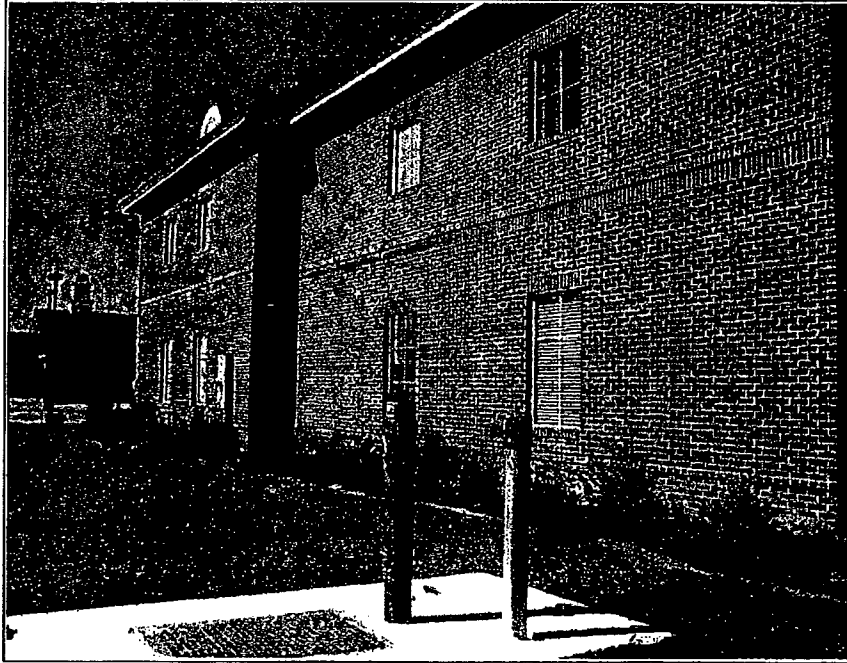
McCALL 187

2905

Plaintiffs' Ex 0102.040

Darlington County Tax Assessor's Office

Photograph 3 for Parcel: 036-00-01-096



[Previous Photo](#)

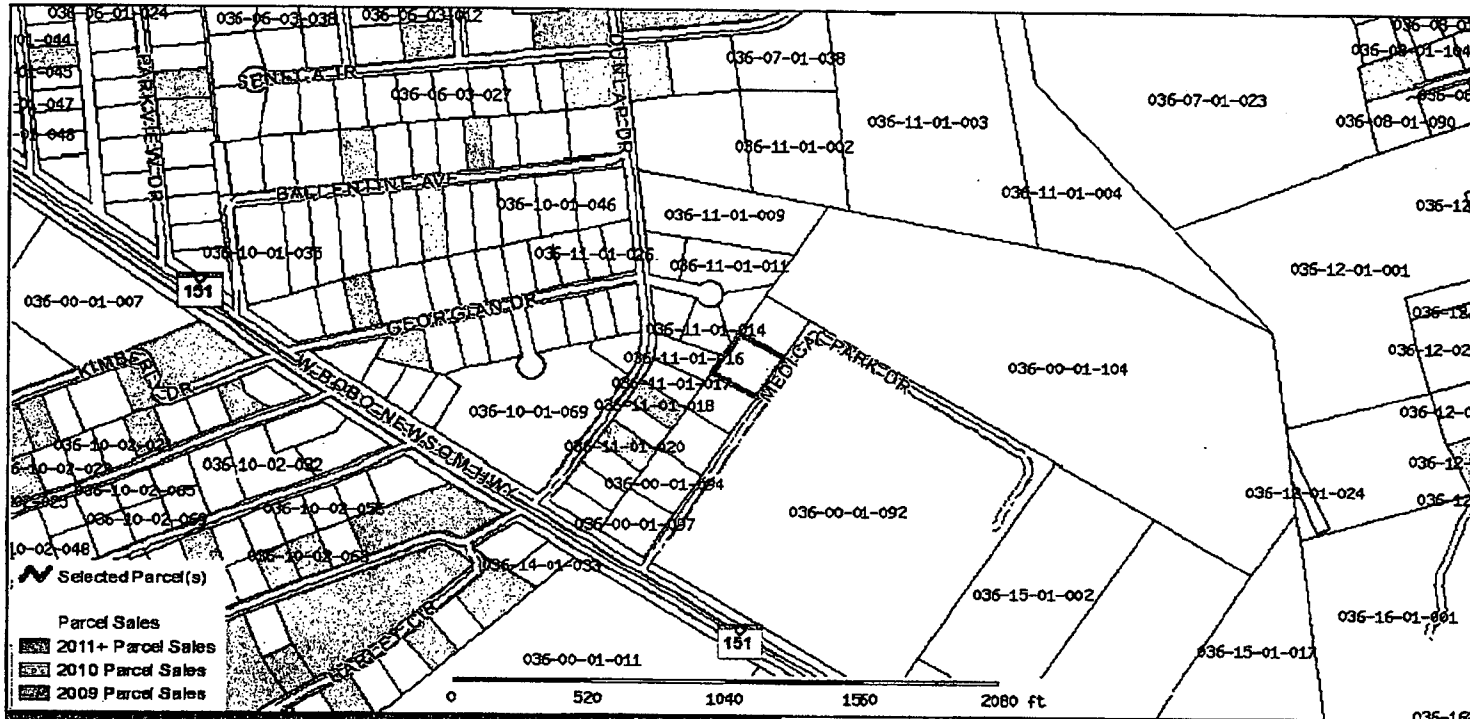
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McCALL 188

2906

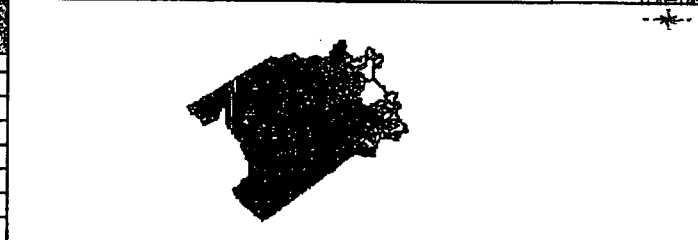
Plaintiffs' Ex 0102.041



Darlington County Assessor

Parcel: 036-00-01-096 Acres: 0

Name:	SCENT LAND HOLDINGS LLC	Land Value:	\$35,000.00
Site:		Building Value:	\$740,000.00
Sale:	\$35 on 10-2008 Vacant= Qual=U	Misc Value:	\$0.00
	1165 HWY 1 SOUTH STE 300	Just Value:	\$0.00
	LUGOFF SC	Assessed Value:	\$0.00
	29078	Exempt Value:	\$0.00
		Taxable Value:	\$775,000.00



The Darlington County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. PLEASE NOTE THAT THE PROPERTY APPRAISER MAPS ARE FOR ASSESSMENT PURPOSES ONLY NEITHER DARLINGTON COUNTY NOR ITS EMPLOYEES ASSUME RESPONSIBILITY FOR ERRORS OR OMISSIONS—THIS IS NOT A SURVEY—
Date printed: 04/03/12 : 15:12:15

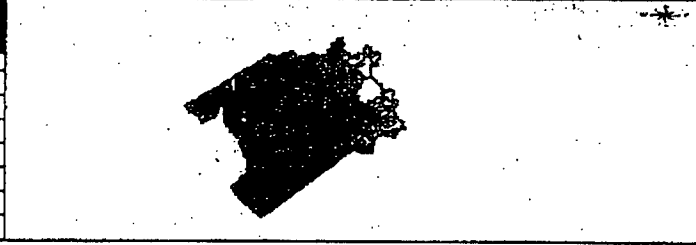


Selected Parcel(s)

0 520 1040 1560 2080 ft

Darlington County Assessor

Parcel: 038-00-01-096 Acres: 0	
Name:	SCENT LAND HOLDINGS LLC
Site:	
Call:	\$55 on 10-2008 Vacant - Qual=U
	1185 HWY 1 SOUTH STE 300
Mail:	LUGOFF SC
	29078
Land Value:	\$35,000.00
Building Value:	\$740,000.00
Misc Value:	\$0.00
Just Value:	\$0.00
Assessed Value:	\$0.00
Exempt Value:	\$0.00
Taxable Value:	\$775,000.00



The Darlington County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein. Its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. PLEASE NOTE THAT THE PROPERTY APPRAISER MAPS ARE FOR ASSESSMENT PURPOSES ONLY NEITHER DARLINGTON COUNTY NOR ITS EMPLOYEES ASSUME RESPONSIBILITY FOR ERRORS OR OMISSIONS --THIS IS NOT A SURVEY--
Date printed: 04/03/12 : 15:12:51

Doc ID: 0611770804 Type: DEE
 Recorded: 10/13/2008 at 12:17:18 PM
 Fee Amt: \$10.00 Page 1 of 4
 Darlington County, SC
 Scott S. Suggs Clerk of Court
 BK 1054 pg 7472-7475

021428-SRS-JGJ

STATE OF SOUTH CAROLINA)
) TITLE TO REAL ESTATE
 COUNTY OF DARLINGTON)

KNOW ALL MEN BY THESE PRESENTS, That I, Amy L. Puchalski, in the State aforesaid, for and in consideration of the sum of Five and 00/100 (\$5.00) Dollars and conveyance to an LLC of which I am a Member, in the State aforesaid have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said SCENT Land Holdings, LLC, its successors and assigns:

All that certain piece, parcel or lot of land, situate, lying and being West of the City of Hartsville, County of Darlington, State of South Carolina, and being shown as Lot No. 5, containing eighty-eight one-hundredths (0.88) acres, more or less, as shown on a plat by J. Henry Walker, III, PLS, dated October 8, 1998, and recorded in the Office of the Clerk of Court for Darlington County, South Carolina, in Plat Book 178, at page 3, and also as shown on a plat prepared by Douglas K. Reimold, RLS, dated December 10, 1998, and recorded in Plat Book 179, at page 119, and shown on a plat prepared by Douglas K. Reimold, RLS, dated February 15, 1999, and recorded in Plat Book 178, at page 3, and; the said lot measuring and being bounded as follows: NORTHEAST by Lot No. 6, as shown on the above referenced Walker plat, for a distance of 200.46 feet, more or less; SOUTHEAST by a 15 foot access/utility easement located on lands of Hartsville HMA, Inc. separating the subject lot from a private drive as shown on the above referenced Reimold plats, and as shown on the above referenced Walker plat, for a distance of 190.00 feet, more or less; SOUTHWEST by Lot No. 4, as shown on the above referenced Walker plat, for a distance of 201.00 feet, more or less; and, NORTHWEST in part by Lot No. 18 of Georgian Estates, as shown on the above referenced Walker plat, and in part by Lot No. 20 of Georgian Estates, as shown on the above referenced Walker, for a total of 190.00 feet, more or less.

SAVAGE, ROYALL & SHERIDAN, L.L.P.
 1111 CROUCH STREET
 CAMDEN, S.C. 29202
 \\\\SCENT\LLP.LLC\SCENT Land Holdings-022840\Deed to SCENT.wpd

This being the same property conveyed to Amy L. Puchalski by deed of Leroy F. Robinson and Scott H. Daniel Dated December 23, 2005, and recorded in the office of the Clerk of Court for Darlington County in Book D1041, at page 9132 on January 11, 2006.

TOGETHER WITH AND SUBJECT TO the appurtenant right of ingress and egress (which runs with the land) over that certain driveway/road from S.C. Highway 151, which is shown as a private drive and is "shaded" on a plat prepared by Heller & Associates, dated 2/15/99 and together with an subject to the appurtenant right of ingress and egress over that certain fifteen (15) foot access/utility strip of land which runs from the said private drive to Lot 6 as shown on a plat prepared by Heller & Associates, Inc. Dated 2/15/99 and which grant of both easements was made by Hartsville HMA, Inc. To Wade H. Hicks, III, Lee S. Hicks, James Miley Hicks, and Jane B. Hicks, their heirs, successors and assigns as is reflected on an easement, dated 5/12/99 and recorded in the Office of the Clerk of Court for Darlington County in Deed Book D240, page 57.

Subject to those Restrictive Covenants dated 6/20/97 and recorded in the office of the Clerk of Court for Darlington County in Deed Book D-168, page 136.

Subject to that certain seven and one-half (7.5) foot utility easement along the Southwestern and Northwestern boundaries as shown on the above referenced Walker plat and that certain 15 foot utility easement as shown on the Southeastern and Northwestern boundaries as shown on the above referenced Walker plat, which has been reserved unto Wade H. Hicks, III, Lee S. Hicks, James Miley Hicks and Jane B. Hicks, for utility purposes.

TMS# 036-00-01-096

Grantee's Address:

1165 Highway 1, South, Ste. 300
Lugoff, SC 29078

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

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the said SCENT Land Holdings, LLC, its successors and assigns, forever.

And I do hereby bind myself and my heirs, executors and administrators, to warrant and forever defend all and singular the said premises unto the said SCENT Land Holdings, LLC, its successors and assigns, against me and my heirs and against every person whomsoever lawfully claiming or to claim, the same or any part thereof.

SAVAGE, ROYALL
& BREWER LLP
1111 CHURCH STREET
CAMDEN, S.C. 29202

\\COCXLLP.LLC\SCENT Land Holdings-022849\Deed to SCENT.wpd

WITNESS my Hand and Seal this 30th day of September in the year of our Lord two thousand eight and in the two hundred and thirty-third year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

[Signature]
witness sign

[Signature]
Amy L. Puchalski

[Signature]
notary sign

STATE OF SOUTH CAROLINA)
COUNTY OF KERSHAW) ACKNOWLEDGMENT

I, Daisy K. Rhodes, Notary Public for the State of South Carolina, do hereby certify that Amy L. Puchalski personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn to before me this 30th day of September, 2008.

[Signature]
Notary Public for South Carolina
My Commission Expires: 4-1-14

THIS PROPERTY DESIGNATED ON RECORD AS
DIST. 33-1 MAP 236 SECT. 02 BLK. 01 PARCEL 096
DIST. 000 SECT. 000 BLK. 000 PARCEL 000
DIST. 000 SECT. 000 BLK. 000 PARCEL 000
D.O.I. 9-30-08 SPLIT FROM: 000
RECEIVED 10-13-08 TIME 00:00 OFF. 000
KYLE JOHNSON ASSESSOR: COUNTY OF DARLINGTON

SAVAGE, ROYALL
& SIKEREN LLP
111 CHURCH STREET
CAMDEN, S.C. 29020

\\SCENT\XLLP\LLCS\SCENT Land Holdings-022840\Deed to SCENT.wpd

STATE OF SOUTH CAROLINA)
COUNTY OF DARLINGTON)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred bearing Darlington County Tax Map Number 036-00-01-096, was transferred by Amy L. Puchalski, to SCENT Land Holdings, LLC on September 30 2008.
3. Check one of the following: The deed is
 - (a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) exempt from the deed recording fee because (See information section of Affidavit): 12-24-08(B)-conveyance to LLC for no consideration other than membership interest (if exempt, please skip items 4-7 and go to item 8 of this affidavit.)
4. Check one of the following if either item 3(a) or 3(b) above has been checked (See Information section of this affidavit.)
 - (a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ _____
 - (b) The fee is computed on the fair market value of the realty which is _____
 - (c) The fee is computed on the fair market value of the realty as established for property tax purposes which is _____
5. Check Yes or No to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes", the amount of the outstanding balance of this lien or encumbrance is _____.
6. The deed recording fee is computed as follows:

(a) Place the amount listed in item 4 above here:	\$ _____
(b) Place the amount listed in item 5 above here:	\$ <u>-0-</u>
(c) Subtract Line 6(b) from Line 6(a) and place result here:	\$ _____

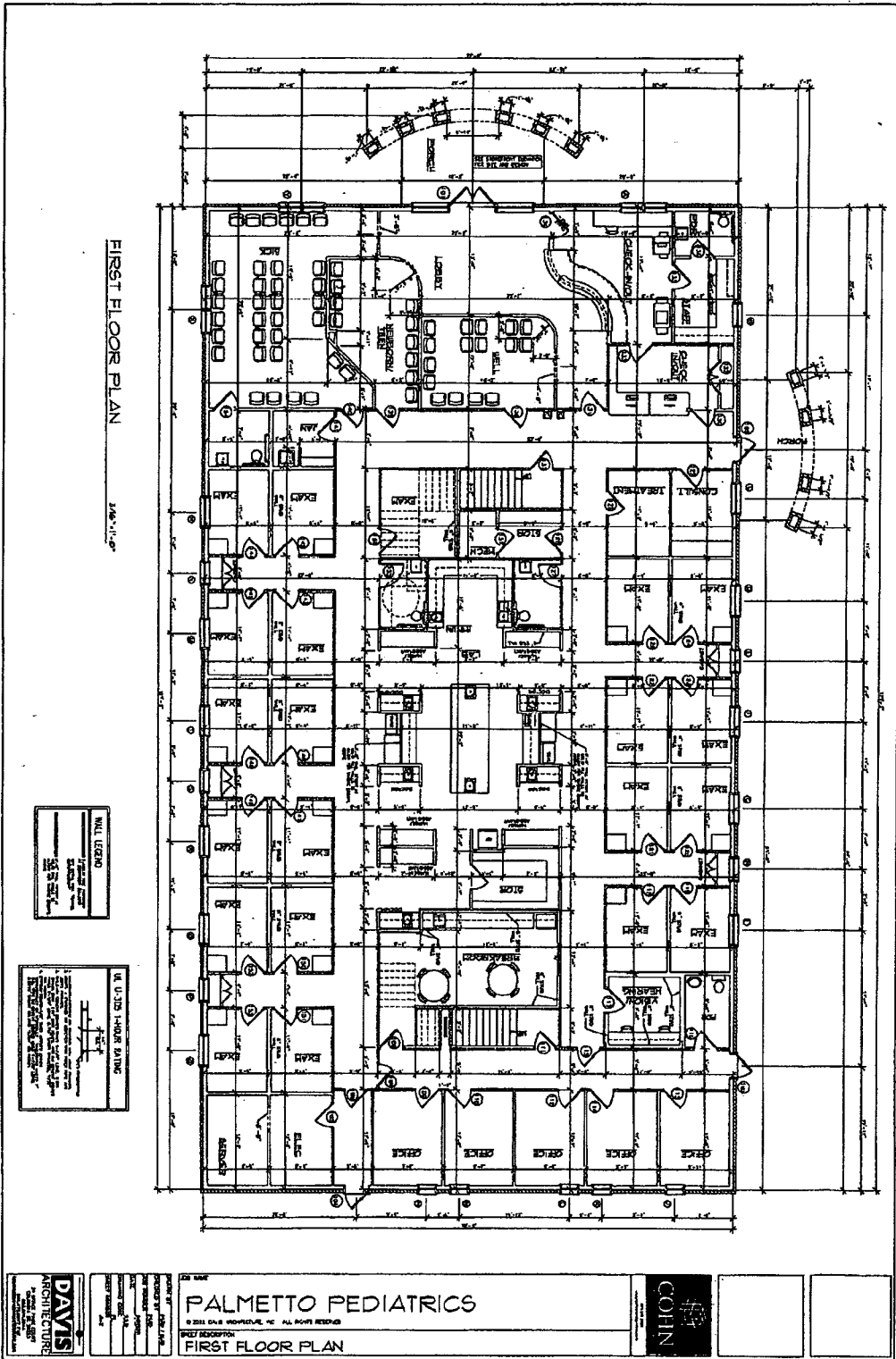
7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is \$ -0-

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: attorney for Grantee

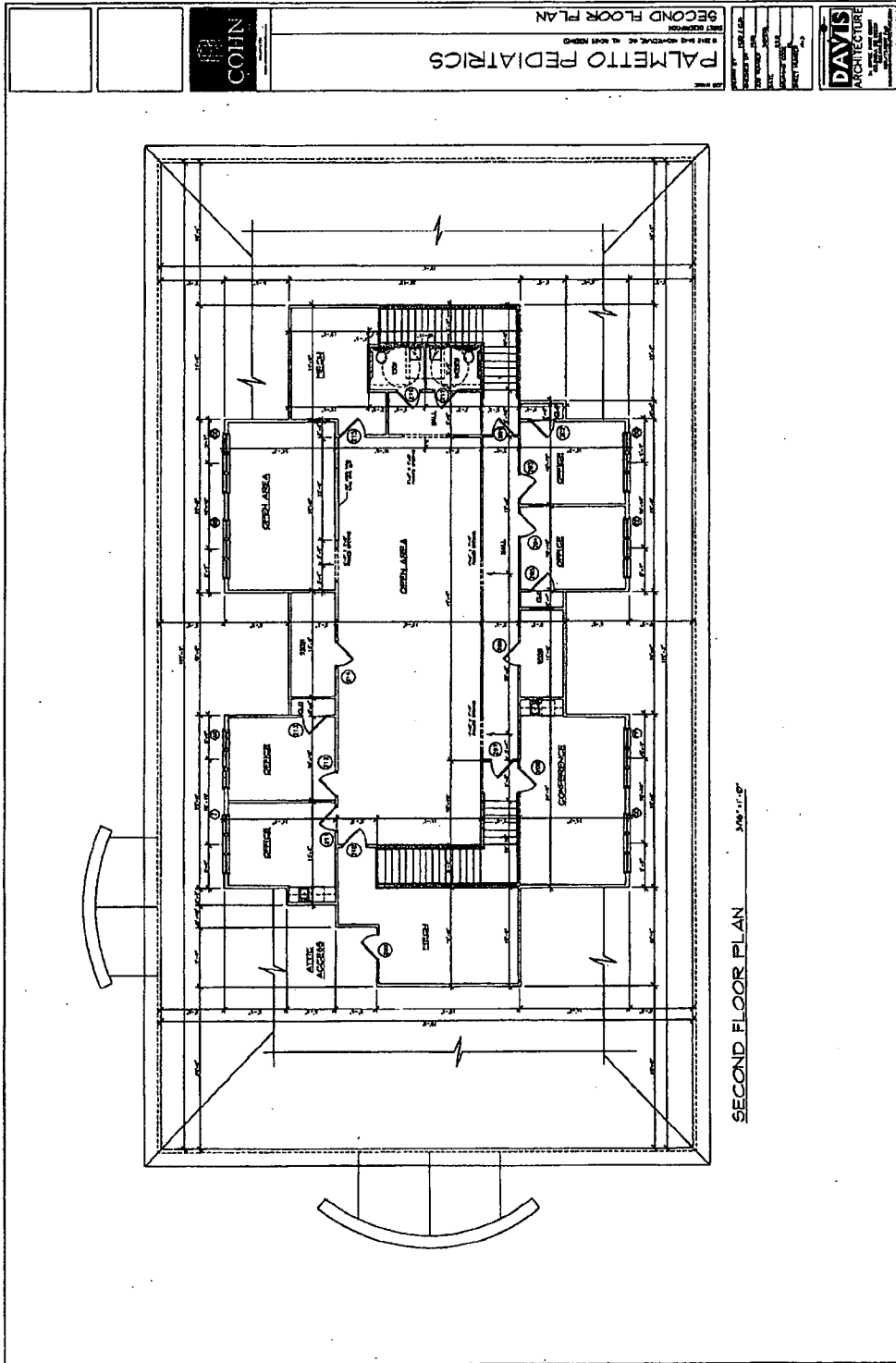
9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

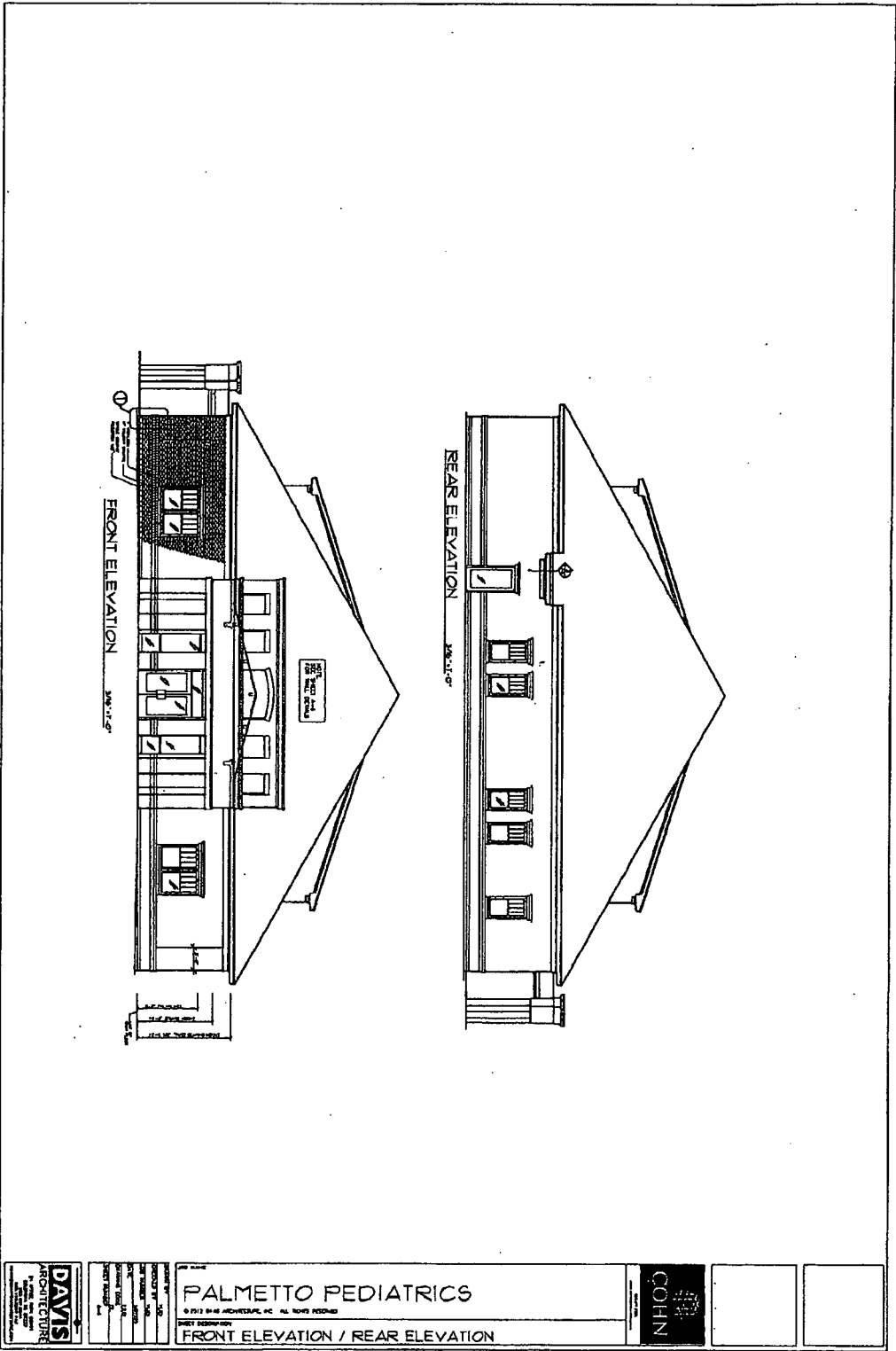
SWORN to before me this 30th
day of September, 2008.
[Signature]
Notary Public for S.C.
My Commission Expires: 4-1-14

[Signature]
William B. Cox, Jr.

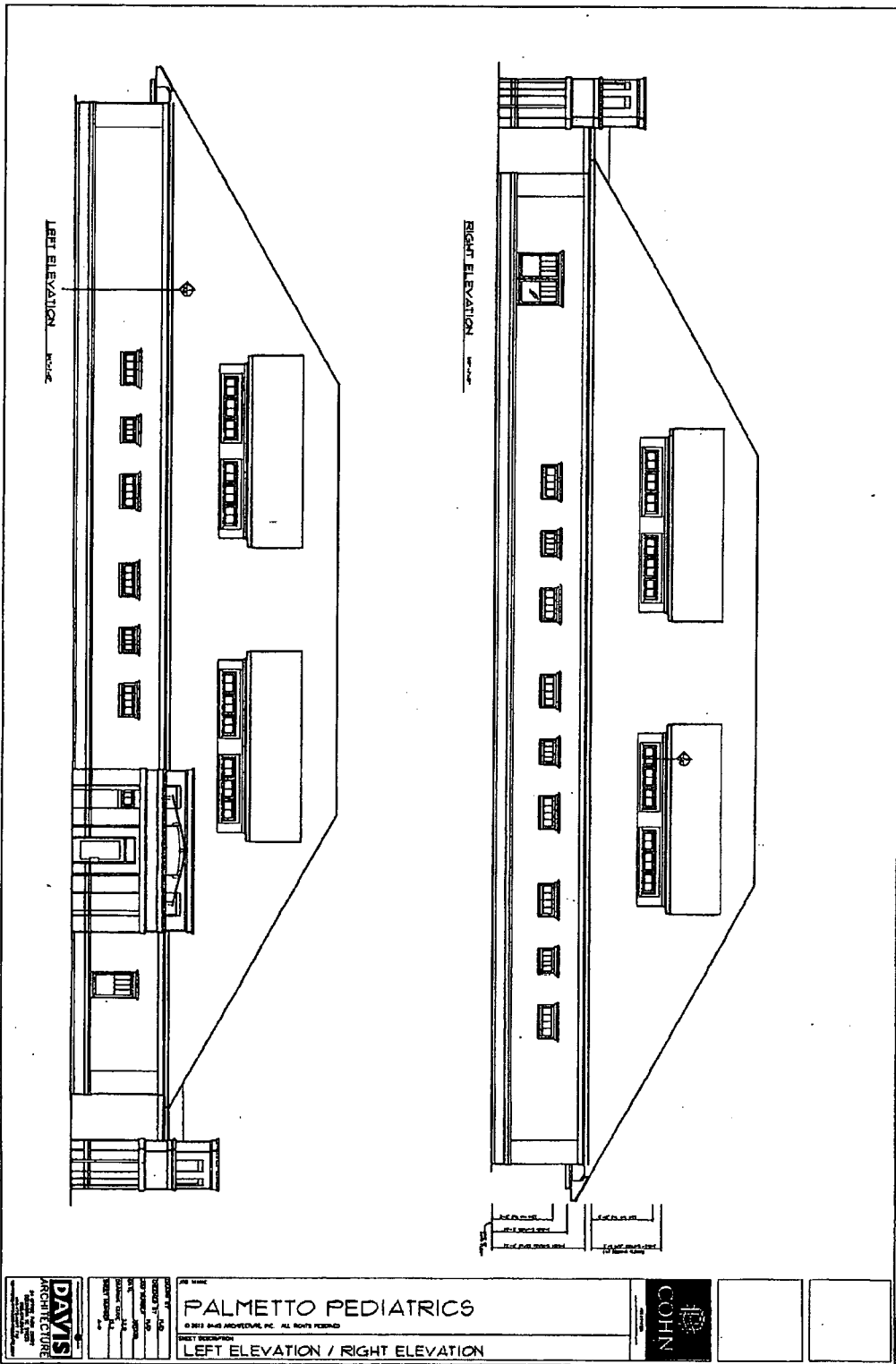


McCALL 196





McCALL 198



McCALL 199

EXECUTIVE SUMMARY

12-171
Subject Property: 46,174 S.F. of Land
145 Park Central
City of Columbia
Richland County, South Carolina

Tax Map Number: R09115-01-05

Date of Value: May 9, 2010

Date of Inspection: April 5, 2012

Date of Appraisal Report:

Owner of Record: SCENT Land Holdings, LLC

Value Reported: Market Value (Retrospective to May 9, 2010)

Property Rights: Fee Simple Interest

Site Information: Irregular shaped parcel containing approximately 46,174 S.F., or 1.06 acres of land.

Improvements: Vacant land

Flood Zoning District:

Census Tract:

Zoning: C-3, General Commercial, City of Columbia

Highest and Best Use: Medical development

Retrospective Market Value: \$ 380,000 (as of May 9, 2010)

Estimated Marketing Period: Within Twelve Months

Estimated Exposure Time: Within Twelve Months

CERTIFICATION OF THE APPRAISER

The undersigned certifies that to the best of his knowledge and belief:

The Retrospective Market Value of the Fee Simple Interest in the following real property has been estimated, as of **May 9, 2010**.

46,174 S.F. of Land
145 Park Central
City of Columbia
Richland County, South Carolina
Tax Map Number: R09115-01-05

The property was inspected by Curtis S. McCall, Jr., MAI, CRE, on April 5, 2012 with **May 9, 2010** being the effective date of value.

I have not performed an appraisal related service regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Neither C.S. McCall & Co., LLC, nor the signatory of this Certification, has any present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

The reported analyses, opinions and conclusions are limited only by the reported special and General Assumptions and General Limiting Conditions set forth in this report, and are my personal unbiased professional analyses, opinions and conclusions.

To the best of the appraiser's knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct. No one, other than the signatory of this Certification, prepared the analyses, opinions and conclusions concerning the real estate set forth in this report.

No one else provided significant professional assistance to the person signing this Certification.

To the best of the appraiser's knowledge and belief, the reported analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and to the Code of Professional Ethics and Standards of Professional Appraisal Practice of The Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, Curtis S. McCall, Jr., CRE, MAI, have completed the continuing education program of the Appraisal Institute.

The compensation for this appraisal is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

C. S. MCCALL & CO., LLC

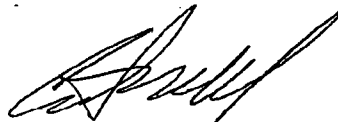
The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

Based on my investigation, analysis and conclusions, an opinion has been formed that the Retrospective Market Value of the fee simple interest in the subject property, subject to the General Assumptions and General Limiting Conditions set forth herein, as of May 9, 2010, is:

Market Value (Retrospective to May 9, 2010):

THREE HUNDRED EIGHT THOUSAND DOLLARS

\$380,000



Curtis S. McCall, Jr., CRE, MAI
State Certified General Real Estate Appraiser
South Carolina Certificate No. CG 305
North Carolina Certificate No. A4426
Georgia Certificate No. CG005428

GENERAL ASSUMPTIONS

This appraisal report has been made with, and is subject to, the following General Assumptions:

- That title to the property is assumed to be good and marketable unless otherwise stated. No responsibility is assumed for the legal descriptions or for any legal matter.
- That the definition of value together with other definitions and assumptions on which our analyses are based is set forth in appropriate sections of this report and is a part of these General Assumptions as if included here in their entirety.
- That title to the property is assumed to be marketable. The property is considered to be under responsible ownership and management and free of all liens and encumbrances except as specifically discussed herein.
- That the facts, estimates and opinions furnished the appraisers by others and contained in this report are considered to be from reliable sources and where feasible have been verified. Any information obtained from private professionals or government documents or agencies is assumed to be correct. However, no responsibility is assumed for the accuracy of the information. We reserve the right to modify the value estimates should more reliable or accurate information become available subsequent to delivery of this report.
- All engineering and/or surveys are assumed to be correct. The sketches, plot plans and drawings included in the report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or other unapparent conditions in the soil, sub-soil, structures or property which would render them more or less valuable. The appraisers specifically accept no responsibility for damage by termites, wood borers or any other wood infesting insects. No responsibility is assumed for such conditions or for engineering or inspection which would be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially dangerous or hazardous materials, gases or toxic substances may affect the value of the property and in this appraisal the value estimate is predicated on the assumption that there is no such element on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
- Good structural and mechanical conditions are assumed to exist, and no opinion as to these matters is to be inferred or construed from the attached report.
- It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been

complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

- It is assumed that all required licenses, certificates of occupancy, legislated or administrative consents from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described herein and that there is no encroachment or trespass unless noted within the report.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about conditions external to the property such as market conditions or trends, or the integrity of data used in an analysis" (USPAP).

- It is assumed that there have been no significant changes to the property between the effective date of appraisal and the date of inspection.

GENERAL LIMITING CONDITIONS

This appraisal report has been made with, and is subject to, the following General Limiting Conditions:

- The liability of C. S. McCall & Co., LLC, its employees and independent contractors is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. Further, notwithstanding, anything herein to the contrary, the client will forever indemnify and hold C. S. McCall & Co., LLC, and its officers and employees harmless from any claims by third party related in any way to the appraisal or study which is the subject hereof. Third parties shall include limited partners of client if client is a partnership and stock holders of client, if client is a corporation, and all lenders, tenants, past owners, successors, assigns, transferees and spouse of client. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally.
- The appraisers, by reason of this appraisal report, are not required to give further consultation, testimony or to be in attendance in court or at any governmental or other hearing with reference to the property without prior arrangements.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separated allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.
- Use and disclosure of the contents of this report are governed by the bylaws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI or SRA designations) shall be disseminated to the general public through advertising or sales media, public relations media, news media, or other public means of communication without the prior written consent and approval of the appraiser(s).
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
- The party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report.

C. S. MCCALL & CO., LLC

- Additional copies of this appraisal may be obtained for an appropriate fee only with the knowledge and consent of the client.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "that which is contrary to what exists, but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis" (USPAP).

- There are no hypothetical conditions.

TAX MAP OF SUBJECT PROPERTY

McCALL 29

C. S. MCCALL & CO., LLC

McCALL 30

C. S. MCCALL & CO., LLC

AERIAL

McCALL 31

IDENTIFICATION

PURPOSE AND DATE OF APPRAISAL

The purpose of the appraisal is to estimate the Retrospective Market Value of the subject property. The property was inspected on April 5, 2012; however, the effective date of value is May 9, 2010. Therefore, the appraisal is based upon market data and economic factors available through that date. A definition of Market Value, as used above, may be found on the following page.

INTENDED USE OF THE APPRAISAL

The Intended Use of the appraisal is for the client's internal use, including but not limited to, providing a value to client for potential litigation support. The intended user of this report is Ms. Jana Baker, and/or her designees.

