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CLIENT'S COPY

# TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

June 30, 2010

<b>Prepared for</b>	Union Hospital of Cecil County, Inc. 106 Bow Street Elkton, MD 21921-5596
<b>Prepared by</b>	ParenteBeard LLC 1650 Market Street, Suite 4500 Philadelphia, PA 19103
<b>Amount due or refund</b>	Not applicable
<b>Make check payable to</b>	Not applicable
<b>Mail tax return and check (if applicable) to</b>	Not applicable
<b>Return must be mailed on or before</b>	Not applicable
<b>Special Instructions</b>	This return has qualified for electronic filing. The return has been transmitted electronically to the IRS and no further action is required.

**Return of Organization Exempt From Income Tax**

**2009**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2009 calendar year, or tax year beginning JUL 1, 2009 and ending JUN 30, 2010**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type.  See Specific Instructions.	<b>C Name of organization</b>		<b>D Employer identification number</b>
		UNION HOSPITAL OF CECIL COUNTY, INC.		52-0607945
		Doing Business As		
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite		<b>E Telephone number</b>
106 BOW STREET			(410) 398-4000	
City or town, state or country, and ZIP + 4		<b>G Gross receipts \$</b> 148,039,012.		
ELKTON, MD 21921-5596		<b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>F Name and address of principal officer:</b> KENNETH S. LEWIS, MD, JD		<b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No		
SAME AS C ABOVE		If "No," attach a list. (see instructions)		
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c) ( 3 ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(c) Group exemption number</b> ▶		
<b>J Website:</b> WWW.UHCC.COM				
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation:</b> 1903 <b>M State of legal domicile:</b> MD		

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>PROVIDE HEALTHCARE SERVICES TO THE RESIDENTS OF CECIL COUNTY, MD, AND THE SURROUNDING AREA.</u>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	15
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	14
	<b>5</b> Total number of employees (Part V, line 2a)	<b>5</b>	1206
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	402
	<b>7a</b> Total gross unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	855,538.
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	-412,749.	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	1,326,143.	977,572.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	125,031,434.	128,832,816.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,290,256.	-146,067.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	890,920.	911,141.
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	128,538,753.	130,575,462.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	9,104,910.	2,642,957.
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	59,824,778.	61,358,579.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	64,786,860.	71,462,890.
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	133,716,548.	135,464,426.
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	-5,177,795.	-4,888,964.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	166,050,325.	174,781,521.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	89,130,780.	97,849,767.
		76,919,545.	76,931,754.

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer	Date		
	<b>LAURIE R. BEYER, CPA, SENIOR VP/CFO</b>			
Type or print name and title				
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4		EIN ▶	Phone no. ▶ (215) 972-0701
PARENTEBEARD LLC				
1650 MARKET STREET, SUITE 4500				
PHILADELPHIA, PA 19103				

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission: UNION HOSPITAL OF CECIL COUNTY'S MISSION IS TO PROVIDE HEALTHCARE SERVICES TO THE RESIDENTS OF CECIL COUNTY, MARYLAND, WESTERN NEW CASTLE COUNTY, DELAWARE, AND SOUTHERN CHESTER COUNTY, PENNSYLVANIA.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No [X] No

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

SEE SCHEDULE O FOR CONTINUATION(S)

4a (Code: ) (Expenses \$ 131,888,886. including grants of \$ 2,642,957. ) (Revenue \$ 127,989,123. ) UNION HOSPITAL OF CECIL COUNTY'S MISSION IS TO PROVIDE HEALTH CARE SERVICES TO THE RESIDENTS OF CECIL COUNTY, MARYLAND, WESTERN NEW CASTLE COUNTY, DELAWARE, AND SOUTHERN CHESTER COUNTY, PENNSYLVANIA, THAT REPRESENT QUALITY AND VALUE AND ARE PROVIDED WITH MODERN TECHNOLOGY, COMPASSIONATE NURSES AND STAFF, AND CONVENIENT TO THE CITIZENS OF OUR COMMUNITY. THESE HEALTHCARE SERVICES ARE PROVIDED REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE, OR ABILITY TO PAY. ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS VITALLY IMPORTANT TO THE OPERATION, STABILITY, AND VIABILITY OF UNION HOSPITAL OF CECIL COUNTY, WE RECOGNIZE THAT NOT ALL MEMBERS OF OUR COMMUNITY ARE IN THE FINANCIAL POSITION TO PURCHASE ESSENTIAL MEDICAL SERVICES. THEREFORE, CONSISTENT WITH UNION HOSPITAL'S COMMITMENT TO SERVE ALL MEMBERS OF CECIL COUNTY,

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services. (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses \$ 131,888,886.

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? .....	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i> .....		X
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i> .....		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i> .....	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i> .....	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
14a	Did the organization maintain an office, employees, or agents outside of the United States? .....		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i> .....		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i> .....		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i> .....		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i> .....	X	

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....	X	
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> .....	X	
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		X
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		X
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		X
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> .....	X	
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O. ....	X	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	<b>1a</b> 152		
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	<b>1b</b> 0		
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
	<b>1c</b>		
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	<b>2a</b> 1206		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
	<b>2b</b>		
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
	<b>3a</b>		
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
	<b>3b</b>		
<b>4a</b>	At any time during the calendar year, did the organization 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)?		X
	<b>4a</b>		
<b>b</b>	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	<b>4b</b>		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
	<b>5a</b>		
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
	<b>5b</b>		
<b>c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	<b>5c</b>		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
	<b>6a</b>		
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	<b>6b</b>		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
	<b>7a</b>		
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
	<b>7b</b>		
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
	<b>7c</b>		
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
	<b>7d</b>		
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
	<b>7e</b>		
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
	<b>7f</b>		
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
	<b>7g</b>		
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
	<b>7h</b>		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	<b>8</b>		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
	<b>9a</b>		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
	<b>9b</b>		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

**Section A. Governing Body and Management**

		Yes	No
1a	Enter the number of voting members of the governing body		
1a			15
b	Enter the number of voting members that are independent		
1b			14
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10b			
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12b		X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
12c		X	
13	Does the organization have a written whistleblower policy?	X	
13		X	
14	Does the organization have a written document retention and destruction policy?	X	
14		X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
15a		X	
b	Other officers or key employees of the organization	X	
15b		X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16a			X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

**Section C. Disclosure**

17	List the states with which a copy of this Form 990 is required to be filed <b>MD</b>
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization: <b>CARLA MOORE - (410) 398-4000</b> <b>106 BOW STREET, ELKTON, MD 21921</b>



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
KENNETH S. LEWIS, MD, JD PRESIDENT/CEO	40.00	X		X				0.	565,675.	117,472.
HARLAND GRAEF CHAIRMAN	1.00	X		X				0.	0.	0.
RICHARD GUTTENDORF VICE CHAIR/TREASURER	1.00	X		X				0.	0.	0.
EUGENE MACKIE SECRETARY	1.00	X		X				0.	0.	0.
MARY BOLT, PH.D. DIRECTOR	1.00	X						0.	0.	0.
JACK GOLDSTEIN DIRECTOR	1.00	X						0.	0.	0.
PHILLIP FARMER DIRECTOR	1.00	X						0.	0.	0.
RONALD GRAYBEAL DIRECTOR	1.00	X						0.	0.	0.
HENRY PASSI DIRECTOR	1.00	X						0.	0.	0.
SHEELMOHAN SACHDEV, MD DIRECTOR	1.00	X						0.	0.	0.
TIMOTHY SMITH DIRECTOR	1.00	X						0.	0.	0.
DWIGHT THOMEY DIRECTOR	1.00	X						0.	0.	0.
MARTIN J. HEALY DIRECTOR	1.00	X						0.	0.	0.
MARTHA HOSFORD, MD DIRECTOR	1.00	X						0.	0.	0.
RICHARD SZUMEL, MD DIRECTOR	1.00	X						0.	0.	0.
LAURIE R. BEYER, CPA SENIOR VP/CFO	40.00			X				0.	235,078.	25,208.
DAVID GIPSON SENIOR VP/COO	40.00				X			0.	223,954.	24,560.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JOANNE MILLER SENIOR VP PATIENT CARE S	40.00				X			0.	193,149.	13,420.
JOSE MA VP MEDICAL AFFAIRS	40.00				X			0.	286,327.	26,517.
PETER GLOGGNER VP HUMAN RESOURCES	40.00				X			165,428.	0.	8,476.
MARY JANE KAMPS VP/CIO	40.00				X			156,962.	0.	14,377.
NADER J. DABABNEH, MD PHYSICIAN	40.00					X		533,144.	0.	20,316.
IRFAN M. HISAMUDDIN, MD PHYSICIAN	40.00					X		394,032.	0.	22,030.
RANI S. CHINTAM, MD PHYSICIAN	40.00					X		404,689.	0.	10,321.
JOHN M. HEBEKA, MD ANESTHESIOLOGIST	40.00					X		317,505.	0.	22,566.
DAVID W. COMPTON, MD ANESTHESIOLOGIST	40.00					X		310,423.	0.	19,148.
<b>1b Total</b>								<b>2,282,183.</b>	<b>1,504,183.</b>	<b>324,411.</b>

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **59**

	Yes	No
3 Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
TEMPLETON READING, LLC 1302 UPPER GLENCOE ROAD, SPARKS, MD 21152	PHYSICIAN RADIOLOGY SERVICES	2,515,017.
MD-IT TRANSCRIPTION SERVICES, LLC 4940 PEARL EAST CIRCLE, BOULDER, CO 80301	TRANSCRIPTION SERVICES	561,427.
PHYSIOTHERAPY ASSOCIATES, INC. 855 SPRINGDALE DRIVE, EXTON, PA 19341	PHYSICAL THERAPY SERVICES	537,185.
HARNE, SONG, AND WOO, PA 2007 ROCKSPRING ROAD, FOREST HILL, MD 21050	PHYSICIAN UROLOGY SERVICES	450,000.
FINANCIAL HEALTH STRATEGIES, INC., 704 QUINCE ORCHARD ROAD, GAITHERSBURG, MD	COLLECTIONS ON PATIENT ACCOUNTS	313,468.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **16**

Part VIII Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	939,572.			
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	38,000.			
	g Noncash contributions included in lines 1a-1f: \$		8,000.			
	h Total. Add lines 1a-1f		977,572.			
	Program Service Revenue	2 a NET PATIENT SERVICE RE	Business Code 621990	126,792,646.	126,792,646.	
b LABORATORY REVENUE		621500	843,693.		843,693.	
c OTHER OPERATING REVENUE		621990	677,050.	677,050.		
d ADULT DAY CARE		623990	408,795.	408,795.		
e LIFELINE		900099	110,632.	110,632.		
f All other program service revenue						
g Total. Add lines 2a-2f			128,832,816.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		125,831.		1,258,310.	
	4 Income from investment of tax-exempt bond proceeds		50,837.		50,837.	
	5 Royalties					
	6 a Gross Rents	(i) Real	184,549.			
		(ii) Personal				
		b Less: rental expenses	70,659.			
	c Rental income or (loss)	113,890.				
	d Net rental income or (loss)		113,890.		113,890.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	15,903,541.			
		(ii) Other	34,136.			
		b Less: cost or other basis and sales expenses	17,194,433.	198,458.		
		c Gain or (loss)	-1,290,892.	-164,322.		
	d Net gain or (loss)		-1,455,214.		-1,455,214.	
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
b Less: direct expenses	b					
c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b					
c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11 a CAFETERIA/FOOD SERVICE	722210	767,832.			767,832.	
b PURCHASE DISCOUNTS	900099	16,674.			16,674.	
c UBI LOSS FROM PARTNERS	541900	11,845.		11,845.		
d All other revenue	900099	900.			900.	
e Total. Add lines 11a-11d		797,251.				
12 Total revenue. See instructions.		130,575,462.	127,989,123.	855,538.	753,229.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.  
 All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 .....	2,642,957.	2,642,957.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 .....				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....	345,243.		345,243.	
7 Other salaries and wages .....	50,953,571.	50,322,119.	631,452.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) .....	-235,948.	-208,403.	-27,545.	
9 Other employee benefits .....	6,598,245.	6,491,212.	107,033.	
10 Payroll taxes .....	3,697,468.	3,643,953.	53,515.	
11 Fees for services (non-employees):				
a Management .....	2,931,867.	1,465,933.	1,465,934.	
b Legal .....	271,142.		271,142.	
c Accounting .....	126,025.		126,025.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17 .....				
f Investment management fees .....	112,194.		112,194.	
g Other .....	15,928,821.	15,658,577.	270,244.	
12 Advertising and promotion .....	519,646.	519,646.		
13 Office expenses .....	21,638,892.	21,572,997.	65,895.	
14 Information technology .....	96,600.	96,600.		
15 Royalties .....				
16 Occupancy .....	2,087,374.	2,087,374.		
17 Travel .....	102,193.	95,855.	6,338.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings .....	23,477.	981.	22,496.	
20 Interest .....	3,949,057.	3,949,057.		
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	8,349,876.	8,349,876.		
23 Insurance .....	1,791,466.	1,791,466.		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <b>BAD DEBT</b> .....	10,819,843.	10,819,843.		
b <b>REPAIRS &amp; MAINTENANCE</b> .....	2,046,495.	2,046,495.		
c <b>DUES/ACCREDITATIONS</b> .....	397,541.	271,967.	125,574.	
d <b>EMPLOYEE RELATIONS</b> .....	178,677.	178,677.		
e <b>PUBLICATIONS</b> .....	91,704.	91,704.		
f All other expenses .....				
25 <b>Total functional expenses.</b> Add lines 1 through 24f	135464426.	131888886.	3,575,540.	0.
26 <b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

**Part X Balance Sheet**

		(A)		(B)	
		Beginning of year		End of year	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	63,011.	<b>1</b>	205,919.	
	<b>2</b> Savings and temporary cash investments .....	3,313,138.	<b>2</b>	3,426,868.	
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>		
	<b>4</b> Accounts receivable, net .....	17,071,711.	<b>4</b>	16,872,772.	
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....	20,000.	<b>5</b>		
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L .....		<b>6</b>		
	<b>7</b> Notes and loans receivable, net .....	2,865,224.	<b>7</b>	2,310,616.	
	<b>8</b> Inventories for sale or use .....	1,838,694.	<b>8</b>	1,686,189.	
	<b>9</b> Prepaid expenses and deferred charges .....	1,115,404.	<b>9</b>	1,314,477.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 154,041,567.			
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 69,086,844.			
		77,888,934.	<b>10c</b>	84,954,723.	
	<b>11</b> Investments - publicly traded securities .....	48,256,763.	<b>11</b>	53,439,337.	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	5,543,093.	<b>12</b>	5,030,779.	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>		
	<b>14</b> Intangible assets .....		<b>14</b>		
<b>15</b> Other assets. See Part IV, line 11 .....	8,074,353.	<b>15</b>	5,539,841.		
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	166,050,325.	<b>16</b>	174,781,521.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	10,713,030.	<b>17</b>	10,622,232.	
	<b>18</b> Grants payable .....		<b>18</b>		
	<b>19</b> Deferred revenue .....		<b>19</b>		
	<b>20</b> Tax-exempt bond liabilities .....	74,468,276.	<b>20</b>	83,056,483.	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>		
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>		
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	1,502,326.	<b>23</b>		
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>		
	<b>25</b> Other liabilities. Complete Part X of Schedule D .....	2,447,148.	<b>25</b>	4,171,052.	
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	89,130,780.	<b>26</b>	97,849,767.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>				
	<b>27</b> Unrestricted net assets .....	74,993,171.	<b>27</b>	75,819,074.	
	<b>28</b> Temporarily restricted net assets .....	1,926,374.	<b>28</b>	1,112,680.	
	<b>29</b> Permanently restricted net assets .....		<b>29</b>		
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>		
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>		
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>		
	<b>33</b> Total net assets or fund balances .....	76,919,545.	<b>33</b>	76,931,754.	
<b>34</b> Total liabilities and net assets/fund balances .....	166,050,325.	<b>34</b>	174,781,521.		

**Part XI Financial Statements and Reporting**

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? .....		X
<b>2b</b>	Were the organization's financial statements audited by an independent accountant? .....	X	
<b>2c</b>	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....	X	
<b>2c</b>	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
<b>d</b>	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis		
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....		X
<b>3b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits. ....		

Form 990 (2009)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public Inspection

Name of the organization **UNION HOSPITAL OF CECIL COUNTY, INC.** Employer identification number **52-0607945**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? .....	<b>11g(i)</b>	
(ii) A family member of a person described in (i) above? .....	<b>11g(ii)</b>	
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....	<b>11g(iii)</b>	
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2009

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>11 Total support.</b> Add lines 7 through 10						

**12** Gross receipts from related activities, etc. (see instructions) ..... **12**

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** .....

**Section C. Computation of Public Support Percentage**

**14** Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) ..... **14** %

**15** Public support percentage from 2008 Schedule A, Part II, line 14 ..... **15** %

**16a 33 1/3% support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization .....

**b 33 1/3% support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization .....

**17a 10% -facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....

**b 10% -facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....

**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....



Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total. Add lines 1 through 5; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support (Add lines 9, 10c, 11, and 12).

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Row 15: Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)) 15 %; Row 16: Public support percentage from 2008 Schedule A, Part III, line 15 16 %

Section D. Computation of Investment Income Percentage

Table with 2 columns: Line number, Percentage. Row 17: Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)) 17 %; Row 18: Investment income percentage from 2008 Schedule A, Part III, line 17 18 %

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

**2009**

Name of the organization

Employer identification number

UNION HOSPITAL OF CECIL COUNTY, INC.

52-0607945

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

<b>Name of organization</b>  UNION HOSPITAL OF CECIL COUNTY, INC.	<b>Employer identification number</b>  52-0607945
---	---

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MARYLAND HOSPITAL ASSOCIATION  6820 DEERPATH RD.  ELKRIDGE, MD 21075	\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	DENNIS LANG C/O DINAH JONES  67 ROBERTS WAY  NORTH EAST, MD 21901	\$ 8,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	UNION HOSPITAL OF CECIL COUNTY FOUNDATION, INC.  106 BOW STREET  ELKTON, MD 21921	\$ 939,572.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____  _____  _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____  _____  _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____  _____  _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization  <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Employer identification number  <b>52-0607945</b>
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**Part II Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	POST MASTECTOMY APPLIANCES _____ _____ _____	\$ 8,000.	12/02/09
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

<b>Name of organization</b>  <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	<b>Employer identification number</b>  <b>52-0607945</b>
--	--

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	

**Schedule D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

**Open to Public  
Inspection**

Name of the organization

UNION HOSPITAL OF CECIL COUNTY, INC.

Employer identification number

52-0607945

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or pleasure)       Preservation of an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06 .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No
- b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  \_\_\_\_\_ %
  - c Term endowment  \_\_\_\_\_ %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |   | Yes    | No |
|---|--------|----|
| (i) unrelated organizations   | 3a(i)  |    |
| (ii) related organizations  | 3a(ii) |    |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b     |    |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,134,905.		1,134,905.
b Buildings		69,866,900.	20,780,756.	49,086,144.
c Leasehold improvements		375,000.	375,000.	0.
d Equipment		81,040,621.	47,103,448.	33,937,173.
e Other		1,624,141.	827,640.	796,501.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				84,954,723.





**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	130,575,462.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	135,464,426.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-4,888,964.
4	Net unrealized gains (losses) on investments	4	5,412,116.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-510,943.
9	Total adjustments (net). Add lines 4 through 8	9	4,901,173.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	12,209.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	135364441.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	5,412,116.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	-623,137.
e	Add lines 2a through 2d	2e	4,788,979.
3	Subtract line 2e from line 1	3	130575462.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	130575462.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	135352232.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	135352232.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	112,194.
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	112,194.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	135464426.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X: THE HOSPITAL ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES**

BY PRESCRIBING A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE

SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY.

MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS

BEEN MET. THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION

THRESHOLD IN 2010 AND 2009.

**PART XI, LINE 8 - OTHER ADJUSTMENTS:**

**Part XIV** Supplemental Information (continued)

CHANGE IN INTEREST IN NET ASSETS OF FOUNDATION & SUBSIDIARY: -510943.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

CHANGE IN INTEREST IN NET ASSETS OF FOUNDATION & SUBSIDIARY: -510943.

INVESTMENT FEES: -112194.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2009**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
- ▶ **Attach to Form 990.**
- ▶ **See separate instructions.**

Name of the organization **UNION HOSPITAL OF CECIL COUNTY, INC.** Employer identification number **52-0607945**

**Part I Charity Care and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Does the organization have a charity care policy? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
<b>1b</b> If "Yes," is it a written policy?	<input checked="" type="checkbox"/>	
<b>2</b> If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
<b>3</b> Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
<b>a</b> Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>b</b> Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>c</b> If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
<b>4</b> Does the organization's policy provide free or discounted care to the "medically indigent"?		<input checked="" type="checkbox"/>
<b>5a</b> Does the organization budget amounts for free or discounted care provided under its charity care policy?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization's charity care expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
<b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
<b>6a</b> Does the organization prepare an annual community benefit report?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," does the organization make it available to the public?	<input checked="" type="checkbox"/>	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

<b>7 Charity Care and Certain Other Community Benefits at Cost</b>						
<b>Charity Care and Means-Tested Government Programs</b>	<b>(a)</b> Number of activities or programs (optional)	<b>(b)</b> Persons served (optional)	<b>(c)</b> Total community benefit expense	<b>(d)</b> Direct offsetting revenue	<b>(e)</b> Net community benefit expense	<b>(f)</b> Percent of total expense
<b>a</b> Charity care at cost (from Worksheets 1 and 2)			1,440,650.		1,440,650.	1.16%
<b>b</b> Unreimbursed Medicaid (from Worksheet 3, column a)			23,072,396.	23,072,396.		
<b>c</b> Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
<b>d Total</b> Charity Care and Means-Tested Government Programs			24,513,046.	23,072,396.	1,440,650.	1.16%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			762,513.	243,781.	518,732.	.42%
<b>f</b> Health professions education (from Worksheet 5)			446,388.		446,388.	.36%
<b>g</b> Subsidized health services (from Worksheet 6)			951,035.	408,795.	542,240.	.44%
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions to community groups (from Worksheet 8)			175,356.	10,287.	165,069.	.13%
<b>j Total.</b> Other Benefits			2,335,292.	662,863.	1,672,429.	1.35%
<b>k Total.</b> Add lines 7d and 7j			26,848,338.	23,735,259.	3,113,079.	2.51%

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development			5,175.		5,175.	.00%
3 Community support			9,979.		9,979.	.01%
4 Environmental improvements						
5 Leadership development and training for community members			921.		921.	.00%
6 Coalition building			2,748.		2,748.	.00%
7 Community health improvement advocacy			2,550.		2,550.	.00%
8 Workforce development			10,454.		10,454.	.01%
9 Other			1,092.		1,092.	.00%
10 Total			32,919.		32,919.	.02%

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

	Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? .....	X	
2 Enter the amount of the organization's bad debt expense (at cost) .....		
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy .....		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) .....	5	48,123,043.
6 Enter Medicare allowable costs of care relating to payments on line 5 .....	6	44,513,815.
7 Subtract line 6 from line 5. This is the surplus or (shortfall) .....	7	3,609,228.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

**Section C. Collection Practices**

9a Does the organization have a written debt collection policy? .....	9a	X	
b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI .....	9b		X

**Part IV Management Companies and Joint Ventures**

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

**Part V Facility Information**

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
UNION HOSPITAL OF CECIL COUNTY, INC. 106 BOW STREET ELKTON, MD 21921	X	X					X		

**Part VI Supplemental Information**

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

**PART I, LINE 7: ALL INFORMATION IS BASED ON ACTUAL COST PLUS**

**OVERHEAD. OVERHEAD IS A HOSPITAL AVERAGE PERCENTAGE OF OVERHEAD TO DIRECT COSTS. DIRECT COSTS EXCLUDE BAD DEBT EXPENSE.**

**PART I, LINE 7F: THE AMOUNT OF BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25 BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$10,819,843.**

**PART III, LINE 4: COSTING METHODOLOGY USED TO DETERMINE BAD DEBT EXPENSE AT COST AND ESTIMATED AMOUNT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE CHARITY CARE POLICY: THE METHODOLOGY ASSUMES THAT THE PERCENTAGE OF CHARITY CARE TO TOTAL REVENUE CAN BE APPLIED TO THE AMOUNT OF BAD DEBT EXPENSE FOR THE YEAR.**

**THE ORGANIZATION ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS IN DETERMINING BAD DEBT EXPENSE AS FOLLOWS: DISCOUNTS AND PAYMENTS ARE OFFSET AGAINST BAD DEBT EXPENSE.**

**METHOD THE ORGANIZATION USES TO DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE CHARITY CARE POLICY, IF SUFFICIENT INFORMATION HAD**

**Part VI** Supplemental Information

BEEN AVAILABLE TO MAKE A DETERMINATION OF THEIR ELIGIBILITY: THE HOSPITAL USES THE AVERAGE CHARITY CARE WRITE-OFF PER CHARITY CASE MULTIPLIED BY THE NUMBER OF CASES NOT APPROVED DUE TO LACK OF DOCUMENTATION.

FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE: ACCOUNTS RECEIVABLE, PATIENTS ARE REPORTED AT NET REALIZABLE VALUE. ACCOUNTS ARE WRITTEN OFF WHEN THEY ARE DETERMINED TO BE UNCOLLECTIBLE BASED UPON MANAGEMENT'S ASSESSMENT OF INDIVIDUAL ACCOUNTS. THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS ESTIMATED BASED UPON A PERIODIC REVIEW OF THE ACCOUNTS RECEIVABLE AGING, PAYOR CLASSIFICATIONS AND APPLICATION OF HISTORICAL WRITE-OFF PERCENTAGES.

PART III, LINE 8: COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE ORGANIZATION'S MEDICARE COST REPORT: MEDICARE ALLOWABLE COSTS EQUAL MEDICARE REVENUE ADJUSTED FOR THE HOSPITAL TOTAL RATIO OF PATIENT CARE COSTS TO CHARGES DUE TO THE FACT THAT MEDICARE PAYS FULL CHARGES IN MARYLAND.

SHORTFALL TREATED AS COMMUNITY BENEFIT: IN THE STATE OF MARYLAND, MEDICARE PAYS FULL CHARGES. THERE IS NO SHORTFALL THAT SHOULD BE TREATED AS A COMMUNITY BENEFIT.

FOR THE LAST 30 YEARS, MARYLAND HOSPITALS HAVE MET THEIR COMMUNITY BENEFIT OBLIGATIONS IN A UNIQUE MANNER THAT BUILDS THE COSTS OF UNCOMPENSATED CARE--CHARITY CARE AND PATIENT BAD DEBT--AND GRADUATE MEDICAL EDUCATION INTO THE RATES THAT HOSPITALS ARE REIMBURSED BY ALL PAYORS. THE SYSTEM IS BASED IN FEDERAL AND STATE LAW AND BENEFITS ALL MARYLAND RESIDENTS, INCLUDING THOSE IN NEED OF FINANCIAL ASSISTANCE TO PAY THEIR HOSPITAL

**Part VI** Supplemental Information

BILLS.

MARYLAND IS THE ONLY STATE IN WHICH ALL PAYORS--GOVERNMENTALLY-INSURED, COMMERICALLY--INSURED, OR SELF PAY--ARE CHARGED THE SAME PRICE FOR SERVICES AT ANY GIVEN HOSPITAL.

UNDER THIS SYSTEM, MARYLAND HOSPITALS ARE REGULATED BY A STAGE AGENCY--THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC)--THAT IS REQUIRED TO:

- 1) PUBLICLY DISCLOSE INFORMATION ON THE COST AND FINANCIAL POSITION OF HOSPITALS;
- 2) REVIEW AND APPROVE HOSPITAL RATES;
- 3) COLLECT INFORMATION DETAILING TRANSACTIONS BETWEEN HOSPITALS AND FIRMS WITH WHICH THEIR TRUSTEES HAVE A FINANCIAL INTEREST; AND,
- 4) MAINTAIN THE SOLVENCY OF EFFICIENT AND EFFECTIVE HOSPITALS.

SINCE 2000, THE RATE SETTING COMMISSION HAS HAD ITS OWN FRAMEWORK FOR REPORTING HOSPITALS' COMMUNITY BENEFITS AND ISSUING A REPORT ANNUALLY REGARDING HOSPITALS' COMMUNITY BENEFIT TOTALS. THAT REPORT IS AVAILABLE ON [HTTP://WWW.HSCRC.STATE.MD.US/COMMUNITY\\_BENEFITS/DOCUMENTS/CBR\\_FY2007\\_FINAL](http://www.hscrc.state.md.us/community_benefits/documents/cbr_fy2007_final)

BECAUSE OF THIS UNIQUE STRUCTURE, MARYLAND HOSPITALS' COMMUNITY BENEFITS NUMBERS WILL NOT COMPARE WITH THE REST OF THE NATION'S HOSPITALS. HOWEVER, MARYLAND HOSPITALS MEET OR EXCEED THE COMMUNITY BENEFIT STANDARD ESTABLISHED BY THE IRS IN 1969. ADDITIONAL DETAIL ILLUSTRATING THIS CAN BE FOUND WITHIN THIS SCHEDULE H REPORT.