Should a copy of this report be provided to a third party by the client, that party does not become a recognized client by the appraiser, without written agreement in advance, nor does that third party have any rights of the client.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the Fee Simple Interest, which is defined as "*absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat*".¹

1 Dictionary of Real Estate Appraisal, 5th Edition 2010, page 78.

MARKET VALUE DEFINITION

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- A. Buyer and Seller are typically motivated;
- B. Both parties are well informed or well advised, and each acting in what they consider their own best interests;
- C. A reasonable time is allowed for exposure in the open market;
- D. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
- E. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale".²

² Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), [Pub. L. No. 101-73, 103 Stat. 183(1989)], 12 U.S.C. 3310, 3331-3351, and section 5(b) of the Bank Holding Company Act, 12 U.S.C. 1844(b); Part 225, Subpart G: Appraisals; Paragraph 225.62 (f).

Comparable Land Sales Analysis

	Subject				
	Subject	Sale No. L-1	Sale No. L-2	Sale No. L-3	Sale No. L-4
Tax Map No.	09115-01-05	09115-01-06	09115-01-07	09115-01-05	09115-01-16
Location:	145 Park Central Columbia	165 Park Central Columbia	175 Park Central Columbia	145 Park Central Columbia	140 Park Central Columbia
County:	Richland	Richland	Richland	Richland	Richland
Date of Sale:		3/30/2007	6/5/2007	11/1/2007	7/24/2010
Sale Price:		\$382,500	\$442,153	\$447,132	\$441,020
Financing:		Market	Market	Market	Market
Conditions of Sale:		\$0	\$0	\$0	\$0
Normal Sale Price:		\$382,500	\$442,153	\$447,132	\$441,020
Size (Ac):	1.06	0.92	1.04	1.06	1.23
Size (SF):	46,174	40,075	45,302	46,174	53,579
Sale Price (SF):		\$9.54	\$9.76	\$9.68	\$8.23
Mkt Adjustment @:	-5.0%	-15%	-15%	-13%	0%
Mkt Adj. SP (SF):		\$8.07	\$8.34	\$8.47	\$8.23
ADJUSTMENTS:					
Location		0%	0%	0%	0%
Utility		0%	0%	0%	0%
Size		0%	0%	0%	0%
Net Adjustment:		0%	0%	0%	0%
Indicated Value Range (SF):		\$8.07	\$8.34	\$8.47	\$8.23
Average \$		8.28	8.25		
Median \$		8.28			
as of		5/9/2010	380,936	380,000	



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[Previous Property](#) | [Next Property](#)

175 Park Central Dr
Columbia, SC 29203

Submarket: **North Columbia County: Richland**

For more information, contact:

Nick Stomski (803) 744-9859



Primary Photo



Map This Property

Investment Summary

Price: **\$340,000**
Price/Acre: **\$326,923**
Price/SF: **\$7.51**
Cross Street: -
Lot Dimensions: -

Property Type: **Land**
Parcel Size Acres: **1.04 AC**
Parcel Size SF: **45,302 SF**
Proposed Use: **Commercial**
Utilities to Site: -

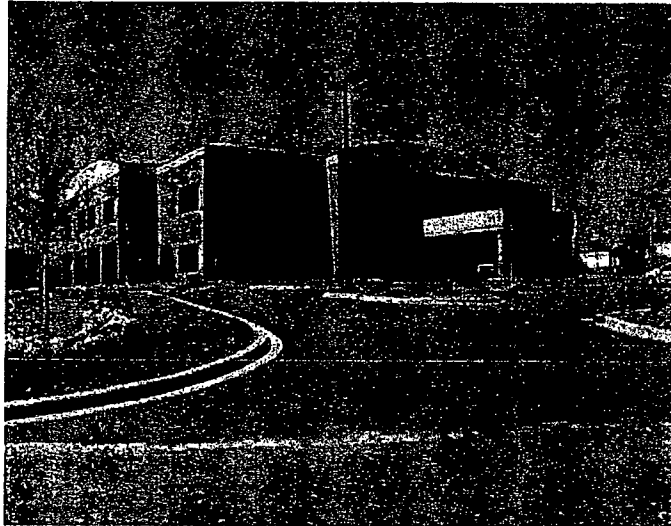
For More Information Contact

Nick Stomski
NAI Avant
1901 Main St, Suite 200
Columbia, SC 29201
(803) 744-9859 (phone)
(fax)

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LAND SALE NO. 6



TAX ID	09115-01-04
LOCATION	121 Park Central Drive Park Central Office Park Columbia, Richland Countv. SC 29203
GRANTOR	Avant Park Central, LLC
GRANTEE	CNA Development, LLC
SALE DATE	August 10, 2006
SALE PRICE	\$1,110,780
DEED BOOK/PAGE	1216 / 3399
LAND SIZE (ACRES)	3.000
LAND SIZE (SF)	130,680
SALE PRICE/ACRE	\$370,260
SALE PRICE/SF	\$8.50
ZONING	M-1 Light Industrial
UTILITIES	All Available
FINANCING	Cash to Seller
VERIFICATION	Public Records
RECORD ID	7018

COMMENTS

This is the sale of a 3.0 acre lot located in the new Park Central Office Park. This development is located on the south side of Sunset Drive in close proximity to the Palmetto Richland Hospital Campus. The site has been improved with a two-story medical office building occupied by Columbia Nephrology Associates.

MARSHALL DODDS COMPANY, INC.

McCALL 36

LAND SALE NO. 4



TAX ID	09115-01-07
LOCATION	175 Park Central Drive Park Central Medical Office Park Columbia, Richland County, SC 29203
GRANTOR	Avant-Park Central, LLC
GRANTEE	Pirate Real Estate & Development, LLC
SALE DATE	June 05, 2007
SALE PRICE	\$442,153
DEED BOOK/PAGE	1321/1675
LAND SIZE (ACRES)	1.040
LAND SIZE (SF)	45,302.4
SALE PRICE/ACRE	\$425,147
SALE PRICE/SF	\$9.76
ZONING	C-3 General Commercial
UTILITIES	All Available
FINANCING	Cash to Seller
VERIFICATION	Public Records
RECORD ID	7293

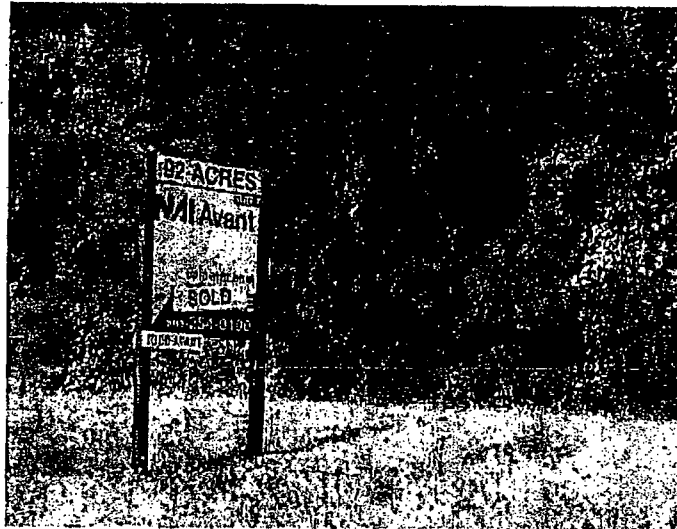
COMMENTS

This is the sale of Lot #7 in Park Central, which is a 24 (plus-minus) acre, master-planned medical/office park strategically located in proximity to Palmetto Richland Campus and Columbia's Central Business District. Approximately 16.31 acres have been subdivided into ten individual lots. The remainder of the property has been reserved as green space consisting of mature hardwoods adding to the park-like feel. This site will most likely be improved with a medical office building. -

MARSHALL DODDS COMPANY, INC.

McCALL 37

Foreclosed 2012.
LAND SALE NO. 5



TAX ID	09115-01-06
LOCATION	165 Park Central Drive Park Central Medical Office Park Columbia, Richland County, SC 29023
GRANTOR	Avant - Park Central, LLC
GRANTEE	Sunset Pace, LLC
SALE DATE	March 30, 2007
SALE PRICE	\$382,500
DEED BOOK/PAGE	1297 / 3376
LAND SIZE (ACRES)	0.920
LAND SIZE (SF)	40,075.2
SALE PRICE/ACRE	\$415,761
SALE PRICE/SF	\$9.54
ZONING	M-1 Light Industrial
UTILITIES	All Available
FINANCING	Cash to Seller
VERIFICATION	Public Records
RECORD ID	7649

COMMENTS

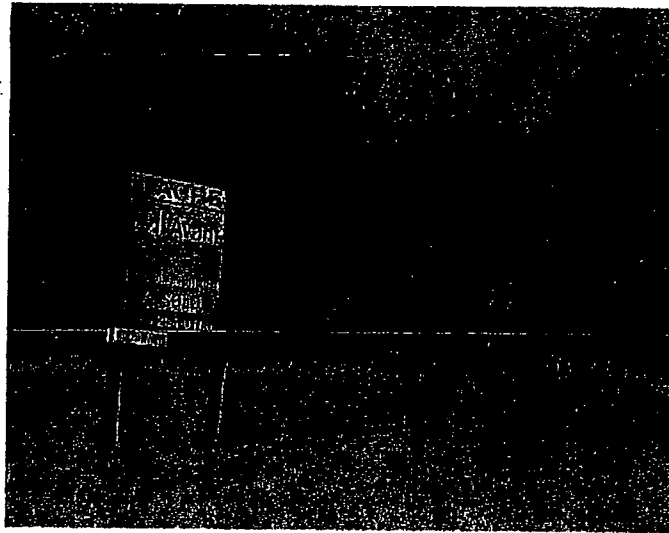
This is the sale of Lot #6 in the Park Central Medical Office Park, which is located on the south side of Sunset Drive in close proximity to the Palmetto Health Richland Campus. The overall park contains approximately 24 acres and has been divided into eight lots. It is likely that this lot will be improved with a medical office building.

MARSHALL DODDS COMPANY, INC.

McCALL 38

Care.

LAND SALE NO. 3



TAX ID	09115-01-05
LOCATION	145 Park Central Drive Park Central Medical Office Park Columbia, Richland County, SC 29203
GRANTOR	Avant - Park Central, LLC
GRANTEE	Amy L Puchalski
SALE DATE	November 01, 2007
SALE PRICE	\$447,132
DEED BOOK/PAGE	1372 / 1407
LAND SIZE (ACRES)	1.060
LAND SIZE (SF)	46,173.6
SALE PRICE/ACRE	\$421,823
SALE PRICE/SF	\$9.68
ZONING	C-3 General Commercial
UTILITIES	All Available
FINANCING	Cash to Seller
VERIFICATION	Public Records
RECORD ID	7648

COMMENTS

This is the sale of Lot #4 in the Park Central Medical Office Park, which is located on the south side of Sunset Drive in close proximity to the Palmetto Health Richland Campus. The overall park contains approximately 24 acres and has been divided into ten lots. This lot was sold to an ENT group for the construction of a medical office building. There was a related party transfer on 6/2/09.

MARSHALL DODDS COMPANY, INC.

McCALL 39

for \$447,100.

MARSHALL DODDS COMPANY, INC.

McCALL 40

LAND SALE NO. 2

TAX ID	09115-01-16
LOCATION	140 Park Central Drive Park Central Medical Office Park Columbia, Richland Countv. SC 29203
GRANTOR	Avant-Park Central, LLC
GRANTEE	PPAC Real Estate III, LLC
SALE DATE	July 24, 2010
SALE PRICE	\$441,020
DEED BOOK/PAGE	1620/2210
LAND SIZE (ACRES)	1.230
LAND SIZE (SF)	53,578.8
SALE PRICE/ACRE	\$358,553
SALE PRICE/SF	\$8.23
ZONING	M-1 Light Industrial
UTILITIES	All Available
FINANCING	Cash to Seller
VERIFICATION	Public Records
RECORD ID	8290

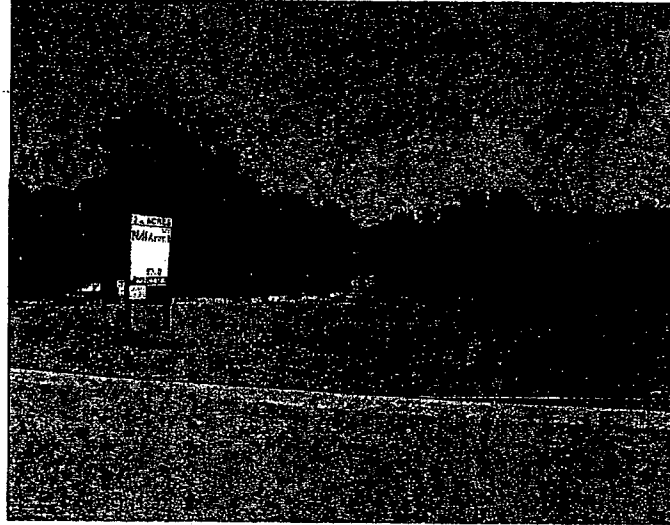
COMMENTS

This is the sale of Lot #5 in Park Central, which is a 24-acre, master-planned medical/office park strategically located in proximity to Palmetto Richland Campus and Columbia's Central Business District. Approximately 16.31 acres have been subdivided into ten individual lots. The remainder of the property has been reserved as green space consisting of mature hardwoods adding to the park-like feel. This site has been improved with a medical office for Palmetto Pediatric and Adolescent

MARSHALL DODDS COMPANY, INC.

McCALL 41

LAND SALE NO. 1



TAX ID	09115-01-08
LOCATION	1414 Sunset Drive NEC Sunset Dr & Park Central Dr Columbia, Richland Countv. SC 29203
GRANTOR	Health Touch, LLC
GRANTEE	Sisters of Charity Providence Hospitals
SALE DATE	April 05, 2011
SALE PRICE	\$667,000
DEED BOOK/PAGE	1676 / 1187
LAND SIZE (ACRES)	2.000
LAND SIZE (SF)	87,120
SALE PRICE/ACRE	\$333,500
SALE PRICE/SF	\$7.66
ZONING	M-1 Light Industrial
UTILITIES	All Available
FINANCING	Cash to Seller
VERIFICATION	Public Records
RECORD ID	8228

COMMENTS

This is the sale of Lot #1 of the Park Central medical office park. It is located on the corner of Sunset Drive and Park Central Court in close proximity to the Palmetto Richland Hospital campus. It was purchased by Providence Hospital and will most likely be improved with a medical office building for their affiliated doctors.

MARSHALL DODDS COMPANY, INC.

McCALL 42

NEW ASSIGNMENT

12-171

Property:

Commercial Lot
145 Park Centre Dr.
Columbia, Richland Co.

Address:

TMS No.:

Client:

JANA Baker - Wanda Carlyle

Appraiser:

CM

Due Date:

3/15

Area:

0

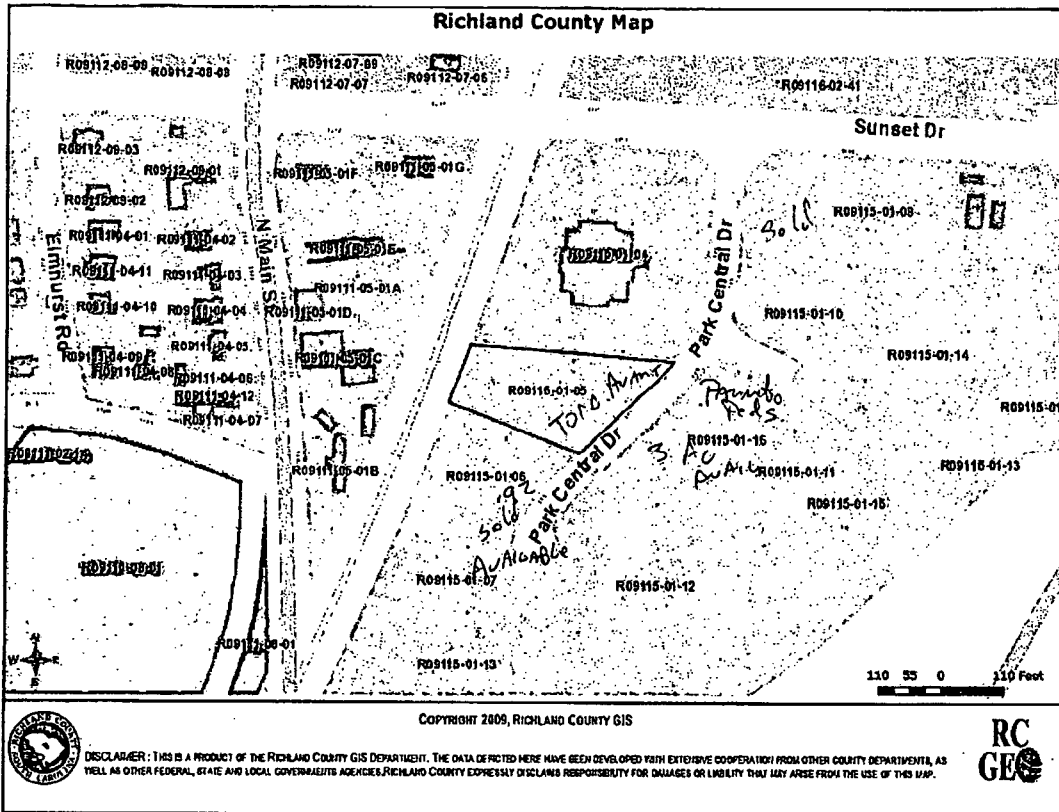
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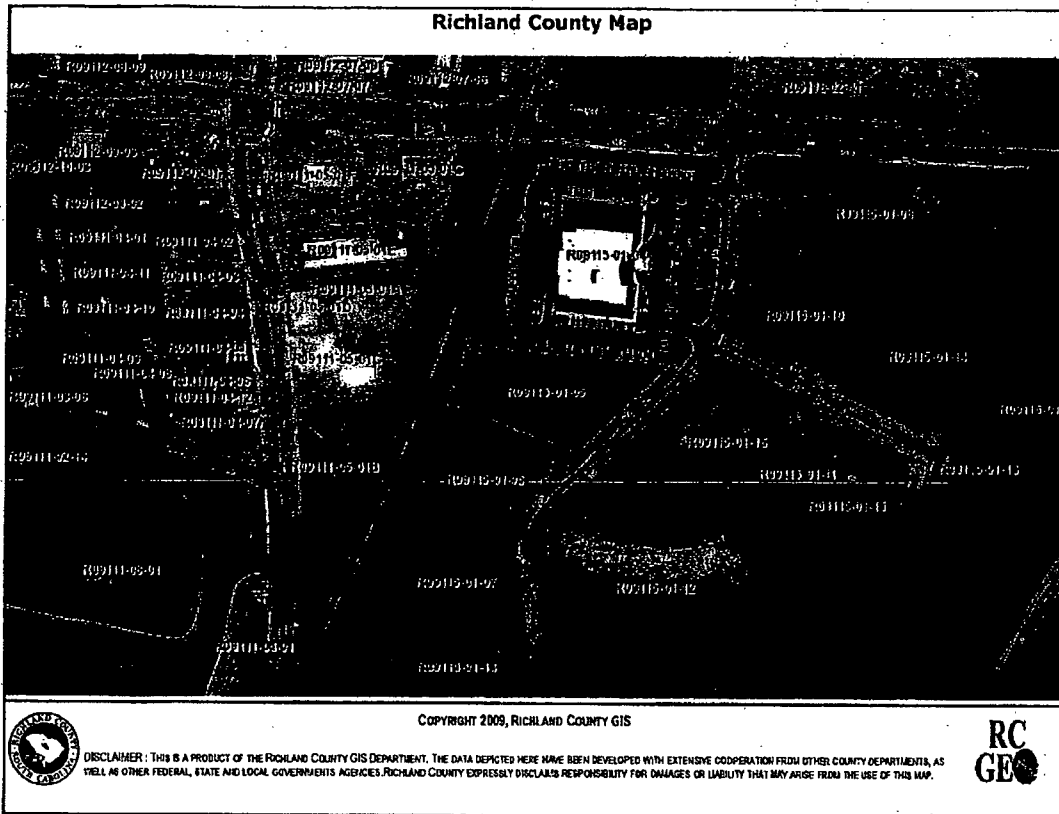
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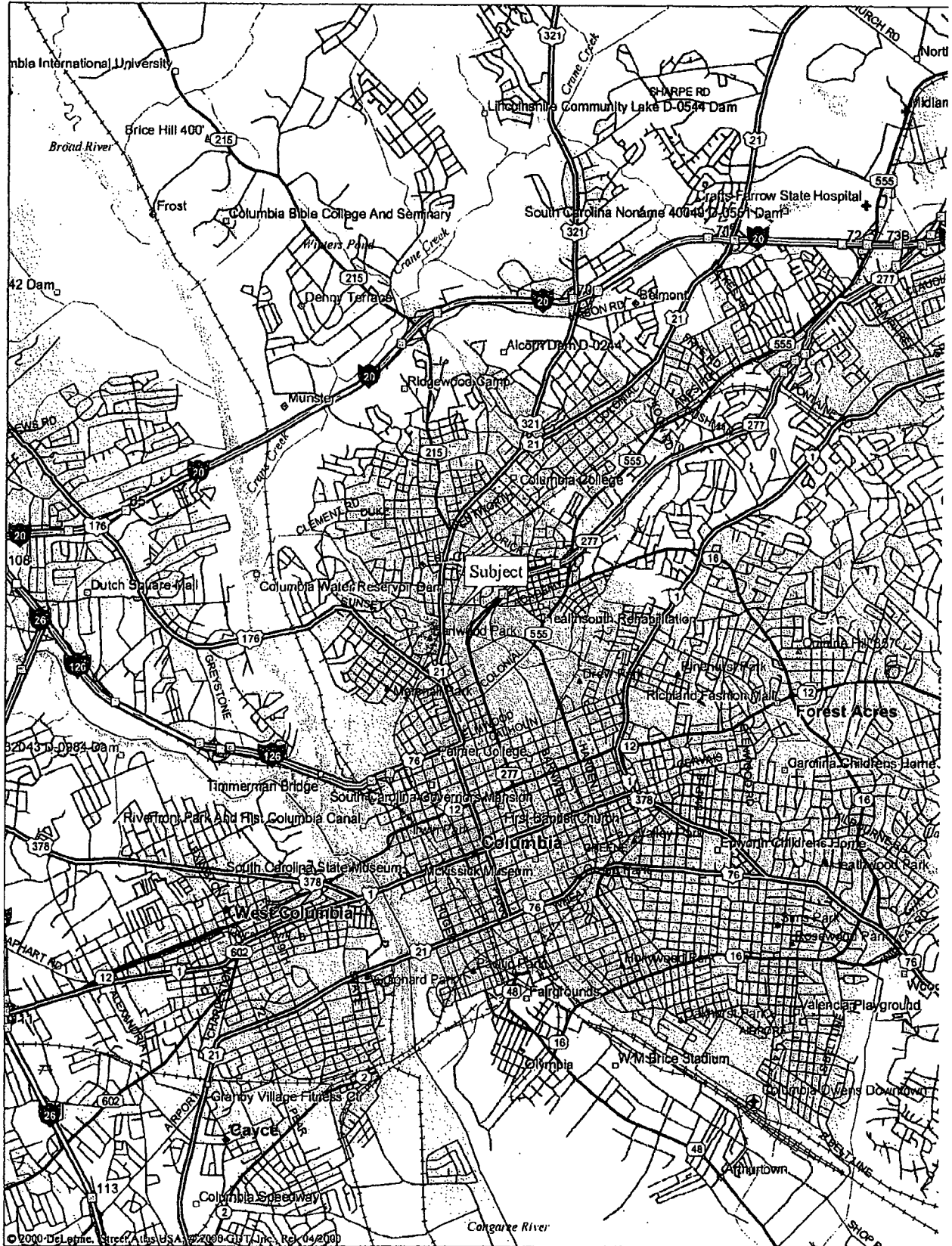
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131

Comments:







McCALL 46

C. S. McCall & Co., LLC
 1011 Lake Hunter Circle
 Mt. Pleasant, South Carolina 29464

Invoice

Date	Invoice #
4/30/2012	12C-171-173

Bill To
SCENT Land Holdings, LLC c/o Ms. Jana B. Baker Womble Carlyle Sandridge & Rice LLP 5 Exchange Street Charleston, SC 29401

Ship To
Ms. Jana B. Baker Womble Carlyle Sandridge & Rice LLP 5 Exchange Street Charleston, SC 29401

Terms	Rep	Via	Reviewer
Due Upon Receipt	CSM	email	

Item Code	Description	Price Each	Amount
100	Work Completed to date on Commercial Appraisal of: 12C-171 Lot, Park Central, Columbia	1,250.00	1,250.00
100	Work Completed to date on Commercial Appraisal of: 12C-172 MOB, Hartsville	2,500.00	2,500.00
100	Work Completed to date on Commercial Appraisal of: 12C-173 MOB, Lugoff	2,800.00	2,800.00

Thank you for your business. Tax ID #:04-3625907	Total	\$6,550.00
This statement is due and payable upon receipt. If not paid within 25 days a 1.5% monthly interest charge may be incurred.	Payments/Credits	\$0.00
	Balance Due	\$6,550.00

Phone #	Fax #	Web Site
843-284-3000	843-284-3004	www.csmccall.com

McCALL 47

IMPROVED SALE NO. 1

Premier Family Medicine
304 Ashby Park Lane

Greenville, Greenville County, SC 29607

SALE DATE August 19, 2011
SALE PRICE \$1,460,000
ADJ. SALE PRICE \$1,460,000
YEAR BUILT 2001

RECORD ID 4713

GRANTOR Perry Business Solutions, LLC
GRANTEE 304 Ashby Park Lane, LLC
DEED BOOK/PAGE 2393 / 94

BUILDING SIZE (SF)	7,296 SF	TAX ID	0539.32-01-004.00
SALES PRICE PER SF	\$200.11PSF	ZONING	Commercial
LAND SIZE (ACRES)	0.790 AC	FINANCING	Cash to Seller
LAND SIZE (\$F)	34,412 SF	VERIFICATION	Public Records
LAND/BUILDING RATIO	4.72:1		

EFFECTIVE GROSS INCOME	\$138,624	EGIM	10.53
EXPENSES	\$4,888	EXPENSES/SF	\$0.67
NET OPERATING INCOME	\$133,736	EXPENSE%	3.53%
OVERALL RATE	9.16%	NOI/SF	\$18.33

COMMENTS

This is the sale of a good quality medical office building located just outside of Greenville. The building was leased by the grantor, Premier Family Medicine for 5 years at \$20/sf and then sold to an investor. The building was renovated in 2008

IMPROVED SALE NO. 2

Doctors Care
459 Highway 52 N

Moncks Corner, Berkeley County, SC

SALE DATE July 27, 2011
SALE PRICE \$1,850,000
ADJ. SALE PRICE \$1,850,000
YEAR BUILT 2008

RECORD ID 4807

GRANTOR South Carolina Healthcare Facilities, LLC
GRANTEE 403-05 Dean Street LLC
DEED BOOK/PAGE 9055 - 155

BUILDING SIZE (SF)	6,100 SF	TAX ID	1230004137
SALES PRICE PER SF	\$303.28PSF	ZONING	C-2 General Commercial
LAND SIZE (ACRES)	1.000 AC	FINANCING	Cash To Seller
LAND SIZE (SF)	43,560 SF	VERIFICATION	Public Records, Seller
LAND/BUILDING RATIO	7.14:1		

EFFECTIVE GROSS INCOME	\$141,488	EGIM	13.08
EXPENSES	\$4,042	EXPENSES/SF	\$0.66
NET OPERATING INCOME	\$137,446	EXPENSE%	2.86%
OVERALL RATE	7.43%	NOI/SF	\$22.53

COMMENTS

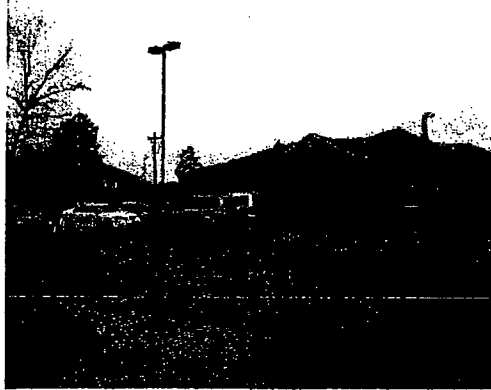
This is the sale of a Doctors Care medical office building near the Wal-Mart Supercenter in Moncks Corner, north of Charleston, SC. At the time of the sale, Doctors Care was owned by UCI Medical Affiliates, whose principal shareholder was Blue Cross Blue Shield of SC. Since then, BCBS has taken over UCI and is now the lessee for the Doctors Care properties. Estimated expenses include 2% mgmt fee and \$.10 PSF for reserves.

McCALL 49

IMPROVED SALE NO. 3

Carolina Imaging of Fayetteville
3628 Cape Center Drive

Fayetteville, Cumberland, NC 28304



SALE DATE	December 23, 2010
SALE PRICE	\$3,275,000
ADJ. SALE PRICE	\$3,275,000
YEAR BUILT	1998
RECORD ID	4541

GRANTOR	MN MQ LLC
GRANTEE	3628 Cape LLC
DEED BOOK/PAGE	08552/805

BUILDING SIZE (SF)	10,653 SF	TAX ID	0416-88-9427; 9314
SALES PRICE PER SF	\$307.43PSF	ZONING	P-2 Professional Office
LAND SIZE (ACRES)	0.510 AC	FINANCING	Cash to Seller
LAND SIZE (SF)	22,216 SF	VERIFICATION	Public Records
LAND/BUILDING RATIO	2.09:1		

EFFECTIVE GROSS INCOME		EGIM	
EXPENSES		EXPENSES/SF	
NET OPERATING INCOME	\$295,069	EXPENSE%	
OVERALL RATE	9.01%	NOI/SF	\$27.70

COMMENTS

This is the sale of a single-tenant medical office building located in an area with numerous other medical offices approximately 3 blocks from a major hospital. The tenant expanded the building at its own cost in 2009. The lease is structured on a triple net basis with minimal landlord responsibilities. Rent increases by annually by actual CPI every Jan. 1st. The property is located in certificate of need state provided barrier of entry to competition and deterrent for tenant moving. Parent company of lease guarantor is now a subsidiary of Novant Health (AA-credit rating).

McCALL 50

IMPROVED SALE NO. 4

Fresenius Medical Care
910 Park Center Drive

Matthews, Mecklenburg, NC 28105



SALE DATE December 22, 2010
SALE PRICE \$1,974,500
ADJ. SALE PRICE \$1,974,500
YEAR BUILT 2010
RECORD ID 4542

GRANTOR Matthews Gateway II, LLC
GRANTEE Heer Bryant EAT, LLC
DEED BOOK/PAGE 26163/231

BUILDING SIZE (SF)	8,520 SF	TAX ID	1932714
SALES PRICE PER SF	\$231.75PSF	ZONING	
LAND SIZE (ACRES)	0.196 AC	FINANCING	Cash to Seller
LAND SIZE (SF)	8,520 SF	VERIFICATION	Public Records
LAND/BUILDING RATIO	1.00:1		

EFFECTIVE GROSS INCOME		EGIM	
EXPENSES		EXPENSES/SF	
NET OPERATING INCOME	\$154,215	EXPENSE%	
OVERALL RATE	7.81%	NOI/SF	\$18.10

COMMENTS

This is the sale of a new medical office building that is a part of the new mixed use development called Matthews Gateway, which is in close proximity to Presbyterian Hospital-Matthews. Fresenius Medical Care (BBB Rated, NYSE:FMS) has a new 12 year corporate lease with three, 5-year renewals. This NN Lease includes 1.25% increases every year, including renewal options. Fresenius has also spent over \$600,000 in building out their interior space. The average NOI over the term of the lease is \$154,215, which yields a cap rate of 7.81%

McCALL 51

IMPROVED SALE NO. 5

North Grove Veterans Outpatient Clinic
279 North Grove Medical Park Drive

Spartanburg, Spartanburg County, SC
29303



SALE DATE September 04, 2010
SALE PRICE \$3,200,000
ADJ. SALE PRICE \$3,200,000
YEAR BUILT 2009
RECORD ID 4437

GRANTOR North Grove VA Partners, LLC
GRANTEE Modaff Properties, LLC
DEED BOOK/PAGE 96-T / 157

BUILDING SIZE (SF)	13,913 SF	TAX ID	7-04-00-050.22
SALES PRICE PER SF	\$230.00PSF	ZONING	Commercial
LAND SIZE (ACRES)	2.900 AC	FINANCING	Cash to Seller
LAND SIZE (SF)	126,324 SF	VERIFICATION	Public Records
LAND/BUILDING RATIO	9.08:1		

EFFECTIVE GROSS INCOME		EGIM	
EXPENSES		EXPENSES/SF	
NET OPERATING INCOME	\$231,651	EXPENSE%	
OVERALL RATE	7.24%	NOI/SF	\$16.65

COMMENTS

This is the sale of a new medical office building located in the North Grove Medical Park located near the intersection of I-85 Bus and Boiling Springs Road. The tenant signed a 10-year lease which commenced in November 2009. The lease is guaranteed by the US Government - Department of Veteran Affairs. The base rent is \$16.65 per square foot on a triple net basis. The rental rate increases by 4% annually beginning in Year 2.

McCALL 52

IMPROVED SALE NO. 6

Medical Office Building
3400 Harden Street Extension

Columbia, Richland, SC 29203



SALE DATE August 12, 2010
SALE PRICE \$700,000
ADJ. SALE PRICE \$700,000
YEAR BUILT 1986

RECORD ID 4633

GRANTOR S&L Partnership
GRANTEE Columbia Empowerment Zone, Inc.
DEED BOOK/PAGE 1624/3678

BUILDING SIZE (SF)	4,867 SF	TAX ID	11503-07-03
SALES PRICE PER SF	\$143.83PSF	ZONING	C-1 Office & Institutional
LAND SIZE (ACRES)	0.500 AC	FINANCING	Cash to Seller
LAND SIZE (SF)	21,780 SF	VERIFICATION	Public Records
LAND/BUILDING RATIO	4.48:1		

EFFECTIVE GROSS INCOME	EGIM
EXPENSES	EXPENSES/SF
NET OPERATING INCOME	EXPENSE%
OVERALL RATE	NOI/SF

COMMENTS

This is the sale of a medical office building located across from Palmetto Health Richland.

IMPROVED SALE NO. 7

Fresenius Medical Care
2349 US Highway 74 West
Wadesboro, Anson County, NC 28170



SALE DATE July 12, 2010
SALE PRICE \$1,625,000
ADJ. SALE PRICE \$1,625,000
YEAR BUILT 2009
RECORD ID 4436

GRANTOR Frederick W Creech
GRANTEE 1210 Fox Meadows, LLC
DEED BOOK/PAGE 947 / 315

BUILDING SIZE (SF)	7,762 SF	TAX ID	6464-02-78-0788.00
SALES PRICE PER SF	\$209.35PSF	ZONING	Commercial
LAND SIZE (ACRES)	1.571 AC	FINANCING	Cash to Seller
LAND SIZE (SF)	68,433 SF	VERIFICATION	Public Records
LAND/BUILDING RATIO	8.82:1		

EFFECTIVE GROSS INCOME		EGIM	
EXPENSES		EXPENSES/SF	
NET OPERATING INCOME	\$144,152	EXPENSE%	
OVERALL RATE	8.87%	NOL/SF	\$18.57

COMMENTS

This is the sale of a new medical office building that is leased and occupied by Fresenius Medical Care, which is the world's largest provider of products and services for individuals undergoing dialysis. The tenant signed a 12 year lease with three, 5-year renewal options. The landlord's sole responsibility is for the repair and maintenance of the roof and structural components of the building and HVAC repairs over \$1,500. Rent increases by 10% in Year 7.

IMPROVED SALE NO. 8

Greenville OB-GYN
92 Halton Road
Halton Village
Greenville, Greenville County, SC 29607

SALE DATE June 02, 2010
SALE PRICE \$1,851,132
ADJ. SALE PRICE \$1,851,132
YEAR BUILT 2008

RECORD ID 4714

GRANTOR BBW Properties, LLC
GRANTEE Inglesby Properties, LLC
DEED BOOK/PAGE 2373 / 1786

BUILDING SIZE (SF)	8,750 SF	TAX ID	0260.00-01-075.01
SALES PRICE PER SF	\$211.56PSF	ZONING	S-1 Services District
LAND SIZE (ACRES)	0.230 AC	FINANCING	Cash to Seller
LAND SIZE (SF)	10,019 SF	VERIFICATION	Public Records
LAND/BUILDING RATIO	1.15:1		

EFFECTIVE GROSS INCOME	\$149,934	EGIM	12.35
EXPENSES	\$7,511	EXPENSES/SF	\$0.86
NET OPERATING INCOME	\$142,423	EXPENSE%	5.01%
OVERALL RATE	7.69%	NOI/SF	\$16.28

COMMENTS

This building was constructed as a spec shell structure in 2008. It is situated on a zero lot line pad. The building was finished out to suit the tenant in May 2010. The tenant signed a 7 year lease with 2% escalations.

McCALL 55

IMPROVED SALE NO. 9

MRI & Imaging of Athens
845 Prince Avenue

Athens, Clarke County, GA 30606



SALE DATE	March 30, 2010
SALE PRICE	\$1,050,000
ADJ. SALE PRICE	\$1,050,000
YEAR BUILT	1963/1998
RECORD ID	4235

GRANTOR	MN MQ, LLC
GRANTEE	Jake Waters Family, LP
DEED BOOK/PAGE	3716 / 360

BUILDING SIZE (SF)	3,007 SF	TAX ID	122B2 B003
SALES PRICE PER SF	\$349.19PSF	ZONING	C-N Neighborhood Commercial
LAND SIZE (ACRES)	0.480 AC.	FINANCING	Cash to Seller
LAND SIZE (SF)	20,909 SF	VERIFICATION	Third Party
LAND/BUILDING RATIO	6.95:1		

EFFECTIVE GROSS INCOME		EGIM	
EXPENSES		EXPENSES/SF	
NET OPERATING INCOME	\$95,234	EXPENSE%	
OVERALL RATE	9.07%	NOI/SF	\$31.67

COMMENTS

This is the sale of a good quality medical office building containing 3,007 square feet. It is well located in an area with other medical office buildings and near a major hospital. The building underwent a major renovation in 1998. The property is leased to MRI & Imaging of Athens through August of 2016. The parent company of the lease guarantor is now a subsidiary of Novant Health (AA- credit rating).