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW



**Part VI** Supplemental Information

COMMISSION (HSCRC) DETERMINES PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFITS EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE-SETTING SYSTEM.

PART VI, LINE 2: IMPROVING THE HEALTH OF OUR COMMUNITY REQUIRES COLLABORATION AMONG COMMUNITY MEMBERS AND ACTIVE PARTICIPATION IN THE PLANNING AND IMPLEMENTATION OF HEALTH PROGRAMS. TO IDENTIFY COMMUNITY NEED, UNION HOSPITAL WORKS WITH COMMUNITY LEADERS FROM LOCAL SERVICE PROVIDERS SUCH AS THE CECIL COUNTY HEALTH DEPARTMENT. UNION HOSPITAL PARTICIPATES IN THE NEEDS ASSESSMENT PROCESS DRIVEN BY THE LOCAL HEALTH DEPARTMENT AND IN FY09, WE PROVIDED THE FUNDING FOR THE CECIL COUNTY COMMUNITY HEALTH SURVEY.

THE CECIL COUNTY COMMUNITY HEALTH SURVEY CONDUCTED IN THE SPRING OF 2009 COLLECTED HEALTH DATA THAT WILL BE USED TO DEVELOP PROGRAMS TO ADDRESS THE PRIORITY HEALTH PROBLEMS IDENTIFIED BY THE COUNTY'S COMMUNITY TASK FORCES. THE DATA COLLECTED THROUGH THE SURVEY ARE SPECIFIC TO THE COUNTY AND REPRESENT A LARGE ENOUGH SAMPLE SIZE THAT ALLOWS FOR THE GENERALIZATION OF THE RESULTS TO THE COUNTY POPULATION.

**Part VI Supplemental Information**

THE FIRST HEALTH SURVEY CONDUCTED IN OCTOBER 1999 PROVIDED DATA THAT WAS USED TO DETERMINE BASELINE INFORMATION ABOUT THE COUNTY'S MOST PRESSING HEALTH PROBLEMS. THE COMMUNITY TASK FORCES USED THE RESULTS TO REVIEW THEIR PROGRESS AND IDENTIFY NEW HEALTH ISSUES THAT WERE NOT EVIDENT OR COULD NOT BE MEASURED BEFORE.

IN 2000, FOLLOWING THIS REVIEW PROCESS, EXISTING TASK FORCES DEVELOPED NEW GOALS AND OBJECTIVES, AND NEW TASK FORCES WERE FORMED TO ADDRESS THE NEW PRIORITY HEALTH PROBLEMS. THE SECOND HEALTH SURVEY CONDUCTED IN 2004 PROVIDED DATA THAT WAS USED TO GAUGE THE HEALTH OF THE COUNTY FIVE YEARS AFTER THE BASELINE SURVEY. THIS SURVEY'S RESULTS WERE USED BY THE COUNTY TASK FORCES TO DEVELOP NEW GOALS AND OBJECTIVES AS WELL AS MEASURE CHANGES IN THE COUNTY'S HEALTH STATUS FROM 1999 TO 2004.

THE COMMUNITY HEALTH ADVISORY COMMITTEE (CHAC), WHICH INCLUDES UNION HOSPITAL STAFF AND MEMBERS OF OUR MEDICAL STAFF, ALSO USED THESE RESULTS TO DEVELOP THE CECIL COUNTY COMMUNITY HEALTH PLAN FOR 2010, WHICH IS AN ASSESSMENT OF THE COUNTY'S HEALTH PROBLEMS, AND THE IDENTIFICATION OF PRIORITIES AND STRATEGIES TO ADDRESS THESE PROBLEMS. EACH TASK FORCE DEVELOPED ITS OWN GOALS AND OBJECTIVES, WHICH WERE THEN COMBINED TO REPRESENT THE GOALS AND OBJECTIVES OF CHAC. THE FIVE TASK FORCES ARE: ACCIDENTS, ALCOHOL AND DRUGS, CANCER, LIFESTYLES AND NUTRITION, AND TOBACCO. EACH TASK FORCE DEVELOPED QUESTIONS FOR THE 2009 SURVEY THAT WOULD MEET THEIR NEED FOR INFORMATION.

PART VI, LINE 3: UNION HOSPITAL OF CECIL COUNTY UTILIZES A FINANCIAL ASSISTANCE (CHARITY CARE) POLICY TO ENSURE THAT HOSPITAL STAFF FOLLOW A CONSISTENT AND EQUITABLE PROCESS IN GRANTING CHARITY/FINANCIAL ASSISTANCE

**Part VI Supplemental Information**

TO APPROPRIATE PATIENTS WHILE RESPECTING THE INDIVIDUAL'S DIGNITY. THE POLICY IS IN AGREEMENT WITH THE ESTABLISHED MARYLAND STATE FINANCIAL ASSISTANCE GUIDELINES REGARDING CHARITY CARE.

THE POLICY DESCRIBES THE APPLICATION PROCESS FOR THE FINANCIAL ASSISTANCE PROGRAM, THE INFORMATION REQUIRED TO VERIFY INCOME AND ASSETS, THE TIMELINE FOR APPLICATION REVIEW, AND THE TIERED ADJUSTMENTS BASED ON THE FEDERAL POVERTY GUIDELINES.

THE APPLICATION FOR FINANCIAL ASSISTANCE IS AVAILABLE TO ALL UNDERINSURED AND UNINSURED PATIENTS OF UNION HOSPITAL. APPLICATIONS AND SIGNAGE ARE LOCATED THROUGHOUT THE HOSPITAL, EMERGENCY ROOM, AND OUTPATIENT AREAS. IN ADDITION, THE FINANCIAL ASSISTANCE APPLICATION AND BROCHURE (IN ENGLISH AND SPANISH) ARE AVAILABLE ON THE HOSPITAL'S WEBSITE.

ALL INPATIENT, SELF PAY PATIENTS ARE VISITED BY FINANCE STAFF AND SCREENED FOR THE FINANCIAL ASSISTANCE PROGRAM AS WELL AS FOR MEDICAID AND OTHER STATE AND COUNTY PROGRAMS.

FOLLOWING DISCHARGE FROM THE HOSPITAL, EACH PATIENT RECEIVES A SUMMARY OF CHARGES WHICH INCLUDES NOTICE OF THE FINANCIAL ASSISTANCE PROGRAM AND A DESIGNATED CONTACT TELEPHONE NUMBER.

ANY INDIVIDUAL WHO PRESENTS TO THE BUSINESS OFFICE OF THE HOSPITAL IN PERSON TO DISCUSS HIS/HER BILL IS ALSO PROVIDED WITH A FINANCIAL ASSISTANCE APPLICATION.

EVERY JANUARY, THE HOSPITAL PLACES AN ADVERTISEMENT IN THE LOCAL PAPER

**Part VI** Supplemental Information

OUTLINING ITS FINANCIAL ASSISTANCE POLICY.

ALL FINANCIAL ASSISTANCE APPLICATIONS RECEIVED ARE PROCESSED FOR ELIGIBILITY. NO ONE IS TURNED AWAY.

PATIENTS WHO ARE NOT ELIGIBLE FOR CHARITY CARE ARE REFERRED TO THE CECIL COUNTY HEALTH DEPARTMENT TO DETERMINE IF OTHER ASSISTANCE IS AVAILABLE.

PART VI, LINE 4: UNION HOSPITAL'S PRIMARY SERVICE AREA INCLUDE THE TOWNS OF ELKTON, ELK MILLS, CHILDS, CHESAPEAKE CITY, EARLEVILLE, WARWICK, CECILTON, NORTH EAST, CHARLESTOWN, AND RISING SUN IN CECIL COUNTY. THE HOSPITAL'S SECONDARY SERVICE AREA INCLUDES THE TOWNS IN WESTERN CECIL COUNTY OF CONOWINGO, COLORA, PORT DEPOSIT, PERRYVILLE, AND PERRY POINT; IN DELAWARE BEAR, MIDDLETOWN, AND TOWNSEND; AND SOUTHERN CHESTER COUNTY, PENNSYLVANIA.

IN 2009, THE TOTAL POPULATION OF CECIL COUNTY WAS ESTIMATED AT 100,796, THERE WERE 40,971 HOUSEHOLDS, AND 26,314 FAMILIES RESIDING IN THE COUNTY. AN AVERAGE OF 50.5% OF THE POPULATION IN OUR SERVICE AREA IS FEMALE. APPROXIMATELY 11.9% OF THE POPULATION IS 65+. THE POPULATION DENSITY WAS 247 PEOPLE PER SQUARE MILE. THE RACIAL MAKEUP OF THE COUNTY WAS 91.3% WHITE AND 6.1% AFRICAN AMERICAN. THE MEDIAN AGE IS 36 YEARS. THE MEDIAN INCOME FOR A HOUSEHOLD IN THE COUNTY WAS \$61,131. ABOUT 5.40% OF FAMILIES AND 7.20% OF THE POPULATION WERE BELOW THE POVERTY LINE, INCLUDING 9.20% OF THOSE UNDER AGE 18 AND 7.70% OF THOSE AGES 65 AND OVER. IN FISCAL YEAR 2009, 7% OF THE HOSPITAL'S PATIENTS WERE UNINSURED AND 17.3% WERE MEDICAID RECIPIENTS.

PART VI, LINE 5: GOVERNED BY A BOARD OF DIRECTORS MADE UP OF COMMUNITY

**Part VI Supplemental Information**

LEADERS, UNION HOSPITAL'S STRATEGIC INITIATIVES ARE EVALUATED, AND WITH THE ASSISTANCE OF EXECUTIVE MANAGEMENT, DETERMINATIONS ARE MADE AS TO THE PRIMARY PROGRAM FOCUS. EACH YEAR, UNION HOSPITAL FULFILLS OUR COMMITMENT TO IMPROVE THE HEALTH OF OUR COMMUNITY AND MEET THE IDENTIFIED NEEDS BY SPONSORING COMMUNITY-BASED CLINICAL SERVICES (SUCH AS FREE SCREENINGS AND CLINICS), OFFERING HEALTH EDUCATION PROGRAMS, SUPPORT GROUPS AND SELF-HELP PROGRAMS, PROVIDING NEEDED TREATMENTS TO THE UNDERSERVED AND TRAINING THE FUTURE LEADERS OF HEALTH CARE. OUR EMPLOYEES ALSO ARE DEDICATED TO SUPPORTING AREA ORGANIZATIONS THAT SERVE OUR COMMUNITY.

UNION HOSPITAL STRIVES TO MEET THE HEALTH AND WELLNESS NEEDS OF OUR COMMUNITY. THROUGH THE COMMUNITY NEEDS ASSESSMENT AND OTHER COMMUNITY DATA, WE LEARNED THAT SEVERAL AREAS CAN BENEFIT FROM OUR HEALTH CARE EXPERTISE AND MONETARY SUPPORT. THESE INCLUDE SERVICES FOR SENIORS THROUGH OUR ADULT DAY SERVICES PROGRAM; PROVIDING MEDICATIONS THROUGH OUR COMMUNITY ASSISTED MEDICATION PROGRAM (CAMP); SUPPORT OF THE UNINSURED/ UNDERINSURED; ADDRESS WELLNESS ISSUES IN THE WORKFORCE; EDUCATION REGARDING CHILDBIRTH AND PARENTING; AND HEALTH AND EDUCATION.

NOTABLE PROGRAM OFFERINGS INCLUDE "DINING WITH THE DOC" SEMINARS WHERE MEMBERS OF UNION HOSPITAL'S MEDICAL STAFF DELIVER FREE EDUCATIONAL SEMINARS AND SCREENINGS ON A VARIETY OF HEALTH TOPICS; HEALTH FAIRS, AND COMMUNITY SCREENINGS; CAREGIVER SUPPORT GROUPS; AND LEADERSHIP IN THE DEVELOPMENT OF PROGRAMMING AND EDUCATION AROUND DIABETES. UNION HOSPITAL PARTICIPATES IN MANY COMMUNITY INITIATIVES DESIGNED TO ADDRESS HEALTH CARE ISSUES; SOMETIMES WE ARE THE LEADER AND AT TIMES WE ARE A PARTICIPANT AND SUPPORTER. UNION HOSPITAL LEADERSHIP EXTENDS TO THE INDIVIDUAL GIFT OF TIME WITH OUR EXECUTIVES SERVING ON BOARDS OF COMMUNITY ORGANIZATIONS.

**Part VI** Supplemental Information

PART VI, LINE 6: CONSISTENT WITH OUR NONPROFIT STATUS, UNION HOSPITAL USES OUR REVENUE TO REINVEST IN OUR FACILITY, TECHNOLOGY AND MEDICAL SERVICES FOR THE COMMUNITY, AND COLLABORATION WITH COMMUNITY PARTNERS TO INVEST IN NEEDED COMMUNITY PROGRAMS SUCH AS PRINCIPIO HEALTH CENTER, WHICH INCLUDES A STATE-OF-THE-ART DENTAL FACILITY.

UNION HOSPITAL ALSO COLLABORATES WITH THE UNITED WAY OF CECIL COUNTY TO ADDRESS COMMUNITY NEEDS IN THE AREAS OF HEALTH, EDUCATION AND INCOME. OUR PRESIDENT AND CEO SITS ON THE UNITED WAY BOARD OF DIRECTORS. IN ADDITION, UNION HOSPITAL HOSTS AN ANNUAL UNITED WAY WORKPLACE GIVING CAMPAIGN TO SUPPORT UNITED WAY INITIATIVES.

PART VI, LINE 7: UNION HOSPITAL OF CECIL COUNTY, INC. IS PART OF AN AFFILIATED HEALTH CARE SYSTEM IN WHICH AFFINITY HEALTH ALLIANCE, INC. IS THE PARENT ENTITY. AFFINITY HEALTH ALLIANCE, INC.'S PURPOSE IS TO SUPPORT THE UNION HOSPITAL OF CECIL COUNTY IN PROVIDING HEALTH CARE AND HEALTH CARE RELATED SERVICES THROUGH THE EFFECTIVE MANAGEMENT OF ALL AFFILIATED CORPORATIONS. SPECIFICALLY, THIS INVOLVES COORDINATING SYSTEM WIDE POLICIES, FUNDRAISING AND STRATEGIC PLANNING PROGRAMS TO PROVIDE HEALTH CARE SERVICES IN RESPONSE TO THE MEDICAL, HUMAN AND RELATED SERVICE NEEDS OF THE COMMUNITY.

OTHER TAX-EXEMPT ORGANIZATIONS IN THE GROUP INCLUDE THE UNION HOSPITAL OF CECIL COUNTY FOUNDATION, INC., CECIL COUNTY BREEDERS FAIR AND UNION HOSPITAL OF CECIL COUNTY HEALTH SERVICES, INC.

THE FOUNDATION CONDUCTS AND SUPERVISES FUNDRAISING ACTIVITIES ON BEHALF OF

**Part VI** Supplemental Information

ITS TAX-EXEMPT AFFILIATES. THE FOUNDATION ENGAGES IN CORPORATE FUNDRAISING, CAPITAL CAMPAIGNS, SPECIAL EVENTS, ACTIVITIES, AND A MULTI-FACETED COMMUNICATION PROGRAM THAT APPEALS TO PRIVATE AND CORPORATE CONTRIBUTORS.

CECIL COUNTY BREEDERS FAIR, INC. IS ORGANIZED FOR THE PURPOSE OF SUPPORTING THE UNION HOSPITAL OF CECIL COUNTY THROUGH FUNDRAISING ACTIVITIES CONSISTING OF THE RUNNING OF THE FAIR HILL RACES.

UNION HOSPITAL OF CECIL COUNTY HEALTH SERVICES, INC.'S MISSION IS TO OWN, MANAGE AND MAINTAIN PROPERTIES FOR HEALTH RELATED VENTURES TO SERVE CECIL COUNTY AND THE SURROUNDING AREAS. THE ACTIVITIES OF THIS CORPORATION COMPLEMENT AND AUGMENT THE HEALTH CARE ACTIVITIES OF THE HOSPITAL.

PART VI, LINE 8, LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT:

MD

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

**Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.**

OMB No. 1545-0047

**2009**

**Open to Public  
Inspection**

Name of the organization **UNION HOSPITAL OF CECIL COUNTY, INC.** Employer identification number **52-0607945**

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ...

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
UNION HOSPITAL OF CECIL COUNTY HEALTH SERVICES, INC. - 106 BOW STREET - ELKTON, MD 21921	52-1794553	501(C)(3)	2,000,000.	0.			CHARITABLE ACTIVITIES
UNION HOSPITAL OF CECIL COUNTY VENTURES, INC. - 106 BOW STREET - ELKTON, MD 21921	52-1793691		642,957.	0.			CAPITAL CONTRIBUTION

**2** Enter total number of section 501(c)(3) and government organizations ..... **1.**

**3** Enter total number of other organizations ..... **1.**



**Part III** **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

**Part IV** **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: THE ORGANIZATION ONLY PROVIDES ASSISTANCE TO ITS AFFILIATED ENTITIES. IT DOES NOT PROVIDE GRANTS TO OTHER ORGANIZATIONS.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public Inspection

Name of the organization

UNION HOSPITAL OF CECIL COUNTY, INC.

Employer identification number

52-0607945

**Part I Questions Regarding Compensation**

	Yes	No
<p><b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <p> <input type="checkbox"/> First-class or charter travel                      <input type="checkbox"/> Housing allowance or residence for personal use  <input type="checkbox"/> Travel for companions                                  <input type="checkbox"/> Payments for business use of personal residence  <input checked="" type="checkbox"/> Tax indemnification and gross-up payments                      <input checked="" type="checkbox"/> Health or social club dues or initiation fees  <input checked="" type="checkbox"/> Discretionary spending account                                  <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)                 </p>		
<p><b>b</b> If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....</p>	X	
<p><b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? .....</p>	X	
<p><b>3</b> Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.</p> <p> <input checked="" type="checkbox"/> Compensation committee                                  <input checked="" type="checkbox"/> Written employment contract  <input checked="" type="checkbox"/> Independent compensation consultant                                  <input checked="" type="checkbox"/> Compensation survey or study  <input type="checkbox"/> Form 990 of other organizations                                  <input checked="" type="checkbox"/> Approval by the board or compensation committee                 </p>		
<p><b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p><b>a</b> Receive a severance payment or change-of-control payment? .....</p>		X
<p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....</p>	X	
<p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>		X
<p><b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b></p>		
<p><b>5</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p><b>a</b> The organization? .....</p>		X
<p><b>b</b> Any related organization? .....</p> <p>If "Yes" to line 5a or 5b, describe in Part III.</p>		X
<p><b>6</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p><b>a</b> The organization? .....</p>		X
<p><b>b</b> Any related organization? .....</p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>		X
<p><b>7</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III .....</p>	X	
<p><b>8</b> Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III .....</p>		X
<p><b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....</p>		

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
KENNETH S. LEWIS, MD, JD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	415,359.	60,200.	90,116.	97,350.	20,122.	683,147.	0.
LAURIE R. BEYER, CPA	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	201,131.	23,167.	10,780.	6,471.	18,737.	260,286.	0.
DAVID GIPSON	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	192,197.	19,578.	12,179.	6,051.	18,509.	248,514.	0.
JOANNE MILLER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	165,317.	19,078.	8,754.	5,241.	8,179.	206,569.	0.
JOSE MA	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	248,517.	24,980.	12,830.	7,335.	19,182.	312,844.	0.
PETER GLOGGNER	(i)	148,101.	9,972.	7,355.	2,336.	6,140.	173,904.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
MARY JANE KAMPS	(i)	140,095.	9,532.	7,335.	2,304.	12,073.	171,339.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
NADER J. DABABNEH, MD	(i)	470,113.	62,832.	199.	3,450.	16,866.	553,460.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
IRFAN M. HISAMUDDIN, MD	(i)	345,673.	48,160.	199.	6,825.	15,205.	416,062.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
RANI S. CHINTAM, MD	(i)	374,477.	28,750.	1,462.	6,775.	3,546.	415,010.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOHN M. HEBEKA, MD	(i)	307,813.	9,360.	332.	6,825.	15,741.	340,071.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DAVID W. COMPTON, MD	(i)	300,529.	9,672.	222.	3,450.	15,698.	329,571.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

PART I, LINE 1A: THE ORGANIZATION'S PRESIDENT & CEO, DR. KENNETH LEWIS,  
RECEIVES THE FOLLOWING BENEFITS WHICH WERE INCLUDED IN TAXABLE  
COMPENSATION:

- A) LEASED CAR PAYMENTS, GAS, REPAIRS AND INSURANCE
- B) TAX RETURN PREPARATION
- C) ATTORNEY REGISTRATION FEE
- D) SOCIAL CLUB DUES

PART I, LINE 4B: THE ORGANIZATION'S PRESIDENT & CEO, DR. KENNETH LEWIS,  
PARTICIPATES IN A SUPPLEMENTAL, NON-QUALIFIED RETIREMENT PLAN UNDER SECTION  
457(F) OF THE INTERNAL REVENUE CODE. \$90,000 HAS BEEN CONTRIBUTED TO THE  
PLAN EACH CALENDAR YEAR SINCE 2007 (\$90,000 EACH ON 12/31/07, 12/31/08 AND  
12/31/09). THE RIGHT TO RECEIVE PAYMENTS UNDER THE PLAN SHALL BE FORFEITED  
IN THE EVENT THAT EMPLOYMENT WITH THE HOSPITAL TERMINATES PRIOR TO THE  
VESTING DATE FOR ANY REASON OTHER THAN INVOLUNTARY TERMINATION WITHOUT  
CAUSE, DEATH, OR DISABILITY. THE ENTIRE BALANCE OF THE ACCOUNT SHALL VEST  
AND BE PAID IN A SINGLE LUMP-SUM PAYMENT ON OR AFTER JANUARY 1, 2011 AND ON

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

OR BEFORE MARCH 15, 2011.

PART I, LINE 7: A PORTION OF THE BONUSES AND MERIT INCREASE ARE TIED TO THE ORGANIZATIONAL GOALS, SUCH AS PATIENT SATISFACTION, QUALITY, EMPLOYEE TURNOVER, ETC.

**Supplemental Information on Tax-Exempt Bonds**  
▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).  
▶ Attach to Form 990. See separate instructions.

Name of the organization **UNION HOSPITAL OF CECIL COUNTY, INC.** Employer identification number **52-0607945**

Part I Bond Issues SEE SCHEDULE O FOR COLUMN (F) CONTINUATIONS										
	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
							Yes	No	Yes	No
<b>A</b>	COUNTY COMMISSIONERS OF CECIL COUNTY	52-6000919	NONE	12/01/09	16,000,000.	FINANCING THE ACQUISITION, CONSTR		X		X
<b>B</b>	MARYLAND HEALTH & HIGHER EDUCATION FACILITIES AU	52-0936091	5742168A8	07/14/05	31,401,189.	FINANCING THE ACQUISITION, CONSTR		X		X
<b>C</b>										
<b>D</b>										
<b>E</b>										

Part II Proceeds										
	A		B		C		D		E	
<b>1</b>	Total proceeds of issue	10,093,688.	35,836,388.							
<b>2</b>	Gross proceeds in reserve funds		1,621,884.							
<b>3</b>	Proceeds in refunding or defeasance escrows									
<b>4</b>	Other unspent proceeds									
<b>5</b>	Issuance costs from proceeds	140,715.	576,473.							
<b>6</b>	Working capital expenditures from proceeds									
<b>7</b>	Capital expenditures from proceeds	9,952,972.	33,640,038.							
<b>8</b>	Year of substantial completion	2010	2007							
		Yes	No	Yes	No	Yes	No	Yes	No	Yes
<b>9</b>	Were the bonds issued as part of a current refunding issue? ...	X			X					
<b>10</b>	Were the bonds issued as part of an advance refunding issue? ...		X		X					
<b>11</b>	Has the final allocation of proceeds been made? ...		X	X						
<b>12</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds? ...	X		X						

Part III Private Business Use										
	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b>	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? ...		X		X					
<b>2</b>	Are there any lease arrangements with respect to the financed property which may result in private business use? ...		X		X					

**Part III Private Business Use** (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use? .....	X		X							
<b>b</b> Are there any research agreements with respect to the financed property which may result in private business use? ...		X		X						
<b>c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property? .....	X		X							
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government .....	.00 %		.00 %							
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government .....	.00 %		.00 %							
<b>6</b> Total of lines 4 and 5 .....	.00 %		.00 %							
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities? .....	X		X							

**Part IV Arbitrage**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue? .....		X		X						
<b>2</b> Is the bond issue a variable rate issue? .....	X			X						
<b>3a</b> Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records? .....		X	X							
<b>b</b> Name of provider .....			BANK OF AMERICA, N.A.							
<b>c</b> Term of hedge .....			35.0000000							
<b>4a</b> Were gross proceeds invested in a GIC? .....		X		X						
<b>b</b> Name of provider .....										
<b>c</b> Term of GIC .....										
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? .....										
<b>5</b> Were any gross proceeds invested beyond an available temporary period? .....		X		X						
<b>6</b> Did the bond issue qualify for an exception to rebate? .....	X			X						

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

UNION HOSPITAL OF CECIL COUNTY, INC.

Employer identification number

52-0607945

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

MARYLAND, FREE CARE AND/OR SUBSIDIZED CARE AND HEALTH ACTIVITIES AND

PROGRAMS TO SUPPORT THE COMMUNITY WILL BE CONSIDERED WHERE THE NEED

AND/OR AN INDIVIDUAL'S INABILITY TO PAY COEXISTS. THESE ACTIVITIES

INCLUDE COMMUNITY EDUCATION, SPECIAL PROGRAMS FOR THE ELDERLY, SPECIAL

PROGRAMS FOR THE PHYSICALLY/MENTALLY CHALLENGED, MEDICALLY UNDERSERVED

AND A VARIETY OF BROAD COMMUNITY SUPPORT ACTIVITIES.

UNION HOSPITAL OF CECIL COUNTY SERVICED 7,986 ADMISSIONS PROVIDING

29,096 PATIENT DAYS TO INPATIENTS IN FISCAL YEAR 2010 OF WHICH:

1) PATIENTS COVERED UNDER THE MEDICARE PROGRAM WERE 3,334 ADMISSIONS

AND 14,215 PATIENT DAYS

2) PATIENTS COVERED UNDER THE MEDICAID PROGRAM WERE 322 ADMISSIONS AND

1,225 PATIENT DAYS

3) PATIENTS COVERED UNDER THE MEDICAID HMO PROGRAM WERE 1,493

ADMISSIONS AND 4,285 PATIENT DAYS

4) PATIENTS COVERED UNDER THE MEDICARE HMO PROGRAM WERE 71 ADMISSIONS

AND 337 PATIENT DAYS

CHARITY CARE IS ALSO PROVIDED THROUGH MANY REDUCED PRICE SERVICES AND

FREE PROGRAMS OFFERED THROUGHOUT THE YEAR BASED UPON ACTIVITIES AND

SERVICES THAT UNION HOSPITAL OF CECIL COUNTY BELIEVES WILL SERVE A BONA

FIDE COMMUNITY NEED. THESE INCLUDE:

A) ADULT DAY CARE SERVICES FOR THE ELDERLY AND PHYSICALLY/MENTALLY

CHALLENGED

B) SUPPORT GROUPS FOR CANCER PATIENTS AND FAMILIES, DIABETES,

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2009

932211  
02-03-10



**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

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ALCOHOLICS ANONYMOUS, OSTOMY AND SMOKELESS

C) OFFERING AND CONDUCTING FREE BLOOD PRESSURE, CHOLESTEROL SCREENINGS  
AND PROSTATE SCREENINGS

D) IN CONJUNCTION WITH THE STATE OF MARYLAND AND THE LOCAL DEPARTMENT  
OF HEALTH, OFFERING AND CONDUCTING A CANCER SCREENING PROGRAM FOR  
INDIGENT FEMALES

E) PROVIDING MEETING FACILITIES FOR A VARIETY OF NONPROFITS AND  
VOLUNTEER FIRE COMPANIES

F) HOSPITAL STAFF VOLUNTEERS ON NONPROFIT ORGANIZATION BOARDS SUCH AS  
THE AMERICAN CANCER SOCIETY

DURING THE YEAR, UNION HOSPITAL OF CECIL COUNTY PROVIDED \$16,063,000 IN  
UNCOMPENSATED CARE.

FORM 990, PART VI, SECTION A, LINE 7A: AFFINITY HEALTH ALLIANCE, INC. IS  
THE SOLE MEMBER OF THE UNION HOSPITAL OF CECIL COUNTY, INC. THE BYLAWS OF  
THE HOSPITAL PROVIDE THAT ITS DIRECTORS ARE APPOINTED BY ITS SOLE MEMBER.

FORM 990, PART VI, SECTION A, LINE 7B: AFFINITY HEALTH ALLIANCE, INC. IS  
THE SOLE MEMBER OF THE UNION HOSPITAL OF CECIL COUNTY, INC. THE BYLAWS OF  
THE HOSPITAL PROVIDE THAT ITS SOLE MEMBER MAY AMEND ITS BYLAWS.