McCALL 58

720-4635

2200 Little Dover Neck Rd
WFOI, LLC

2 Acres (sold) NAIAVANT.com
(803) 254-0100
TODD AVANT
ROB LAPIN

1 to 2.38 Ac. (Same)

Columbia NEPHROLOGY

Appraisal Worksheet

Subject Property: VACANT LOT File: 12-171
145 PARK CENTRAL
RICHMOND Date of Appraisal: 4/5/12

Project ID: _____
Report Type: _____
Book & Page: R1526/2110
Plat: _____

Tax Number: R09115-01-05

Site: 1.06 46,174 Census: _____
Flood Map _____
Zoning C3 CITY
Taxes: _____

Improvements:

Land Value: _____
Cost: _____
SCA _____
Income _____
Direct Cap _____
DCF _____

Files: 07-286

Assessor Data View

The information provided on this page reflects data as of December 31, 2010 and should be used for reference only. For official assessment information, please contact the Richland County Assessor's Office.

Information presented on the Assessor's Database is collected, organized and provided for the convenience of the user and is intended solely for informational purposes. ANY USER THEREOF OR RELIANCE THEREON IS AT THE SOLE DISCRETION, RISK AND RESPONSIBILITY OF THE USER. While every attempt is made to provide information that is accurate at the date of publication, portions of such information may be incorrect or not current. RICHLAND COUNTY HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, AS TO ITS ACCURACY, COMPLETENESS OR FITNESS FOR ANY PARTICULAR PURPOSE. All official records of the County and the countywide elected officials are on file in their respective offices and may be viewed by the public at those offices.

Owner Information

Tax Map Number:
 Owner:
 Address 1:
 Address 2:
 Address 3:
 City/State/Zip:
 Property Location/Code:

Tax Information

Year:
 Property Tax Relief:
 Local Option Sales Tax Credit:
 Tax Amount:
 Paid:
 Homestead:
 Assessed:

Assessment Information

Year Of Assessment: Legal Residence:
 Tax District: Sewer Connection:
 Acreage Of Parcel: Water Connection:
 Non-Agriculture Value: Agriculture Value:
 Building Value: Improvements:
 Taxable Value:
 Zoning:

Property Information

Legal Description:

 Land Type:

Sales History

Current Owner Name	Sale Date	V/I	Book/Page	Sale Price	Qual Code
SCENT LAND HOLDING LLC	06/02/2009	V	R1526/ 2110	\$447,100.00	A
PUCHALSKI AMY L	11/01/2007	V	R1372/ 1407	\$447,132.00	Q
AVANT - PARK CENTRAL LLC	08/09/2006		R1216/ 1432	\$0.00	

Qualification Code Definitions

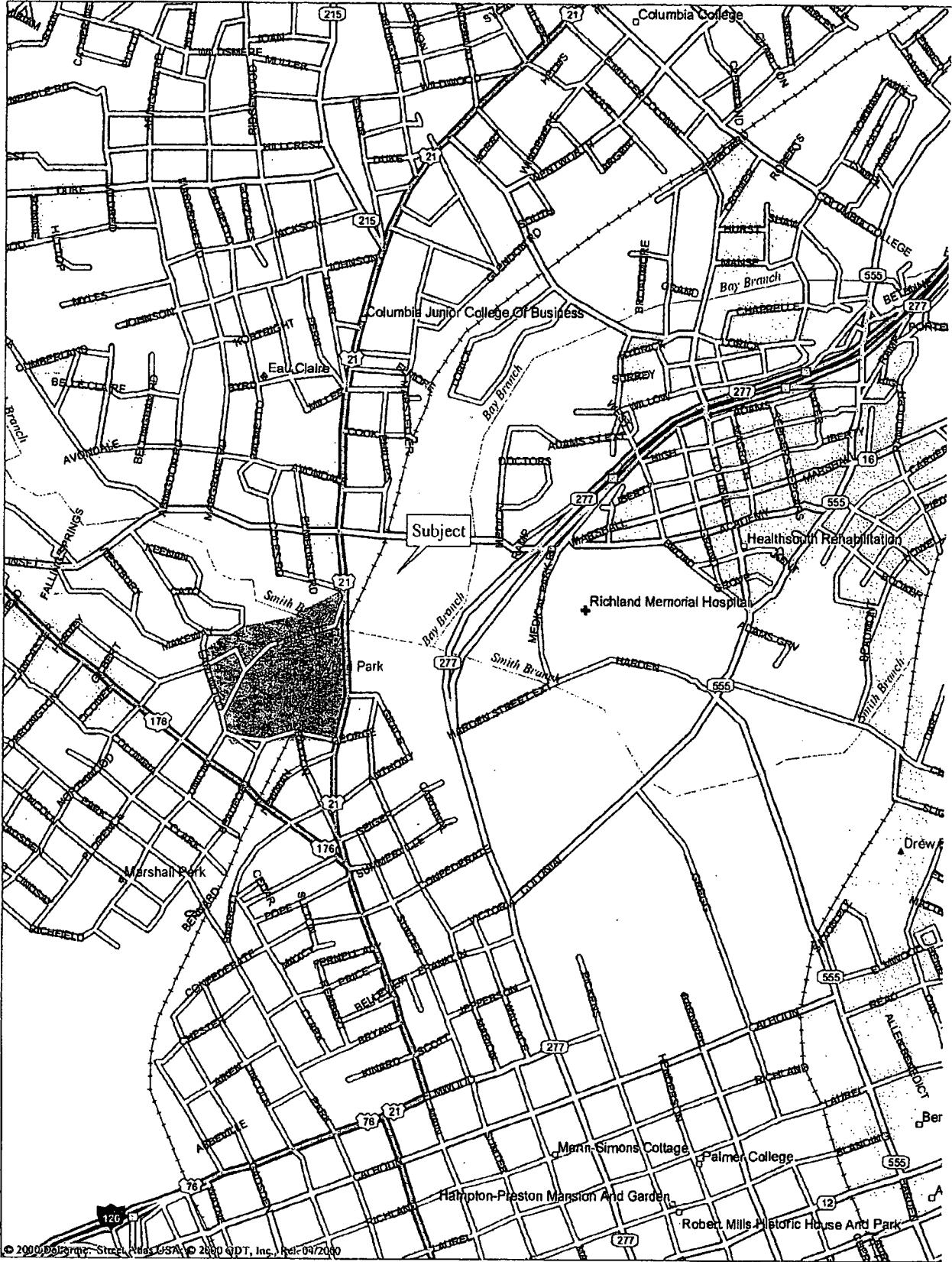
Building Number	Year Structure Was Assessed	Building Description	Actual Year Built	Number Of Bathrooms	Number Of Bedrooms	Total Number Of Stories	Heated Square Footage	Total Square Footage

Structure Details

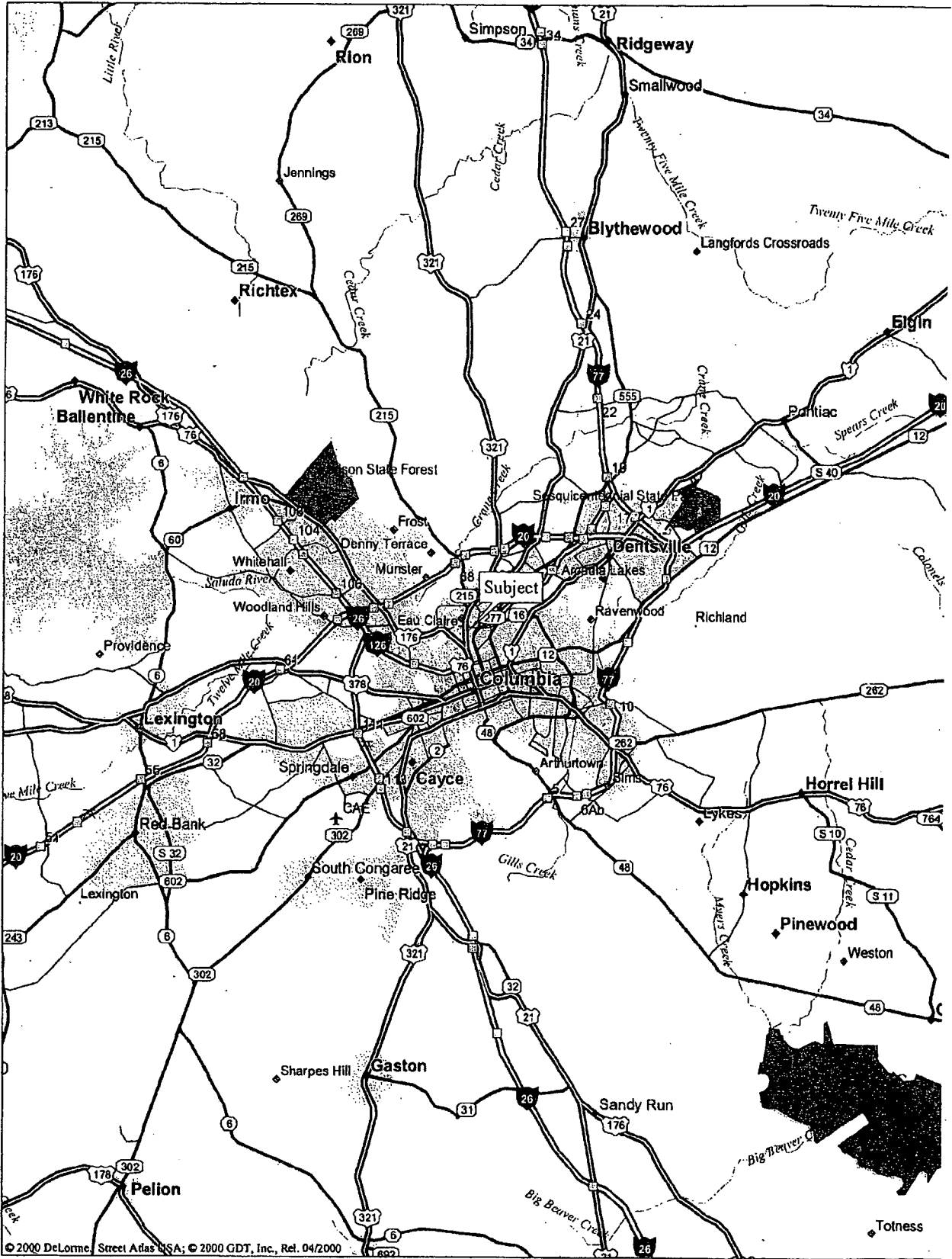
Structure Type	Structure Description	Building Number

Exemptions

Exemption Year	Exemption Description



McCALL 60



McCALL 61

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McCALL 62

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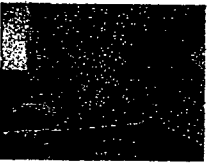
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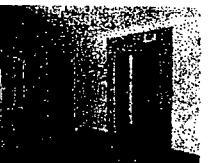
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McCALL 64



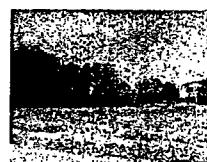
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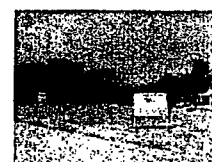
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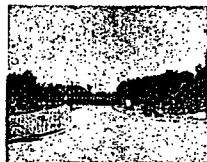
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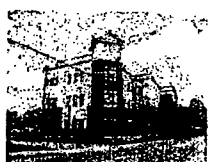
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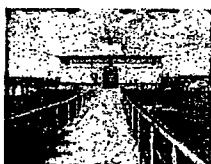
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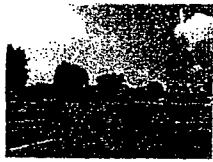


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McCALL 65



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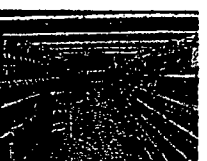
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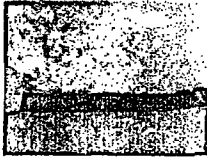


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McCALL 68



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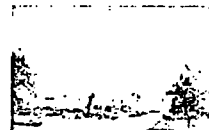
McCALL 68



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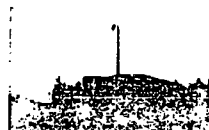
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IMG_2874



IMG_2875



IMG_2876



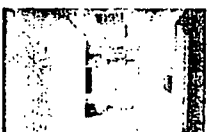
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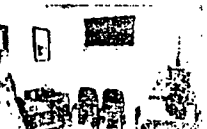
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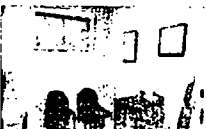
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IMG_2891



IMG_2892



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IMG_2895



IMG_2896



IMG_2897



IMG_2898



IMG_2899

McCALL 70

022778-SRS/JGJ

STATE OF SOUTH CAROLINA)
) TITLE TO REAL ESTATE
COUNTY OF RICHLAND)

KNOW ALL MEN BY THESE PRESENTS, That I, Amy L. Puchalski, in the State aforesaid, for and in consideration of the sum of Five and no/100's (\$5.00) Dollars to me paid by SCENT Land Holdings, LLC in the State aforesaid have granted, bargained, sold and released, and by these presents do grant bargain, sell and release unto the said SCENT Land Holdings, LLC, its successors and assigns:

All that piece, parcel or tract of land, lying, being and situate in the State of South Carolina, County of Richland, on the Northwestern side of Park Central Drive, in the City of Columbia, containing 1.06 acres, more or less, and being more particularly shown and designated as Lot 4 on Bonded Plat of Park Central, Phase II Lots 4, 6 & 7, prepared for Avant - Park Central, LLC by Wilbur Smith Associates, dated February 20, 2007, revised March 8, 2007, and recorded March 9, 2007 in the office of the Register of Deeds for Richland County in Book 1290 at page 2734; and having the boundaries and measurements as shown on said plat, reference being craved thereto as often as necessary for a more complete and accurate legal description.

The above described property is the same conveyed to Amy L. Puchalski by deed of Avant - Park Central, LLC dated October 29, 2007 and recorded in the office of the Register of Deeds for Richland County in Book RB1372 at page 1407 on November 1, 2007.

The above described property is subject to Declaration of Covenants, Conditions, Restrictions and Easements for Park Central appearing of record at Book RB1216, page 2727, and First Amendment thereto recorded in Book RB1345 at page 3444.

The property is conveyed subject to the state of facts a personal inspection or accurate survey would disclose.

TMS # 09115-01-05

Book 1528-2110
2008-02-01 09:02:20:03 13:12:01:433 Date
Fee: \$18.00 County Tax: \$0.00 State Tax: \$0.00

Grantee's Address:

1165 Hwy 1 S.
Lugoff, SC 29178



SCENT 0065

WITNESS my Hand and Seal this 6 day of May in the year of our Lord two thousand nine and in the two hundred and thirty-third year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

Christine Bell
WKS

Amy L. Puchalski
Amy L. Puchalski

STATE OF SOUTH CAROLINA)
) -ACKNOWLEDGMENT
COUNTY OF KERSHAW)

William B. Bell, Jr. Notary Public for the State of South Carolina, do hereby certify that Amy L. Puchalski personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn to before me this 6 day of May, 2009.

WKS
Notary Public for South Carolina
My Commission Expires:
3/2/14

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred is located at 145 Park Central Dr., Columbia, SC, bearing Richland County Tax Map Number 09115-01-05, was transferred by Amy L. Puchalski to SCENT Land Holdings, LLC on May 6 2009.
3. Check one of the following: The deed is
 - (a) ___ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) ___ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) X exempt from the deed recording fee because (See information section of Affidavit):
(X) under code §12-24-40 (B) (if exempt, please skip items 4-7 and go to item 8 of this affidavit.)

If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty?
Check Yes ___ or No

4. Check one of the following if either item 3(a) or 3(b) above has been checked (See Information section of this affidavit.)
 - (a) ___ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ _____
 - (b) ___ The fee is computed on the fair market value of the realty which is _____
 - (c) ___ The fee is computed on the fair market value of the realty as established for property tax purposes which is _____

5. Check Yes ___ or No X to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes", the amount of the outstanding balance of this lien or encumbrance is \$ _____

6. The deed recording fee is computed as follows:
 - (a) Place the amount listed in item 4 above here: _____
 - (b) Place the amount listed in item 5 above here: _____
(If no amount is listed, place zero here.)
 - (c) Subtract Line 6(b) from Line 6(a) and place result here: \$ _____

7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is \$ _____

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: _____

Attorney for Grantor

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

[Signature]
Responsible Person Connected with the Transaction.

William B. Ivey, Jr.
Print or Type Name Here

SWORN to before me this 20th
day of May, 2009.
[Signature]
signature of Notary Public for South Carolina
My Commission Expires: 4-17-12
(Seal)

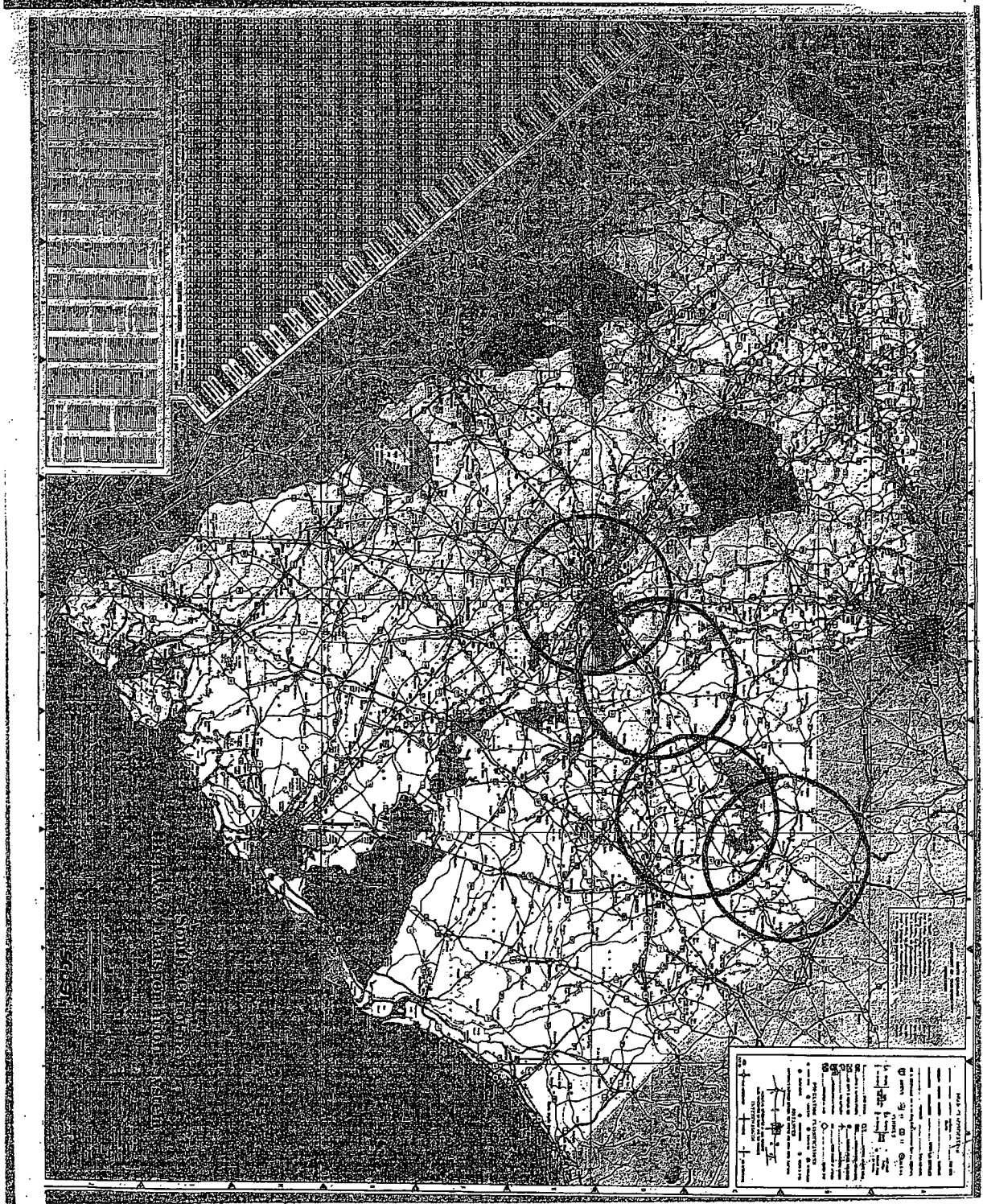


EXHIBIT
BB

ORGANIZED UNDER THE LAWS OF THE STATE OF SOUTH CAROLINA



50,000

SOUTH CAROLINA ENT, ALLERGY & SLEEP MEDICINE, P.A

This Certifies that

Robert Puchalski
Fifty Thousand
Of Common Stock

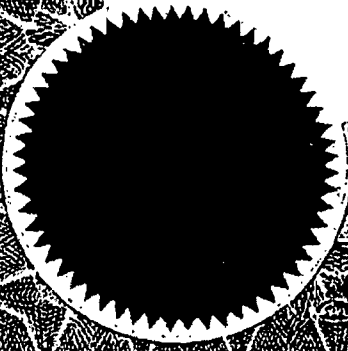
Shares

transferable, only on the books of the Corporation by the holder hereof, in person, or by Attorney upon surrender of this Certificate, properly endorsed.

IN WITNESS WHEREOF, the said Corporation, has caused this Certificate to be signed, by its duly authorized officers and its Corporate Seal to be hereunto affixed this 16th day of July A.D. 2008

Robert Puchalski
Robert Puchalski

SHARES \$1.00 Par Value



© 0000 220

2971

Plaintiffs' Ex 0106.001

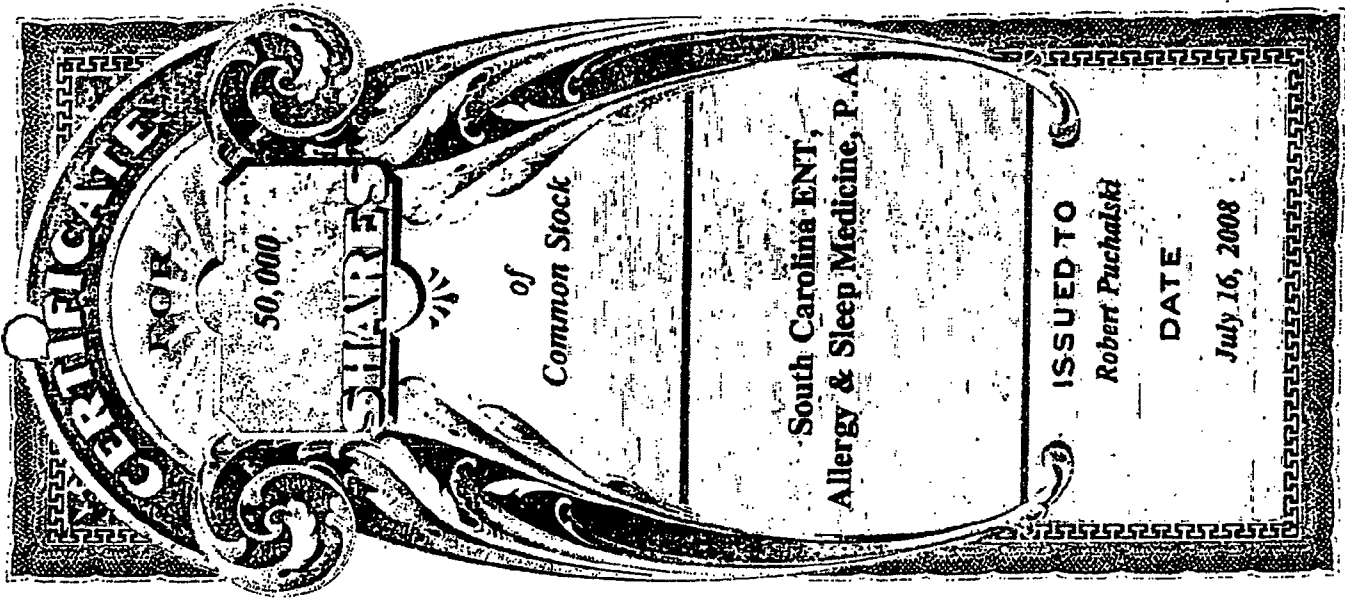
The shares represented by this certificate were issued by the Corporation pursuant to exemptions from registration under both federal and state securities laws. Such exemptions may prohibit certain transfers of these shares. Therefore, none of the shares (nor any interest in such shares) may be transferred in any manner whatsoever (either voluntarily or involuntarily, by pledge, sale, gift, levy or any other attempted method of transfer) without the prior written consent of the Corporation.

The Corporation's shareholders have elected for the Corporation to receive the tax treatment accorded by Subchapter "S" of the Internal Revenue Code. Therefore, none of the shares (nor any interest in such shares) may be transferred in any manner whatsoever (either voluntarily or involuntarily, directly or indirectly, by pledge, sale, gift, levy or any other attempted method or transfer) without the written consent of the Corporation.

The transfer of shares of a professional corporation is restricted by the South Carolina Professional Corporation Supplement, Chapter 19 of Title 33, and may be subject to further restriction imposed by the licensing authority. Shares of a professional corporation are subject also to a statutory repurchase obligation.

The rights of shareholders in a statutory close corporation may differ materially from the rights of shareholders in other corporations. Copies of the Articles of Incorporation and By-laws, Shareholders' Agreements, and other documents, any of which may restrict transfers and affect voting and other rights, may be obtained by a shareholder on written request to the Corporation.

The securities evidenced hereby are subject to the terms of a Shareholders' Agreement among the Corporation and the shareholders of the Corporation. A copy of the Shareholders' Agreement is on file at the office of the Corporation and is available upon request. The Shareholders' Agreement provides, among other things, for restrictions of the sale, transfer, pledge, hypothecation or other disposition of the securities represented by this certificate. Any attempted sale, transfer, pledge, hypothecation or other disposition of the securities represented by this certificate not in compliance with the terms and conditions of the Shareholders' Agreement shall be void and of no force and effect.



For Value Received, hereby sell, assign, and transfer
unto

Shares
represented by the within Certificate, and do hereby
irrevocably constitute and appoint

(Attorney
to transfer the said Shares on the books of the within named
Corporation, with full power of substitution in the premises:

Dated:
In presence of

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE. IN EVENT ANY DISCREPANCY, ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER,

THIS IS TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

JUL 1 2 1993

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
FOR A STATUTORY CLOSE
PROFESSIONAL CORPORATION

1. The name of the corporation is South Carolina ENT, Allergy & Sleep Medicine, P.A.
2. The corporation is a professional corporation governed by Chapter 19 Title 33 of the 1976 South Carolina Code, as amended. The corporation is also a statutory close corporation pursuant to Chapter 18, Title 33 of the 1976 South Carolina Code as amended.
3. The corporation's purpose shall be limited to rendering services in connection with the practice of otolaryngology medical services and all other services ancillary to such services which are permitted or authorized by the licensing authority of South Carolina applicable to the medical profession. The Corporation may only render such services in South Carolina through individuals licensed or authorized in South Carolina to render such services. The Corporation may render professional services within two or more professions to the extent the combination of professional services or of professional and business purposes is authorized by the licensing laws of South Carolina applicable to such profession in the combination.
4. The initial registered office of the corporation is 1165 Highway 1 South, Ste. 300, Lugoff, South Carolina 29078 and the initial registered agent at such address is Robert Puchalski.
5. The corporation is authorized to issue a single class of shares. The total number of shares authorized is 500,000.
6. The existence of the corporation began on November 4, 2004.
7. The provisions of §§33-18-110 through 33-18-130 of the 1976 South Carolina Code, as amended, relating to the transfer of shares of stock, do not apply to this corporation.
8. The corporation elects not to have a board of directors. Pursuant to Section 33-18-210(c) of the 1976 South Carolina Code, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the shareholders of the corporation. The shareholders of the corporation may, from time to time delegate to the Managing Shareholder of the corporation some or all of the powers, duties and rights that would otherwise customarily belong to a board of directors.

080612-0488

FILED: 06/12/2008
SOUTH CAROLINA ENT, ALLERGY & SLEEP MEDICINE, P.A.

Filing Fee: \$110.00 ORIG



Mark Hammond

South Carolina Secretary of State

EXHIBIT

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DYCE/SCENT 32

9. The provisions of §§33-18-140 through 33-18-170 of the 1976 South Carolina Code, as amended, which give the estate of a deceased shareholder the right to compel the corporation to purchase the deceased shareholder's shares, do not apply to this corporation.
10. The optional provisions which the corporation elects to include in the articles of incorporation are as follows (See §§33-2-103 and the applicable comments thereto; and §§35-1-105 and 35-2-221 of the 1976 South Carolina Code.):
- a. S Corporation Election. At any time after the corporation has filed an S corporation election (and prior to the corporation having filed a voluntary revocation of the election pursuant to Internal Revenue Code § 1362(d)(1) of 1986, or of any succeeding statute of like tenor and effect), the corporation shall not (1) authorize any securities which will cause the corporation to have classes that vary other than by voting rights, (2) borrow money from any shareholder under terms or conditions that would cause such borrowing to be treated as an additional security or class of stock, (3) permit an individual or an entity to become a shareholder unless the shareholder is an eligible individual or a trust qualified to own S Corporation stock pursuant to Subchapter "S" of the Internal Revenue Code of 1986, as amended, or (4) issue more than the number of shares permitted under Subchapter "S" of the Internal Revenue Code of 1986, as amended. Any such attempted borrowing or authorization of a different class of stock which violates the provisions of the first sentence of this section 7(a), shall be void ab initio, and shall not be deemed to be a security or obligation of this company.
 - b. Preemptive Rights. The corporation elects not to have preemptive rights. No shareholder shall be entitled to preemptive rights, and no shares of stock of any class issued by the corporation shall be subject to any preemptive rights. The corporation, however, may grant preemptive rights, or similar rights, by contract.
 - c. Cumulative Voting. The corporation elects not to have cumulative voting. No shareholder shall be entitled to vote cumulatively for the election of directors (or any other decision), and no shares of stock of any class issued by the corporation may be cumulatively voted for the election of directors (or any other decision).
 - d. Transferability of Shares. No shares of stock of the Corporation may be transferred or otherwise disposed of to any person who is not qualified to be a shareholder. A person is not qualified to be a shareholder unless such person is licensed to practice medicine in the State of South Carolina or otherwise authorized in South Carolina to provide the medical services described within these Articles of Incorporation.

- c. Immunity. To the maximum extent permitted by §33-2-102(e) of the South Carolina Business Corporation Act of 1988, as amended from time to time (the "Act"), or any subsequent provision of like tenor and import, the Managing Shareholder and the shareholders of the corporation shall not have personal liability to the corporation or its shareholders for monetary damages for breach of fiduciary duty with respect to their actions in managing the business and affairs of the corporation which would otherwise be performed by the board of directors if this corporation had a board. This provision shall eliminate or limit the liability of the Managing Shareholder and the shareholders of this corporation to the maximum extent permitted from time to time by the Act or any successor law or laws. Any repeal or modification of the foregoing protection by the shareholders of this corporation shall not adversely affect any right or protection of the Managing Shareholder and the shareholders of this corporation existing at the time of such repeal or modification.
- f. Indemnification. This corporation shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and advance expenses to the shareholders and the Managing Shareholder of the corporation (to the same extent as a director under the Act since the shareholders shall, and the Managing Shareholder may from time to time, manage the business and affairs of this corporation in place of a board of directors) to the extent the shareholders and/or the Managing Shareholder were or are a party or are threatened to be made a party to or are otherwise involved in any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, by reason of the fact that the Managing Shareholder is or was an officer of this corporation and by reason of the fact that the shareholders and/or the Managing Shareholder are or were managing the business and affairs of the corporation in place of a board of directors, or are or were serving at the request of this corporation as a director or officer of any other corporation or other enterprise, against all expenses (including attorneys' fees), liabilities, losses, judgments, fines, amounts paid in settlement or other similar costs actually and reasonably incurred in connection with such action, suit or proceeding. Any repeal or modification of this provision by the shareholders of this corporation shall not adversely affect any right or protection of the shareholders and the Managing Shareholder of this corporation existing at the time of such repeal or modification.
- g. Par value. The par value for the authorized shares of stock will be \$1.00 per share.
- h. Unless otherwise noted, Robert Puchalski, Managing Shareholder, shall be completely vested with all authority to transact business of any kind,

including but not limited to signing leases, contracts, tax returns, purchasing orders, bills of sale, and any and all other documents incident to the operation of the business on a day to day business.

- Doc# 399384.1 -

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

CERTIFICATE ACCOMPANYING AMENDED AND RESTATED
ARTICLES OF INCORPORATION

Pursuant to the provisions of § 33-10-107 of the 1976 South Carolina Code, as amended, the applicant delivers to the Secretary of State this Certificate Accompanying Amended and Restated Articles of Incorporation.

1. The name of the corporation is South Carolina Ear, Nose, Throat & Facial Plastic Surgery, Inc.
2. The original Articles of Incorporation for the corporation were filed on November 5, 2004.
3. The Articles of Incorporation of this corporation are being amended as follows:
 - a. To change the name of the corporation to South Carolina ENT, Allergy & Sleep Medicine, P.A.
 - b. To add section 3 of the Amended and Restated Articles of Incorporation:
 3. The corporation's purpose shall be limited to rendering services in connection with the practice of otolaryngology medical services and all other services ancillary to such services which are permitted or authorized by the licensing authority of South Carolina applicable to the medical profession. The Corporation may only render such services in South Carolina through individuals licensed or authorized in South Carolina to render such services. The Corporation may render professional services within two or more professions to the extent the combination of professional services or of professional and business purposes is authorized by the licensing laws of South Carolina applicable to such profession in the combination.
 - c. To amend section 4 of the Articles of Incorporation to increase the total number of authorized shares of the corporation from 100,000 to 500,000.
 - d. To amend section 6, "Transfer Restrictions," of the Articles of Incorporation as follows in section 7 of Amended and Restated Articles of Incorporation:
 7. The provisions of §§33-18-110 through 33-18-130 of the 1976 South Carolina Code, as amended, relating to the transfer of shares of stock, do not apply to this corporation.

- e. To amend section 7 of the Articles of Incorporation as follows in section 8 of the Amended and Restated Articles of Incorporation:

8. The corporation elects not to have a board of directors. Pursuant to Section 33-18-210(c) of the 1976 South Carolina Code, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the shareholders of the corporation. The shareholders of the corporation may, from time to time delegate to the President of the corporation some or all of the powers, duties and rights that would otherwise customarily belong to a board of directors.

- f. To add the following optional provisions set forth in section 10, a, b, c, d, e, and f of the Amended and Restated Articles of Incorporation:

10. The optional provisions which the corporation elects to include in the articles of incorporation are as follows (See §33-2-103 and the applicable comments thereto; and §§35-1-105 and 35-2-221 of the 1976 South Carolina Code.):

- a. S Corporation Election. At any time after the corporation has filed an S corporation election (and prior to the corporation having filed a voluntary revocation of the election pursuant to Internal Revenue Code § 1362(d)(1) of 1986, or of any succeeding statute of like tenor and effect), the corporation shall not (1) authorize any securities which will cause the corporation to have classes that vary other than by voting rights, (2) borrow money from any shareholder under terms or conditions that would cause such borrowing to be treated as an additional security or class of stock, (3) permit an individual or an entity to become a shareholder unless the shareholder is an eligible individual or a trust qualified to own S Corporation stock pursuant to the Subchapter "S" of the Internal Revenue Code of 1986, as amended, or (4) issue more than the number of shares permitted under Subchapter "S" of the Internal Revenue Code of 1986, as amended. Any such attempted borrowing or authorization of a different class of stock which violates the provisions of the first sentence of this section 7(a), shall be void ab initio, and shall not be deemed to be a security or obligation of this company.
- b. Preemptive Rights. The corporation elects not to have preemptive rights. No shareholder shall be entitled to preemptive rights, and no shares of stock of any class issued by the corporation shall be subject to any preemptive rights. The corporation, however, may grant preemptive rights, or similar rights, by contract.

- c. Cumulative Voting. The corporation elects not to have cumulative voting. No shareholder shall be entitled to vote cumulatively for the election of directors (or any other decision), and no shares of stock of any class issued by the corporation may be cumulatively voted for the election of directors (or any other decision).
- d. Transferability of Shares. No shares of stock of the Corporation may be transferred or otherwise disposed of to any person who is not qualified to be a shareholder. A person is not qualified to be a shareholder unless such person is licensed to practice medicine in the State of South Carolina or otherwise authorized in South Carolina to provide the medical services described within these Articles of Incorporation.
- e. Immunity. To the maximum extent permitted by §33-2-102(e) of the South Carolina Business Corporation Act of 1988, as amended from time to time (the "Act"), or any subsequent provision of like tenor and import, the President and the shareholders of the corporation shall not have personal liability to the corporation or its shareholders for monetary damages for breach of fiduciary duty with respect to their actions in managing the business and affairs of the corporation which would otherwise be performed by the board of directors if this corporation had a board. This provision shall eliminate or limit the liability of the President and the shareholders of this corporation to the maximum extent permitted from time to time by the Act or any successor law or laws. Any repeal or modification of the foregoing protection by the shareholders of this corporation shall not adversely affect any right or protection of the President and the shareholders of this corporation existing at the time of such repeal or modification.
- f. Indemnification. This corporation shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and advance expenses to the shareholders and the President of the corporation (to the same extent as a director under the Act since the shareholders shall, and the President may from time to time, manage the business and affairs of this corporation in place of a board of directors) to the extent the shareholders and/or the President were or are a party or are threatened to be made a party to or are otherwise involved in any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, by reason of the fact that the President is or was an officer of this corporation and by reason of the fact that the shareholders and/or the President are or were managing the business and affairs of the corporation in place of a board of directors, or are or were serving at the request of this corporation as a director or officer of any other corporation or other enterprise, against all expenses (including attorneys' fees), liabilities, losses, judgments, fines, amounts paid in settlement or other similar costs actually and reasonably incurred in connection with such action, suit or proceeding. Any repeal or modification of this provision by the shareholders of this corporation shall not adversely affect any

right or protection of the shareholders and the President of this corporation existing at the time of such repeal or modification.

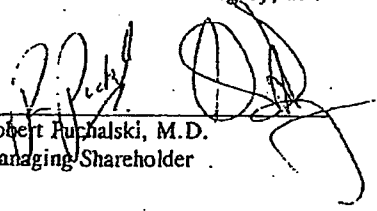
For the full changes made by each of these amendments, see the attached Amended and Restated Articles of Incorporation.

4. The amendment and restatement of the Articles was approved by the shareholders on June 10, 2008. On June 10, 2008, the number of outstanding shares of each voting group entitled to vote separately on the amendment and restatement, and the vote of such shares was:

<u>Voting Group</u>	<u>Number of Outstanding Shares</u>	<u>Number of Votes Entitled to be Cast</u>	<u>Number of Votes Represented at the Meeting</u>	<u>Number of Undisputed Shares Voted</u>	
				<u>For</u>	<u>Against</u>
Common Stock	1000	1000	1000	1000	

Date: June 10, 2008 South Carolina Ear, Nose, Throat & Facial Plastic Surgery, Inc.

By: _____


Robert Puchalski, M.D.
Managing Shareholder

JOHN P. FREEMAN
2329 Wilmot Avenue
Columbia, South Carolina 29205-3164

803-254-4667
753-9870
jfreemanuse@gmail.com

May 9, 2012

Vincent Austin Sheheen, Esquire
Savage Royall & Sheheen
PO Drawer 10
1111 Church Street
Camden, SC 29202

Re: Dr. Robert Puchalski; South Carolina ENT, Allergy and Sleep Medicine, P.A.,
SCENT Land Holdings, LLC

Dear Mr. Sheheen:

At your request I have met with you and Dr. Puchalski to learn about the facts underlying his ongoing litigation involving SCENT and SCENT Land Holdings, LLC. My investigation has been made with a view to possibly testifying on behalf of your clients in the ongoing litigation involving Dr. Puchalski and Drs. Dyce, Gunnlaugsson, and Ms. Curley. You have asked me to prepare to testify concerning the discharge of duties owed by fiduciaries, including agents, corporate shareholders, and LLC members.

You have furnished me with various materials, including the pleadings in the three different cases in which SCENT, SCENT Land Holdings, LLC, and Dr. Puchalski are involved. You have also furnished me with various documents, including Dr. Puchalski's voluminous (479 pp.) deposition and exhibits, plus numerous documents generated by discovery in the cases. My research is continuing.

At this point I am providing you with observations and insights of a preliminary and tentative nature concerning the pending disputes. These observations and insights are based on my investigation to date, and take into account my knowledge, background, training, and experience as an expert in business-related disputes. For your file, I attach as Exhibit 1, my current resume which details my credentials. I reserve the right to amend or supplement the views expressed herein as additional information becomes available.

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Plaintiffs' Ex 0109.001

SCOPE OF ASSIGNMENT

You have asked that I provide answers to the following four questions and related issues:

1. Did Dr. Gunnlaugsson breach his duties toward the practice by taking steps to set up a competing medical practice while working at SCENT?
2. Did Dr. Dyce breach his duties as a shareholder and officer of the corporation by stymying legitimate efforts to run the business?
3. Did Jamie Curley breach her duties as a member of SCENT Land, LLC by stymying legitimate steps to run the business such as obtaining financing for closing the building construction?
4. Did Jamie Curley and Dr. Dyce breach their obligations toward the companies by sharing confidential information with Dr. Gunnlaugsson who was not a shareholder or owner of the companies.

I present my preliminary and tentative opinions concerning these questions below.

BRIEF FACTUAL OVERVIEW

The late Summer and Fall of 2009 ought to have been a time of tremendous satisfaction, and happiness for the doctors working for South Carolina ENT & Facial Plastic Surgery (SCENT), and its affiliates, including SCENT Land Holding. On its face, the SCENT physicians (Drs. Puchalski, Dyce, Gunnlaugsson and Vidrine, plus (as to SCENT Land) Mrs. Puchalski and Ms. Curle, were highly successful and on the cusp of greater success. The SCENT practice was churning out very considerable wealth, clients were flocking to the firm, profit margins were unusually high compared to similar practices, and all seemed to be going well. A year earlier, the groundwork for future growth seemingly had been pulled together and solidified.

- In June of 2008 Dr. Gunnlaugsson had elected to choose Purchase Option B by which practice profits would be counted toward a buy-in goal.
- Dr. Gunnlaugsson also signed the Shareholder Tract Employment Agreement tier of Option B, designating himself as a "shareholder tract physician." This Option B has two tiers.
- Later that summer, Shareholder Agreements and Employment Agreements were signed by Drs. Puchalski and Dyce.

By the Fall of 2009, additional pieces of SCENT's business plan for future growth seemingly had come together.

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- In May of 2009, Dr. Gunnlaugsson completed tier 1 of Option B and received a significant increase in his base wage.
- In August of 2009 Dr. Vidrine signed his Shareholder Tract Employment Agreement.
- In September, Jamie Curley signed the SCENT Land Holding Agreement, making her a half-owner in the land company.

Despite increasingly challenging economic times, both SCENT and its key professionals seemed to be flourishing as calendar year-end 2009 approached. Gross revenues exceeded \$6 million. Expansion in the form of construction of new facilities through SCENT Land was underway. Financial results were strong. It appears that the practice was markedly more profitable than similar competing ENT practices. The three most senior doctors were grossing over \$1 million each. On the surface, the practice was thriving, and all was well.

But all was not well. Unease over the governance mechanisms for the underlying entities caused questioning of the status quo. This led the doctors to do something natural, which was to turn to legal counsel for advice. For Dr. Gunnlaugsson, legal counsel was Chuck Thompson, an excellent employment law lawyer. About a year after Mr. Thompson's retention, Dr. Gunnlaugsson brought aboard Eric Bland and Ronnie Richter, two hardball, fearless litigators with excellent reputations for relentlessly pressing their clients' positions. SCENT and SCENT Land meanwhile were represented by Ed White and others at Nelson Mullins, a highly regarded major firm, also well known for its zealous client representation. Also involved from Dr. Puchalski's side was Roy Laney. Laney and Nelson Mullins soon were assisted by Vincent Sheheen and, as to discovery matters, Jon Robinson. For his part, Dr. Dyce and his wife had two layers of legal advisors, counsel in Philadelphia, plus Morris Ellison of the Buist Moore firm (now Womble Carlyle), in Charleston.

I know from my long personal experience as a lawyer in South Carolina, that the South Carolina-based lawyers mentioned above are all outstanding advocates. It is a tribute to each of the doctors that they so wise as to select eminent counsel. And there was absolutely nothing wrong with the judgment the various doctors' exercised in "lawyering-up." But one problem with lawyering-up is that viewpoints can become entrenched, compromise can be made harder, life can become much more stressful, legal costs can go through the roof, and lawsuits have a way of taking on lives of their own. Litigation gridlock is usually not an ideal outcome when you're dealing with professional practices where the participants tend to be better paid and more comfortable solving problems for patients or clients, as opposed to being at each other's throats.

In reviewing the parties' positions and arguments, it is obvious to me that each side has ammunition to use in defending its behavior. Among other things, Dr. Puchalski can point to Dr. Dyce's delay in entering into a new shareholder agreement, as well as Ms. Curley's refusal to cooperate with financial matters concerning major SCENT Land construction. As explained below, Dr. Puchalski also points to evidence of faithlessness on the part of Dr. Dyce operating in tandem with Dr. Gunnlaugsson that led to Dr. Dyce being fired and litigation by and against Dr. Gunnlaugsson. For their parts, Dr. Dyce and Ms. Curley allege Dr. Puchalski's unwillingness to provide information to which they were entitled as justification for their behavior. Dr.

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Gunnlaugsson argues that he was treated abusively when his status as a SCENT shareholder was not (according to him) timely recognized, and that his competitive actions were entirely proper. As is common in complex business litigation, each side makes a colorable case for mistreatment at the hands of its adversary.

My purpose in writing this letter is to evaluate SCENT's contentions. For purposes of my analysis I accept as true the factual statements presented in his behalf in documents filed with the Court. I recognize that his adversaries have an entirely different view of virtually every factual scenario SCENT presents. My evaluation focuses on SCENT's positions and evidence, accepting as true Dr. Puchalski's and Dr. Vidrine's testimony as true. Against this backdrop, I turn to the questions I have been asked to address.

1. Did Dr. Gunnlaugsson breach his duties toward the practice by taking steps to set up a competing medical practice while working at SCENT.

ANSWER: Accepting as true the facts presented by Dr. Puchalski and Dr. Vidrine, it appears that Dr. Gunnlaugsson's conduct breached fiduciary duties owed to SCENT and to Dr. Puchalski.

Factual Background

Dr. Puchalski states in his Summary Judgment Memo in the Gunnlaugsson case [Gunnlaugsson Case Memo], and in his accompanying affidavit, [Dr. Puchalski Aff. March 25, 2012]:

- Dr. Chad Gunnlaugsson, was recruited by SCENT from Florida. He was employed as a physician with SCENT beginning in 2006, but left in 2010 without giving the proper notice or abiding by his contractual obligations. Gunnlaugsson Case Memo at 1-2; Dr. Puchalski Aff. March 25, 2012 at 1.
- In fact, Dr. Gunnlaugsson had agreed to give SCENT twelve months' notice before leaving due to the high cost of physician recruitment and time needed to fill the role. Dr. Puchalski Aff. March 25, 2012 at 2.
- In his Employment Agreement, Dr. Gunnlaugsson expressly acknowledged that "during the course of his employment" he would "become privy to and knowledgeable about the patients, services, rates, fees, systems, business customs and practices, and other information and trade secrets concerning [SCENT's] business which would be injurious and damaging to [SCENT] if divulged, used or made known to a competitor." He further acknowledged that SCENT's "business is highly competitive and that [SCENT] has a need to protect the anticipated value created by [Plaintiff's] exclusive practice for [SCENT]." Gunnlaugsson Case Memo at 7 (quoting agreement). Indeed, in an affidavit he evidently helped prepare at the request of Dr. Gunnlaugsson's counsel, Dr. Dyce attested that "Dr.

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Gunnlaugsson has unique skills and accreditations that would leave significant gaps in SCENT's ability to provide some services," should he leave SCENT. *See* Dr. Dyce Affidavit prepared on or about January 31, 2010, ¶ 10.

- Notwithstanding the foregoing acknowledgement, by mid-April of 2010, Dr. Gunnlaugsson's plan to open a competing practice had moved into high gear. On one hand, during office meetings, Dr. Gunnlaugsson presented himself to Dr. Puchalski as the loyal co-worker, well willing to patiently wait for issuance of his shares once issues with Dr. Dyce were worked out. On the other hand, as shown by April 15, 2010, emails involving Julie Dunn, and the April 19, 2010, and Southeastern ENT's April 19, 2010, filing for its charter, Dr. Gunnlaugsson's focus was not on supporting SCENT or supporting Dr. Puchalski; rather, it was on getting one more paycheck from SCENT before Dr. Gunnlaugsson took off and started taking business away from SCENT. *See* Emails BCPA 000 , 115, 132; Southeastern ENT LLC's, April 19, 2010, filing with South Carolina Secretary of State.
- Notwithstanding the foregoing acknowledgement, Dr. Gunnlaugsson set up a competing practice in the same building as SCENT. The result was catastrophic and SCENT lost scores of patients to Dr. Gunnlaugsson who took many of his patients with him. Dr. Gunnlaugsson chose space in the building where all SCENT patients would have to pass before going to SCENT's office for appointments. Many SCENT's patients came to the building for weekly allergy shots. Gunnlaugsson Case Memo at 2. Dr. Puchalski Aff. March 25, 2012 at 1.
- Unbeknownst to Dr. Puchalski and SCENT, in early 2010, Drs. Dyce and Gunnlaugsson were working cooperatively with Dr. Gunnlaugsson's counsel to undermine Dr. Puchalski's leadership of SCENT. *See* Dr. Dyce Affidavit prepared on or about January 31, 2010.
- Upon leaving, Dr. Gunnlaugsson set up a competing practice in the same building as SCENT in an office where patients would be forced to pass by. Gunnlaugsson Case Memo at 4.
- It appears that Dr. Gunnlaugsson's behavior created confusion for SCENT patients, which was exploited in Dr. Gunnlaugsson's favor. Dr. Gunnlaugsson placed posters in his office window and in the building lobby, advertising his services, which were the same as Dr. Gunnlaugsson chose a name for his practice that is extremely similar to SCENT's name and placed it on these posters along with a large picture of himself. Dr. Gunnlaugsson also advertised to patients on his website that "If you have seen Dr. Gunnlaugsson before, please contact his previous office for a copy of your records."

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Gunnlaugsson Case Memo at 4. As a result, "SCENT has lost hundreds of thousands of dollars in revenue and suffered extreme financial loss." Gunnlaugsson Case Memo at 4. Dr. Puchalski Aff. March 25, 2012 at 1-2.

- Dr. Gunnlaugsson took hundreds of patients to his practice, costing SCENT approximately one and a half million dollars in revenue. Gunnlaugsson Case Memo at 2.
- SCENT also learned that in April 2010, Plaintiff sent multiple e-mails from his employer provided computer and e-mail account to his personal e-mail account Attached to those e-mails were financial projections, contracts and discussion points for all three deals that SCENT was negotiating with various hospitals. The information included within these documents contained competitive business intelligence that SCENT bought from third parties, assumptions that went into the financial projections, the SCENT data used to create the financial projections, the redline changes of the draft agreements, pricing information and objections, and privileged communications. Gunnlaugsson Case Memo at 4-5.
- Dr. Gunnlaugsson's actions are viewed as unfair and "combative." "He has opened up a competing practice with SCENT, establishing his offices in the same building and taking scores of patients with him. Dr. Gunnlaugsson has hired staff from SCENT. He has caused SCENT to suffer in excess of one million dollars in revenue loss. Gunnlaugsson Case Memo at 7. Indeed, the liquidated damages provision contained within the Employment Agreement was a good faith estimate of what losses SCENT would sustain if the contract were violated by Dr. Gunnlaugsson. Unfortunately, the losses from his breach far exceed the liquidated damages provision because SCENT has suffered approximately \$1.5million in lost revenue due to Dr. Gunnlaugsson's actions. Dr. Puchalski Aff. March 25, 2012 at 4.
- In answer to Dr. Gunnlaugsson's claim to shareholder status, Dr. Puchalski testified at his deposition: "[T]he truth is that . . . Dr. Gunnlaugsson has never bought into South Carolina E.N.T. He never took on the risks, the obligations, or the other things that would make him entitled to those things." Dr. Puchalski Dep. 287. Further, "I will tell you that everyone in the practice, including Dr. Gunnlaugsson, knew that he wasn't an owner of South Carolina ENT Allergy and Sleep Medicine. And that he wasn't liable for all the debts, obligations, and the other responsibilities." Dr. Puchalski Dep. 322. As for the debt, signing on to pay SCENT debt was, Dr. Puchalski testified, "a very clear understanding and a precedent both before and after Dr. Gunnlaugsson In order to go ahead and own an asset, you also have to have the debt associated with that asset." Dr. Puchalski Dep. 298.

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- At his March 12, 2012, deposition, Dr. Puchalski testified to his beliefs that Dr. Gunnlaugsson breached his contract and injured SCENT by (1) failing to give proper notice of his departure; (2) engaging in deceptive and fraudulent activities in setting up a competing practice while employed by SCENT; (3) by hiring away SCENT employees; (4) by taking SCENT patients; (5) by taking confidential information (patient lists, billing procedures, coding procedures, vendor lists, patient protocols) for his use; (6) and by "loss of corporate opportunity." Dr. Puchalski Dep. 475-78. Adding to the appearance of questionable behavior on Dr. Gunnlaugsson's part is evidence of his having downloaded for personal use materials from SCENT's computer system which were then deleted from the SCENT server.
- It appears that Dr. Gunnlaugsson's departure was improper under his Employment Agreement which provided he could terminate one of two ways: without cause, or with cause. He evidently claims he was entitled to depart base on cause based on being shorted call pay. "On April 23rd, I gave SCENT a thirty (30) day Notice for Cause Separation for breaches in my Contract, namely, being not paying my equal call pay." Gunnlaugsson Dep. 81:2-22.¹ Notwithstanding SCENT's good faith effort to cure the purported, disputed "cause" claim, Dr. Gunnlaugsson nonetheless departed in a way calculated to cripple SCENT.
- Dr. Puchalski summed up his views of Dr. Gunnlaugsson thus: "Our practice was hijacked . . . He took our patients. He took our employees. He took our trade secrets. He went ahead and set it all up." Dr. Puchalski Dep. 244. "He took every one of our consultants or at least tried to. He took at least one of every individual that he needed to come on over. He's got emails that substantiate his clear resourcing of our practice for the set up of his own." Dr. Puchalski Dep. 247-48.

¹ At the Court hearing in this matter Dr. Gunnlaugsson testified to a different "cause" for his departure:

A I left SCENT. I gave them a 30-day notice with cause for not receiving my shares and being refusing -- and by being refused to be admitted as a shareholder, despite paying what I believe my entire purchase price and more, beyond what the original share hold contract stated. I also left because there was a shareholders dispute between Dr. Puchalski and Dr. Dyce. And Dr. Puchalski told me that I would not get my shares until after May 9, after which Dr. Dyce, who was given a 60-day notice without cause, had left the practice. Hearing Tr. 76:15-24.

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Analysis

Putting aside the "Was-Dr. Gunnlaugsson-a-shareholder-issue," I note SCENT has a solid argument that Dr. Gunn's departure was improper under the terms of his 2008 employment agreement. If this impropriety is established at trial, the liquidated damages provision under section 3.11 becomes effective, with a large bill to be paid by Dr. Gunnlaugsson.

As to the existence of a fiduciary relationship between the Dr. Gunnlaugsson and SCENT or Dr. Puchalski, I note that under South Carolina law, "The determination of the existence of a duty is solely the responsibility of the court. "Whether the law recognizes a particular duty is an issue of law to be decided by the Court." *Hendricks v. Clemson Univ.*, 353 S.C. 449, 456, 578 S.E.2d 711, 714 (2003). In *Hendricks*, the court rejected the party's argument that whether a fiduciary duty was owed between a college advisor and a student created a question of fact. *See id.* at 459, 578 S.E.2d at 715-16 ("Although whether a fiduciary relationship has been breached can be a question for the jury, the question of whether one should be imposed between two classes of people is a question for the court.").

I note in passing that there are various theories by which the Court may determine that Dr. Gunnlaugsson was in a fiduciary relationship with either SCENT or Dr. Puchalski. It seems obvious that until he left SCENT, Dr. Gunnlaugsson was an agent of SCENT. Agency is a fiduciary relationship. *See* RESTATEMENT (SECOND) OF AGENCY § 1 ("Agency is the fiduciary relation which results from the manifestation of consent by one person to another that the other shall act on his behalf and subject to his control, and consent by the other so to act.") Further, reposing trust and confidence in another suffices to support a finding that a fiduciary relationship exists. As stated in *Moore v. Moore*, 360 S.C. 241, 251, 599 S.E.2d 467, 472 (Ct. App. 2004):

A fiduciary relationship is founded on the trust and confidence reposed by one person in the integrity and fidelity of another. . . . A fiduciary relationship exists when one imposes a special confidence in another, so that the latter, in equity and good conscience, is bound to act in good faith and with due regard to the interests of the one imposing the confidence.

I expect the Court to rule that Drs. Puchalski and Gunnlaugsson were in a fiduciary relationship because of the trust and confidence they necessarily reposed in each other by virtue of their work together at SCENT.

Dr. Gunnlaugsson argues, among other things, that he actually became a SCENT shareholder but wrongfully was denied delivery of his stock. If a jury were to accept Dr. Gunnlaugsson's contention that he actually became a SCENT shareholder, this finding would place Dr. Gunnlaugsson in a fiduciary relationship with Dr. Puchalski by virtue of their joint share ownership in SCENT. This is because SCENT, as a P.A., is a form of close corporation, and shareholders of close corporations are viewed as being fiduciaries vis-à-vis each other. *See Donahue v. Rodd Electrotype Co. of New England, Inc.*, 367

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Donahue was relied upon by our Supreme Court in the leading shareholder oppression case of *Kiriakides v. Atlas Food Systems & Services, Inc.*, 338 S.C. 572, 527 S.E.2d 371 (2000), *aff'd* 343 S.C. 587, 541 S.E.2d 257 (2001). Significantly, in *Donahue*, the Massachusetts Supreme Court held that *all* shareholders in a close corporation owe fiduciary duties to each other. *Donahue*, 367 Mass. at 593 n.17, 328 N.E.2d at 515 ("We do not limit our holding to majority stockholders. In the close corporation, the minority may do equal damage through unscrupulous and improper 'sharp dealings' with an unsuspecting majority.") Further, assuming that Dr. Gunnlaugsson and Dr. Dyce were both shareholders of SCENT at the same time, they had control, and their behavior, if oppressive to Dr. Puchalski, would entitle him to relief under S.C. Code Ann. § 33-14-300 and -310.

Even limiting analysis of Dr. Gunnlaugsson's alleged behavior to violations of agency law opens a great array of possible claims, of which the following sections of the RESTATEMENT (SECOND) OF AGENCY provide just a small sample:

Duties of Loyalty

- § 387 Basic principle
- § 388 Duty to account for profits
- § 389 Acting as adverse party without consent
- § 390 Acting as adverse party with consent
- § 391 Acting for adverse party without consent
- § 392 Acting for adverse party with consent
- § 393 Competition as to subject matter of agency
- § 394 Acting for one with conflicting interests
- § 395 Using or disclosing confidential information
- § 396 Using confidential information after termination of agency
- § 398 Confusing or appearing to own principal's things

I am well aware that Dr. Gunnlaugsson and his legal team are convinced that it is Dr. Puchalski who has been the faithless fiduciary, breached duties owed, been unfair, etc., etc. In this letter I am not seeking to pass judgment on the merits of Dr. Gunnlaugsson's many grievances. Judgment will be passed at trial. I do say, however, that if the facts are looked at in the light

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most favorable to Dr. Puchalski, he can present a multi-pronged attack raising a number of serious claims focusing purely on the fiduciary ties binding Dr. Gunnlaugsson and SCENT.

Among those claims is concealment of material facts. "Parties in a fiduciary relationship must fully disclose to each other all known information that is significant and material, and when this duty to disclose is triggered, silence may constitute fraud." *Ellie v. Miccichi*, 358 S.C. 78, 100, 594 S.E.2d 485, 497 (quoting *Anthony v. Padmar, Inc.*, 320 S.C. 436, 449, 465 S.E.2d 745, 752 (Ct.App.1995)). I note further that Dr. Puchalski's counterclaims do not rest purely on fiduciary duty principles, but include as well tort theories such as civil conspiracy. As to those claims I note simply that there is evidence of cooperative, anti-competitive behavior on the part of Drs. Dyce and Gunnlaugsson while both were employed by SCENT.

I am aware of Dr. Gunnlaugsson's offensive strategy against SCENT and Dr. Puchalski, which seems to be to cast 100% of the blame on Dr. Puchalski for not issuing Dr. Gunnlaugsson SCENT shares, and for other perceived wrongs. I note that at the same time that Dr. Gunnlaugsson was angling for SCENT stock, circumstances were placing Dr. Puchalski and SCENT under intense pressure. I believe that the finder of fact will have no problem seeing that Dr. Dyce and Ms. Curley's passive aggressive behavior in early 2010 put Dr. Puchalski and SCENT under tremendous financial pressure during a time of catastrophic financial turmoil. My review of the documents, including Dr. Puchalski's deposition and my direct dealings with him, convince me that he is a man of integrity who sought to do the best he could in trying circumstances. I doubt bad faith on his part will be proven at trial.

In my judgment, I believe it is highly unlikely that Dr. Gunnlaugsson will be able to prove he actually became a SCENT shareholder. I say this because he never signed on to guarantee any SCENT debt and, in the Spring of 2010, rather than working to further the interests of SCENT (to which he verbally professed loyalty), he was actively seeking to further his personal interests at SCENT's expense. I have the same skepticism about Dr. Gunnlaugsson's ability to show that Dr. Puchalski acted in bad faith toward Dr. Gunnlaugsson. As for Dr. Gunnlaugsson's behavior, I reiterate that the facts adduced by Dr. Puchalski reflect behavior that was self-serving and opportunistic and which has cost SCENT a large amount of money.

2. Did Dr. Dyce breach his duties as a shareholder and officer of the corporation by stymying legitimate efforts to run the business.

ANSWER: Accepting as true the facts presented by Dr. Puchalski, it appears that Dr. Dyce breached duties he owed as a shareholder and officer of SCENT by stymying legitimate efforts to run the business.

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Factual Background

Dr. Puchalski states in his Summary Judgment Memo in the Dyce case [Dyce Case Memo]; and in his accompanying affidavit [Dr. Puchalski Aff. April 10, 2012]:

- As a Shareholder, Dr. Dyce was in a special position of authority within SCENT. Dyce Case Memo 9. As a shareholder of SCENT and as an employee entrusted with confidential knowledge, Dyce owed SCENT a fiduciary duty. Dyce Case Memo 15.
- By virtue of his position, Dr. Dyce had intimate knowledge of all business practices, strategies, and plans for each geographic area of SCENT. Dyce Case Memo 4. Moreover, he was routinely provided with financial information about the practice. Dyce Case Memo 11.
- Furthermore, Dr. Dyce acknowledged that he would come into contact with confidential and proprietary information. All of these items plus confidential financial information and procedures were made available to Plaintiff with the understanding that they would not be misappropriated and used to damage or compete with SCENT. Dyce Case Memo 5.
- Dr. Dyce breached his duties in many, many ways. Dyce conspired against SCENT with Dr. Gunnlauggson and Jamie Curley. Dr. Dyce provided Dr. Gunnlauggson with information that was supposed to be limited to only the shareholders. He refused to assist in closing the loans necessary to help SCENT and SCENT Land complete the building for SCENT's medical and business operations to gain an advantage as a shareholder. Dyce Memo 15. [H]e shared confidential information with Dr. Gunnlauggson who was setting up a competing practice without SCENT's knowledge. Dyce Case Memo 9.
- During the Fall of 2009 and winter and early Spring of 2010, Dr. Dyce conspired with Dr. Gunnlauggson to halt SCENT's ability to conduct its business operations. In particular, Dr. Dyce and his wife Jamie Curley halted construction of SCENT's new office building in Kershaw County, South Carolina in an effort to gain unfair advantage in shareholder negotiations. During this time, Dr. Gunnlauggson and his wife secretly took steps to set up a competing practice in Richland County while gaining access to confidential shareholder information from Dr. Dyce. Dyce Case Memo at 2.
- In late in 2009, Mrs. Curley and Dr. Dyce began to refuse to participate in financing the building. They refused to attend loan closings, and Dr. Dyce refused to participate in other necessary management activities at the medical practice. Dr. Puchalski Aff. April 10, 2012, at 2.

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- In March of 2010, SCENT and SCENT Land had reached a crisis point. Construction of the new facility had ground to a halt because Dr. Dyce and Jamie Curley refused to allow the necessary loans to occur. Construction loan closings were scheduled on multiple occasions only to be thwarted by Dyce and Curley's refusal to attend or participate. Curley had refused to provide funds to cover the shortfall in SCENT Land although a majority of the members had called for capital to be invested in the company. Dyce demanded access to records, but when access was offered he objected because he wanted to take the records off premises. Dyce Case Memo 2-3. During the periods of time that the building closings were being held up, Dr. Dyce and Jamie Curley were both stymying SCENT's efforts to finish construction and open the business. Dyce Case Memo 16.
- By mid-April of 2010, Dr. Gunnlaugsson's plan to open a competing practice had moved into high gear. On one hand, during office meetings, Dr. Gunnlaugsson presented himself to Dr. Puchalski as the loyal co-worker, well willing to patiently wait for issuance of his shares once issues with Dr. Dyce were worked out. On the other hand, as shown by April 15, 2010, emails involving Julie Dunn, and the April 19, 2010, and Southeastern ENT's April 19, 2010, filing for its charter, Dr. Gunnlaugsson's focus was not on supporting SCENT or supporting Dr. Puchalski; rather, it was on getting one more paycheck from SCENT before Dr. Gunnlaugsson took off and started taking business away from SCENT.
- Dr. Dyce knew that his actions would interfere with third party contracts, including contracts between SCENT Land and South Carolina ENT and between SCENT, SCENT Land, and the general contractor of the new building. With approval of Dyce and his wife Curley, SCENT Land committed to provide a new building for South Carolina ENT to conduct a medical practice from. SCENT Land was not able to timely deliver on that commitment due to Dyce and Curley's intentional delays and refusal to finalize the financing of the building. Dyce and Curley were reminded of these obligations, pleaded with for participation, and continued to provide false reasons for refusing to close the necessary loans. Dyce did this in an attempt to stymie the business operations of SCENT Land and SCENT. Dyce Case Memo 17.
- Dr. Puchalski testifies, "I personally begged them to assist in keeping the business going by cooperating in the loan closings. It is clear to me, that they were attempting to cause the cessation of the construction, financial crisis, and disruption of the business to exert influence and control over the operations of SCENT and SCENT Land." Dr. Puchalski Aff. April 10, 2012, at 2-3. From Dr. Puchalski's informed perspective, "Mrs. Curley and Dr. Dyce breached the most basic obligations of good faith that they owed to SCENT and SCENT Land by purposefully refusing to allow the financing to go forward that was

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needed to complete the Lugoff Building with no good reason given. Dr. Puchalski Aff. April 10, 2012, at 4.

- Dr. Puchalski avers that "SCENT and SCENT Land suffered due to these actions. The result was a failure by SCENT Land to live up to its obligations to SCENT, and a failure of SCENT and SCENT Land to timely provide payments to contractors and subcontractors." Dyce Case Memo 17. "These unfair actions further directly affected and injured the larger public by denying timely payments to numerous subcontractors who were entitled to pay for work done on the building. Dyce engaged in these acts on a repeated basis, stopping closings from occurring on approximately five occasions causing the cascade of unpaid bills that affected the many subcontractors." Dyce Case Memo 18.
- Dr. Puchalski further avers: Dr. Dyce and Mrs. Curley gave no legitimate reasons for their failures. They claimed that they were not being allowed to review financial records of South Carolina, ENT, but all records were made accessible to them on the premises to review. . . . SCENT even agreed to allow them to remove records if Dr. Dyce would sign the same confidentiality agreement that Dr. Puchalski signed. Upon finally signing the confidentiality agreement, all records were physically transferred to him within days. SCENT also offered that an independent audit be done. . . . The medical practice of SCENT was put in a crisis situation by not having the building completed while its lease was running out. Construction on the building came to a halt because of the actions of Mrs. Curley and Dr. Dyce. Bills were not paid, and a mechanics lien was asserted against the property. Vandalism, water damage, and theft occurred to the building because it was open and not being completed. Dr. Puchalski Aff. April 10, 2012, at 2-3.
- Dr. Puchalski contends the actions and inactions of Dr. Dyce and his wife, Jamie Curley, smack of obstructionism: Dyce and Curley refused to allow the financing needed for completion of the practice's new building even though they had approved its construction. Not long after executing the SCENT Land agreement, they missed multiple closing dates, claiming that they needed more information even though all relevant information was being offered to them. Dr. Dyce refused to agree to even more mundane business needs such as malpractice contracts, equipment purchases, and physician recruitment. Dr. Dyce and Jamie Curley were bringing the business operations of SCENT and SCENT Land to a financial crisis to exert pressure and leverage on SCENT. Dr. Puchalski Aff. April 10, 2012 at 1-2, 4.
- Because of the actions of Dyce and Curley the general contractor and subcontractors went unpaid. A mechanics lien was threatened against the building, and the future of SCENT was in question. Dyce Case Memo 3.

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- Dr. Dyce has set up a competing practice that directly competes with SCENT in the specific areas he practiced and he has taken scores of patients and millions of dollars of revenue from SCENT. Dyce Case Memo 13.
- Between the actions of Dr. Dyce, Dr. Gunnlaugsson, and Mrs. Curley, SCENT suffered extreme and special damages. As part of this conspiracy, Mrs. Curley and Dr. Dyce presented false reasons for blocking the closing of the loans on the building in order to bring the financial operations of SCENT Land and South Carolina ENT to a halt. Dyce Case Memo 16.
- Dyce engaged in unfair trade practices by assisting Dr. Gunnlaugsson in leaving SCENT and establishing a competing practice; by blocking the closing and construction on the new building; by refusing to agree to normal business operations such as renewing insurance; by opening a competing practice after blocking business at SCENT; and by giving confidential information to others. These actions impacted the public by causing patient confusion. In fact, patients often went to the wrong office once Dr. Gunnlaugsson and Dr. Dyce opened their competing practice. Dyce Case Memo 18.
- Dr. Puchalski also avers that Dr. Dyce and Mrs. Curley interfered with a host of contractual relationships that SCENT Land and SCENT maintained, including SCENT's contractual dealings related to its contractors, lender, SCENT's patients and referring physicians, and SCENT's relationship with Dr. Gunnlaugsson. Dr. Puchalski Aff. April 10, 2012 at 5.
- Dr. Puchalski further avers Dr. Dyce has hurt SCENT because he "has hired SCENT employees and taken SCENT patients in direct violation of his contracts and obligations. He has also taken sensitive trade secrets from SCENT in direct violation of his contract, and shared sensitive information with Dr. Gunnlaugsson and his wife in violation of his fiduciary duties." Dr. Puchalski Aff. April 10, 2012 at 8.

Analysis

Much of the analysis presented above as to Dr. Gunnlaugsson applies to Dr. Dyce. Dr. Dyce clearly was in a fiduciary relationship with both SCENT and Dr. Puchalski. He clearly had an obligation to work loyally for SCENT and not to injure its business. Serious allegations have been made by Dr. Puchalski that Dr. Dyce had a divided loyalty that culminated in grave injury to SCENT. Serious allegations have been made that Dr. Dyce and his wife, Jamie Curley, joined forces with Dr. Gunnlaugsson to injure SCENT and Dr. Puchalski. Details concerning these allegations are provided in the above bullet points.

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The Counterclaim filed against Dr. Dyce by SCENT and Dr. Puchalski reiterates the above charges against Dr. Dyce. It alleges in substance that Dr. Dyce violated his employment and shareholder agreement by disclosing confidential information, obstructing normal operations, obstructing the closing of financing on SCENT's new office building, and by going to work for a competitor and soliciting for that competitor SCENT patients. Dr. Dyce is also charged with conspiring with Dr. Gunnlaugsson to injure SCENT and for various alleged deceptive and defamatory statements.

I am certainly well aware that Dr. Dyce shares Dr. Gunnlaugsson's view that Dr. Puchalski is the root of all evil. Dr. Dyce contends that Dr. Puchalski is to blame for delay in providing financial information to him and his wife which justified their inaction. The charges Dr. Dyce makes in justification for his actions are serious. But so are Dr. Puchalski's alleged breaches of duty. On grade school playgrounds the refrain is heard, "I did not!," followed by, "You did so!" The difference here is that millions of dollars in damages are at stake and professional reputations are hanging in the balance.

The arguments over just who is to bear blame for the unfortunate blow-up between Dr. Puchalski and Dr. Dyce have heat on both sides. For present purposes I state only that Dr. Puchalski has put forward facts which, if credited at trial by the fact-finder, will suffice to justify SCENT's dismissal of Dr. Dyce, will cause Dr. Dyce's claims for damages to be set aside, and will lead to very substantial financial recovery at Dr. Dyce's expense.

Dr. Puchalski's complaint about the passive-aggressive behavior involved in Ms. Curley's refusal to execute financing documents for SCENT Land, smack of claims of breach of fiduciary duty, concerted behavior designed to injure, and economic duress. Of course, whereas Dr. Puchalski blames Dr. Dyce and Ms. Curley for the standoff, Dr. Dyce and Ms. Curley, justify their recalcitrance by casting blame on Dr. Puchalski. Exactly who is to blame for the impasse and its consequences presents a disputed fact issue for trial. The same is true of Dr. Puchalski's other substantive claims against Dr. Dyce, including civil conspiracy and defamation.

3. **Did Jamie Curley breach her duties as a member of SCENT Land, LLC by stymying legitimate steps to run the business such as obtaining financing for closing the building construction.**

ANSWER: Accepting as true the facts presented by Dr. Puchalski, it appears that Ms. Curley breached duties she owed as a member of SCENT Land, LLC officer of SCENT by stymying legitimate steps to run the business such as obtaining financing for closing the building construction.