FORM 990, PART VI, SECTION B, LINE 11: THE FINANCE COMMITTEE OF THE  
ORGANIZATION REVIEWS THE FORM 990 PRIOR TO FILING WITH THE INTERNAL REVENUE  
SERVICE.

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
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▶ Attach to Form 990.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

UNION HOSPITAL OF CECIL COUNTY, INC.

Employer identification number

52-0607945

FORM 990, PART VI, SECTION B, LINE 12C: BOARD MEMBERS ARE REQUIRED TO ANNUALLY DISCLOSE ANY POTENTIAL CONFLICT OF INTEREST. THE ORGANIZATION'S CEO REVIEWS THE SIGNED ANNUAL DISCLOSURES. THE CORPORATE COMPLIANCE OFFICER IS MADE AWARE OF ANY DISCLOSED CONFLICT, INVESTIGATES THE CONFLICT, AND REPORTS BACK TO THE BOARD OF DIRECTORS. THE BOARD CONSIDERS THE FACTS AND MAKES AN APPROPRIATE FINDING. ANY BOARD MEMBER WITH A CONFLICT MUST ABSTAIN FROM BOARD DELIBERATIONS AND VOTING ON THE MATTER.

ALL VICE PRESIDENTS ANNUALLY RECEIVE A LIST OF THE INDIVIDUALS UNDER THEIR SUPERVISION WHO MAY HAVE A POTENTIAL CONFLICT OF INTEREST. THE LIST IS COMPRISED OF ALL MANAGERS, CERTAIN PROFESSIONAL STAFF WHO MAY HAVE RESPONSIBILITY NEGOTIATING WITH VENDORS, AND ANY OTHER PERSONS THAT HOSPITAL EXECUTIVES DEEM APPROPRIATE. EACH VICE PRESIDENT REVIEWS THE CONFLICT OF INTEREST POLICY WITH THEIR DESIGNATED EMPLOYEES, AND EACH EMPLOYEE IS REQUIRED TO SIGN A FORM STIPULATING WHETHER OR NOT THEY HAVE A CONFLICT. THE FORMS ARE REVIEWED BY THE VICE PRESIDENT OF HUMAN RESOURCES. IF A CONFLICT IS NOTED, IT IS BROUGHT TO THE ATTENTION OF THE APPROPRIATE VICE PRESIDENT AND THE CEO TO DETERMINE WHETHER OPERATIONAL CHANGES NEED TO OCCUR BECAUSE OF THE POTENTIAL CONFLICT.

FORM 990, PART VI, SECTION B, LINE 15: THE COMPENSATION COMMITTEE OF THE ORGANIZATION'S BOARD OF DIRECTORS IS RESPONSIBLE FOR SETTING THE OVERALL COMPENSATION PHILOSOPHY OF THE ORGANIZATION, AS WELL AS SETTING, MONITORING AND REVIEWING THE COMPENSATION PACKAGE OF THE ORGANIZATION'S CEO AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM. THE COMMITTEE USES RELEVANT MARKET INFORMATION, INCLUDING THE USE OF AN INDEPENDENT COMPENSATION

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2009

932211  
02-03-10

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
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OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

UNION HOSPITAL OF CECIL COUNTY, INC.

Employer identification number

52-0607945

CONSULTANT AND COMPENSATION STUDIES OR SURVEYS, TO SET COMPENSATION. DURING THE FISCAL YEAR ENDED JUNE 30, 2010, AN INDEPENDENT COMPENSATION CONSULTANT PROVIDED THE FOLLOWING SERVICES: EXECUTIVE COMPENSATION AND PERFORMANCE EVALUATION; EMPLOYMENT CONTRACT REVIEW; AND PERFORMANCE EVALUATION AND SALARY/SURVEY ANALYSIS.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION WILL MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

SCHEDULE K, SUPPLEMENTAL INFORMATION: SCHEDULE K, PART II, LINE 1, ISSUE B: THIS NUMBER REPRESENTS SALE PROCEEDS PLUS INVESTMENT EARNINGS IN THE CONSTRUCTION FUND, PLUS INVESTMENT EARNINGS IN THE COST OF ISSUANCE FUND, PLUS INVESTMENT EARNINGS IN THE DEBT SERVICE RESERVE FUND DURING THE CONSTRUCTION PERIOD.

SCHEDULE K, PART II, LINE 7, ISSUE B: THIS NUMBER REPRESENTS TOTAL PROCEEDS LESS PROCEEDS DEPOSITED INTO A RESERVE FUND LESS PROCEEDS SPENT ON ISSUANCE COSTS.

SCHEDULE K, PART IV, LINE 5, ISSUE A: THE PROCEEDS USED TO REFUND THE TAXABLE DEBT WERE NOT INVESTED BEYOND THEIR TEMPORARY PERIOD. THE PROCEEDS USED FOR "NEW MONEY" EXPENDITURES PROJECTS ARE STILL SUBJECT TO THEIR TEMPORARY PERIOD.

SCHEDULE K, PART IV, LINE 6, ISSUE A: THE PORTION OF THE ISSUE USED TO

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2009

932211  
02-03-10

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

UNION HOSPITAL OF CECIL COUNTY, INC.

Employer identification number

52-0607945

REFUND THE TAXABLE DEBT QUALIFIED FOR AN EXCEPTION TO REBATE. THE  
REMAINDER OF THE ISSUE MAY QUALIFY FOR AN EXCEPTION TO REBATE BUT IT IS TOO  
EARLY TO MAKE THAT CONCLUSION.

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: COUNTY COMMISSIONERS OF CECIL COUNTY

(F) DESCRIPTION OF PURPOSE:

FINANCING THE ACQUISITION, CONSTRUCTION, RENOVATION OF HOSPITAL FACILITIES

(A) ISSUER NAME: MARYLAND HEALTH & HIGHER EDUCATION FACILITIES AUTHORITY

(F) DESCRIPTION OF PURPOSE:

FINANCING THE ACQUISITION, CONSTRUCTION, RENOVATION OF HOSPITAL FACILITIES

**Related Organizations and Unrelated Partnerships**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**  
▶ **Attach to Form 990.** ▶ **See separate instructions.**

**Name of the organization** UNION HOSPITAL OF CECIL COUNTY, INC. **Employer identification number** 52-0607945

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
UNION HOSPITAL OF CECIL COUNTY FOUNDATION, INC. - 52-1794552, 106 BOW STREET, ELKTON, MD 21921	FUNDRAISING & SUPPORT	MARYLAND	501(C)(3)	LINE 11C, III-FI	N/A
UNION HOSPITAL OF CECIL COUNTY HEALTH SERVICES, INC. - 52-1794553, 106 BOW STREET, ELKTON, MD 21921	HEALTHCARE PROPERTY MANAGEMENT	MARYLAND	501(C)(3)	LINE 9	N/A
CECIL COUNTY BREEDERS FAIR, INC. - 51-6018180, 106 BOW STREET, ELKTON, MD 21921	FUNDRAISING & SUPPORT	MARYLAND	501(C)(4)		N/A
AFFINITY HEALTH ALLIANCE, INC. - 52-1794697 106 BOW STREET ELKTON, MD 21921	MANAGEMENT & SUPPORT	MARYLAND	501(C)(3)	LINE 11C, III-FI	N/A

**Part III Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportion- ate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
UNION HOSPITAL OF CECIL COUNTY VENTURES, INC. - 52-1793691, 106 BOW STREET, ELKTON, MD 21921	MEDICAL SERVICES	MD	N/A	C CORP	N/A	N/A	N/A
CECIL COUNTY ANESTHESIOLOGISTS, INC. - 52-1886386 106 BOW STREET ELKTON, MD 21921	INACTIVE	MD	N/A	C CORP	N/A	N/A	N/A
EMERGENCY MEDICAL SPECIALISTS OF CECIL COUNTY - 52-1881684, 106 BOW STREET, ELKTON, MD 21921	INACTIVE	MD	N/A	C CORP	N/A	N/A	N/A

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of <b>(i)</b> interest <b>(ii)</b> annuities <b>(iii)</b> royalties or <b>(iv)</b> rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to other organization(s) .....	X	
<b>c</b> Gift, grant, or capital contribution from other organization(s) .....	X	
<b>d</b> Loans or loan guarantees to or for other organization(s) .....		X
<b>e</b> Loans or loan guarantees by other organization(s) .....		X
<b>f</b> Sale of assets to other organization(s) .....		X
<b>g</b> Purchase of assets from other organization(s) .....		X
<b>h</b> Exchange of assets .....		X
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s) .....	X	
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s) .....		X
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets .....		X
<b>n</b> Sharing of paid employees .....		X
<b>o</b> Reimbursement paid to other organization for expenses .....		X
<b>p</b> Reimbursement paid by other organization for expenses .....		X
<b>q</b> Other transfer of cash or property to other organization(s) .....	X	
<b>r</b> Other transfer of cash or property from other organization(s) .....		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

**Part VI Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of- year assets	(f) Dispropor- tionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No



**Information Return of U.S. Persons With Respect To Certain Foreign Corporations**

▶ See separate instructions.

(Rev. December 2007)  
Department of the Treasury  
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **JAN 1**, 2009, and ending **DEC 31**, 2009

Attachment  
Sequence No. **121**

Name of person filing this return  <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b> <small>Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)</small> <b>106 BOW STREET</b> City or town, state, and ZIP code <b>ELKTON, MD 21921-5596</b>	<b>A Identifying number</b>  <b>52-0607945</b> <b>B Category of filer</b> (See instructions. Check applicable box(es): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input checked="" type="checkbox"/> <b>C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period</b> <b>12.50 %</b>
Filer's tax year beginning <b>JUL 1</b> , 2009, and ending <b>JUN 30</b> , 2010	

**D Person(s) on whose behalf this information return is filed:**

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

**Important:** Fill in all applicable lines and schedules. All information must be in English. All amounts must be stated in U.S. dollars unless otherwise indicated.

<b>1a Name and address of foreign corporation</b> <b>FREESTATE HEALTHCARE INSURANCE COMPANY, LTD</b> <b>P.O. BOX 1109</b> <b>GRAND CAYMAN KY1-1102</b> <b>CAYMAN ISLANDS</b>		<b>b Employer identification number, if any</b> <b>98-0464065</b> <b>c Country under whose laws incorporated</b> <b>CAYMAN ISLANDS</b>		
<b>d Date of incorporation</b> <b>12/14/04</b>	<b>e Principal place of business</b> <b>CAYMAN ISLANDS</b>	<b>f Principal business activity code number</b> <b>525990</b>	<b>g Principal business activity</b> <b>INVESTMENTS</b>	<b>h Functional currency</b> <b>U.S., DOLLAR</b>

**2 Provide the following information for the foreign corporation's accounting period stated above.**

<b>a Name, address, and identifying number of branch office or agent (if any) in the United States</b> <b>N/A</b>	<b>b If a U.S. income tax return was filed, enter:</b> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"><i>(i)</i> Taxable income or (loss)</td> <td style="width:50%;"><i>(ii)</i> U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	<i>(i)</i> Taxable income or (loss)	<i>(ii)</i> U.S. income tax paid (after all credits)		
<i>(i)</i> Taxable income or (loss)	<i>(ii)</i> U.S. income tax paid (after all credits)				

<b>c Name and address of foreign corporation's statutory or resident agent in country of incorporation</b>  <b>HSBC BANK (CAYMAN) LTD</b> <b>P.O. BOX 1109</b> <b>GRAND CAYMAN KY1-1102</b> <b>CAYMAN ISLANDS</b>	<b>d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different</b>  <b>SAME AS 2C</b>
--	--

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	<i>(i)</i> Beginning of annual accounting period	<i>(ii)</i> End of annual accounting period
	<b>COMMON</b>	<b>120,000</b>

**Schedule B U.S. Shareholders of Foreign Corporation**

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. <b>Note:</b> This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)

**Schedule C Income Statement**

**Important:** Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
<b>Income</b>	<b>1a</b> Gross receipts or sales .....	<b>1a</b>	
	<b>b</b> Returns and allowances .....	<b>1b</b>	
	<b>c</b> Subtract line 1b from line 1a .....	<b>1c</b>	
	<b>2</b> Cost of goods sold .....	<b>2</b>	
	<b>3</b> Gross profit (subtract line 2 from line 1c) .....	<b>3</b>	
	<b>4</b> Dividends .....	<b>4</b>	
	<b>5</b> Interest .....	<b>5</b>	
	<b>6a</b> Gross rents .....	<b>6a</b>	
	<b>b</b> Gross royalties and license fees .....	<b>6b</b>	
<b>7</b> Net gain or (loss) on sale of capital assets .....	<b>7</b>		
<b>8</b> Other income (attach schedule) .....	<b>8</b>		
<b>9</b> Total income (add lines 3 through 8) .....	<b>9</b>		
<b>Deductions</b>	<b>10</b> Compensation not deducted elsewhere .....	<b>10</b>	
	<b>11a</b> Rents .....	<b>11a</b>	
	<b>b</b> Royalties and license fees .....	<b>11b</b>	
	<b>12</b> Interest .....	<b>12</b>	
	<b>13</b> Depreciation not deducted elsewhere .....	<b>13</b>	
	<b>14</b> Depletion .....	<b>14</b>	
	<b>15</b> Taxes (exclude provision for income, war profits, and excess profits taxes) .....	<b>15</b>	
	<b>16</b> Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) .....	<b>16</b>	
<b>17</b> Total deductions (add lines 10 through 16) .....	<b>17</b>		
<b>Net Income</b>	<b>18</b> Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) .....	<b>18</b>	
	<b>19</b> Extraordinary items and prior period adjustments .....	<b>19</b>	
	<b>20</b> Provision for income, war profits, and excess profits taxes .....	<b>20</b>	
	<b>21</b> Current year net income or (loss) per books (combine lines 18 through 20) .....	<b>21</b>	

**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued**

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2			
3			
4			
5			
6			
7			
8 Total			

**Schedule F Balance Sheet**

**Important:** Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a)	(b)
		Beginning of annual accounting period	End of annual accounting period
1 Cash	1		
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	( )	( )
3 Inventories	3		
4 Other current assets (attach schedule)	4		
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule)	7		
8a Buildings and other depreciable assets	8a		
b Less accumulated depreciation	8b	( )	( )
9a Depletable assets	9a		
b Less accumulated depletion	9b	( )	( )
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12 Other assets (attach schedule)	12		
13 Total assets	13		
<b>Liabilities and Shareholders' Equity</b>			
14 Accounts payable	14		
15 Other current liabilities (attach schedule)	15		
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach schedule)	17		
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b		
19 Paid-in or capital surplus (attach reconciliation)	19		
20 Retained earnings	20		
21 Less cost of treasury stock	21	( )	( )
22 Total liabilities and shareholders' equity	22		

**Schedule G Other Information**

- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
|  | Yes                      | No                                  |
| 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," see the instructions for required attachment.  |                          |                                     |
| 2 During the tax year, did the foreign corporation own an interest in any trust? .....   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? ..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).   |                          |                                     |
| 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? .....   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**Schedule H Current Earnings and Profits**

**Important:** Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account .....	1	
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):	Net Additions	Net Subtractions
a Capital gains or losses .....		841,369.
b Depreciation and amortization .....		
c Depletion .....		
d Investment or incentive allowance .....		
e Charges to statutory reserves .....		
f Inventory adjustments .....		
g Taxes .....		
h Other (attach schedule) <b>STATEMENT 3</b> .....	5,453,666.	6,785,519.
3 Total net additions .....	5,453,666.	
4 Total net subtractions .....		7,626,888.
5a Current earnings and profits (line 1 plus line 3 minus line 4) .....	5a	-2,173,222.
b DASTM gain or (loss) for foreign corporations that use DASTM .....	5b	
c Combine lines 5a and 5b .....	5c	-2,173,222.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations) .....	5d	-2,173,222.
Enter exchange rate used for line 5d <b>▶ 1.000000</b>		

**Schedule I Summary of Shareholder's Income From Foreign Corporation**

1 Subpart F income (line 38b, Worksheet A in the instructions) .....	1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions) .....	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) .....	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) .....	4	
5 Factoring income .....	5	
6 Total of lines 1 through 5. Enter here and on your income tax return .....	6	
7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) .....	7	
8 Exchange gain or (loss) on a distribution of previously taxed income .....	8	

- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
|  | Yes                      | No                                  |
| • Was any income of the foreign corporation blocked? .....                             | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Did any such income become unblocked during the tax year (see section 964(b))? ..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J  
(Form 5471)**

(Rev. December 2005)  
Department of the Treasury  
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

Identifying number

**UNION HOSPITAL OF CECIL COUNTY, INC.**

**52-0607945**

Name of foreign corporation

**FREESTATE HEALTHCARE INSURANCE COMPANY, LTD**

<b>Important.</b> Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)
<b>1</b> Balance at beginning of year	- 3,825,162.	
<b>2a</b> Current year E&P		
<b>b</b> Current year deficit in E&P	2,173,222.	
<b>3</b> Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	- 5,998,384.	
<b>4</b> Amounts included under section 951(a) or reclassified under section 959(c) in current year		
<b>5a</b> Actual distributions or reclassifications of previously taxed E&P		
<b>b</b> Actual distributions of nonpreviously taxed E&P		
<b>6a</b> Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)		
<b>b</b> Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	- 5,998,384.	
<b>7</b> Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	- 5,998,384.	

	(c) Previously Taxed E&P (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
	(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
<b>1</b>				- 3,825,162.
<b>2a</b>				
<b>b</b>				
<b>3</b>				
<b>4</b>				
<b>5a</b>				
<b>b</b>				
<b>6a</b>				
<b>b</b>				
<b>7</b>				- 5,998,384.

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Identifying number (see page 2 of instructions) <b>52-0607945</b>
--	--

Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) <b>106 BOW STREET</b>	Shareholder tax year: calendar year or other tax year beginning <b>JUL 1, 2009</b> and ending <b>JUN 30, 2010</b>
---	--

City or town, state, and ZIP code or country  
**ELKTON, MD 21921-5596**

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>COPPER RIVER INTERNATIONAL SHORT FUND LTD C/O CITCO FUND SERVICES (CURACAO) NV</b>	Employer identification number (if any)
---	---

Address (Enter number, street, city or town, and country.) <b>P.O. BOX 4774, KAYA FLAMBOYAN 9 WILLEMSTAD, CURACAO, NETHERLANDS ANTILLES</b>	Tax year of company or fund: calendar year or other tax year beginning ending <b>JAN 1, 2009</b> and <b>DEC 31, 2009.</b>
--	--

**Part I Elections** (See instructions.)

- A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*
- B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*
- C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*
- D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*
- F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	

**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	1,183.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 4
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Identifying number (see page 2 of instructions) <b>52-0607945</b>
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Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) <b>106 BOW STREET</b>	Shareholder tax year: calendar year or other tax year beginning <b>JUL 1, 2009</b> and ending <b>JUN 30, 2010</b>
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City or town, state, and ZIP code or country  
**ELKTON, MD 21921-5596**

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>EMPYREAN CAPITAL OVERSEAS FUND, LTD. C/O CITCO FUND SERVICES (CAYMAN ISLANDS) LTD</b>	Employer identification number (if any)
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Address (Enter number, street, city or town, and country.) <b>WEST BAY ROAD, PO BOX 31106 SMB GRAND CAYMAN, CAYMAN ISLANDS</b>	Tax year of company or fund: calendar year or other tax year beginning <b>JAN 1, 2009</b> and ending <b>DEC 31, 2009.</b>
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**Part I Elections** (See instructions.)

- A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*
- B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*
- C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*
- D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*
- F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	



**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	14,302.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 5
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder: **UNION HOSPITAL OF CECIL COUNTY, INC.** Identifying number (see page 2 of instructions): **52-0607945**

Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.): **106 BOW STREET** Shareholder tax year: calendar year **JUL 1, 2009** or other tax year beginning and ending **JUN 30, 2010**

City or town, state, and ZIP code or country: **ELKTON, MD 21921-5596**

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF): **FIR TREE INTERNATIONAL VALUE FUND II LTD ADMIRAL ADMINISTRATION LTD.** Employer identification number (if any):

Address (Enter number, street, city or town, and country.): **PO BOX 32021, 90 FORT STREET GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS KY** Tax year of company or fund: calendar year **JAN 1, 2009** or other tax year beginning and ending **DEC 31, 2009.**

- Part I Elections** (See instructions.)
- A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*
  - B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*
  - C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*
  - D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
  - E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*
  - F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	

**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	695.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 6
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Identifying number (see page 2 of instructions) <b>52-0607945</b>
--	--

Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) <b>106 BOW STREET</b>	Shareholder tax year: calendar year or other tax year beginning <b>JUL 1, 2009</b> and ending <b>JUN 30, 2010</b>
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City or town, state, and ZIP code or country <b>ELKTON, MD 21921-5596</b>
--

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>HBK OFFSHORE FUND, LTD.</b>	Employer identification number (if any)
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Address (Enter number, street, city or town, and country.) <b>PO BOX 309, UGLAND HOUSE GRAND CAYMAN, CAYMAN ISLANDS KY1-1104</b>	Tax year of company or fund: calendar year or other tax year beginning <b>JAN 1, 2009</b> and ending <b>DEC 31, 2009.</b>
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**Part I Elections** (See instructions.)

- A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*
- B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*
- C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*
- D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*
- F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	

**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	11,595.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 7
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Identifying number (see page 2 of instructions) <b>52-0607945</b>
Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) <b>106 BOW STREET</b>	Shareholder tax year: calendar year or other tax year beginning <b>JUL 1, 2009</b> and ending <b>JUN 30, 2010</b>
City or town, state, and ZIP code or country <b>ELKTON, MD 21921-5596</b>	
Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate	
Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>KAMUNTING STREET OFFSHORE FUND, LTD. C/O CITCO FUND SERVICES (CAYMAN ISLANDS) LTD</b>	Employer identification number (if any)
Address (Enter number, street, city or town, and country.) <b>WEST BAY ROAD, PO BOX 31106 SMB GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS</b>	Tax year of company or fund: calendar year or other tax year beginning <b>JAN 1, 2009</b> and ending <b>DEC 31, 2009.</b>

**Part I Elections** (See instructions.)

**A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*

**B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*

**C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*

**D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*

**E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*

**F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	

**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	13,688.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 8
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder: **UNION HOSPITAL OF CECIL COUNTY, INC.** Identifying number (see page 2 of instructions): **52-0607945**

Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.): **106 BOW STREET** Shareholder tax year: calendar year **JUL 1, 2009** or other tax year beginning and ending **JUN 30, 2010**

City or town, state, and ZIP code or country: **ELKTON, MD 21921-5596**

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF): **OWL CREEK ASIA FUND LTD. C/O CITCO FUND SERVICES (CAYMAN ISLANDS) LTD** Employer identification number (if any):

Address (Enter number, street, city or town, and country.): **WEST BAY ROAD, PO BOX 31106 SMB GRAND CAYMAN, CAYMAN ISLANDS** Tax year of company or fund: calendar year **JAN 1, 2009** or other tax year beginning and ending **DEC 31, 2009**

**Part I Elections** (See instructions.)

- A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*
- B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*
- C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*
- D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*
- F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	



**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	1,991.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 9
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Identifying number (see page 2 of instructions) <b>52-0607945</b>
--	--

Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) <b>106 BOW STREET</b>	Shareholder tax year: calendar year or other tax year beginning <b>JUL 1, 2009</b> and ending <b>JUN 30, 2010</b>
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City or town, state, and ZIP code or country <b>ELKTON, MD 21921-5596</b>
--

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>SANSAR CAPITAL LTD. C/O CITI HEDGE FUND SERVICES (CAYMAN) LTD.</b>	Employer identification number (if any)
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Address (Enter number, street, city or town, and country.) <b>27 HOSPITAL ROAD, PO BOX 10293 GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS KY</b>	Tax year of company or fund: calendar year or other tax year beginning <b>JAN 1, 2009</b> and ending <b>DEC 31, 2009.</b>
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**Part I Elections** (See instructions.)

**A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*

**B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*

**C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*

**D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*

**E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*

**F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	

**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	828.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 10
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder: **UNION HOSPITAL OF CECIL COUNTY, INC.** Identifying number (see page 2 of instructions): **52-0607945**

Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.): **106 BOW STREET** Shareholder tax year: calendar year **JUL 1, 2009** or other tax year beginning and ending **JUN 30, 2010**

City or town, state, and ZIP code or country: **ELKTON, MD 21921-5596**

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF): **SPRING POINT OPPORTUNITY OFFSHORE FUND C/O CITI HEDGE FUND SERVICES (CAYMAN) LTD.** Employer identification number (if any):

Address (Enter number, street, city or town, and country.): **27 HOSPITAL ROAD, PO BOX 10293 GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS KY** Tax year of company or fund: calendar year **JAN 1, 2009** or other tax year beginning and ending **DEC 31, 2009**

**Part I Elections** (See instructions.)

- A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*
- B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*
- C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*
- D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred. Note: If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*
- F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	

**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

<b>5</b> Enter the fair market value of your PFIC stock at the end of the tax year .....	<b>5</b>	
<b>6</b> Enter your adjusted basis in the stock at the end of the tax year .....	<b>6</b>	
<b>7 Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here</b> . Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	<b>7</b>	
<b>8</b> Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	<b>8</b>	
<b>9</b> Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	<b>9</b>	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a **separate Part IV** for each excess distribution (see instructions).

<b>10 a</b> Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	<b>10a</b>	
<b>b</b> Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	<b>10b</b>	
<b>c</b> Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	<b>10c</b>	
<b>d</b> Multiply line 10c by 125% (1.25) .....	<b>10d</b>	
<b>e</b> Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	<b>10e</b>	
<b>f</b> Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	<b>10f</b>	<b>25,161.</b>
<b>11 a</b> Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
<b>b</b> Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	<b>11b</b>	<b>SEE STATEMENT 11</b>
<b>c</b> Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	<b>11c</b>	
<b>d</b> Foreign tax credit. (See instructions.) .....	<b>11d</b>	
<b>e</b> Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	<b>11e</b>	
<b>f</b> Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	<b>11f</b>	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
<b>1</b> Tax year of outstanding election .....						
<b>2</b> Undistributed earnings to which the election relates .....						
<b>3</b> Deferred tax .....						
<b>4</b> Interest accrued on deferred tax (line 3) as of the filing date .....						
<b>5</b> Event terminating election .....						
<b>6</b> Earnings distributed or deemed distributed during the tax year .....						
<b>7</b> Deferred tax due with this return .....						
<b>8</b> Accrued interest due with this return .....						
<b>9</b> Deferred tax outstanding after partial termination of election .....						
<b>10</b> Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Identifying number (see page 2 of instructions) <b>52-0607945</b>
Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.) <b>106 BOW STREET</b>	Shareholder tax year: calendar year or other tax year beginning <b>JUL 1, 2009</b> and ending <b>JUN 30, 2010</b>
City or town, state, and ZIP code or country <b>ELKTON, MD 21921-5596</b>	
Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate	
Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) <b>VENOR CAPITAL OFFSHORE LTD. C/O INTERNATIONAL FUND SERVICES (IRELAND) LT</b>	Employer identification number (if any)
Address (Enter number, street, city or town, and country.) <b>BISHOP'S SQUARE, 3RD FLOOR, REDMOND'S HILL DUBLIN, IRELAND</b>	Tax year of company or fund: calendar year or other tax year beginning <b>JAN 1, 2009</b> and ending <b>DEC 31, 2009.</b>

**Part I Elections** (See instructions.)

**A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*

**B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*

**C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*

**D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*

**E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*

**F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	

**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	5,828.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 12
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder: **UNION HOSPITAL OF CECIL COUNTY, INC.** Identifying number (see page 2 of instructions): **52-0607945**

Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.): **106 BOW STREET** Shareholder tax year: calendar year **JUL 1, 2009** or other tax year beginning and ending **JUN 30, 2010**

City or town, state, and ZIP code or country: **ELKTON, MD 21921-5596**

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF): **VLT III (CAYMAN) LTD. C/O INTERNATIONAL FUND SERVICES (IRELAND) LT** Employer identification number (if any):

Address (Enter number, street, city or town, and country.): **BISHOP'S SQUARE, 3RD FLOOR, REDMOND'S HILL DUBLIN, IRELAND** Tax year of company or fund: calendar year **JAN 1, 2009** or other tax year beginning and ending **DEC 31, 2009**

**Part I Elections** (See instructions.)

- A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*
- B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*
- C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*
- D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.*  
**Note:** *If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*
- F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> <i>If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.</i>				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	



**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	1,925.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 13
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

# Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment  
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder: **UNION HOSPITAL OF CECIL COUNTY, INC.** Identifying number (see page 2 of instructions): **52-0607945**

Number, street, and room or suite no. (If a P.O. box, see page 2 of instructions.): **106 BOW STREET** Shareholder tax year: calendar year **JUL 1, 2009** or other tax year beginning and ending **JUN 30, 2010**

City or town, state, and ZIP code or country: **ELKTON, MD 21921-5596**

Check type of shareholder filing the return:  Individual  Corporation  Partnership  S Corporation  Nongrantor Trust  Estate

Name of passive foreign investment company (PFIC) or qualified electing fund (QEF): **ASCEND PARTNERS FUND II LTD C/O BISON FINANCIAL SERVICES LTD** Employer identification number (if any):

Address (Enter number, street, city or town, and country.): **PO BOX 3460, ROAD TOWN TORTOLA, BRITISH VIRGIN ISLANDS** Tax year of company or fund: calendar year **JAN 1, 2009** or other tax year beginning and ending **DEC 31, 2009**

**Part I Elections** (See instructions.)

- A**  **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. *Complete lines 1a through 2c of Part II.*
- B**  **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. *Enter gain or loss on line 10f of Part IV.*
- C**  **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. *Enter this amount on line 10e of Part IV.*
- D**  **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. *Complete lines 3a through 4c of Part II to calculate the tax that may be deferred. Note: If any portion of line 1a or line 2a of Part II is includible under section 551 or 951, you may not make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.*
- E**  **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1279(e) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). *Enter gain on line 10f of Part IV.*
- F**  **Election to Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). *Complete Part III.*

**Part II Income From a Qualified Electing Fund (QEF).** All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See page 5 of instructions.)