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Factual Background

Dr. Puchalski states in his Summary Judgment Memo in the Dyce case:

- Dr. Dyce's wife, Jamie Curley was allowed to become a member of SCENT's sister company, SCENT Land, although she contributed no capital to the company. SCENT Land owned and leased the physical premises that SCENT used for the medical practice. Dyce Case Memo at 2.
- Ms. Curley conspired with Dr. Dyce and Dr. Gunnlauggson to injure SCENT. Dyce Case Memo 9.
- In late in 2009, Mrs. Curley and Dr. Dyce began to refuse to participate in financing the building. They refused to attend loan closings, and Dr. Dyce refused to participate in other necessary management activities at the medical practice. Dr. Puchalski Aff. April 10, 2012, at 2.
- In March of 2010, SCENT and SCENT Land had reached a crisis point. Construction of the new facility had ground to a halt because Dr. Dyce and Jamie Curley refused to allow the necessary loans to occur. Construction loan closings were scheduled on multiple occasions only to be thwarted by Dyce and Curley's refusal to attend or participate. Curley had refused to provide funds to cover the shortfall in SCENT Land although a majority of the members had called for capital to be invested in the company. Dyce demanded access to records, but when access was offered he objected because he wanted to take the records off premises. Dyce Case Memo 2-3. During the periods of time that the building closings were being held up, Dr. Dyce and Jamie Curley, were both stymying SCENT's efforts to finish construction and open the business. Dyce Case Memo 16.
- With approval of Dr. Dyce and his wife, Jamie Curley, SCENT Land committed to provide a new building for South Carolina ENT to conduct a medical practice from. SCENT Land was not able to timely deliver on that commitment due to Dyce and Curley's intentional delays and refusal to finalize the financing of the building. Dyce and Curley were reminded of these obligations, pleaded with for participation, and continued to provide false reasons for refusing to close the necessary loans. Dr. Dyce did this in an attempt to stymie the business operations of SCENT Land and SCENT. Dyce Case Memo 17.
- Dr. Puchalski testified in his affidavit, "I personally begged them to assist in keeping the business going by cooperating in the loan closings. ~~It is clear to me, that they were attempting to cause the cessation of the construction, financial crisis and liquidation of~~

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the business to exert influence and control over the operations of SCENT and SCENT Land.” Dr. Puchalski Aff. April 10, 2012, at 2-3. From Dr. Puchalski’s informed perspective, “Mrs. Curley and Dr. Dyce breached the most basic obligations of good faith that they owed to SCENT and SCENT Land by purposefully refusing to allow the financing to go forward that was needed to complete the Lugoff Building with no good reason given. Dr. Puchalski Aff. April 10, 2012, at 4.

- Dr. Puchalski avers that “SCENT and SCENT Land suffered due to these actions. The result was a failure by SCENT Land to live up to its obligations to SCENT, and a failure of SCENT and SCENT Land to timely provide payments to contractors and subcontractors.” Dyce Case Memo 17. “These unfair actions further directly affected and injured the larger public by denying timely payments to numerous subcontractors who were entitled to pay for work done on the building. Dyce engaged in these acts on a repeated basis, stopping closings from occurring on approximately five occasions causing the cascade of unpaid bills that affected the many subcontractors.” Dyce Case Memo 18.
- Dr. Puchalski further avers: Dr. Dyce and Mrs. Curley gave no legitimate reasons for their failures. They claimed that they were not being allowed to review financial records of South Carolina, ENT, but all records were made accessible to them on the premises to review. . . . SCENT even agreed to allow them to remove records if Dr. Dyce would sign the same confidentiality agreement that Dr. Puchalski signed. Upon finally signing the confidentiality agreement, all records were physically transferred to him within days. SCENT also offered that an independent audit be done. . . . The medical practice of SCENT was put in a crisis situation by not having the building completed while its lease was running out. Construction on the building came to a halt because of the actions of Mrs. Curley and Dr. Dyce. Bills were not paid, and a mechanics lien was asserted against the property. Vandalism, water damage, and theft occurred to the building because it was open and not being completed. Dr. Puchalski Aff. April 10, 2012, at 2-3.
- Dr. Puchalski contends the actions and inactions of Dr. Dyce and his wife, Jamie Curley, smack of obstructionism: Dyce and Curley refused to allow the financing needed for completion of the practice’s new building even though they had approved its construction. Not long after executing the SCENT Land agreement, they missed multiple closing dates, claiming that they needed more information even though all relevant information was being offered to them. Dr. Dyce refused to agree to even more mundane business needs such as malpractice contracts, equipment purchases, and physician recruitment. Dr. Dyce and Jamie Curley were bringing the business operations of SCENT and SCENT Land to a financial crisis to exert pressure and leverage on SCENT. Dr. Puchalski Aff. April 10, 2012 at 1-2, 4.

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- Because of the actions of Dyce and Curley the general contractor and subcontractors went unpaid. A mechanics lien was threatened against the building. and the future of SCENT was in question. Dyce Case Memo 3.
- Between the actions of Dr. Dyce, Dr. Gunnlauggson, and Mrs. Curley, SCENT suffered extreme and special damages. As part of this conspiracy, Mrs. Curley and Dr. Dyce presented false reasons for blocking the closing of the loans on the building in order to bring the financial operations of SCENT Land and South Carolina ENT to a halt. Dyce Case Memo 16.
- Dr. Puchalski also avers that Dr. Dyce and Mrs. Curley interfered with a host of contractual relationships that SCENT Land and SCENT maintained, including SCENT's contractual dealings related to its contractors, lender, SCENT's patients and referring physicians, and SCENT's relationship with Dr. Gunnlauggson. Dr. Puchalski Aff. April 10, 2012 at 5.

Analysis

Much of the analysis above concerning Dr. Puchalski's allegations against Dr. Gunnlauggson and Dr. Dyce pertains as well to Ms. Curley. Duties owed by the different counterclaim defendants are likely all going to be seen as running together. Fiduciary duties of good faith and fair dealing tend not to vary greatly depending on whether the target defendant is an agent, corporate official or LLC member. Paragraph 16 of the counterclaim against her references her breach of duty under S.C. Code Ann. § 33-8-20. A better cite is § 33-44-409 which imposes fiduciary duties on LLC members requiring fair dealing, and prohibiting competition with the business. Dr. Puchalski's allegations raise claims that those duties were breached. The above factual allegations lend support for those allegations. Other serious claims already leveled at Ms. Curley are civil conspiracy, interference with contractual relationship, and SCUPTA.

I also note that the LLC statute features an oppression provision in § 33-44-801(4)(e) that is akin to that available under § 33-14-300, -310. Clearly, oppressive conduct by an LLC member is not condoned under the LLC statute. The issue for trial is who is the oppressor?

As discussed above, the validity of Dr. Puchalski's claims against Ms. Curley, as with Dr. Gunnlauggson and Dr. Dyce, depend to a great extent on who and what the fact-finder chooses to believe. Unquestionably, a great deal of money and reputational capital is at stake based on the outcome of that decision-making.

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4. Did Jamie Curley and Dr. Dyce breach their obligations toward the companies by sharing confidential information with Dr. Gunnlaugsson who was not a shareholder or owner of the companies.

ANSWER: Accepting as true the facts presented by Dr. Puchalski, and assuming that the information shared was for the purposes of further Dr. Gunnlaugsson's competitive agenda at SCENT's expense, any sharing of confidential information was improper.

Factual Background

Dr. Puchalski states in his Summary Judgment Memo in the Dyce case:

- Dr. Dyce breached his duties in many, many ways. Dyce conspired against SCENT with Dr. Gunnlaugsson and Jamie Curley. Dr. Dyce provided Dr. Gunnlaugsson with information that was supposed to be limited to only the shareholders. He refused to assist in closing the loans necessary to help SCENT and SCENT Land complete the building for SCENT's medical and business operations to gain an advantage as a shareholder. Dyce Memo 15. [H]e shared confidential information with Dr. Gunnlaugsson who was setting up a competing practice without SCENT's knowledge. Dyce Case Memo 9.

To the extent that Dr. Dyce and Ms. Curley shared confidential information about SCENT with Dr. Gunnlaugsson for the purpose assisting him in competing with SCENT, such action would be a serious and obvious breach of duty. This is black letter law. An agent has a fiduciary duty to his or her principal, even post-termination, not to use or disclose trade secrets, customer lists, or other confidential information. RESTATEMENT (SECOND) OF AGENCY § 395 comment b, § 396(b) (1957). The prohibition is broad. Comment b to § 395 provides in part: "The rule stated in this Section applies not only to those communications which are stated to be confidential, but also to information which the agent should know his principal would not care to have revealed to others or used in competition with him. It applies to unique business methods of the employer, trade secrets, lists of names, and all other matters which are peculiarly known in the employer's business."

SUMMARY

The pending business dispute is the first cousin of a bitter family court divorce case, complete with charges of uncaring behavior, infidelity, selfishness, and financial waste. I have had long experience with business blow-ups, often involving professional practices. Such disputes are fairly easily started, but they are frustrating and expensive to litigate, and very challenging to resolve.

My role to date is to consider the SCENT entities' and Dr. Puchalski's positions to verify whether, assuming they are supported by competent, credible evidence at trial, those positions

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can support verdicts in his favor. My review of the matter to date, taking into account the facts presented to me, is that Dr. Puchalski and his entities have good reason to be hopeful for a positive result at trial. I hold this view well knowing that (1) Drs. Dyce, Gunnlaugsson and Ms. Curley have their own set of facts, and (2) their positions will be forcefully presented at trial by first-rate counsel. A battle royal is looming, which is par for the course. After all, every good divorce case features competing stories of betrayal, and one side rarely has a monopoly on the truth.

This case represents high-risk litigation for both sides. As I stated earlier in this letter, "millions of dollars in damages are at stake and professional reputations are hanging in the balance."

To reiterate: My review of the matter to date, based on the facts presented to me, is that Dr. Puchalski and his entities have good reason to be hopeful for a positive result at trial. As we have discussed, I respectfully reserve the right to revise or supplement my opinions and the reasons therefor as discovery proceeds.

Please let me know if you have any questions about the foregoing discussion.

Sincerely yours,



John P. Freeman

cc: Dr. Robert Puchalski

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RESUME
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Education history:

LL.M., 1976, University of Pennsylvania Law School; J.D., 1970, University of Notre Dame Law School; B.B.A., 1967, University of Notre Dame (Accounting)

Employment history:

1970-72, Attorney, Jones, Day Law Firm, Cleveland, Ohio

1972-73, Fellow, University of Pennsylvania Law School Center for the Study of Financial Institutions

1973-75, Assistant Professor of Law, University of South Carolina

1974 and 1975 (Summers), Special Counsel, Division of Investment Management, SEC, Washington, D.C.

1975-78, Associate Professor of Law, University of South Carolina; Visiting Associate Professor of Law at Loyola Law School (Chicago) Spring 1977

1978-2008, Professor of Law, University of South Carolina; Visiting Professor of Law at University of Texas Law School, summer 1978

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Honors and Awards:

Undergraduate: Member Beta Alpha Psi (Honorary Accounting Fraternity)
Law School: Executive Editor, Notre Dame Lawyer; Distinguished Military Graduate

Professional:

At University of South Carolina Law School: Senior Class Annual Outstanding Faculty Award of 1975, 1976, 1977, 1984

Winston Churchill Award, South Carolina Jury Trial Foundation 1995; Distinguished Service Award, South Carolina Trial Lawyers Association 2000; Appointed Member, South Carolina Judicial Merit Selection Commission (presently serving)
John Belton O'Neall Inn of Court McDonald/Rhodes Award 2010

Admitted to Practice:

Ohio; South Carolina

Teaching History
Courses Taught:

Professional Responsibility, Legal Accounting, Business Associations, Corporations, Agency-Partnership, Securities Regulation, Corporate Finance, Business Planning, Legal Research and Writing, Business Crime, Legal Malpractice
Component of Advanced Legal Profession Seminar

Scholarly and Professional Publications

Author, 1999-2008, Regular Legal Ethics Column for South Carolina Lawyer.

Article, Protecting Judicial Independence, *forthcoming in* 6 Charleston L. Rev. ____ (2012).

Article, Appearance of Impropriety, Recusal, and the *Segars-Andrews* Case, 62 S.C.L. Rev. 485 (2011).

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Article, Marketing Mutual Funds and Individual Life Insurance, 28 S.C.L. Rev. 1 124 (1976), reprinted in Nat'l Ins. L. Rev. Serv. (1977).

Article, Opinion Letters and Professionalism, 1973 Duke L.J. 371 439, reprinted in Securities Law Review 1974 (E. Folk, III, ed.).

Co-author, Multi student Survey, The Mutual Fund Industry: A Legal Survey, 44 Notre Dame Lawyer 732 983 (1969).

Case Comment, Escott v. BarChris Constr. Corp., 44 Notre Dame Lawyer, 122 40 (1968).

Other Scholarly Activities

Speeches (with accompanying outlines) presented at numerous CLE courses sponsored by various entities including the South Carolina Bar, University of South Carolina Law School and the South Carolina Supreme Court.

CLE Presentations 2004-12: Setzler Scott Law Firm (In-house CLE), West Columbia, SC, Ethics CLE, Feb. 14, 2012; Charleston Law School, Panel, Symposium on Lawyer and Judicial Fitness, Feb. 10, 2012; Charleston County Bar Ass'n, Ethics CLE, Feb. 3, 2012; SC Bar, Panel on Lawyer Confidentiality, Jan. 19, 2012; Nov. 15, 2011, SC Workers Comp. Comm., Legal Ethics; Richardson Patrick-Sponsored CLE, Charleston, SC, April 29, 2011; National Ass'n State Securities Administrators, Ethics in Securities Litigation, Charleston, Jan. 24, 2011; Richland County Legal Ethics Update, Nov. 5, 2010; S.C. Law Review Symposium, Judicial Recusal, Oct. 21, 2010; League of Women Voters, Lecture on Judicial Selection, Oct. 8, 2010, Charleston, S.C.; KershawHealth Board of Directors, Advice on Your Duties as Board Members, July 15, 2010, Camden, SC; American Ass'n of Matrimonial Lawyers, Ethics in Marital Cases, March 19, 2010 (Aruba), John Belton O'Neall Inn of Court, Ethics Lessons Taught by Lawyers, Nov. 17, 2009; South Carolina Defense Trial Lawyer's Ass'n, Judicial Selection in South Carolina, Nov. 7, 2009; Richland County Bar Ass'n, Legal Ethics, Nov. 6, 2009; South Carolina Legislature Employees, Legal Ethics Update, Oct. 21, 2009; Budget & Control Board, Ethics Lecture to SC State Employees, Oct. 2, 2009; South Carolina Bar, Family Law Ethics Update, Sept. 18, 2009; Motley Rice Law Firm, Legal Ethics Update, Sept. 11, 2009; South Carolina Judicial Selection Commission, Judicial Ethics, July 31, 2009; John Belton O'Neall Inn of Court, Ethics of Advertising Firms, Jan. 20, 2009; S.C. Bar, Ethics Presentation "Business Lawyer Horror Stories, Nov. 21, 2008; Participant, Mutual Fund Industry Regulation Roundtable, Chicago-Kent Law School, Nov. 7, 2008; SC Legislature, Ethical Duties of Legislative Employees, Oct. 2, 2008; SC Bar, Dealing with Ethical Duties When Dealing with Pro Se Parties, Oct. 10, 2008; Richardson Patrick Local Counsel CLE, Litigation Ethics, May 2, 2008 (Charleston, SC); Inst. of Public Utilities, 39th Ann. Reg. Policy Conf., Panel on Equity and Responsibility in the Public Utilities Sector (Charleston, SC), Dec. 3, 2007; S.C. Attorney General's Office; Litigation Ethics, Nov. 9,

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2007; Richland County Bar, Ethics Update, Nov. 2, 2007; SC Bar, Litigation Ethics, Oct. 26, 2007; S.C. Children's Law Center, Ethical Problems in the Child Abuse Area, Oct. 19, 2007; National Ass'n of Medicaid Fraud Control Units, Ethics and the Government Lawyer (Savannah, Ga.), Oct. 1, 2007; SCACPA Litigation Conf., Litigation Ethics (Kiawah Island, SC), Sept. 21, 2007; S.C. Circuit Court Judges, May 17, 2007, Practice Tips in Civil Litigation; Energy & Mineral Law Foundation, May 15, 2007, Panel Member, Legal Ethics, 2 hr.; S.C. Government Investigators, Ethical Duties of Investigators, Feb. 23, 2007; S.C. Bar, Employment Law Section, Ethics Update, Jan. 26, 2007; S.C. Association of Counties, Ethics Update, Dec. 8, 2006; Lexington County Bar Ass'n, Ethics Update, Dec. 6, 2006; Richland County Bar, Ethics Update, Nov. 3, 2006; S.C. State Government Lawyers, Ethics Update, Nov. 3, 2006; S.C. Judicial Merit Selection Commission, Overview of Judicial Ethics, Sept. 14, 2006 (½ hr.); Federal Bar Ass'n, SC Bar, Ethics and Professionalism, Sept. 8, 2006; Commercial Law League of America, Avoiding Grievances and Malpractice Worries in Your Practice, July 6, 2006, Asheville, N.C. (2 hours); National Structured Settlement Trade Ass'n, Ethics in Litigation, Westin Rio Mar, Puerto Rico, May 9, 2006; S.C. Chamber of Commerce, Legal Ethics for the Employment Lawyer, Hilton Head, S.C., May 6, 2006; American Ass'n Matrimonial Lawyers, Ethic Lecture, Los Cabos, Mexico, March 11, 2006; SC Bar, Legal Ethics for Health Care Providers, Jan. 28, 2006; S.C. Association of Counties, Ethics Update, Dec. 9, 2005; SCTL, Making Money Out of Discovery Abuse, Dec. 2, 2005, Atlanta; Ass'n of S.C. Claimants Attorneys for Workers Compensation, Ethics Seminar, Nov. 4, 2005, Asheville; S.C. Bar, Ethics in Masters Court, Oct. 14, 2005; N.C. Bar-S.C. Bar Construction Law Ethics Program, Asheville, Oct. 1, 2005; S. C. Bar, Unauthorized Practice Problems in Probate Court, Sept. 16, 2005; Greenville County Solicitor's Office, Prosecutorial Ethics, May 9, 2005; Mass Tort Seminar, NYC, Discovery Abuse Issues, March 18, 2005; S.C. Ass'n of Counties, Legal Ethics, Dec. 10, 2004; Federal Bar Ass'n, S.C., Ethics CLE, Dec. 10, 2004 ½ hr.; S.C. Bar Construction Law Section, Ethics CLE on the new Oath; Dec. 3, 2004; NASAA, Salt Lake City, Legal Ethics for Securities Enforcement Lawyers, Dec. 4, 2004; DSS Ethics Training, Dec. 3, 2004; (2-hr. lecture); PIABA, Ethics for Securities Lawyers, and Comments on the Mutual Fund Mess, Oct. 20, 2004 (2 hrs.); Commercial Law League of America, Southern Region Members' Ass'n, Ethical Issues in Commercial Law, Oct. 1, 2004; S.C. Bar, Annual Probate Bench/Bar, Ethics in Probate Court, Sept. 17, 2004; Charleston Bar Ass'n, Lawyer's Oath Seminar, August 27, 2004; S.C. Government Lawyers, Legal Ethics for Government Attorneys, August 20, 2004; S.C. Judiciary, Judicial Ethics Lecture, August 19, 2004; S.C. Bar, Accounting for Non-tax Lawyers, May 2, 2004; Palmetto Land Title Ass'n, Ethics for Closing Attorneys, April, 24, 2004; Richardson, Patrick Law Firm, CLE on Legal Issues Concerning the Mutual Fund Mess, March 26, 2004; S.C. Bar, An Update on Ethical Considerations for the Guardian, March 5, 2004; S.C. Prof. Society on the Abuse of Children, Ethics and Child Abuse, Feb. 26, 2004; National Ass'n of State Boards of Accountancy, Professionalism, Accountability and the Accounting Profession, Feb. 9, 2004; Fidelity Nat'l Title, Ethical Duties of Closing Attorneys, Feb. 5, 2004; S.C. Bar, Annual Convention, Ethical Issues in Handling the Appeal, Jan. 22, 2004 (co-presenter).

Member, ABA Section of Business Law Task Force on Legal Opinions

Participant in Conference on Legal Opinions at Silverado, California, May 31-June 3 (1989).

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University and Community Service
Author, Report on Tax Sheltered Annuities to USC Faculty and Staff (1976).
Faculty Senate (1996-98)

University Committees
Promotion and Tenure
Faculty Welfare

Annuities and Insurance
Budget Committee

Law School Committees
Faculty Selection
Academic Standing
Minority Student Affairs
Executive Committee
Dean Evaluation Committee
Dean Search Committee

Chairman, Supreme Court Commission on Continuing Lawyer Competence (1980-83)

President, Leaphart Elementary School PTO (1983)
Chairman, Irmo Middle School School Improvement Council (1985)
Member, Irmo Middle School School Improvement Council (1985-89),
President, Irmo High School Parent, Teacher, Student Association (1988-89, 1992-93) Member
Executive Board (1988-93)
Member, Irmo High School-School Improvement Council (1988-93)
Founder and Past-president, University of Notre Dame Club of South Carolina
Lexington District Five and South Carolina State School Volunteer of the Year 1993

PRELIMINARY EVALUATION
OF
A. THE STATUS OF THE PURPORTED BUY-IN
TO KERSHAW ENT/SCENT
BY
DR. CHAD GUNNLAUGSSON
B. CONSEQUENTIAL DAMAGES TO SCENT
BECAUSE OF
DR. GUNNLAUGSSON'S
ALLEGED MISCONDUCT

Prepared

for

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Prepared

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Dr. James B. Edwards

May 9, 2012

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Part A of this preliminary report contains an evaluation of the status of the purported buy-in by Dr. Chad Gunnslaugsson (Dr. Gunnslaugsson) to the Kershaw ENT (n/k/a South Carolina Ear, Nose, and Throat (SCENT)). Also, included in this report is a partial evaluation of consequential damages caused by the alleged breach of the June 1, 2008 Employment Agreement between SCENT and Dr. Gunnslaugsson. (This agreement is attached as Appendix A).

A. The Status of the Purported Buy-In to Kershaw ENT by Dr. Gunnslaugsson

Kershaw ENT was founded in December 2001 by Dr. Robert Puchalski. On June 1, 2006, Dr. Gunnslaugsson executed a 2-year employment agreement with Kershaw ENT. Per this agreement, Dr. Gunnslaugsson had the option to purchase for \$1.23 million an equal ownership in Kershaw ENT.

"The Physician will be allowed to purchase the shares of stock of corporation at the fair market value of the underlying assets, accounts receivable and reimburse an equal portion of the expenses incurred for advertising by Kershaw ENT from July, 2006 until the Physician becomes a shareholder. The parties contemplate the Physician will be an equal shareholder of the corporation though Kershaw ENT currently employs one other physician with a similar contract. The parties have determined as of October 1, 2005, the un-depreciated value of the equipment of Kershaw ENT is approximately 1.1 million dollars."

According to Dr. Puchalski, Dr. Gunnslaugsson was to be notified in writing at least three months before the completion of the contract term (June, 2008) that for a \$1.23 million cash payment to Dr. Puchalski, Dr. Gunnslaugsson would be an equal shareholder.

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Chart 1

The \$1.23 million purchase price was determined as follows:

FMV of assets at June 1, 2008	\$2,700,000
Estimated 90-day Accounts Receivable	700,000
Advertising (7/6-1/8)	210,000
Prepaid Services	<u>80,000</u>
Total FMV for Buy-In	\$3,690,000
One-third share	\$1,230,000

This cash amount would be paid directly to existing SCENT shareholders; who would have paid capital gains taxes on this amount.

The cash buy-in was not executed by Dr. Gunnlaugsson. As a consequence, on June 1, 2008, a new agreement was developed through a series of verbal discussions between Dr. Puchalski and Dr. Gunnlaugsson which reduced the purchase price payment of \$1,230,000 cash to a single payment of \$100,000 cash to be paid directly to SCENT as the purchase price for the common stock. This was coupled with two conditional milestones to be achieved over time.

The first milestone related to the salary for Dr. Gunnlaugsson, which was met and his salary was raised to the same level as a shareholder on May 15, 2009. This milestone was established by calculating 24 pay periods for June 2008 thru April 2009 at \$21,000 and then adding the earned accounts receivable prior to June 2008.

Chart 2

24 @ \$21,000	\$504,000.00
Receivables earned prior to June 2008	<u>191,526.78</u>
Total Target	\$695,526.78

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The second milestone created a conditional process by which the net financial effects upon SCENT's shareholders would yield a result equal to that which would have been obtained under the cash buy-in agreement of June, 2006 on a net after-tax basis. This milestone did not create a purchase price in addition to the \$100,000 cash payment cited above. Rather this milestone establishes a pathway that recognizes the net cash flows through SCENT to existing SCENT shareholders that equate to the amount of cash that existing SCENT shareholders would have received grossed up for the differential between the applicable ordinary income tax rates and the capital gains tax rates. The \$1,230,000 under the cash buy-in agreement would have been taxed to existing SCENT shareholders at capital gains rates. Since the conditional pathway recognition process under the June 1, 2008 buy-in agreement is based on amounts that are taxed to at ordinary income tax rates, this tax rate differential of 24% (39%-15%) must be considered. This pathway flows through the K-1 and sweeps procedures of SCENT to the shareholders as a Sub-S Taxable Corporation.

This milestone begins with the \$695,126.78 target established by the first milestone (shown in Chart 2) and adjusts this amount to account for the additional taxes paid by the existing SCENT shareholders on a net-after-tax realization basis as follows:

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Chart 3

Milestone one Target (Chart 2)	\$695,626.78
Multiply by tax differential of 24%	166,926.43
Multiply by 1.75 to provide net-after-tax cashflow realization to existing SCENT shareholders	292,121.25
Add stock purchase price	<u>100,000.00</u>
Total	\$392,121.25
Multiply by 3 (potential shareholders)	1,176,363.75
Less relevant sweeps to existing SCENT shareholders	<u>(1,005,748.40)</u>
Net	\$170,615.35
Add earned accounts receivable (\$40,874.97 x 3)	<u>122,624.91</u>
Remained to be swept to existing SCENT shareholders before Dr. Gunnlaugsson would reach the second milestone as of May 9, 2010	\$293,240.26

The second milestone was never achieved before Dr. Gunnlaugsson's departure on May 9, 2010. This time-phased process needed additional time to achieve this milestone. The process was \$293,240.26 short of the required threshold.

This amount takes into consideration all of the discussion elements that would have enabled existing SCENT shareholders to receive the after-tax benefits established by the June 1, 2008 agreement.

Upon completion of the second milestone, Dr. Gunnlaugsson would be required to pay the \$100,000 directly to SCENT for his shares, provide personal guarantees for all loans, and capital leases for which SCENT is obligated.

There were no "in lieu of" compensation provisions in these discussions regarding the \$100,000 buy-in. Dr. Gunnlaugsson did not forego any

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compensation as an employee that could be construed as payment toward a purchase price for common stock.

Lastly, the existing shareholders would need to approve issue of the common stock shares to Dr. Gunnlaugsson and a shareholder agreement would need to be signed.

Concluding Observations Based on Information Provided Concerning the Purported Buy-in

1. Dr. Gunnlaugsson did not pay SCENT the \$100,000 purchase price for the common stock.
2. Dr. Gunnlaugsson departed before consummation of the second milestone. The conditions protecting existing shareholders' financial interest fell short by approximately \$293,240.11.
3. Dr. Gunnlaugsson did not provide any personal guarantees for the debts and capital lease obligations of SCENT.
4. The existing shareholders did not approve any issuance of SCENT common stock.
5. There were no agreements with respect to compensation, deductions, or any other cash credits for Dr. Gunnlaugsson. Therefore, Dr. Gunnlaugsson is not owed any refunds relative to common stock purchases in SCENT.

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B. Consequential Damages to SCENT because of Dr. Gunnlaugsson's Alleged Misconduct

Assuming that Dr. Gunnlaugsson committed misconduct, the following damages to SCENT have been identified:

1. Violation on May 23, 2010 of Section 3.10 damages.

Damages per contract	\$125,000
Plus interest at 7.25% (\$24.829/day) to May 15, 2012 (824 days x \$24.829)	<u>20,459</u>
Total	\$145,459
 Multiply by 3 incidents	 \$436,377

2. Violation on May 23, 2010 of Section 3.11

Liquidated damages per contract	\$750,000
Plus interest at 7.25% (\$148.973 /day to May 15, 2012 x 824 days)	<u>122,754</u>
Total	\$872,754

3. Dr. Gunnlaugsson opened a competing office in the same building;

SCENT incurred estimated relocation expenses as follows:

Leasehold Improvements (replacements)	\$190,000
Window treatments	2,226
Move CT	7,000
Reprogram internet phones	2,656
Move furniture	1,905
Move booth and equipment	2,448
Reset booth	3,300
Move wire for Internet	3,500
Move literature	<u>4,649</u>
Total	\$217,684

4. According to Dr. Puchalski SCENT is owed reimbursement for certain unapproved revenue adjustments made by Dr. Gunnlaugsson totaling \$5,680.

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Note: Interest has not been added to estimated relocation expenses or to the revenue adjustments.

5. It is understood that because of an alleged violation of Section 3.1(b) in the employment agreement, "physician loyalty" a payment of \$519,000 is owed as a return of salary by Dr. Gunnlaugsson.

6. Lost Operating Income

According to the June 1, 2008 Employment Agreement:

"1. For a period of eighteen (18) whole calendar months from the date of termination of the Employment Agreement, Physician shall not directly or indirectly practice medicine or provide medical services within a twenty (20) mile radius of any practice site maintained by the Group. Physician further covenants and agrees that during the eighteen (18) whole calendar month period immediately after termination of the Employment Agreement, Physician shall not directly, or indirectly, for himself or for any reason, corporation, partnership, professional association, unincorporated association, limited liability company, limited liability partnership, or other entity by which Physician is compensated for performing medical services or in which Physician has an economic interest, call upon, solicit, accept business from, or provide health care or related services to, any Patient, except for any Patient who delivers to the Group a valid consent to release their medical records to Physician. In the event the Employment Agreement is terminated for a material breach by the Group related to the payment of Physician's Base Compensation or Variable Compensation (after the applicable cure periods in Section 2.3(a) of the Employment Agreement) or a change in law as described in Section 2.2(l) of the Employment Agreement, this Covenant Not To Compete shall not apply.

2. Violation of this Covenant Not to Compete by Physician will entitle the Group to injunctive or other relief, including damages, in a court of competent jurisdiction. If the period of time or the scope of noncompetition herein specified is adjudged unreasonable in any court proceeding, then the period of time or scope shall be reduced as is deemed necessary to allow this covenant to be enforced during such period of time as is determined to be reasonable. Furthermore, in the event Physician breaches this Covenant Not to Compete, Physician agrees to pay all reasonable expenses of the Group, including attorney's fees, to enforce this Covenant Not to Compete. The Group shall have

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these rights in addition to damages and all other remedies available to it at law and in equity."

Below is a comparison of total revenues, total expenses, and net operating income for the 18 months period of time covered by Covenant before departure compared to 18 months after departure:

<u>Item</u>	<u>Before</u>	<u>After</u>	<u>Difference</u>
Total Revenue	\$15,019,083.22	\$11,830,632.84	(\$3,188,450.38)
Total Expenses	<u>11,595,677.38</u>	<u>10,446,846.27</u>	<u>(1,148,832.11)</u>
Net Operating Income	\$3,423,405.84	\$1,383,787.57	(\$2,039,618.27)

According to SCENT's records, \$1,710,841.38 of the \$3,188,450.38 decrease in total revenues of SCENT is attributable directly to Dr. Gunnlaugsson.

$$\$1,710,841.38 / \$3,188,450.38 = 53.66\%$$

Therefore, 53.66% of the decrease in net operating income is attributable to Dr. Gunnlaugsson.

$$\$2,039,618.27 \times 53.66\% = \$1,094,407.29$$

Note: This analysis does not take into account the interruption in the revenue growth rate of SCENT.

7. Furthermore, the two remaining physicians sustained salary reductions totalling \$954,500 beginning with the second payroll of March 2011 and continuing through May 5, 2012. One-half of this amount is attributable to Dr. Gunnlaugsson, which is \$477,250.

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Summary of Consequential Damages

1. Violation of Section 3.10 Damages	\$436,377
2. Violation of Section 3.11 Damages	872,754
3. Relocation Expenses	217,684
4. Unapproved Revenue Adjustments	5,680
5. Violation of Section 3.1(b) Damages	519,000
6. Lost Operating Income	1,094,407
7. Salary Reductions	<u>477,250</u>
Total	\$3,623,152

Note: This report does not contain an evaluation of future lost profits or lost value of the firm caused by the alleged breach of contract.

* * * * *

If new information becomes available, it may be necessary to revise this preliminary report.

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Orville H. Dyce, MD
Otolaryngologist



Undergraduate:
Cornell University, Ithaca, New York

Medical School:
University of Pennsylvania School of Medicine, Philadelphia, Pennsylvania

Internship:
General Surgery, Hospital of the University of Pennsylvania, Philadelphia, Pennsylvania

Residency:
Otorhinolaryngology, Head and Neck Surgery, Hospital of the University of Pennsylvania, Philadelphia, Pennsylvania

Fellowship:
Department of Otolaryngology, Division of Laryngology, The Johns Hopkins Hospital, Baltimore Maryland

Board Certification:
American Board of Otolaryngology

Medical Societies:
American Medical Association
American Academy of Otolaryngology



Services

Treating disorders of the ear, nose, throat, and related structures of the head and neck

Treating dysphagia and related swallowing and vocal disorders

Areas of Interest:

Swallowing disorders
Vocal disorders
Gastroesophageal Reflux Disease (GERD)

Offices

CAMDEN/LUGOFF.
Kershaw Ear, Nose, Throat & Facial Plastic Surgery
West Wateree Medical Complex, Suite 300
1165 Highway 1 South
Lugoff, SC 29078
803-408-EARS (3277)

*Office hours are 8:00 am to 5:00 pm
Monday through Thursday
8:00 am to 3:00 pm Friday*

HARTSVILLE
Kershaw Ear, Nose, Throat & Facial Plastic Surgery
604 North Fifth Street
Hartsville, SC 29550
843-857-4355

*Office hours are 8:00 am to 5:00 pm
Monday and Wednesday
8:00 am to 3:00 pm Friday*

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P1845

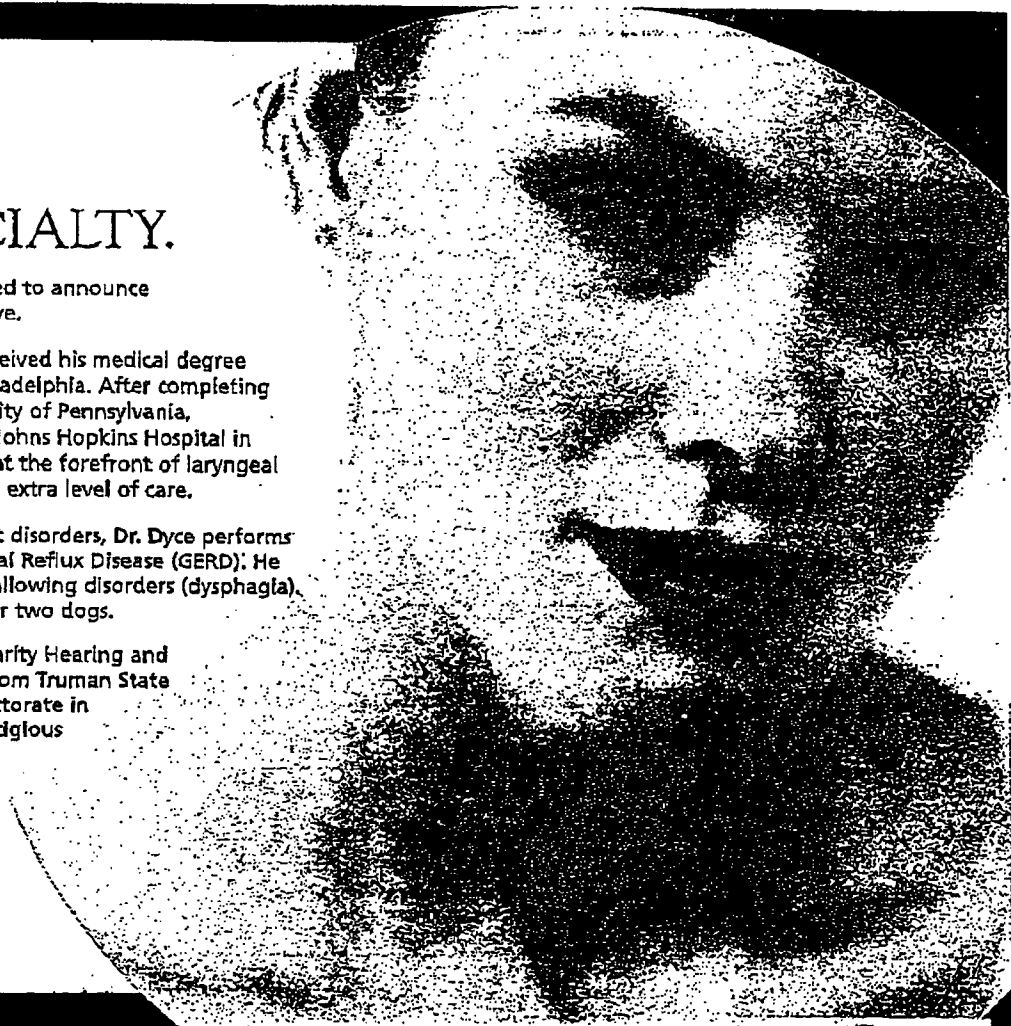
WHERE CARING IS OUR SPECIALTY.

Kershaw Ear, Nose, Throat & Facial Plastic Surgery is pleased to announce we've moved our Hartsville office to 701 Medical Park Drive.

Dr. Orville Dyce is a graduate of Cornell University and received his medical degree from University of Pennsylvania School of Medicine in Philadelphia. After completing his residency and internship at the Hospital of the University of Pennsylvania, Dr. Dyce was fellowship-trained in otolaryngology at The Johns Hopkins Hospital in Baltimore, Maryland. There he worked alongside leaders at the forefront of laryngeal treatment and research, acquiring rare skills to provide an extra level of care.

In addition to treating more common ear, nose and throat disorders, Dr. Dyce performs leading-edge diagnosis and treatment of Gastroesophageal Reflux Disease (GERD). He will also focus on diagnosing and treating speech and swallowing disorders (dysphagia). Dr. Dyce resides in Hartsville with his wife, Jamie, and their two dogs.

Brandi Pettis, Au.D., CCC-A is the clinical audiologist at Clarity Hearing and Balance Center. After earning a bachelor of arts degree from Truman State University in Kirksville, Missouri, she pursued a clinical doctorate in audiology (Au.D.) from Central Michigan University's prestigious residential audiology program. Dr. Pettis completed her audiology residency at Houston Ear, Nose and Throat Clinic in Texas.



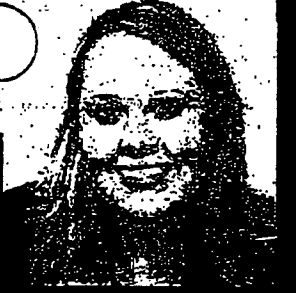
KERSHAW EAR, NOSE, THROAT & FACIAL PLASTIC SURGERY

Orville Dyce, M.D., Otolaryngology-Head and Neck Surgery, Board Certified and Brandi N. Pettis, Au.D., CCC-A

NOW ACCEPTING NEW PATIENTS

701 MEDICAL PARK DRIVE
STE 208
HARTSVILLE, SC 29550
843.857.4355

OFFICE HOURS:
8 AM TO 5 PM MONDAY AND WEDNESDAY
8 AM TO 3 PM FRIDAY



3019

Plaintiffs' Ex 0109.038

P1846



CAROLINA SPEECH AND
SWALLOWING CENTER



CAROLINA SPEECH AND
SWALLOWING CENTER

PMS 471

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P1847

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Plaintiffs' Ex 0109.039

CHAD GUNNLAUGSSON, MD, MAKES A GREAT FIRST IMPRESSION.

KERSHAW COUNTY MEDICAL CENTER INTRODUCES ANOTHER PHYSICIAN WITH VISION



First impressions are all about comfort and confidence.

The first thing you may notice about Chad Gunnlaugsson, MD, is that he graduated from M.I.T. and earned the highest score on his American Board of Facial Plastic and Reconstructive Surgery examination. But that's nothing compared to how he helps you make a great first impression.

Using the best surgical and non-surgical techniques, he performs a comprehensive array of cosmetic services including microdermabrasion, chemical peels, BOTOX® and Restylane® injections, endoscopic brow lifts, blepharoplasty (eye lifts), face lifts and neck lifts, rhinoplasty (nasal surgery), and laser resurfacing procedures. He also performs hair restoration procedures in both men and women, while specializing in repairing traumatic deformities and facial defects resulting from skin cancer removal.

Dr. Gunnlaugsson is committed to providing you the most current techniques. He performs an in-depth consultation and discusses all of your cosmetic options.

Because he understands that when you're comfortable with your appearance, you make a powerful first impression.

CHAD GUNNLAUGSSON, MD

UNDERGRADUATE:

Massachusetts Institute of Technology, Cambridge, Massachusetts

MEDICAL SCHOOL:

University of North Carolina, Chapel Hill, North Carolina, Doctor of Medicine with Distinction

INTERNSHIP:

General Surgery, University of Michigan Hospitals, Ann Arbor, Michigan

RESIDENCY:

Otolaryngology - Head and Neck Surgery, University of Michigan Hospitals, Ann Arbor, Michigan

FELLOWSHIP:

Facial Plastic and Reconstructive Surgery, University of Michigan Hospitals, Ann Arbor, Michigan

BOARD CERTIFICATION:

American Board of Otolaryngology - Head and Neck Surgery
American Board of Facial Plastic and Reconstructive Surgery (ABFPRS)
• Jack Anderson Memorial Award - Highest score on ABFPRS examination

MEDICAL SOCIETIES:

American Academy of Facial Plastic and Reconstructive Surgery (AAFPRS)
American Board of Otolaryngology - Head and Neck Surgery
Alpha Omega Alpha Honor Society
American Medical Association

AREAS OF INTEREST:

- Cosmetic facial surgery: brow lifts, blepharoplasty, face lifts, rhinoplasty
- Hair restoration surgery
- Chemical peels and laser resurfacing
- Advanced laser facial rejuvenation: IPL, photofacials, hair removal
- BOTOX and Restylane injections
- Traumatic deformities and facial defects following skin cancer removal
- Thyroid and parathyroid surgery

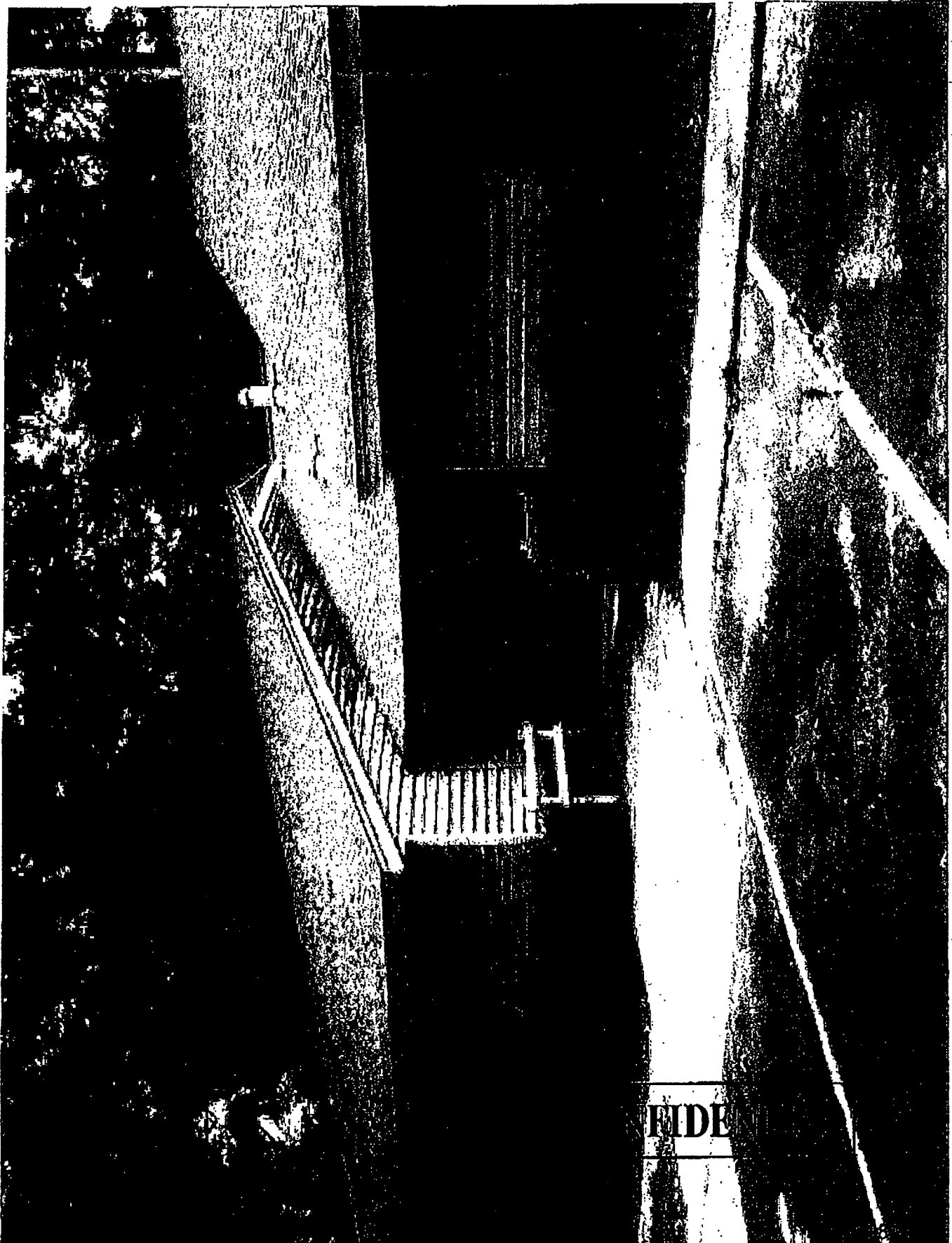
NOW ACCEPTING NEW PATIENTS

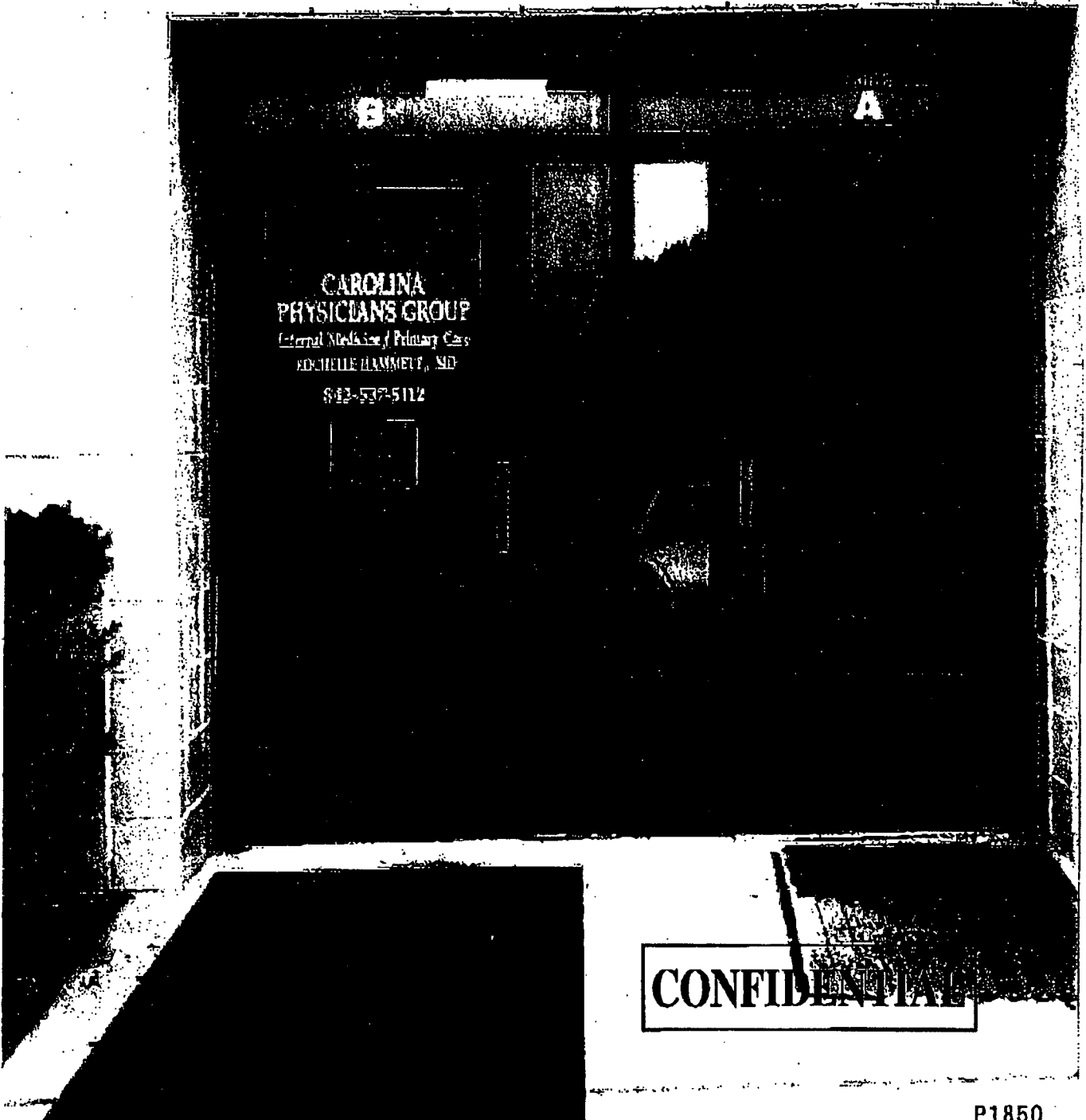
SOUTH CAROLINA ENT & FACIAL PLASTIC SURGERY

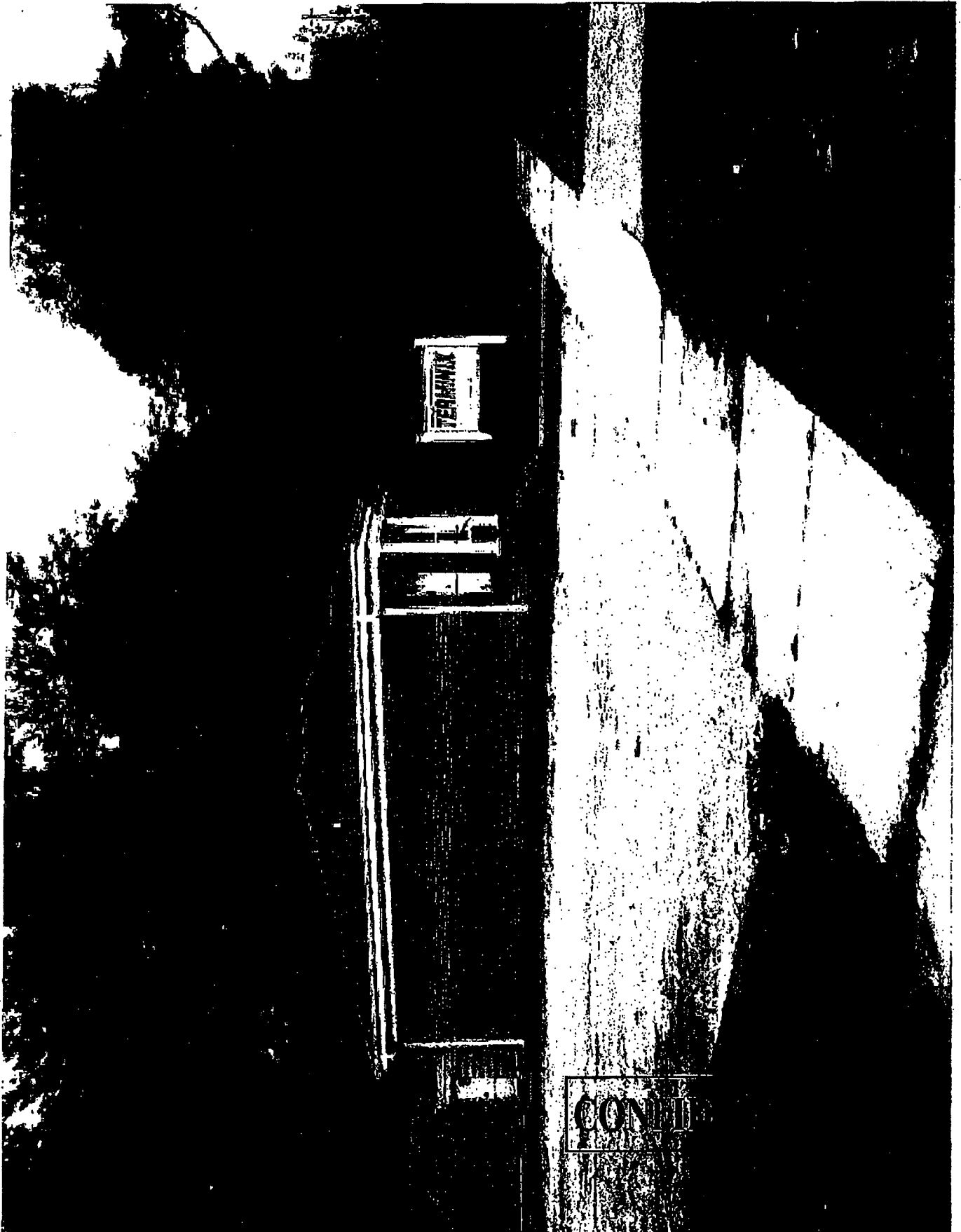
West Wateres Medical Complex, Suite 300
1165 Highway 1 South • Lugoff, SC 29078 • 803.408.3277

Office hours are Monday - Friday by appointment only

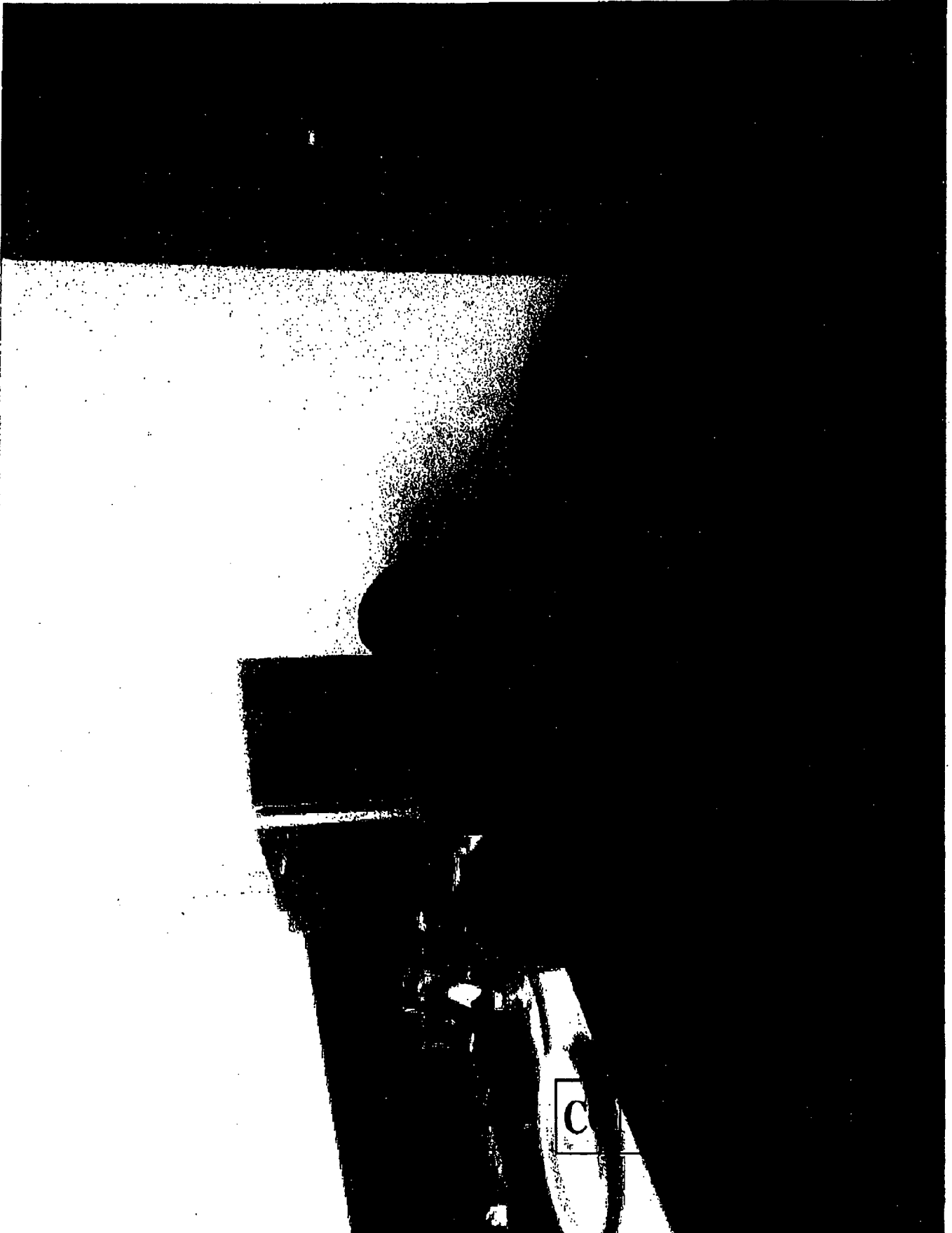


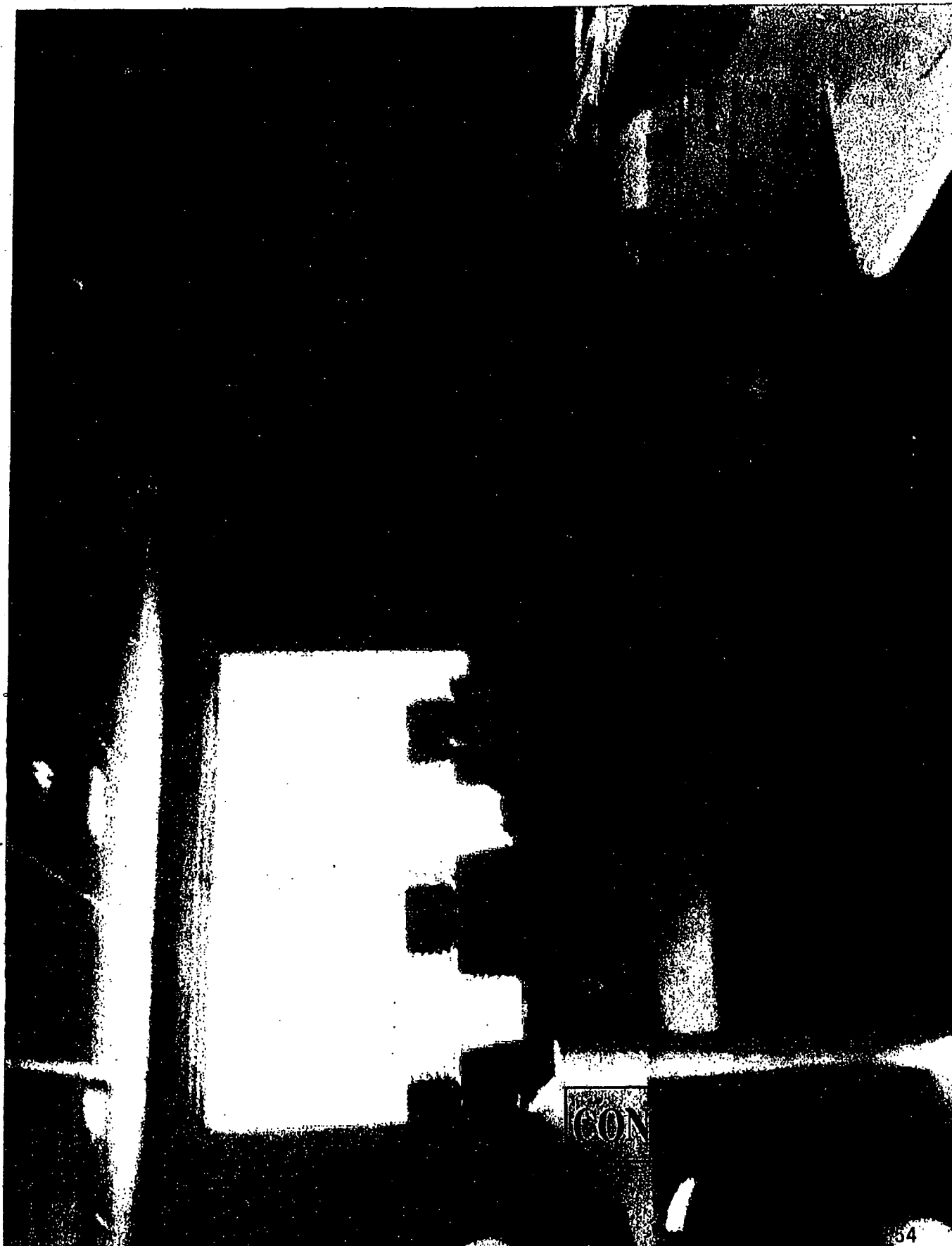


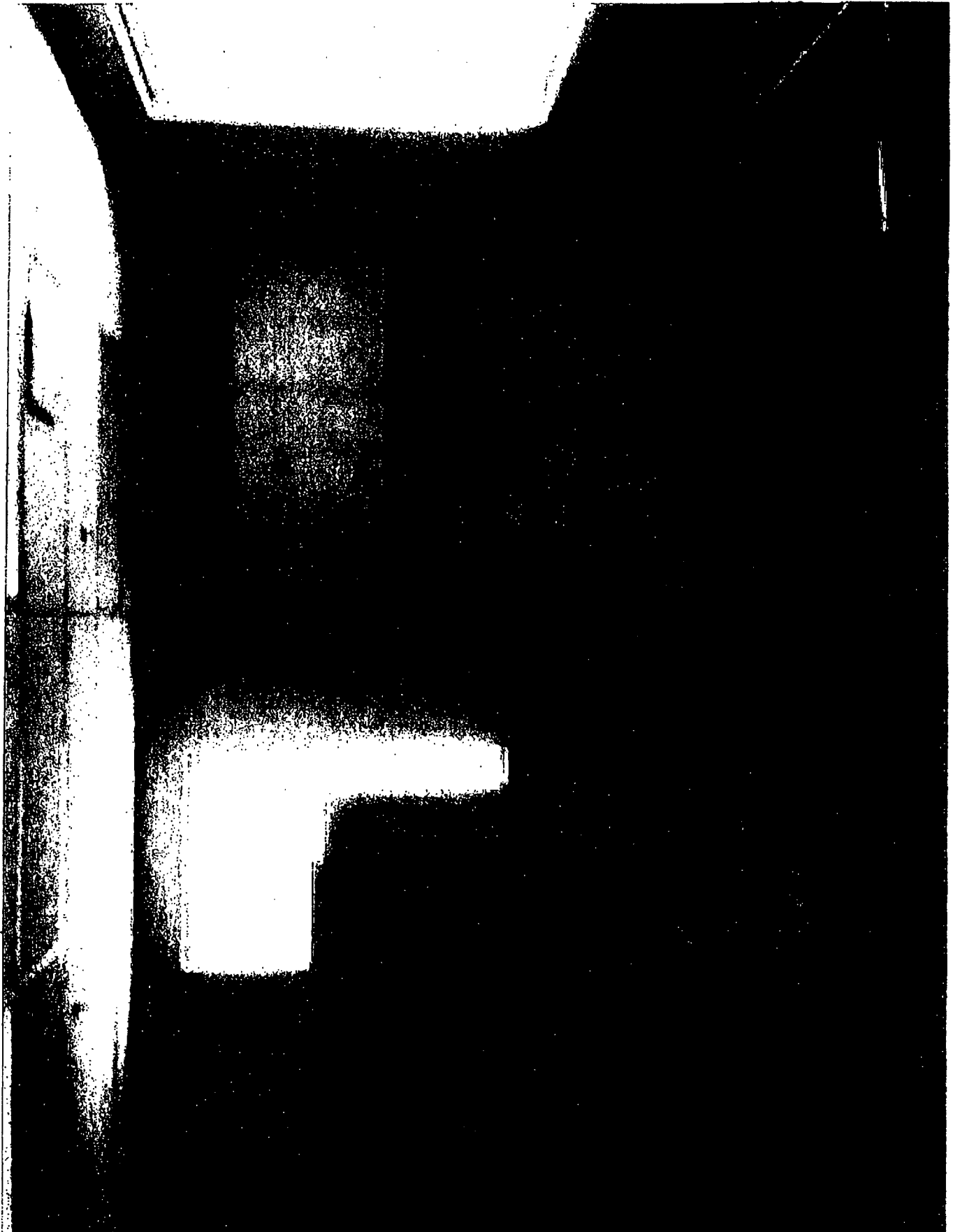


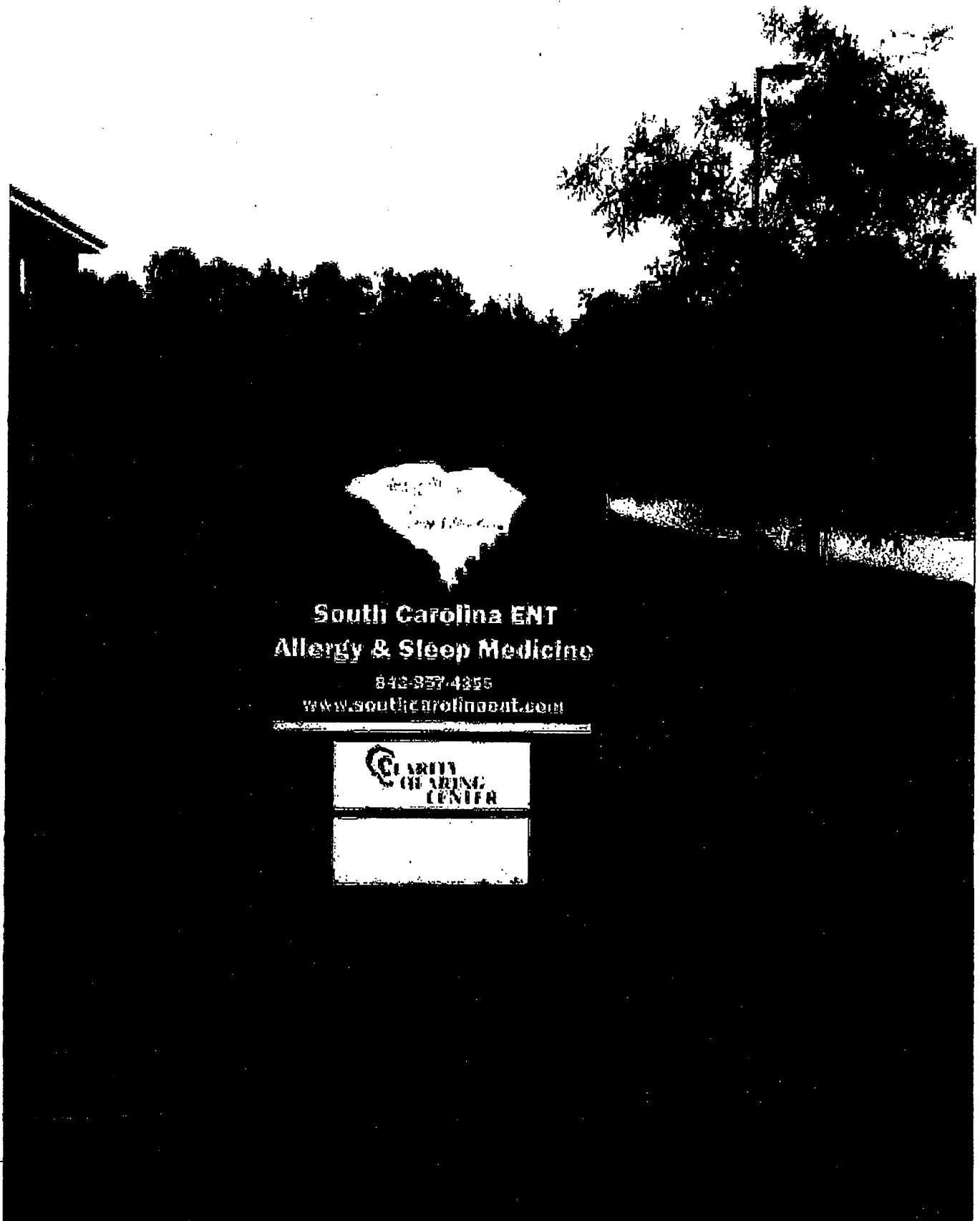








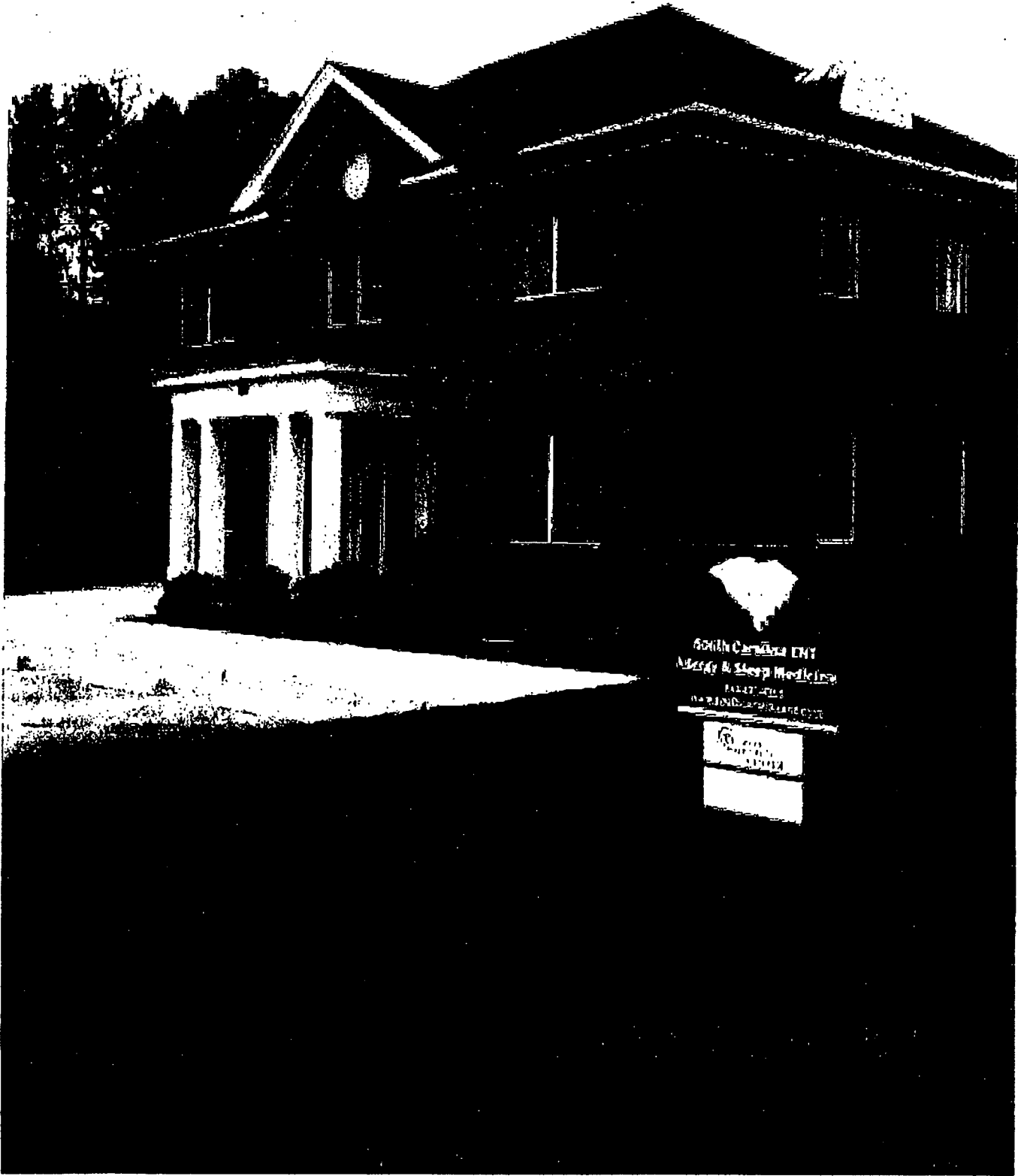




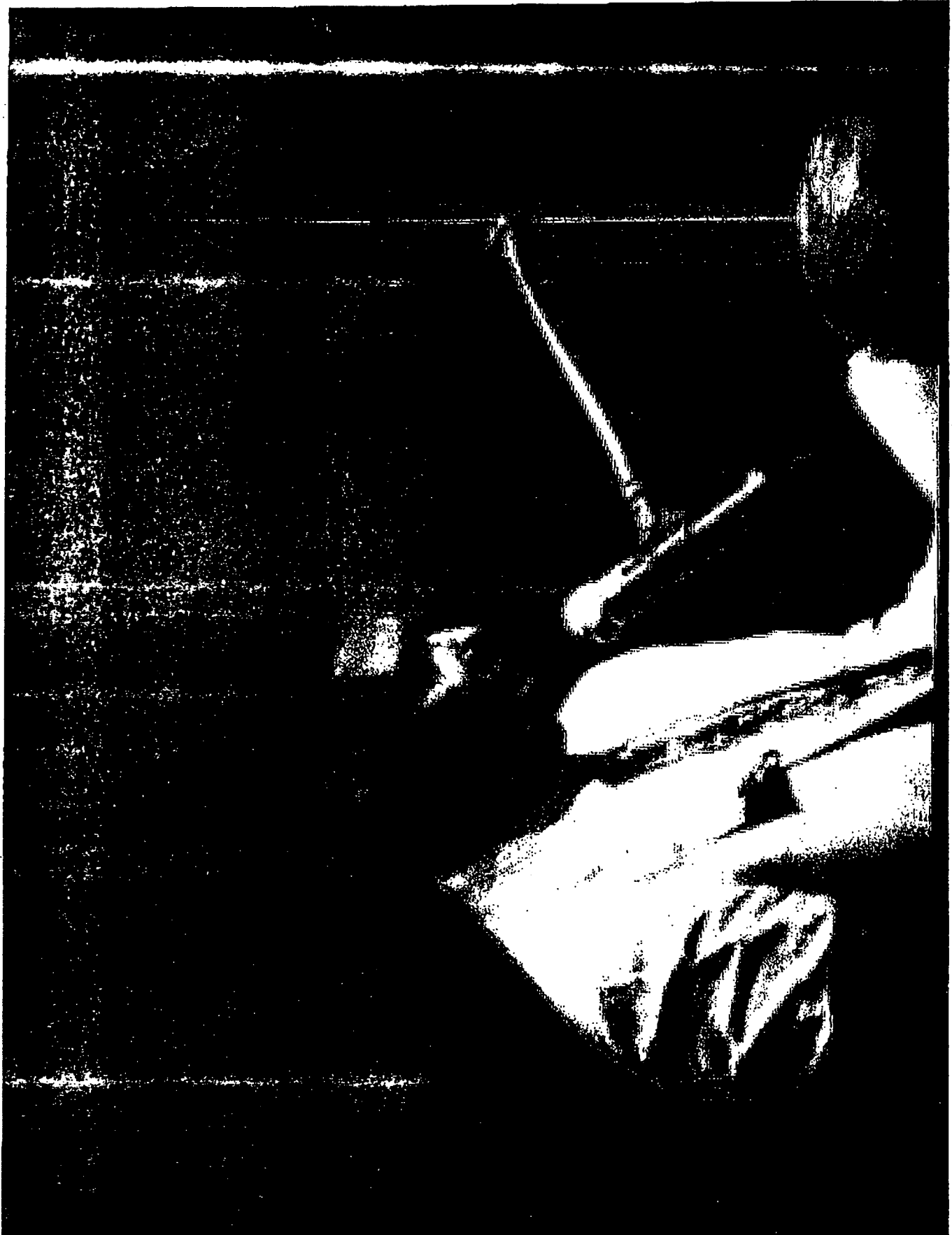
**South Carolina ENT
Allergy & Sleep Medicine**