<b>1 a</b> Enter your pro rata share of the ordinary earnings of the QEF .....	<b>1a</b>			
<b>b</b> Enter the portion of line 1a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>1b</b>			
<b>c</b> Subtract line 1b from line 1a. Enter this amount on your tax return as dividend income .....			<b>1c</b>	
<b>2 a</b> Enter your pro rata share of the total net capital gain of the QEF .....	<b>2a</b>			
<b>b</b> Enter the portion of line 2a that is included in income under section 551 or 951 or that may be excluded under section 1293(g) .....	<b>2b</b>			
<b>c</b> Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.) .....			<b>2c</b>	
<b>3 a</b> Add lines 1c and 2c .....			<b>3a</b>	
<b>b</b> Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.) .....	<b>3b</b>			
<b>c</b> Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year .....	<b>3c</b>			
<b>d</b> Add lines 3b and 3c .....			<b>3d</b>	
<b>e</b> Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets) .....			<b>3e</b>	
<b>Important:</b> If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 551 or 951, you may make Election D with respect to the amount on line 3e.				
<b>4 a</b> Enter the total tax for the tax year (See instructions.) .....	<b>4a</b>			
<b>b</b> Enter the total tax for the tax year determined without regard to the amount entered on line 3e .....	<b>4b</b>			
<b>c</b> Subtract line 4b from line 4a. <b>This is the deferred tax, the time for payment of which is extended by making Election D. See instructions.</b> .....			<b>4c</b>	

**Part III Gain or (Loss) From Mark-to-Market Election** (See page 5 of instructions.)

5	Enter the fair market value of your PFIC stock at the end of the tax year .....	5	
6	Enter your adjusted basis in the stock at the end of the tax year .....	6	
7	<b>Excess.</b> Subtract line 6 from line 5. If a gain, <b>stop here.</b> Include this amount as ordinary income on your tax return. If a loss, go to line 8 .....	7	
8	Enter any unreversed inclusions (as defined in section 1296(d)). See instructions. ....	8	
9	Enter the smaller of line 7 or line 8. Include this amount as an ordinary loss on your tax return .....	9	

**Part IV Distributions From and Disposition of Stock of a Section 1291 Fund** (See page 6 of instructions.)  
 Complete a separate Part IV for each excess distribution (see instructions).

10 a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions .....	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year) .....	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.) .....	10c	
d	Multiply line 10c by 125% (1.25) .....	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, <b>do not</b> complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return .....	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and <b>do not</b> complete line 11 .....	10f	1,534.
11 a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income .....	11b	SEE STATEMENT 14
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.) .....	11c	
d	Foreign tax credit. (See instructions.) .....	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.) .....	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.) .....	11f	

**Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections**

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election .....						
2 Undistributed earnings to which the election relates .....						
3 Deferred tax .....						
4 Interest accrued on deferred tax (line 3) as of the filing date .....						
5 Event terminating election .....						
6 Earnings distributed or deemed distributed during the tax year .....						
7 Deferred tax due with this return .....						
8 Accrued interest due with this return .....						
9 Deferred tax outstanding after partial termination of election .....						
10 Interest accrued after partial termination of election .....						

FORM 5471

OTHER NET ADJUSTMENTS

STATEMENT 3

DESCRIPTION	NET ADDITIONS	NET SUBTRACTIONS
RELATED PARTY PREMIUMS		6,785,519.
REL. PARTY LOSS RESERVE/CLAIMS PD	5,453,666.	
TOTAL TO 5471, PAGE 4, SCHEDULE H, LINE 2H	5,453,666.	6,785,519.

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FORM 8621      DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND      STATEMENT      4

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1. DATE STOCK PURCHASED	02/01/07	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	09/30/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		851.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621            DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND            STATEMENT    5

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1. DATE STOCK PURCHASED	01/01/06	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	12/31/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		10,729.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621      DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND      STATEMENT      6

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1. DATE STOCK PURCHASED	01/01/07	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	11/30/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		478.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621            DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND            STATEMENT    7

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1. DATE STOCK PURCHASED	01/01/06	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	11/30/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		8,888.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		



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FORM 8621            DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND            STATEMENT    8

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1. DATE STOCK PURCHASED	01/01/06	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	08/31/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		11,204.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621            DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND            STATEMENT    9

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1. DATE STOCK PURCHASED	03/01/08	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	12/31/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		908.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621            DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND            STATEMENT 10

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1. DATE STOCK PURCHASED	03/01/06	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	11/30/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		626.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621      DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND      STATEMENT 11

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1. DATE STOCK PURCHASED	02/01/07	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	09/30/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		18,103.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621            DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND            STATEMENT 12

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1. DATE STOCK PURCHASED	04/01/07	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	10/31/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		3,953.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621            DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND            STATEMENT    13

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1. DATE STOCK PURCHASED	07/01/09	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	12/31/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		0.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

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FORM 8621            DISTRIBUTIONS OF STOCK IN A SECTION 1291 FUND            STATEMENT    14

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1. DATE STOCK PURCHASED	06/01/09	
2. DATE STOCK DISPOSED OF OR DISTRIBUTED	08/31/09	
3. EXCESS DISTRIBUTION ALLOCATED TO EACH DAY IN HOLDING PERIOD		0.
4. TOTAL ALLOCABLE TO EACH TAX YEAR IN HOLDING PERIOD		
5. TOTAL ALLOCABLE TO THE CURRENT TAX YEAR AND PRE-PFIC TAX YEARS, IF DIFFERENT		
6. TOTAL TO LINE 11B (LINE 4 OR 5)		
7. TAX. TOTAL TO LINE 11C		
8. FOREIGN TAX CREDIT. TOTAL TO LINE 11D		
9. NET TAX. TOTAL TO LINE 11E		0.
10. INTEREST. TOTAL TO LINE 11F		

## Return by a U.S. Transferor of Property to a Foreign Corporation

OMB No. 1545-0026

Attachment  
 Sequence No. **128**

▶ **Attach to your Income tax return for the year of the transfer or distribution.**

**Part I U.S. Transferor Information** (see instructions)

Name of transferor  <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Identifying number (see instructions)  <b>52-0607945</b>
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- 1** If the transferor was a corporation, complete questions 1a through 1d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? .....  Yes  No
- b** Did the transferor remain in existence after the transfer? .....  Yes  No
- If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? .....  Yes  No
- If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(5) been made? .....  Yes  No

- 2** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

**a** List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? .....  Yes  No
- c** Is the partner disposing of its **entire** interest in the partnership? .....  Yes  No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? .....  Yes  No

**Part II Transferee Foreign Corporation Information** (see instructions)

<b>3</b> Name of transferee (foreign corporation)  <b>FREESTATE HEALTHCARE INSURANCE COMPANY, LTD.</b>	<b>4</b> Identifying number, if any  <b>98-0464065</b>
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**5** Address (including country)  
**P.O. BOX 1109**  
**GRAND CAYMAN, KY1-1102 CAYMAN ISLANDS**

**6** Country code of country of incorporation or organization  
**CJ**

**7** Foreign law characterization (see instructions)  
**CORPORATION**

- 8** Is the transferee foreign corporation a controlled foreign corporation? .....  Yes  No



**Part III** Information Regarding Transfer of Property (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	12/31/2009		1,281,020.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

**Supplemental Information Required To Be Reported** (see instructions):

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**Part IV Additional Information Regarding Transfer of Property** (see instructions)

**9** Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 12.5000 % (b) After 12.5000 %

**10** Type of nonrecognition transaction (see instructions) ► IRC SEC 351

**11** Indicate whether any transfer reported in Part III is subject to any of the following:

- a Gain recognition under section 904(f)(3)  Yes  No
- b Gain recognition under section 904(f)(5)(F)  Yes  No
- c Recapture under section 1503(d)  Yes  No
- d Exchange gain under section 987  Yes  No

**12** Did this transfer result from a change in the classification of the transferee to that of a foreign corporation?  Yes  No

**13** Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

- a Tainted property  Yes  No
- b Depreciation recapture  Yes  No
- c Branch loss recapture  Yes  No
- d Any other income recognition provision contained in the above-referenced regulations  Yes  No

**14** Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)?  Yes  No

**15 a** Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)?  Yes  No

**b** If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ► \$ \_\_\_\_\_

**16** Was cash the only property transferred?  Yes  No

**17 a** Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction?  Yes  No

**b** If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Return by a U.S. Transferor of Property to a Foreign Corporation

OMB No. 1545-0026

Attachment  
Sequence No. **128**

▶ **Attach to your Income tax return for the year of the transfer or distribution.**

**Part I U.S. Transferor Information** (see instructions)

Name of transferor  <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b>	Identifying number (see instructions)  <b>52-0607945</b>
---	--

- 1** If the transferor was a corporation, complete questions 1a through 1d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? .....  Yes  No
- b** Did the transferor remain in existence after the transfer? .....  Yes  No
- If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? .....  Yes  No
- If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(5) been made? .....  Yes  No

- 2** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

**a** List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? .....  Yes  No
- c** Is the partner disposing of its **entire** interest in the partnership? .....  Yes  No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? .....  Yes  No

**Part II Transferee Foreign Corporation Information** (see instructions)

<b>3</b> Name of transferee (foreign corporation)  <b>GRAHAM ALTERNATIVE INVESTMENT, LTD.</b>	<b>4</b> Identifying number, if any  <b>98-0498876</b>
---	--

**5** Address (including country)  
**125 MAIN ST., P.O. BOX 144**  
**ROAD TOWN, TORTOLA BRITISH VIRGIN ISLANDS**

**6** Country code of country of incorporation or organization  
**VI**

**7** Foreign law characterization (see instructions)  
**CORPORATION**

- 8** Is the transferee foreign corporation a controlled foreign corporation? .....  Yes  No

**Part III** Information Regarding Transfer of Property (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	12/31/2009		388,576.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

**Supplemental Information Required To Be Reported** (see instructions):

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**Part IV** Additional Information Regarding Transfer of Property (see instructions)

**9** Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 6.3640 % (b) After 4.5930 %

**10** Type of nonrecognition transaction (see instructions) ► IRC SEC 351

**11** Indicate whether any transfer reported in Part III is subject to any of the following:

- a Gain recognition under section 904(f)(3)  Yes  No
- b Gain recognition under section 904(f)(5)(F)  Yes  No
- c Recapture under section 1503(d)  Yes  No
- d Exchange gain under section 987  Yes  No

**12** Did this transfer result from a change in the classification of the transferee to that of a foreign corporation?  Yes  No

**13** Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

- a Tainted property  Yes  No
- b Depreciation recapture  Yes  No
- c Branch loss recapture  Yes  No
- d Any other income recognition provision contained in the above-referenced regulations  Yes  No

**14** Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)?  Yes  No

**15 a** Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)?  Yes  No

**b** If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ► \$ \_\_\_\_\_

**16** Was cash the only property transferred?  Yes  No

**17 a** Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction?  Yes  No

**b** If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# TAX RETURN FILING INSTRUCTIONS

FORM 990-T

FOR THE YEAR ENDING

..... June 30, 2010 .....

<b>Prepared for</b>	Union Hospital of Cecil County, Inc. 106 Bow Street Elkton, MD 21921-5596
<b>Prepared by</b>	ParenteBeard LLC 1650 Market Street, Suite 4500 Philadelphia, PA 19103
<b>Amount due or refund</b>	No amount is due.
<b>Make check payable to</b>	No amount is due.
<b>Mail tax return and check (if applicable) to</b>	Department of the Treasury Internal Revenue Service Center Ogden, UT 84201-0027
<b>Return must be mailed on or before</b>	May 16, 2011
<b>Special Instructions</b>	The return should be signed and dated.

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

**2009**

Department of the Treasury  
Internal Revenue Service (77)

For calendar year 2009 or other tax year beginning **JUL 1, 2009** and ending **JUN 30, 2010**

Open to Public Inspection for  
501(c)(3) Organizations Only

<b>A</b> <input type="checkbox"/> Check box if address changed	<b>Name of organization</b> ( <input type="checkbox"/> Check box if name changed and see instructions.)	<b>D</b> Employer identification number (Employees' trust, see instructions for Block D on page 9.)
<b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	<b>Print or Type</b> <b>UNION HOSPITAL OF CECIL COUNTY, INC.</b> Number, street, and room or suite no. If a P.O. box, see page 8 of instructions. <b>106 BOW STREET</b> City or town, state, and ZIP code <b>ELKTON, MD 21921-5596</b>	<b>52-0607945</b> <b>E</b> Unrelated business activity codes (See instructions for Block E on page 9.) <b>621500 541900</b>
<b>C</b> Book value of all assets at end of year <b>174,781,521.</b>	<b>F</b> Group exemption number (See instructions for Block F.) <b>▶</b>	
	<b>G</b> Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust	

**H** Describe the organization's primary unrelated business activity. **▶ LABORATORY SERVICES TO NON-PATIENTS**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation. **▶**

**J** The books are in care of **▶ CARLA MOORE** Telephone number **▶ (410) 398-4000**

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1 a</b> Gross receipts or sales <b>1,029,804.</b>				
<b>b</b> Less returns and allowances <b>186,111.</b> <b>c</b> Balance <b>▶</b>	<b>1c</b>	<b>843,693.</b>		
<b>2</b> Cost of goods sold (Schedule A, line 7)	<b>2</b>			
<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>3</b>	<b>843,693.</b>		<b>843,693.</b>
<b>4 a</b> Capital gain net income (attach Schedule D)	<b>4a</b>			
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4b</b>			
<b>c</b> Capital loss deduction for trusts	<b>4c</b>			
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)	<b>5</b>	<b>11,845.</b>	<b>STMT 1</b>	<b>11,845.</b>
<b>6</b> Rent income (Schedule C)	<b>6</b>			
<b>7</b> Unrelated debt-financed income (Schedule E)	<b>7</b>			
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Sch. F)...	<b>8</b>			
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>			
<b>10</b> Exploited exempt activity income (Schedule I)	<b>10</b>			
<b>11</b> Advertising income (Schedule J)	<b>11</b>			
<b>12</b> Other income (See instructions; attach schedule.)	<b>12</b>			
<b>13 Total.</b> Combine lines 3 through 12	<b>13</b>	<b>855,538.</b>		<b>855,538.</b>

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.)  
(Except for contributions, deductions must be directly connected with the unrelated business income.)