843-937-4355
www.southcarolinaent.com

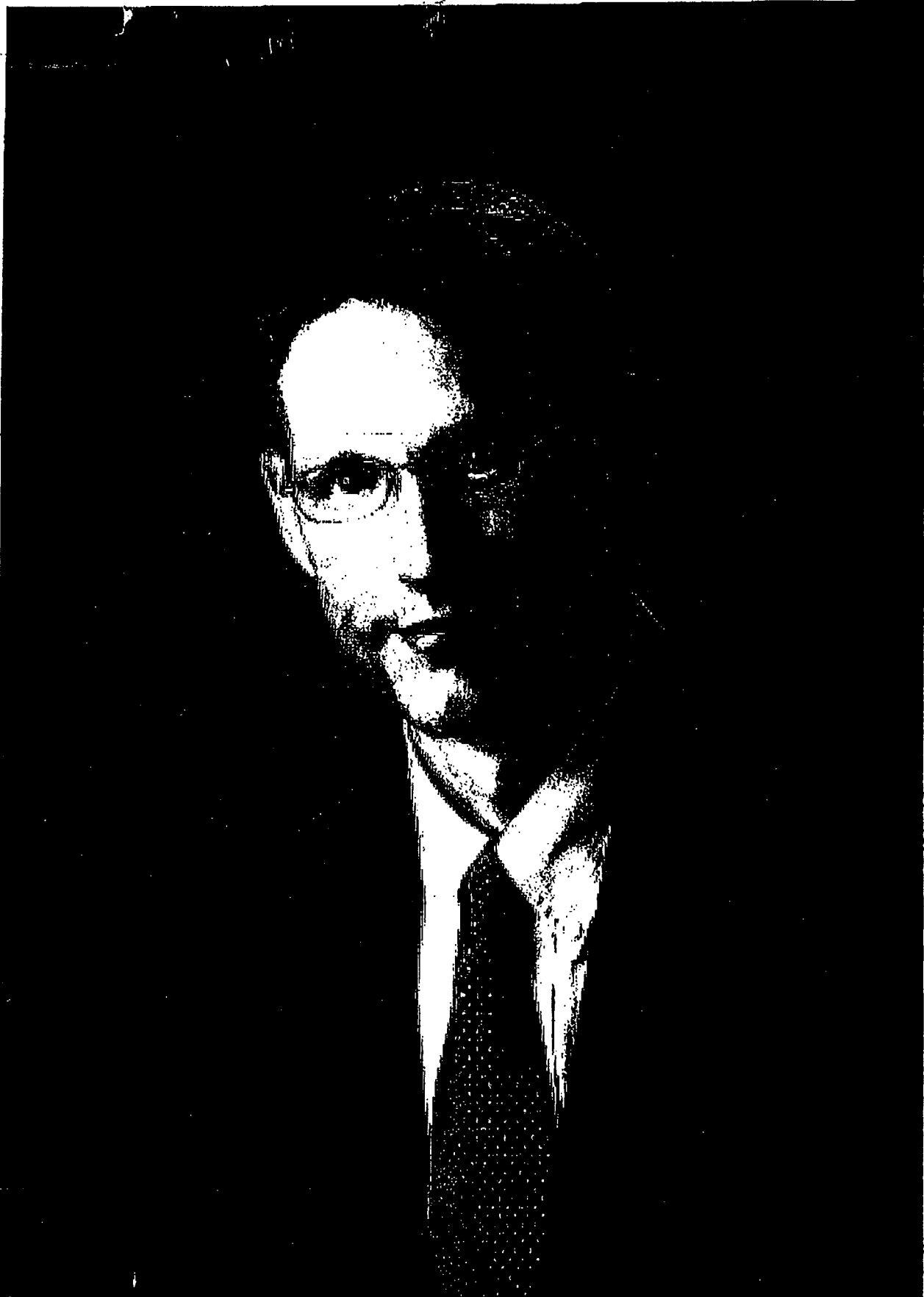














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Plaintiffs' Ex 0109.054

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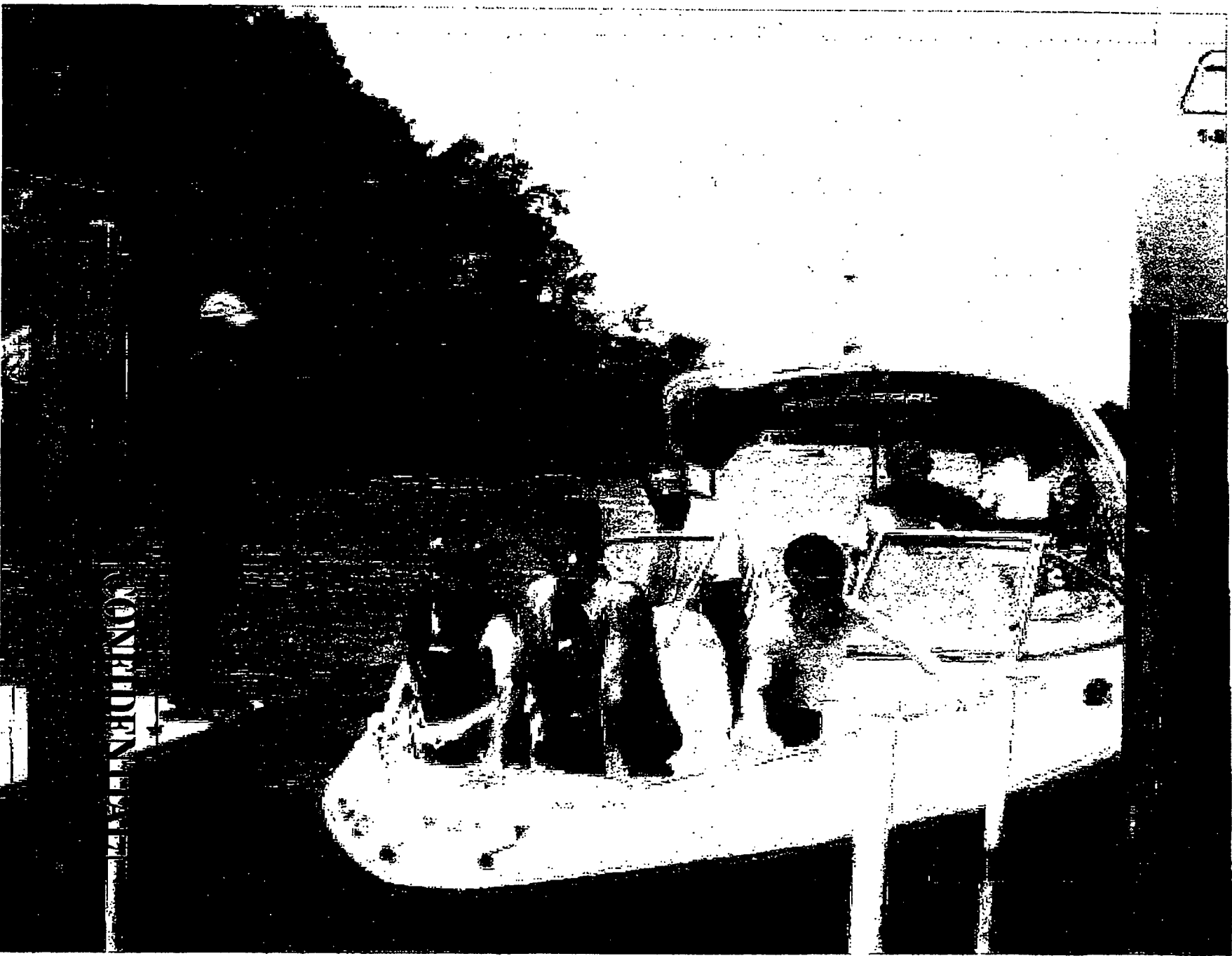


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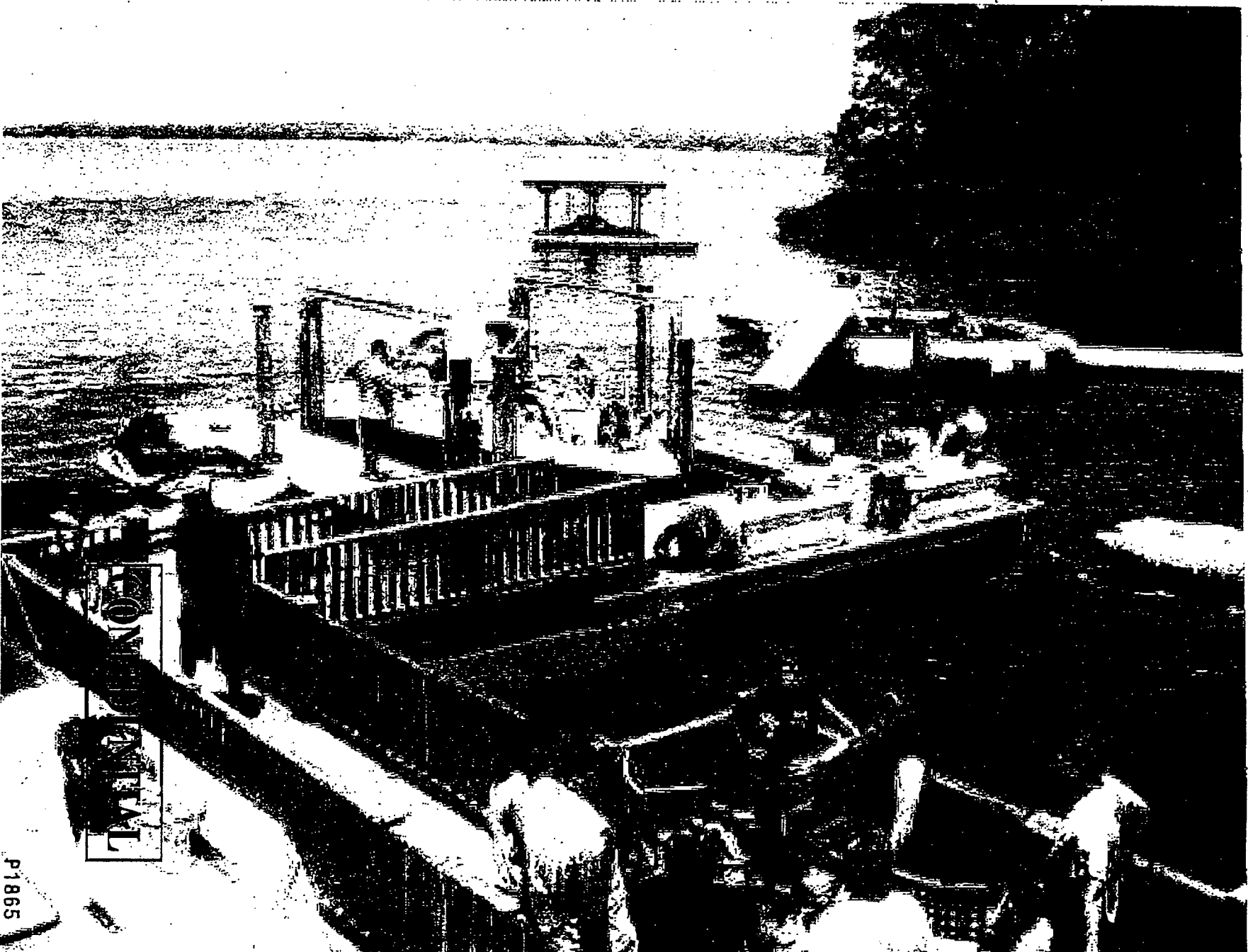


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Plaintiffs' Ex 0109.057

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Plaintiffs' Ex 0109.058



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Plaintiffs' Ex 0109.059

May. 11. 2012 2:47PM

No. 5810 P. 65



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Plaintiffs' Ex 0109.060

May 11, 2012 2:48PM

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Plaintiffs' Ex 0109.061

May. 11. 2012 2:48PM

No. 5810 P. 67



3043

Plaintiffs' Ex 0109.062

THIS AGREEMENT IS SUBJECT TO ARBITRATION
PURSUANT TO S.C. CODE ANN. § 15-48-10, et seq.

SHAREHOLDERS' AGREEMENT

BY AND AMONG

SOUTH CAROLINA ENT, ALLERGY & SLEEP MEDICINE, P.A.

AND

ITS

SHAREHOLDERS

DATED

August 31, 2010

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THIS AGREEMENT IS SUBJECT TO ARBITRATION
PURSUANT TO S.C. CODE ANN. § 15-48-10, et seq.

SHAREHOLDERS' AGREEMENT

This Shareholders Agreement ("Agreement"), effective as of August 31, 2010 ("Effective Date") is entered into by and among South Carolina ENT, Allergy & Sleep Medicine, P.A. (the "Corporation"), and each of the persons listed on Exhibit A hereto (except for Dr. Orville Dyce) (such persons (excluding Dr. Orville Dyce) and their respective successors and assigns are hereinafter referred to collectively as the "Shareholders" and individually as a "Shareholder").

RECITALS

1. The authorized capital stock of the Corporation consists of Five Hundred Thousand (500,000) shares of common stock (hereinafter referred to as "Common Stock");
2. As of the Effective Date of this Agreement, the Corporation has issued and outstanding One Hundred Fifty Thousand (150,000) shares of Common Stock in the amounts and to the Shareholders identified on Exhibit A;
3. As of the Effective Date, in accordance with the Shareholders Agreement dated as of July 16, 2008, by and among the Corporation, and Dr. Robert Puchalski and Dr. Orville Dyce (the "Dyce Shareholders Agreement"), the 50,000 shares issued to Dr. Dyce are not entitled to any distributions or to be voted and represent solely the right to be repurchased in accordance with the Dyce Shareholders Agreement;
4. The Corporation was organized as a Statutory Close Corporation; and
5. The Shareholders desire to set forth certain understandings regarding their ownership of the Common Stock and to impose certain restrictions upon the Transfer of their Common Stock in the Corporation.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

RECITALS

Section 1.1 Recitals. The above recitals are true and correct and incorporated herein.

ARTICLE II
DEFINITIONS

Section 2.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Agreement" means this Agreement (together with Exhibits all of which are incorporated herein by this reference), as amended, supplemented, modified or waived from time to time, in accordance with its provisions.

"Articles of Incorporation" means the Corporation's Articles of Incorporation, as amended from time to time, in accordance with its provisions.

"Bankruptcy" shall mean, with respect to any Person, that such Person has: (i) applied for or consented to the appointment of a receiver, trustee, liquidator or custodian or the like, of his property; (ii) admitted in writing his inability to pay his debts generally as they become due; (iii) made a general assignment for the benefit of his creditors, (iv) been adjudicated a bankrupt or insolvent; (v) commenced a voluntary case under the federal bankruptcy laws of the United States of America; (vi) filed a voluntary petition or answer seeking an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law; or (vii) filed an answer admitting the material allegation of a petition filed against him in any bankruptcy or insolvency proceeding. For the purpose of any provision contained in this Agreement requiring reference to the date on which a bankruptcy has occurred, a bankruptcy shall be deemed to have occurred upon the commencement of the first to occur of any one of the foregoing enumerated events.

"Bimonthly Distribution" shall have the meaning set forth in Section 3.10(a).

"Board" shall mean the Corporation's Board of Directors.

"Bylaws" means the Corporation's Bylaws, if any, as amended, supplemented or modified from time to time.

"CEO" shall mean the Chief Executive Officer of the Corporation.

"Capital Contribution" shall mean any contribution to the equity capital of the Company in cash or property whenever made.

"Code" shall mean the Federal Internal Revenue Code of 1986, as the same may be amended from time to time.

"Common Stock" shall have the meaning set forth in the recitals.

"Corporation" shall have the meaning set forth in the preamble.

"Departing Shareholder" shall mean a Shareholder who is Transferring Shares in accordance with any provision of this Agreement, including by virtue of a permitted sale, or as a result of death, disqualification, termination of employment or Permanent Disability. Where applicable, Departing Shareholder shall also mean the personal representative of a deceased Shareholder.

"Departure Event" is any event described in Section 4.2, 4.3 and 4.4.

"Disability" is the inability of a Shareholder to perform the usual and customary duties of a physician employed in a full-time medical practice, as such term is defined in any Disability income insurance policy that the Corporation or Shareholder has obtained with respect to such Shareholder.

"Effective Date" shall have the meaning set forth in the preamble.

"Employment Agreement" is the agreement between a Shareholder and Corporation establishing the employment obligation of the Shareholder.

"Event of Incapacity" shall mean a Shareholder who is deemed "incapacitated" or "not competent" under any one or more of the following circumstances: (i) during any period that the individual is legally incompetent as determined by a court of competent jurisdiction; or (ii) during any period beginning when two physicians licensed to practice medicine certify in writing that, in their opinion, the individual, as a result of illness, age or other cause, no longer has the capacity to act prudently or effectively in financial affairs and continuing until two such physicians (whether or not those making the initial determination) certify in writing that, in their opinion, the individual's capacity is restored. The effective date of an Event of Incapacity shall be the date of the order or decree adjudicating the incapacity, or the date of the certificate of the two physicians described above, whichever first occurs.

"IRS" shall mean the Internal Revenue Service.

"Involuntary Transferee" shall have the meaning set forth in Section 4.2.

"Note" shall have the meaning set forth in Section 4.7.

"Percentage Interest" means, with respect to any Shareholder as of any date, the result (expressed as a percentage) obtained by dividing the number of Shares held by the Shareholder by the number of Shares then issued and outstanding, excluding the shares held by Dr. Dyce.

"Permanent Disability" occurs when the insurance carrier providing Disability Insurance to the Shareholder has determined that the Shareholder has a total disability.

"Person" shall mean an individual or a corporation, association, partnership, joint venture, organization, business, trust, or any other entity or organization, including a government or any subdivision or agency thereof.

"Physician" shall mean a person with an M.D. or D.O. degree and licensed as a physician in the State of South Carolina.

"Provider Handbook" shall mean the Corporation's internal document that describes the day to day protocols and expectations of providers (dress code, hospital rounds, call protocols, etc.) as it may be amended from time to time.

"Purchase Price" means that amount paid a Departing Shareholder as set forth in Section 4.5 and paid in accordance with Sections 4.6 and 4.7.

"Qualified Person" shall mean an individual who is licensed to practice medicine in the State of South Carolina in the specialty area of Otolaryngology.

"Remaining Shareholders" are those Shareholders retaining Shares in Corporation after the Transfer of Shares, disqualification, termination, Disability or death of a Shareholder.

"Severance Payment" shall have the meaning set forth in Exhibit C.

"Shareholder" or "Shareholders" shall have the meaning set forth in the preamble.

"Shares" means any Common Stock purchased or otherwise acquired by any Shareholder or any equity securities issued or issuable directly or indirectly with respect to the Common Stock.

"Sweep Distribution" shall have the meaning provided in Section 3.10(b).

"Transfer" shall have the meaning set forth in Section 4.1.

"Transferred Shares" shall have the meaning set forth in Section 4.2.

ARTICLE III

MANAGEMENT AND CONTROL; CAPITAL CONTRIBUTIONS

Section 3.1 General. The business and affairs of the Corporation shall be managed, controlled and operated in accordance with its Articles of Incorporation and this Agreement, as the same may be amended from time to time, except that the Articles of Incorporation shall not be amended in any manner that would conflict with, or be inconsistent with, the provisions of this Agreement.

Section 3.2 Board of Directors.

Section 3.2.1 Election and Number. The affairs of the Corporation shall be managed by a Board of Directors consisting of up to four (4) Directors; provided each Director must be a Shareholder and must be a person licensed to practice medicine in the State of South Carolina or otherwise authorized in South Carolina to provide a professional medical service described in the Corporation's Articles of Incorporation. The initial Directors, as of the Effective

Date, are Robert Puchalski and Macy Vidrine. The number of Directors may be increased, up to a maximum of four (4) Directors, in the discretion of and by the unanimous vote of the Board of Directors as required by Section 3.3.8. In connection with any such increase, the Directors will give special consideration to representation from the various geographic locations of the Corporation. Except as provided in Exhibits C and D, the Board of Directors shall be elected at each annual meeting of Shareholders, and shall serve until their death, disability, removal, or until their successors shall have been elected and qualified. Interim vacancies on the Board of Directors may be filled by the Shareholders voting at any special meeting.

Section 3.2.2 Regular Meetings. A regular meeting of the Board of Directors shall be held annually, immediately following the annual meeting of Shareholders at the same place as such meeting of Shareholders is held. Except as provided in Exhibit C or as otherwise provided in this Agreement, at such meeting, the Board of Directors shall elect the officers of the Corporation. In addition to the annual meeting, at least six (6) regular meetings of the Board of Directors shall be held at the principal office of the Corporation at such time as established by the Chairman. These meetings will have an agenda that includes a review of timely financial statements.

Section 3.2.3 Special Meetings. Special meetings of the Board of Directors shall be held at the principal office of the Corporation whenever ordered by the Chairman or requested by a majority of the Directors in office provided the exigencies of the circumstances require that the Board of Directors meet prior to the next scheduled regular meeting. The Chairman shall determine the time and place for a special meeting of the Board of Directors. The Chairman shall provide at least forty-eight (48) hours notice of the time, place and purpose for which a special meeting is to be held. If a special meeting of the Board of Directors is requested by a majority of the Directors, the Chairman shall hold such meeting within fourteen (14) days of receipt of the request.

Section 3.2.4 Quorum and Voting. The presence of a majority of the Directors in office that must include the presence of the Director who serves as the Chairman (provided, a Director is then serving as the Chairman and is not suffering an Event of Incapacity that prevents him from participating in the meeting) shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum exists shall be the acts of the Board of Directors. The presence of a quorum shall not affect a unanimous voting requirement of the Board of Directors contained in this Agreement. If there is less than a quorum present, the majority of those present may adjourn the meeting from time to time and place to place and shall cause notice of each such adjourned meeting to be given to all absent Directors. With the permission of the Chairman, a Director may attend a meeting via a secure, two-way video or telephone conference which shall constitute presence at a meeting.

Section 3.2.5 Powers. Except as otherwise provided in this Agreement or the Articles of Incorporation, the Board of Directors shall have all the power and authority granted by law to it, including all powers necessary or appropriate to the management of the affairs of the Corporation.

Section 3.2.6 Removal. Except as provided in Exhibits C and D, the entire Board of Directors or any individual Director may be removed from office without assigning any

cause, at any meeting of the Shareholders, provided that written notice of the proposed action is given at least five (5) days prior to such meeting. When the Board of Directors or any of them are so removed, new Directors may then be elected to fill the unexpired term of those removed.

Section 3.2.7 Voting Requirements. Except as otherwise provided in this Section, each Director shall be entitled to one vote upon each matter submitted to a vote at a meeting of the Board of Directors. In the event of a tie in the voting on any matter requiring a majority vote, the Chairman, as a Board officer, shall break the tie by casting a second vote to decide the matter.

Section 3.3 Shareholders.

Section 3.3.1 Annual Meeting. The annual meeting of the Shareholders of the Corporation shall be held at the principal office of the Corporation, within the first three months of each calendar year on the date and at such hour and place as determined by the Chairman and designated in the notice thereof.

Section 3.3.2 Special Meetings. Special meetings of Shareholders, which shall be held at the principal office of the Corporation, may be called by the Chairman, fifty (50%) percent of the Board of Directors, or the holders of not less than fifty (50%) percent of the Shares entitled to vote at the meeting if the exigencies of the circumstances require that the Shareholders meet prior to the annual meeting of the Shareholders. The Chairman shall determine the time and place of any special called meeting. Written notice of every special meeting shall be given to each Shareholder at least five (5) days prior to the meeting.

Section 3.3.3 Quorum. Seventy-five percent (75%) of the outstanding Shares of the Corporation entitled to vote, represented in person or by proxy, constitute a quorum at any meeting of Shareholders. Only a Shareholder licensed to practice medicine in the State of South Carolina or otherwise authorized in South Carolina to provide a professional medical service described in the Corporation's Articles of Incorporation shall be appointed a proxy to vote Shares of the Corporation at any meeting of the Shareholders.

Section 3.3.4 Voting of Shares. Each outstanding Share entitled to vote shall be entitled to one (1) vote on each matter submitted to a meeting of Shareholders.

Section 3.3.5 Cumulative Voting. Cumulative voting of Shares shall not be allowed.

Section 3.3.6 Preemptive Rights. No Shareholder shall be entitled to preemptive rights, and no shares of stock of any class issued by the Corporation shall be subject to any preemptive rights. However, the Corporation may grant preemptive rights, or similar rights, by contract.

Section 3.3.7 67% Supermajority Voting Requirements. Notwithstanding any other provision of this Agreement, the following actions of the Corporation must be recommended jointly by the Board of Directors and the Chairman, and then submitted to the Shareholders for approval by the affirmative vote of greater than sixty-seven percent (67%) of the Shares:

- (i) Merger, consolidation, joint venture, dissolution or liquidation of the Corporation;
- (ii) Establishment of a new practice site for the Corporation's medical practice;
- (iii) Creation of any subsidiary organization or affiliation of the Corporation with any other entity for the purpose of the joint conduct of business or other programs whether in the form of participation in a corporation (either through the holding of capital stock or by membership), partnership, joint venture, co-tenancy, limited liability company, limited liability partnership or other form of ownership or control; and
- (iv) Any changes to the Provider Handbook.

Section 3.3.8 80% Supermajority Voting Requirements. The following actions of the Corporation require unanimous vote of the Board of Directors and an affirmative vote of eighty percent (80%) of the Shares:

- (i) Amendments to the Articles of Incorporation or this Agreement;
- (ii) Requirement of loans or contributions of capital from Shareholders;
- (iii) The admission of a Shareholder in the Corporation or acceptance of an offer of Transfer of Shares, including, but not limited to, preliminary offers or discussions with any person regarding admission as a Shareholder;
- (iv) An increase or decrease in the number of Directors of the Corporation; and
- (v) The requirement that the Shareholders execute an "additional guarantee" (meaning any guarantee executed by a Shareholder subsequent to any guarantees executed by the Shareholder upon his admission to the Corporation as a Shareholder) to secure the obligations of the Corporation; provided, however, each Shareholder's additional guarantee of any Corporation debt shall be limited to a percentage of the debt that is equal to their Percentage Interest.

Section 3.3.9 Informal Action by Shareholders. Any action required or permitted to be taken at a meeting of the Shareholders may be taken without a meeting if one or more consents in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof and are delivered to the Corporation for inclusion in the minute book. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

Section 3.4 Corporate Officers. The officers of the Corporation shall consist of a Chairman, Vice Chairman, Chief Executive Officer, Secretary and Treasurer. The Chief Executive Officer may also be referred to as the "CEO" of the Corporation. No Shareholder

shall be eligible to serve as the Chairman until such person has been a Shareholder for three (3) complete years. Such other officers and assistant officers as may be deemed necessary, may be appointed by the Board of Directors. If specifically authorized by the Board of Directors, an officer may appoint one or more assistant officers. The same individual may simultaneously hold more than one office in the Corporation.

Section 3.4.1 Appointment and Term of Office. Except as provided otherwise in this Agreement, the officers of the Corporation shall be appointed by the Board of Directors for a term of one (1) year. (The designation of a specified term grants to the officer no contract rights and the Shareholders can remove the officer at any time prior to the termination of such term). Once elected, an officer shall serve until their successor is appointed or until they resign, die, or until they are removed in the manner provided in Section 3.4.2.

Section 3.4.2 Removal. Except as provided in Exhibit C and as otherwise provided in this Agreement, any officer other than the Chairman may be removed at any time, with or without cause, upon recommendation by the Chairman and the affirmative vote of the Board of Directors. Except as provided in Exhibit C, the Chairman may be removed by a majority vote of the Board of Directors. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer shall not of itself create contract rights.

Section 3.4.3 Chairman. The Chairman shall preside at and serve as the chairman of the meetings of the Shareholders and of the Board of Directors. The Chairman (but not the CEO) shall have strategic oversight of the medical management and financial functions of the Corporation. In this regard, the Chairman (but not the CEO) shall have authority, subject to Board oversight, over employed physician matters, including, but not limited to: staffing and call coverage schedules, residency requirements, physician compensation, administrative responsibilities and discipline. The Chairman shall sign all checks of the Corporation unless he has delegated this authority in writing to another officer. The Chairman may sign certificates for Shares and deeds, mortgages, bonds, contracts, or other instruments on behalf of the Corporation. The Chairman shall perform such other duties and have such other authority as may from time to time be delegated by the Board of Directors. If the Chairman incurs an Event of Incapacity, then the Vice Chairman shall perform the duties of the Chairman during the pendency of the Event of Incapacity, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. Upon the death or resignation of the Chairman or upon an Event of Incapacity lasting for more than one hundred eighty (180) consecutive days, the Vice Chairman shall, without a Board of Directors vote, become the Chairman.

Section 3.4.4 Vice Chairman. For purposes of maintaining a succession plan, the Vice Chairman shall be appointed and may be removed from office exclusively by the Board. The Vice Chairman must be a member of the Board of Directors. If the Chairman incurs an Event of Incapacity, then the Vice Chairman shall perform the duties of the Chairman during the pendency of the Event of Incapacity, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. When acting as the Chairman in accordance with the provisions hereof, or when authorized by the Board, the Vice Chairman may sign certificates for Shares and deeds, mortgages, bonds, contracts, or other instruments.

Section 3.4.5 Chief Executive Officer. At the Chairman's written request, the CEO shall be the principal executive officer of the Corporation and, subject to the control of the Chairman and the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation other than the strategic development of the Corporation's business, physician management (including physician compensation), medical management, financial oversight and check signing authority reserved to the Chairman. The CEO shall directly report to the Chairman. He shall, in direct consultation with the Chairman, have responsibility for all employees and shall determine staffing levels, assign work descriptions and duties, set salaries and bonuses and determine promotions and transfers of all employees of the Corporation. If the CEO is the Chairman, he shall have the same signing authority as the Chairman. If the CEO is not also the Chairman, the CEO will only have the ability to sign contracts or other instruments that the Board has either generally or specifically authorized the CEO to sign. The CEO shall also be responsible for organizing and implementing all customary Corporation sponsored employee events outside of the office setting.

Section 3.4.6 Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of this Agreement or as required by law; (c) be custodian of the corporate records; (d) when requested or required, authenticate any records of the Corporation; (e) keep a register of the post office address of each Shareholder which shall be furnished to the Secretary by such Shareholder; (f) have general charge of the stock transfer books of the Corporation; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the CEO or by the Board of Directors.

Section 3.4.7 Treasurer. The Treasurer, in close consultation with the Corporation's accounting and tax advisor, shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and (c) coordinate with the Corporation's accounting and tax advisor at the end of each calendar year quarter to provide financial updates directly to the Board of Directors at such time; and (d) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine.

Section 3.5 Blank.

Section 3.6 Capital Contributions. Additional Capital Contributions must be approved by the unanimous consent of all Shareholders as provided in Section 3.3.8(ii). None of the Shareholders shall at any time be required to contribute a larger sum than the Shareholder's Percentage Interest of the total amount of any capital contribution. This paragraph shall not apply to a Shareholder's initial purchase of stock in the Corporation.

Section 3.7 Confidentiality. The Shareholders shall not disclose any information relating to the Corporation regarding the Corporation's operations, records, contracts, compensation paid by the Corporation to the Shareholders or other employees, patients, or procedures, to any persons other than employees of the Corporation, federal and state regulatory agencies, third-party reimbursement agencies, the Corporation's accountants, lawyers, consultants and other professional advisors, without the prior written consent of the Corporation or, as the case may be, an enforceable subpoena, or the final order of a court of competent jurisdiction. Each Shareholder shall use information related to the business of the Corporation to advance the Corporation's best interests, and not to benefit their personal interest. All forms, templates, systems (including billing systems) are the property of the Corporation and shall not be used apart from the Corporation by a Shareholder or Departing Shareholder without the written consent of the Corporation. This provision shall survive the termination of this Agreement or the termination of a Shareholder's Employment Agreement. This confidentiality clause is not intended to restrict or limit any confidentiality clause contained in a Shareholder's Employment Agreement. Accordingly, any separate confidentiality clause contained in a Shareholder's Employment Agreement will be separately enforceable in addition to the terms contained in this Agreement. The Shareholders acknowledge and agree that the Shareholders and their professional advisors may be required to execute a separate confidentiality agreement, in the Chairman's discretion, prior to receiving any financial information of the Corporation, for any purpose, whether such disclosure is during the term of this Agreement or after the termination of this Agreement.

Section 3.8 Banking. The Corporation's banking arrangements with any banking institution shall provide that deposits may be withdrawn only by check, wire transfer or other similar instruments and valid only when signed by the Chairman or other Person authorized (by appropriate corporate resolutions) by the Board.

Section 3.9 Personnel. The CEO, in consultation with the Chairman, shall have the right to hire and terminate any employee of the Corporation except that the hiring or termination of a Physician (other than as provided in Section 3.3.8) or Physician extender, shall require the approval of the Board of Directors. Additional Shareholder provisions are included in Exhibits C and D to this Agreement.

Section 3.10 Distributions. Each year all compensation, including bonuses, shall be paid to the Shareholders in their capacity as employees and all operating expenses of the Corporation shall be paid prior to any distribution of profits of the Corporation. Subject to available cash flow, after the payment of all compensation and operating expenses, the Corporation shall make the following distributions to the Shareholders:

- (a) Twice a month, each Shareholder shall receive an equal distribution in such amount as recommended by the Chairman, based on available cash flow, and not higher than the amount of the current bimonthly distribution at the time of the Effective Date, from time to time and approved by the Board of Directors (the "Bimonthly Distribution"); and

- (b) On a monthly basis, each Shareholder shall receive an equal amount established by a 66% vote of the Board as a month-end distribution (the "Sweep Distribution").

Section 3.11 Expenditures. Prior to the end of each fiscal year beginning with the end of calendar year 2010 for the calendar year 2011, the CEO shall present an operating budget to the Board of Directors for approval. Beginning with the calendar year 2011, except for Sweep Distributions, and the payment of the Corporation's legal fees and expenses, the Chairman shall not make any disbursements of cash or assets of the Corporation or incur any debt on behalf of the Corporation not provided for in the approved budget in excess of Ten Thousand (\$10,000) dollars without consultation and approval of the Board of Directors. Provided, however, the Chairman shall have the flexibility to apply unexpended budget funds for expenditures of items of a similar nature. In the event the Board of Directors is deadlocked on a decision to approve an expense in excess of \$10,000 not in the approved budget, then the Chairman shall have the right to cast an extra vote to break the deadlock and either approve or reject the expenditure. In the event the Board of Directors fails to approve a budget in advance of a fiscal year then the Corporation shall operate pursuant to the budget approved in the prior year. Notwithstanding anything in this Agreement to the contrary, 67% of the Board of Directors must approve any draw from the Corporation's line of credit in excess of \$20,000 per month.

Section 3.12 Loans To and From Shareholders. No Shareholder shall have any obligation to make contributions to the Corporation other than those as mutually agreed upon. Any Shareholder that makes a loan to the Corporation shall do so in writing with such loan not being effective unless authorized in writing by the Board.

Section 3.13 Accommodations for On-Call Physicians. To the extent that (i) a Shareholder has moved their full-time residence out of the Coverage Area (as defined in the Shareholder's Employment Agreement) with the permission of the Chairman and the Board (when required), or (ii) the Corporation engages a locum tenens physician to provide call coverage, then the CEO shall arrange for the Corporation, at the Corporation's expense, to provide a temporary residence in Camden, South Carolina for such Shareholder or locum tenens physician to use while providing call coverage on behalf of the Corporation.

Section 3.14 Part-Time Status. After ten (10) years of continuous employment as a Shareholder employee after 2015, a Shareholder may, with 180 days notice, request to change his employment status to part-time status. A request to change to part-time status must be approved by the Chairman and the Board of Directors of the Corporation. Provided, if there are only two Directors on the Board of Directors at the time that a request for part-time status is made then each director must affirmatively approve the request. If approved, the Shareholder shall be required to sell fifty percent (50%) of his Shares to the Corporation (in accordance with the terms in Section 4.6) as a condition precedent to changing to part-time status. A change to part-time status shall not affect a Shareholder's right to maintain his position as, or become appointed to a position of, an officer of the Corporation. Upon commencement of part-time status, the Shareholder's scheduled clinical hours and operative time shall be the equivalent to five (5) one-half clinical days, (ii) the Shareholder's Base Compensation (as defined in the Shareholder's Employment Agreement) shall be reduced by fifty percent (50%), (iii) the Shareholder's Bi-weekly Distributions, Sweep Distributions, and Non-Metropolitan Bonuses

shall be reduced by fifty percent (50%), and (iv) in the event the Shareholder elects Sabbatical Leave (as defined in the Shareholder's Employment Agreement) while on part-time status then the Shareholder's Base Compensation shall be reduced by fifty percent (50%) of the amount specified in Section 4.4 of the Shareholder's Employment Agreement. Upon a change to part-time status, the Shareholder's call coverage responsibilities will be reduced, if at all, at the discretion of the Corporation's Board of Directors provided that any reduction shall also result in a proportionate reduction in the Shareholder's Pay for Call Stipend (as defined in the Shareholder's Employment Agreement). In the event the Corporation elects to admit a part-time physician employee as a shareholder working on a part-time basis, then such physician shall only be permitted to purchase twenty-five percent (25%) of the amount of Shares of a full-time Shareholder and shall have such call coverage responsibilities and transaction terms as determined by the Board of Directors.

Section 3.15 Sabbatical Leave. In the event a Shareholder is granted Sabbatical Leave in accordance with the terms of such Shareholders Employment Agreement, then the amount of any compensation reduction required pursuant to the terms of such Shareholder's Employment Agreement shall be divided and paid equally to the other Shareholders as additional Base Compensation during the year of Sabbatical Leave of the Shareholder who was granted Sabbatical Leave ("Base Compensation" and "Sabbatical Leave" shall have the meaning ascribed to such terms in the Shareholder's Employment Agreement). Provided, notwithstanding anything in the Shareholders Employment Agreement to the contrary, if there are only two Directors on the Board of Directors at the time that a request for Sabbatical Leave is made then each director must affirmatively approve the request.

ARTICLE IV

RESTRICTIONS ON TRANSFER OF SHARES

Section 4.1 General. No Shareholder may sell, assign, transfer, grant, give away, hypothecate, pledge or in any manner dispose of or encumber ("Transfer") any Shares whether presently owned or hereafter acquired, except as specifically set forth in this Article IV. No Transfer of Shares shall be valid or recognized in the books and records of the Corporation without first obtaining the written consent of the Corporation and the other Shareholders or, in the absence of such written consent, without first complying with the terms and conditions of this Agreement. No Transfer of any Shares, pursuant to this Agreement, shall be valid or recognized on the books and records of the Corporation as a Transfer of the interest in the Corporation unless such transferee is a Qualified Person who first becomes a party to this Agreement and evidences his or her consent to, and approval of, the terms and provisions hereof by execution of this Agreement. If any Share is transferred in accordance with this Article IV, the Employment Agreement of such Shareholder shall terminate effective upon such transfer.

Section 4.2 Involuntary Transfers or Transfers According to Judicial Process. Any Person (the "Involuntary Transferee") who becomes the holder of any Shares or possessor of any certificates representing Shares (the "Transferred Shares") by virtue of any judicial process, attachment, bankruptcy, receivership, execution, insolvency proceeding and competency proceeding, judicial sale or divorce decree (a "Departure Event") shall immediately offer all such Shares to the Corporation whenever requested by the Corporation to do so. The Corporation

shall have the obligation to purchase the Transferred Shares, which right shall be exercised by written notice given to the Involuntary Transferee within 30 days after the Shares are presented to the Corporation for registration in the Involuntary Transferee's name. None of such Shares will be entitled to any vote nor will any dividend or other distribution be paid, allowed or made upon any of such Transferred Shares for so long as such Involuntary Transferee fails to comply with such request. The Corporation shall pay such holder of any Transferred Shares or possessor of such certificates representing Transferred Shares pursuant to this Section in accordance with Sections 4.5, 4.6 and 4.7 of this Agreement. In connection with any repurchase pursuant to this Section 4.2, the Shareholder's salary and bonus set forth under such Shareholder's Employment Agreement and the distributions due the Shareholder pursuant to this Agreement will be reduced and the reduction applied to the Purchase Price set forth in Section 4.5, by such amounts as determined in the Corporation's sole discretion, until the Purchase Price is paid.

Section 4.2.1 Transfer Upon Shareholder Disqualification. In the event that a Shareholder is no longer authorized to practice medicine in South Carolina in the area of Otolaryngology, other than for a period lasting no longer than five months, (a "Departure Event"), then the Corporation shall have the obligation to purchase the Departing Shareholder's Shares. The Corporation shall pay such holder of any Shares in accordance with Sections 4.5, 4.6 and 4.7 of this Agreement.

Section 4.3 Transfer Upon Death or Permanent Disability of Shareholder. In the event of the death or Permanent Disability (each, a "Departure Event") of a Shareholder, the Corporation or the Remaining Shareholders shall purchase, according to their Percentage Interests, and the Departing Shareholder agrees to sell, all Shares owned by the Departing Shareholder in accordance with Sections 4.5, 4.6 and 4.7 of this Agreement.

Section 4.3.1 Simultaneous Death. If all of the Shareholders shall die simultaneously or shall die within thirty (30) days of one another, then there shall be no obligation by any party herein to purchase the Shares of any Shareholder in the Corporation, unless a sale shall have taken place prior to the first death, pursuant to this Agreement. As long as no such prior sale shall have occurred, the Departing Shareholder's interest in the proceeds of the liquidation of the Corporation and the proceeds of any insurance policies owned pursuant to Article V of this Agreement shall be delivered to the estate of such deceased Shareholder.

Section 4.4 Compulsory Redemption of Stock Upon Termination of Employment. If a Shareholder's Employment Agreement is terminated: (i) by the Corporation pursuant to Section 2.2. of the Shareholder's Employment Agreement, (ii) by the Shareholder pursuant to Paragraph 2.3(a) of the Shareholder's Employment Agreement, or (iii) because the Shareholder elects not to renew his Employment Agreement upon the expiration of its term (each a "Departure Event"), the Corporation shall purchase such Departing Shareholder's Shares in the Corporation in exchange for the payment as provided in Sections 4.5, 4.6, and 4.7 of this Agreement. Nothing in this Section shall affect a Shareholder's right to arbitrate a decision of the Corporation to terminate his Employment Agreement.

Section 4.5 Purchase Price. The Corporation or the Remaining Shareholders, as the case may be, shall pay the Departing Shareholder a purchase price ("Purchase Price") for the Shares in an amount equal to the net asset value (the book value of the Corporation's assets

minus liabilities determined using generally accepted accounting principles) of the Corporation as reasonably determined by the Corporation's accountants in consultation with the Chairman, multiplied by the Departing Shareholder's Percentage Interest.

Section 4.5.1 Sale of Affiliates. The Departing Shareholder also agrees that he shall sell any interest he owns in SCENT Land Holdings, LLC and SOMNUS, USA, LLC in accordance with the terms of each entities governing instruments (unless provided otherwise in the governing instruments) at the same time the Shareholder's Shares are redeemed pursuant to this Agreement.

Section 4.5.2 50% Reduction in Purchase Price. The Purchase Price, as calculated above, shall be reduced by fifty percent (50%) if (i) the term of the Shareholder's employment as a Shareholder did not consist of at least thirty-six (36) whole calendar months, (ii) the Shareholder fails to renew or elects to terminate the Employment Agreement without cause pursuant to Sections 2.1 or 2.3(d) of the Employment Agreement and the Shareholder fails to give the Group the nine (9) whole calendar months written notice required by Sections 2.1 or 2.3(d), or (iii) the Shareholder is terminated pursuant to Sections 2.2(b), (c), (d), (e), (f), (h), (i), (j) or (k) or Section 2.3(a). For clarity, except as provided in the preceding sentence or Section 4.5.3 below, any termination pursuant to Section 2.1(nonrenewal with nine (9) months notice), Section 2.2(a)(disability), Section 2.2(g)(change in law), Section 2.3(a)(a material breach by the Corporation), Section 2.3(b)(mutual agreement), or Section 2.3(c)(death) or Section 2.3(d) (by the Shareholder without cause with nine (9) months notice) shall be subject to payment for the Shareholder's Shares at the Purchase Price without the fifty percent (50%) discount. Any other terminations shall be subject to the fifty percent (50%) discount. The Corporation and the Departing Shareholder may agree that such payments may be made in cash or as a distribution of corporate assets in kind to satisfy the Corporation's obligations. Notwithstanding anything in this Agreement to the contrary, a Departing Shareholder shall not be entitled to any distribution from the Corporation nor be entitled to vote the Shares subsequent to the Departure Event and shall represent solely the right to be repurchased in accordance with this Agreement.

Section 4.5.3 \$100,000 Reduction in Share Purchase Price. Notwithstanding anything in this Agreement to the contrary, in the event a Departing Shareholder's Employment Agreement with the Corporation was terminated due to in whole or in part a violation of the covenants contained in Section 3.1(f) of the Employment Agreement (related to the requirement that the Shareholder maintains a full-time residence in the Coverage Area (as defined in the Shareholder's Employment Agreement), then, in addition to the fifty percent (50%) discount provided in Section 4.5.2 (if applicable), the Share Purchase Price for the Departing Shareholder shall be reduced by \$100,000 (a Shareholder's original investment), unless this provision is overridden in writing by the unanimous vote of the remaining Shareholders. In the event the Chairman makes a determination that a Departing Shareholder violated the confidentiality covenants in Section 3.7 of this Agreement or in Article V of their Employment Agreement and such determination is confirmed by the Board of Directors excluding the Departing Shareholder, then the Departing Shareholder's Share Purchase Price shall be reduced by \$100,000 (a Shareholder's original investment). Notwithstanding the foregoing, if there is only one remaining Director then the finding by the Chairman must be reasonably documented and such documentation must be provided to the Departing Shareholder.

Section 4.6 Method and Schedule of Payment of Purchase Price.

Section 4.6.1 Payment of Purchase Price. The Corporation or the Remaining Shareholders, as the case may be, shall commence payment of the Purchase Price as defined in Section 4.5 above to the Departing Shareholder, within sixty (60) days after the following applicable date: (i) effective date of the Departing Shareholder's Termination Date; (ii) the effective date that a Shareholder is deemed to have a "Permanent Disability"; (iii) the effective date that a Shareholder is disqualified from being a Shareholder in the Corporation; (iv) the date of receipt of notice of the qualification of the personal representative of the estate of a Departing Shareholder; or (v) the date of notice to the Involuntary Transferee that the Corporation will purchase the Transferred Shares. To the extent permitted by applicable law, the Purchase Price shall be paid to the Departing Shareholder in sixty (60) equal monthly installments as evidenced by a promissory note. Provided, upon request by the Departing Shareholder the Corporation shall grant a security interest in the assets (including the accounts receivable) of the Corporation to secure the payment of the promissory note. Notwithstanding the above, any life insurance proceeds or any Disability "buy-out" insurance proceeds received from such insurance policies on the Shareholder shall be paid as provided for in Article V of this Agreement.

Section 4.6.2 Closing of Sale of Shares. Upon the payment of the first installment of the Purchase Price as provided above in this Article IV, the Departing Shareholder shall endorse all of the Shares to be sold and deliver such Shares to an escrow agent appointed by the Corporation together with: (i) the appropriate amount of federal and state documentary stamps affixed thereto; and, if applicable; (ii) the appropriate tax waiver from the Estate Tax Division of the South Carolina Department of Revenue; and (iii) a certificate of discharged property from lien of federal estate tax. The Shares shall be held by the escrow agent until such time as the Purchase Price for the Shares has been fully paid. Upon payment in full of the Purchase Price, the escrow agent shall deliver the Shares together with all endorsements to the Remaining Shareholders or the Corporation, as applicable. Title to the Shares shall be deemed to have passed to the Remaining Shareholders upon the payment of the first installment of the Purchase Price.

Section 4.6.3 Shareholder Representations. The Departing Shareholder shall deliver at the closing and as a condition of sale, the following written representations: (i) that he or she is the owner and holder of record of such Shares being sold, that such Shares are free and clear of any and all liens, security interests, pledges, judgments or other encumbrances of any kind, and that the Departing Shareholder has full power to sell the Shares being sold; (ii) that the Departing Shareholder has not entered into on behalf of the Corporation, any agreement, commitment or understanding binding upon the Corporation except for transactions in the normal course of business, in amounts, quantities and nature which are normal and reasonable in relation to the normal and reasonable requirements of the Corporation's businesses as have been previously conducted and which have been fully recorded on the books and records of the Corporation or fully disclosed to the Shareholders of the Corporation; (iii) that the Departing Shareholder has not incurred any debt or other charges for which the Corporation may be liable except for normal and reasonable charges in connection with the business of the Corporation and that Departing Shareholder has surrendered to the Corporation all credit cards issued to the Corporation in the Departing Shareholder's possession.

Section 4.6.4 Setoff. Any damages resulting from the breach of any of the foregoing representations or a breach of any other provision of this Agreement, including, without limitation, Sections 3.7, 4.5.1 or 5.2 shall be applied against the balance of the Purchase Price in the same manner as if there were a prepayment of the Purchase Price. The intent of this provision is to provide for a reduction in the Purchase Price as a result of such a breach. Additionally, any damages owed to the Corporation by the Departing Shareholder under the Employment Agreement between the Corporation and the Departing Shareholder shall be setoff against the Purchase Price. To the extent such adjustment or amount required to be paid shall exceed the balance due on the Purchase Price, the Departing Shareholder shall make prompt payment of such excess to the Corporation or the Remaining Shareholders, and hereby acknowledges and agrees that, in such circumstances, the Departing Shareholder's shares shall be cancelled and the Departing Shareholder shall promptly provide the share certificate representing such shares to the Corporation. In addition, any amounts owed by the Departing Shareholder under this Agreement, the Employment Agreement or otherwise may be set-off against any other amounts owed to the Departing Shareholder whether under this Agreement, the Employment Agreement or otherwise and any such set-off shall constitute payment of such amount.

Section 4.7 Promissory Note. The Remaining Shareholders or the Corporation, as the case may be, shall execute a promissory note (hereinafter referred to as "Note") for all payments due pursuant to Article IV of this Agreement. Such Note shall be negotiable and bear interest at the prime rate (as quoted in the Wall Street Journal), as adjusted from time, plus one percent (1%). The Note shall become due and payable at the option of the holder immediately upon the occurrence of the following events:

- (i) Default in the payment of any installment. Default shall occur following a thirty (30) day grace period after written notice of nonpayment is given to the defaulting party. If payment is not made within the thirty (30) day grace period, the Payee shall be in Default;
- (ii) Sale of substantially all of the Corporation's assets;
- (iii) Dissolution and liquidation of the Corporation; or
- (iv) Bankruptcy of the Corporation.

Section 4.7.1 Default. If the payor of the Note shall default in paying any installment of the Purchase Price, then all remaining installments shall be accelerated. In the event of the liquidation or dissolution of the Corporation, the Departing Shareholder shall be paid the balance of the Purchase Price remaining unpaid out of the proceeds of such liquidation or dissolution.

Section 4.8 Legend on Shares. The certificates for the Shares shall, in addition to any notice thereon required by the Articles of Incorporation or Bylaws of the Corporation, or the Securities Act and other applicable securities laws, bear the following notice conspicuously marked on the face or back thereof:

The securities evidenced hereby are subject to the terms of a Shareholders Agreement among the Company and the Shareholders of the Company. A copy of the Shareholders Agreement is on file at the office of the Company and is available upon request. The Shareholders Agreement provides, among other things, for restrictions on the sale, transfer, pledge, hypothecation or other disposition of the securities represented by this Certificate. Any attempted sale, transfer, pledge, hypothecation or other disposition of the securities represented by this Certificate not in compliance with the terms and conditions of the Shareholders Agreement shall be void and of no force and effect.

Section 4.9 Effect of Waiver. Any failure of the Corporation to exercise any option to purchase given under this Agreement and any waiver by the Corporation of any rights hereunder as to any Transfer will not, as to any future Transfer of the Shares (either voluntary or by operation of law), discharge the Shares from any of the restrictions herein contained.

Section 4.10 Shareholder Personal Guaranties Upon Departure. In the event of the nonrenewal of a Shareholders' Employment Agreement in accordance with Section 2.1 of the Employment Agreement with 9 months notice, or the termination of the Employment Agreement in accordance with Section 2.2(a) (disability), Section 2.3(a) by Physician for cause, Section 2.3(b) (by agreement), Section 2.3(c) (death) or Section 2.3(d) by Physician without cause with 9 months notice, then (i) the Corporation will seek to cause its lenders to replace such Departing Shareholder as a personal guarantor of the Corporation debt with a new shareholder of the Corporation, or (ii) if the Corporation is unsuccessful in replacing the Departing Shareholder as the guarantor or if there is not a new shareholder to replace the Departing Shareholder then each remaining Shareholder agrees to indemnify on a relative basis to the extent of their Percentage Interest such Departing Shareholder for any personal guaranties of Corporation debt (including any expenses or fees, including reasonable attorney fees, incurred in connection with the collection of the debt) provided that there are three remaining Shareholders (excluding Dr. Orville Dyce) in good standing with the Corporation at the time the Departing Shareholder is no longer a Shareholder. In the event there are not three Shareholders in good standing at the time the Departing Shareholder is no longer a Shareholder then the remaining Shareholders agree to indemnify the Departing Shareholder for any personal guaranty of Corporation debt (including any expenses or fees, including reasonable attorney fees, incurred in connection with the collection of the debt) at the subsequent time there are three Shareholders (excluding Dr. Orville Dyce) in good standing with the Corporation. For this purpose a Shareholder shall be considered to be in good standing with the Corporation if the Shareholder is continuing to provide services for the Corporation, is not in breach of their Employment Agreement or this Agreement, has no present intentions to leave the employment relationship with the Corporation and is not engaged in litigation with the Corporation.

ARTICLE V

COVENANTS REGARDING SUBCHAPTER S

Section 5.1 Revocation. If the Shareholders shall determine to revoke the Corporation's Subchapter S election, each Shareholder agrees that he or she shall execute all documents and take such further action as may be necessary or advisable to effectuate such revocation.

Section 5.2 Maintain S Status. Except as provided in Section 5.1 above, the Corporation and each Shareholder covenant and agree not to do any act or fail to do any act, the commission or omission of which would cause the termination of the Subchapter S election of the Corporation. In the event of the violation of any provision of this Section 5.2 by any Shareholder, the Shareholder who authorizes or causes the violation shall be liable to the Corporation and to the other Shareholder(s) for any damages, liabilities, or costs resulting directly or indirectly therefrom, including, without limitation, any additional federal or state income tax, penalties and interest incurred by the Corporation and the other Shareholder(s); provided, however, that no Shareholder shall be so liable if such Shareholder acted in the good faith belief and upon the advice of tax counsel that termination of the election would not be caused thereby. In the event of an inadvertent termination of the Corporation's Subchapter S election, the Corporation and each Shareholder shall take whatever actions are necessary under Section 1362(f) of the Code and the Regulations thereunder to request a determination of inadvertent termination from the Commissioner of Internal Revenue allowing the Corporation to be treated as continuing to be an S corporation, and if a waiver of the terminating event is not granted, to request consent for an early reelection of Subchapter S status under Section 1362(g) of the Code and the Regulations thereunder.

Section 5.3 Dividend Distributions. Each Shareholder and the Corporation acknowledge that the Corporation shall use its best efforts to make pro rata (based on the total Shares owned by each Shareholder) distributions of money with respect to the Shares in an amount at least sufficient to pay the federal and state income taxes on the income that passes through to the Shareholders from the Corporation under Section 1366 of the Code for each taxable year, net of any tax benefits produced by losses, deductions and credits that pass through under Section 1366 of the Code. The Corporation shall use its best efforts to make such distributions on a quarterly basis during each taxable year and in any event no later than ninety (90) days following the end of each taxable year. Except as provided in Section 3.10, the Chairman, after consultation and reasonable input from the Board of Directors, shall make the final decision as to the amount of each distribution with respect to the Shares. For purposes of this Section 5.3 a distribution shall be treated as made with respect to a particular taxable year of the Corporation if (A) it is made during the taxable year and not designated by the Corporation as made with respect to another taxable year or (B) it is specifically designated by the Corporation as made with respect to that particular taxable year. The foregoing distribution requirement set forth in this Section 5.3 is subject, however, to (Y) the reasonably required needs of the Corporation as determined by the Chairman to maintain sufficient funds for working capital and business needs so as not to impair the ability of the Corporation to continue its business operations, and (Z) any applicable restrictions contained in loan documents with the Corporation's creditors.

Section 5.4 Withholding. The Corporation is authorized to withhold from amounts to be distributed to any Shareholder hereunder any amount required to be withheld by any provision of the Code, Treasury Regulations or other applicable law, and to pay such amounts to the Internal Revenue Service ("IRS") or other appropriate taxing authority in accordance with the Code, Treasury Regulations or other applicable law. In addition to such withholding from distributions,

the Corporation is authorized to remit to the IRS or other appropriate taxing authority any amounts due as a result of the allocation of taxable income to any Shareholder. Any amounts paid over to the IRS or other appropriate taxing authority with respect to this Section to a Shareholder pursuant to this Section shall be treated for all purposes hereunder as a distribution made to the Shareholder with respect to whom such withholding or remittance was made.

Section 5.5 Code Section 1377(a)(2) Election. If a Shareholder makes a Transfer of his or her Shares pursuant to this Agreement while the Corporation is an S corporation, and such Transfer results in the complete termination of the interest in the Corporation of such Shareholder, and if either the selling Shareholder or the purchaser requests, then all of the Shareholders and the Corporation agree to take appropriate action to make an effective election under Section 1377(a)(2) of the Code and the Regulations thereunder to treat the taxable year of the Transfer as if it consisted of two taxable years, the first of which ended on the effective date of the Transfer. For purposes of this election, Shareholders shall mean all Persons who are or were Shareholders of the Corporation at any time during the taxable year in which the Transfer occurs.

Section 5.6 Closing of Corporate Books. In the event the Corporation's Subchapter S status terminates during the course of a taxable year for any reason whatsoever, and if any Shareholder so requests, then all of the Shareholders shall take appropriate action to make an effective election under Section 1362(e)(3) of the Code and the Regulations thereunder to close the Corporation's books on the date immediately preceding the date on which the termination of Subchapter S status occurs. For purposes of this election, the term Shareholders shall mean all Persons who are or were Shareholders of the Corporation at any time during the taxable year ending on the date of termination of the Corporation's Subchapter S status and all Persons who are or were Shareholders in the Corporation on the first day following the termination of the Corporation's Subchapter S status.

Section 5.7 South Carolina S Corporation Status. Each Shareholder agrees to file a South Carolina income tax return and pay South Carolina income tax on his or her proportionate share of the Corporation's taxable income for each taxable year of the Corporation that he or she is a Shareholder and the Corporation is an S corporation, and to execute such consents as are necessary to assure that the Corporation's Subchapter S election will be effective for South Carolina income tax purposes.

Section 5.8 Chairman as Attorney-in-Fact for Elections. If any document evidencing a Shareholder's consent or other action is required for filing or for other purposes under the provisions of the Code or otherwise in order to effectuate the matters set forth in Article V and any Shareholder is unable or otherwise fails to execute such document in a timely manner, then such Shareholder hereby appoints the Chairman of the Corporation, as from time to time elected, as his agent and attorney-in-fact for the purpose of executing any such document and taking all such further action as may be necessary or advisable to effectuate such consent or other action. The Corporation shall indemnify, defend and hold harmless the Chairman of the Corporation from, against and in respect of any liabilities, damages, losses, costs or expenses (including attorneys' and accountants' fees) incurred by him or her as result of acting under such power of attorney.

Section 5.9 Tax Matters Person. The Chairman is hereby designated as the tax matters person of the Corporation. The tax matters person may resign at any time by giving written notice to the Corporation and each of the other Shareholders, and the tax matters person may be removed at any time by unanimous consent of all of the other Shareholders. Upon the resignation or removal of the tax matters person, a new tax matters person, who must be a Shareholder, shall be elected by holders of a majority of the Shares, which majority shall be determined by excluding the Shares of a removed tax matters person. The Corporation shall indemnify, defend and hold harmless the tax matters person from, against and in respect of any liabilities, damages, losses, costs or expenses (including attorneys' and accountants' fees) incurred by him or her as a result of acting as tax matters person.

ARTICLE VI

INSURANCE

Section 6.1 Life Insurance. The Corporation and each Shareholder shall have the right to purchase and maintain insurance on the life of each of the Shareholders.

Section 6.2 Disability Insurance. The Corporation and each Shareholder shall have the right to purchase and maintain Disability "buy-out" insurance on each of the Shareholders.

Section 6.3 Excess Insurance Proceeds. To the extent any insurance proceeds are in excess of the amount due a Shareholder under Section 4.5, such excess shall not affect the purchase price under Section 4.5. Any excess proceeds from a policy purchased by the Corporation or a Shareholder shall be retained by the Corporation or Shareholder, as the case may be.

Section 6.4 Shareholders' Right to Purchase Insurance Policies. In the event that a Shareholder Transfers his Shares, or upon dissolution or liquidation of the Corporation before the death or Permanent Disability of such Shareholder, the insured Shareholder shall have the right to purchase such life insurance and Disability insurance policies purchased by the Corporation that are subject to this Agreement for a purchase price equal to the amount of:

- (i) the cash surrender value thereof, if any, calculated on a prorated basis to the date of the transaction, exclusive of any dividend, dividend accumulations, or policy loans, but inclusive of the cash value of any paid-up insurance additions; plus
- (ii) the pro rata portion of any premium paid prior to the date which covers a period extending beyond the date of the transaction; plus
- (iii) any dividend or dividend accumulations; and less
- (iv) any policy loan plus interest then due.

The rights granted in this Section 6.4 shall lapse and expire unless the Transferring Shareholder notifies the Corporation in writing within thirty (30) days of the effective date of the

Transfer of the Departing Shareholder's Shares of his desire to purchase all or some of the Disability or life insurance contracts maintained pursuant to this Article V. Any policy or policies not purchased within such thirty (30) day period may be disposed of by the Corporation in its discretion and the Departing Shareholder agrees to execute and deliver such instruments as may be required by the Corporation to dispose of such policies. If such an insurance policy is transferred to a Departing Shareholder, the Corporation shall execute and deliver to the Departing Shareholder, such instruments as are necessary and proper to transfer full and complete title to such policies.

ARTICLE VII

TERM AND TERMINATION

The term of this Agreement shall begin on the Effective Date and terminate upon the occurrence of any of the following: (i) the bankruptcy of the Corporation or (ii) a written agreement to terminate this Agreement executed by Shareholders of not less than one hundred percent (100%) of the Shares subject to this Agreement, excluding any shares that are not entitled to vote in accordance with the provisions of this Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Prior Agreements. All other agreements dated prior to the date of this Agreement with respect to the subject matter in this Agreement are hereby superseded in their entirety by the terms and conditions of this Agreement, including any prior agreements between a Shareholder and any predecessor entity of the Corporation with respect to this subject matter; provided however, that this Agreement shall not be deemed to supersede the terms and conditions of the Employment Agreements executed simultaneously with this Agreement. Any inconsistency or ambiguity with the terms of this Agreement and the terms of the Employment Agreements shall be construed and interpreted in accordance with the terms of this Agreement. Notwithstanding the forgoing, as between the Corporation and Dr. Dyce, the Dyce Shareholder Agreement shall continue to govern Dr. Dyce's shares.

Section 8.2 Patient Records. The Corporation owns all patient records and charts. The records of patients of a Departing Shareholder shall remain with the Corporation. In the event of dissolution of the Corporation, the patient records shall be transferred to the Shareholder who primarily treated the patient or shall otherwise be handled in a manner provided that such transfer complies with applicable privacy laws. Notwithstanding the above, upon written authorization of a patient, the patient's records shall be provided to such Departing Shareholder (or former Shareholder if a liquidation or dissolution has occurred) who shall bear the cost of such photocopying.

Section 8.3 Shareholder's Personal Property. Each of the Shareholder's personal property at any Corporation location is listed in Exhibit B hereto which shall remain each Shareholder's property and may be removed from the Corporation location at any time by the owning Shareholder. Any amendments to the inventory list in this Exhibit B must be approved by all of the Shareholders.

Section 8.4 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon personal delivery, and in the case where delivery is made by any established and reputable next day delivery service, delivery shall be deemed to occur on the day after delivery to such delivery service, or on the fifth day following mailing by registered or certified mail, return receipt requested, postage prepaid, addressed at such Shareholder's address as set forth on Exhibit A attached hereto or at such other address as such Shareholder shall designate by written notice to the Corporation and the other Shareholders; or if to the Corporation, at 15 Exchange Drive, Lugoff, South Carolina, or at such other address as the Corporation shall have furnished to the Shareholder in writing. Whenever notice and an opportunity to cure is provided hereunder, the notice shall be provided in a letter addressed to the Chairman setting forth in detail the alleged breach and the details setting forth how it is believed such breach could be cured. No litigation may be initiated until the provided for cure period has expired and the initiation of litigation does not constitute proper notice.

Section 8.5 Construction. The Shareholders hereby agree and consent to take or cause to be taken all actions necessary to implement the intents and purposes of this Agreement, including, but not limited to, to vote their Shares to amend the Articles of Incorporation or the Bylaws in such manner as may be necessary to implement the provisions of this Agreement, and further agree not to vote their Shares at any time so as to amend the Articles of Incorporation in a manner inconsistent with or in contravention of this Agreement.

Section 8.6 Counterparts. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts, taken together, shall constitute and be one and the same instrument.

Section 8.7 Successor and Assigns. This Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors and permitted assigns.

Section 8.8 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to its subject matter.

Section 8.9 Remedies. The parties acknowledge that remedies at law for breach of the covenants contained in this Agreement may be inadequate and that the Corporation may be entitled to injunctive or to such other equitable relief as a court may deem appropriate for a breach of such covenants. If such covenants are at any time adjudged invalid to any extent by any court of competent jurisdiction, such covenants shall be deemed modified to the extent necessary to render any or all of them enforceable.

Section 8.10 Disputes. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration, which shall be conducted in Camden, South Carolina, in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration, and which to the extent of the subject matter of the arbitration, shall be binding not only on all parties to the Agreement, but on any other entity controlled by, in control of or under common control with the party to the extent that such affiliate joins in the arbitration. Judgment upon the award

rendered by the arbitrators may be enforced in any court having jurisdiction thereof and all costs shall be borne by the party against whose interest the arbitration is adversely determined.

Section 8.11 Amendment. This Agreement may not be amended or supplemented except in writing, executed by holders of not less than one hundred (100%) percent of the Shares subject to this Agreement, excluding any shares that are not entitled to vote in accordance with the provisions of this Agreement.

Section 8.12 Severability. If any provision of this Agreement is held invalid or unenforceable, such invalidity or unenforceability will not affect the validity or enforceability of any other provisions hereof, all of which provisions are hereby declared severable. It is the specific intent of the parties that the provisions of this Agreement be severable.

Section 8.13 Choice of Law. This Agreement is to be governed by and construed in accordance with the laws of the State of South Carolina.

Section 8.14 Descriptive Headings and Section References. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. Provided, however, any reference in this Agreement to a particular Section shall also include all subsections thereto unless explicitly referenced otherwise (e.g., a reference to Section 4.2 shall also include Section 4.2.1, 4.2.2, etc.).

Section 8.15 Gender and Number. Whenever the context hereof requires, the gender of all words shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural.

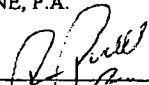
Section 8.16 Applicability of Agreement. Unless otherwise provided by this Agreement, each provision of this Agreement shall apply to all of the Shares owned by each Shareholder, whether presently owned or hereafter acquired.

Section 8.17 Additional Shareholders. Additional shareholders of the Corporation may become bound by the terms of this Agreement by signing an Adoption of Shareholders Agreement, substantially in the form of Exhibit H attached hereto, and upon such execution, the Shareholders and the Corporation.

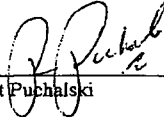
(SIGNATURES ARE ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SOUTH CAROLINA ENT, ALLERGY & SLEEP
MEDICINE, P.A.

By: 
Robert Puchalski
Its: Chairman

SHAREHOLDERS:


Robert Puchalski

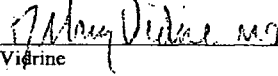

Macy Vidine

EXHIBIT A

SHAREHOLDERS AND NUMBER OF SHARES

<u>Name and Address of Shareholder</u>	<u>Number of Shares</u>
Robert Puchalski 15 Exchange Drive Lugoff, SC 29078	50,000
Orville Dyce	50,000*
Macy Vidrine 15 Exchange Drive Lugoff, SC 29078	50,000

*In accordance with the Dyce Shareholders Agreement, the 50,000 shares issued to Dr. Dyce are not entitled to any distributions or to be voted and represent solely the right to be repurchased in accordance with the Dyce Shareholders Agreement.

EXHIBIT B
PERSONAL PROPERTY

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B-1

SCENT 3093

EXHIBIT C

FOUNDING SHAREHOLDER PROTECTION PROVISIONS

In recognition of the contributions, risks and sacrifices made in establishing the Corporation's business and that continue to be made in developing the Corporation's business, the following provisions shall apply to Robert Puchalski during the term of his employment with the Corporation:

- (i) The Shareholders agree that Robert Puchalski shall automatically be appointed as a Director and the Chairman without a Shareholder vote for as long as he is an employee or Shareholder of the Corporation or, if sooner, until he resigns from one or both of these positions. Upon Robert Puchalski's resignation as the Chairman, the Vice Chairman shall automatically succeed him as the Chairman without a Shareholder vote. Thereafter, the positions shall be filled in the manner provided in Article III of this Agreement. Except as provided below, Robert Puchalski may only be removed in his role as a Director and the Chairman by a unanimous vote of the Shareholders (other than Robert Puchalski) and only upon a conviction of a crime involving fraud directly against the Corporation or if he has engaged in conduct which is fraudulent with respect to the Corporation. For this purpose, conduct will be "fraudulent with respect to the Corporation" if the fraudulent act involves Robert Puchalski intentionally and knowingly misleading the Board about a material fact for the purpose of deceiving the Board for his own pecuniary gain. For purposes of clarity, an inadvertent miscoding of medical services or any settlement or conviction involving unintentional or unknowing payor billing fraud related to the Corporation or any physician employed by the Corporation would not constitute conduct which is "fraud directly against the Corporation" or "fraudulent with respect to the Corporation."

- (ii) After 2015, upon a vote of "non-confidence" of the Board of Directors, Robert Puchalski may be terminated as an employee of the Corporation and in such event he will automatically be removed as the Chairman and a Director; provided, however, upon his termination of employment upon a vote of non-confidence pursuant to this sentence, the Corporation shall pay him a severance payment in an amount equal to the total of the most recent year of his total compensation from the Corporation during his employment (the "Severance Payment"). Robert Puchalski's Severance Payment shall be paid by paying the lesser of \$500,000 or fifty percent (50%) of the Severance Payment upon termination of employment (as defined below) with the balance paid with interest at the prime rate (as quoted in the Wall Street Journal), as adjusted from time to time in no more than three (3) equal annual installments of principal and interest until paid in full. For purposes of clarification, the Severance Payment is in addition to, and is calculated subsequent to the calculation of, all other

compensation due Robert Puchalski pursuant to his Employment Agreement and this Shareholder Agreement. Specifically, the Severance Payment shall not be taken into consideration as a liability or other offset or deduction in the calculation of the Purchase Price in Section 4.5 of this Agreement. For purposes of this provision, "termination of employment" shall have the meaning provided in Exhibit E. A vote of no-confidence of the Board of Directors under this Section is only effective if there are more than two Directors of the Corporation. In other words, one Director voting by himself cannot effect a vote of no-confidence under this Section.

- (iii) Notwithstanding anything in this Agreement or Robert Puchalski's Employment Agreement to the contrary, in the event of a purchase of all of Robert Puchalski's Shares by the Corporation, for any reason, the purchase price shall be 100% of the Purchase Price and the 50% reduction in Section 4.5.2 shall not be applicable.
- (iv) In addition to the compensation provided in Robert Puchalski's Employment Agreement, he shall receive as his full compensation for his role as the Founding Chairman a management performance bonus in a gross amount equal to the greater of (a) fifteen percent (15%) of the total distributions paid in a calendar year on an annualized basis to each Shareholder in excess of \$866,000 per Shareholder on an annualized basis ("Management Performance Bonus"). After the first two years of this Agreement, the Management Performance Bonus shall not be less than Ninety Thousand (\$90,000) dollars per annum. After 2015, the Board of Directors may also modify the Management Performance Bonus if any duties of the Chairman are reassigned to other officers of the Corporation. The Management Performance Bonus is subject to review and modification by the Board of Directors upon the fifth anniversary of this Agreement but only after 2015.
- (v) In recognition of the benefit constraints and tax liabilities incurred by Robert Puchalski when expanding the Corporation's business in a low debt environment, the Corporation shall also provide to Robert Puchalski, for so long as he remains an employee, the use of a leased automobile, provided: the monthly payments cannot exceed \$1,000, Dr. Puchalski pays for all maintenance expenses, and Dr. Puchalski assumes responsibility for all obligations under the lease in the event of the termination of his employment with the Corporation.
- (vi) For purposes of Section 3.1(c) of his Employment Agreement, Robert Puchalski can continue to receive any hospital stipends he currently receives to manage sleep medicine services from Somnus USA, LLC, Kershaw Health and Carolina Pines Regional Medical Center without requiring approval of the Board.

- (vii) - For purposes of determining the number of years Robert Puchalski has been employed as a Shareholder of the Corporation, the commencement of his employment as a Shareholder shall be deemed to have begun on July 1, 2002.

EXHIBIT D

DR. VIDRINE PROTECTION PROVISION

- (i) In recognition of Dr. Vidrine's loyal support of the Corporation when it was in turmoil, Dr. Vidrine shall be appointed as a member of the Board of Directors of the Corporation and its Vice Chairman for so long as he is a Shareholder of the Corporation.
- (ii) In recognition of Dr. Vidrine's loyal support of Corporation when it was in turmoil, the Corporation shall also provide to Macy Vidrine, for so long as he remains an employee, the use of a leased automobile, provided: the monthly payments cannot exceed \$1,000, Dr. Vidrine pays for all maintenance expenses, and Dr. Vidrine assumes responsibility for all obligations under the lease in the event of the termination of his employment with the Corporation.
- (iii) For purposes of determining the number of years Dr. Vidrine has been employed as a Shareholder of the Corporation, the commencement of his employment as a Shareholder shall be deemed to have begun on July 1, 2010. This date reflects an acceleration of the normal Shareholder admission time as special consideration granted to Dr. Vidrine for his loyal service during the disruption and litigation following the departures of two physicians from the Corporation.
- (iv) By way of the Corporate Credit Card, Dr. Vidrine will have the authority to expense one thousand dollars a month for expenses related to the Corporation without the prior approval of the Chairman, CEO or Board (i.e., books, office supplies, lunch for staff).

EXHIBIT E

DEFINITION OF TERMINATION OF EMPLOYMENT

For purposes of Exhibit C, "termination of employment" shall be considered to have occurred only if a "separation from service" (as defined in Treasury Regulation Section 1.409A-1(h)) has occurred with respect to the employment relationship between Robert Puchalski and the Corporation.

EXHIBIT F

ADOPTION OF SHAREHOLDERS AGREEMENT

The undersigned is, or is becoming, a Shareholder in South Carolina ENT, Allergy & Sleep Medicine, P.A. (the "Corporation").

The undersigned hereby acknowledges that the Corporation Shares issued to the undersigned are subject to the terms and conditions of the Shareholders Agreement dated 7/21, 2010 (the "Shareholders Agreement"), entered into between the Corporation and its Shareholders, a copy of which is attached hereto.

The undersigned agrees to be bound by, and acknowledges and agrees that the Shares in the Corporation purchased by the undersigned is subject to, the terms and conditions of the Shareholders Agreement.

9/1/10
Date

P. Manuvelan M.D.

Address: 303 Gordon Sq
Candler SC 29020

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