<b>14</b> Compensation of officers, directors, and trustees (Schedule K)	<b>14</b>	
<b>15</b> Salaries and wages	<b>15</b>	<b>264,744.</b>
<b>16</b> Repairs and maintenance	<b>16</b>	<b>11,019.</b>
<b>17</b> Bad debts	<b>17</b>	<b>28,238.</b>
<b>18</b> Interest (attach schedule)	<b>18</b>	
<b>19</b> Taxes and licenses	<b>19</b>	
<b>20</b> Charitable contributions (See instructions for limitation rules.)	<b>20</b>	
<b>21</b> Depreciation (attach Form 4562)	<b>21</b>	
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return	<b>22a</b>	<b>22b</b>
<b>23</b> Depletion	<b>23</b>	
<b>24</b> Contributions to deferred compensation plans	<b>24</b>	
<b>25</b> Employee benefit programs	<b>25</b>	<b>46,216.</b>
<b>26</b> Excess exempt expenses (Schedule I)	<b>26</b>	
<b>27</b> Excess readership costs (Schedule J)	<b>27</b>	
<b>28</b> Other deductions (attach schedule) <b>SEE STATEMENT 2</b>	<b>28</b>	<b>918,070.</b>
<b>29 Total deductions.</b> Add lines 14 through 28	<b>29</b>	<b>1,268,287.</b>
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	<b>30</b>	<b>-412,749.</b>
<b>31</b> Net operating loss deduction (limited to the amount on line 30)	<b>31</b>	<b>0.</b>
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	<b>32</b>	<b>-412,749.</b>
<b>33</b> Specific deduction (Generally \$1,000, but see instructions for exceptions.)	<b>33</b>	<b>1,000.</b>
<b>34 Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	<b>34</b>	<b>-412,749.</b>

Part III Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 35-39 for tax computation.

Part IV Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 40-49 for tax and payments.

Part V Statements Regarding Certain Activities and Other Information

Table with 3 columns: Question number, Question text, and Yes/No response. Includes questions 1-3 regarding foreign accounts and tax-exempt interest.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

N/A

Table with 3 columns: Line number, Description, and Amount. Includes lines 1-8 for cost of goods sold calculation.

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

Sign Here: Signature of officer, Date, Title (SENIOR VP/CFO)

May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [ ] No

Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN (P00350393), Firm's name (PARENTEBEARD LLC), EIN (23-2932984), Address (1650 MARKET STREET, SUITE 4500 PHILADELPHIA, PA 19103), Phone no. ((215) 972-0701)



**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instr. on pg 18)

1. Description of property

(1)
(2)
(3)
(4)

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total 0.	Total 0.	

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.** **(b) Total deductions.** Enter here and on page 1, Part I, line 6, column (B) **0.**

**Schedule E - Unrelated Debt-Financed Income** (See instructions on page 19)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Totals **0.** **0.**  
 Total dividends-received deductions included in column 8 **0.**

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (See instructions on page 20)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). **0.**  
 Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). **0.**

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**

(see instructions on page 20)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**

(see instructions on page 21)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b>	0.	0.				0.

**Schedule J - Advertising Income** (see instructions on page 21)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>	0.	0.				0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>(5) Totals from Part I</b>	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions on page 21)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
			%
			%
			%
			%
<b>Total. Enter here and on page 1, Part II, line 14</b>			0.

FORM 990-T	INCOME (LOSS) FROM PARTNERSHIPS	STATEMENT	1
DESCRIPTION		AMOUNT	
PREMIER PURCHASING PARTNERS LP UNRELATED BUSINESS TAXABLE INCOME		11,845.	
TOTAL TO FORM 990-T, PAGE 1, LINE 5		11,845.	

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION		AMOUNT	
SUPPLIES		255,528.	
PURCHASED SERVICES		139,270.	
UTILITIES		942.	
MINOR EQUIPMENT		1,181.	
ACCREDITATION FEES		4,322.	
POSTAGE		563.	
EQUIPMENT RENTAL		1,612.	
MISCELLANEOUS EXPENSE		1,358.	
OVERHEAD ALLOCATION		513,294.	
TOTAL TO FORM 990-T, PAGE 1, LINE 28		918,070.	

# TAX RETURN FILING INSTRUCTIONS

CALIFORNIA FORM 109

FOR THE YEAR ENDING

..... June 30, 2010 .....

<b>Prepared for</b>	Union Hospital of Cecil County, Inc. 106 Bow Street Elkton, MD 21921-5596
<b>Prepared by</b>	ParenteBeard LLC 1650 Market Street, Suite 4500 Philadelphia, PA 19103
<b>Amount due or refund</b>	No payment required
<b>Make check payable to</b>	Not applicable
<b>Mail tax return and check (if applicable) to</b>	Franchise Tax Board P.O. Box 942857 Sacramento, CA 94257-0700
<b>Return must be mailed on or before</b>	June 15, 2011
<b>Special Instructions</b>	The return should be signed and dated by an authorized individual.

**California Exempt Organization  
Business Income Tax Return**

**2009**

FORM  
**109**

Calendar Year 2009 or fiscal year beginning month **JUL** day **1** year **2009**, and ending month **JUN** day **30** year **2010**.

**A** First Return Filed?  Yes  No **B** Is this an education IRA within the meaning of R&TC Section 23712?  Yes  No **CORP #** **9612036**

Corporation/Organization Name **UNION HOSPITAL OF CECIL COUNTY, INC.** **FEIN** **52-0607945**

Address **106 BOW STREET**

City **ELKTON** State **MD** ZIP Code **21921-5596**

**C** Is the organization under audit by the IRS or has the IRS audited in a prior year?  Yes  No  
**D** Final Return?  Dissolved  Surrendered (Withdrawn)  Merged/Reorganized (attach explanation)  
 If a box is checked, enter date \_\_\_\_\_  
**E** Amended Return  Yes  No  
**F** Accounting Method Used: (1)  Cash (2)  Accrual (3)  Other  
**G** Nature of trade or business **LP INVESTMENT**  
**H** Is the organization a non-exempt charitable trust as described in IRC Section 4947(a)(1)?  Yes  No  
**I** Is this organization claiming any Enterprise Zone (EZ), Los Angeles Revitalization Zone (LARZ), Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or Manufacturing Enhancement Area tax benefits?  Yes  No  
**J** Is this organization a qualified pension, profit-sharing, or stock bonus plan as described in IRC Section 401(a)?  Yes  No  
**K** Unrelated Business Activity (UBA) Code **541900**

Taxable Corporation	1	Unrelated business taxable income from Side 2, Part II, line 30	•	1	10,845.00
	2	Multiply line 1 by the average apportionment percentage <b>.0718</b> % from the Schedule R, Apportionment Formula Worksheet, line 6. See instructions	•	2	8.00
	3	Enter the lesser amount from line 1 or line 2. If line 2 is zero, enter the amount from line 1	•	3	8.00
Taxable Trust	4	Unrelated business taxable income from Side 2, Part II, line 30	•	4	00
	5	Unrelated business income from line 3 or line 4	•	5	8.00
Tax Computation	6	Enterprise zone, LAMBRA, LARZ, TTA, or Pierce's disease losses	•	6	00
	7	Net Operating Loss deduction. See General Information N	•	7	8.00
	8	Add line 6 and line 7	•	8	8.00
	9	Net unrelated business taxable income. Subtract line 8 from line 5	•	9	00
	10	Tax <b>8.84</b> % x line 9. See General Information J	•	10	0.00
	11a	New jobs credit, amount generated in 2009	•	11a	00
	11b	New jobs credit, amount claimed in 2009	•	11b	00
Total Tax	11c	Tax credits from Schedule B, line 4 and line 11b, Schedule P (100), or Schedule P (541). See Schedule B instructions	•	11c	00
	12	Balance. Subtract line 11c from line 10. If line 11c is greater than line 10, enter -0-	•	12	0.00
	13	Alternative minimum tax. See General Information Q	•	13	00
Payments	14	Total tax. Add line 12 and line 13	•	14	0.
	15	Overpayment from a prior year allowed as a credit	•	15	00
	16	2009 estimated tax payments. See instructions	•	16	00
	17	2009 Nonresident or real estate withholding. See instructions	•	17	00
	18	Amount paid with extension (form FTB 3539)	•	18	00
Refund (Direct Deposit of Refund) or Amount Due	19	Total payments and credits. Add line 15 through line 18	•	19	00
	20	Tax due. Subtract line 19 from line 14. Pay entire amount with return	•	20	0.00
	21	Overpayment. Subtract line 14 from line 19	•	21	0.00
	22	Enter amount of line 21 to be applied to 2010 estimated tax	•	22	00
	23	Use tax. See instructions	•	23	00
	24	Refund. If the sum of line 22 and line 23 is less than line 21, then subtract the total from line 21	•	24	00
	24a	Fill in the account information to have the refund directly deposited. Routing number	•	24a	
	24c	Type: Checking <input type="checkbox"/> Savings <input type="checkbox"/> c Account Number	•	24c	
	25	Penalties and interest. See General Information M	•	25	00
	26	<input type="checkbox"/> Check if estimate penalty computed using Exception B or C and attach form FTB 5806.	•		
	27	Total amount due. Add line 20, line 22, line 23, and line 25, then subtract line 21 from the result	•	27	0.00

**Unrelated Business Taxable Income**

**Part I Unrelated Trade or Business Income**

1	a Gross receipts or gross sales	b Less returns and allowances	Balance	1c	00	
2	Cost of goods sold and/or operations from Schedule A, line 7				2	00
3	Gross profit. Subtract line 2 from line 1c				3	00
4	a Capital gain net income. See Specific Line Instructions - Trusts attach Schedule D (541)				4a	00
	b Net gain (loss) from Part II, Schedule D-1				4b	00
	c Capital loss deduction for trusts				4c	00
5	Income (or loss) from partnerships, limited liability companies, or S corporations. See specific line instructions. Attach Schedule K-1 (565, 568, or 100S) or similar schedule <b>SEE STATEMENT 1</b>			5	11,845.00	
6	Rental income from Schedule C				6	00
7	Unrelated debt-financed income from Schedule D				7	00
8	Investment income of an R&TC Section 23701g, 23701i, or 23701n organization from Schedule E				8	00
9	Annuities, interest, rents, and royalties of controlled organizations from Schedule F				9	00
10	Exploited exempt activity income from Schedule G				10	00
11	Advertising income from Schedule H, Part III, Column A				11	00
12	Other income				12	00
13	Total unrelated trade or business income. Add line 3 through line 12				13	11,845.00

**Part II Deductions Not Taken Elsewhere** (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees from Schedule I				14	00
15	Salaries and wages				15	00
16	Repairs				16	00
17	Bad debts				17	00
18	Interest				18	00
19	Taxes				19	00
20	Contributions				20	00
21	a Depreciation (Corporations and Associations - Schedule J) (Trusts - form FTB 3885F)	21a	00			
	b Less: depreciation claimed on Schedule A	21b	00	21	00	
22	Depletion				22	00
23	a Contributions to deferred compensation plans				23a	00
	b Employee benefit programs				23b	00
24	Other deductions				24	00
25	Total deductions. Add line 14 through line 24				25	00
26	Unrelated business taxable income before allowable excess advertising costs. Subtract line 25 from line 13				26	11,845.00
27	Excess advertising costs from Schedule H, Part III, Column B				27	00
28	Unrelated business taxable income before specific deduction. Subtract line 27 from line 26				28	11,845.00
29	Specific deduction				29	1,000.00
30	Unrelated business taxable income. Subtract line 29 from line 28. If line 28 is a loss, enter line 28				30	10,845.00

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, 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.

<b>Sign Here</b>	Signature of officer	Title <b>SENIOR VP/CFO</b>	Date	• Telephone
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	• Paid Preparer's SSN/PTIN <b>P00350393</b>
	Firm's name (or yours, if self-employed) and address <b>PARENTEBEARD LLC 1650 MARKET STREET, SUITE 4500 PHILADELPHIA, PA 19103</b>			• FEIN <b>23-2932984</b>
	May the FTB discuss this return with the preparer shown above? See instructions			• Telephone <b>(215) 972-0701</b>
				• <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Schedule A Cost of Goods Sold and/or Operations** Method of inventory valuation (specify) N/A

1 Inventory at beginning of year	1	00
2 Purchases	2	00
3 Cost of labor	3	00
4 a Additional IRC Section 263A costs. Attach schedule	4a	00
b Other costs. Attach schedule	4b	00
5 Total. Add line 1 through line 4b	5	00
6 Inventory at end of year	6	00
7 Cost of goods sold and/or operations. Subtract line 6 from line 5. Enter here and on Side 2, Part I, line 2	7	00

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to this organization?  Yes  No

**Schedule B Tax Credits** Do not complete if you must file Schedule P (100 or 541).

1 Enter credit name	code no.	1	00
2 Enter credit name	code no.	2	00
3 Enter credit name	code no.	3	00
4 Total. Add line 1 through line 3. Enter here and on Side 1, line 11c		4	00

**Schedule K Add-On Taxes or Recapture of Tax.**

1 Interest computation under the look-back method for completed long-term contracts. Attach form FTB 3834	1	00
2 Interest on tax attributable to installment: a Sales of certain timeshares or residential lots	2a	00
b Method for non-dealer installment obligations	2b	00
3 IRC Section 197(f)(9)(B)(ii) election to recognize gain on the disposition of intangibles	3	00
4 Credit recapture. Credit name	4	00
5 Total. Combine the amounts on line 1 through line 4	5	00

**Schedule R Apportionment Formula Worksheet**

Use only for unrelated trade or business amounts	(a) Total within and outside California	(b) Total within California	(c) Percent within California (b) ÷ (a)
1 <b>Property factor:</b>	• 147,590,019.	• 0.	• .0000%
2 <b>Payroll factor:</b> Wages and other compensation of employees	• 51,275,961.	• 0.	• .0000%
3 <b>Sales factor:</b> Gross sales and/or receipts less returns and allowances	• 11,845.	• 17.	• .1435%
4 Multiply the factor on line 3, column (c) by 2			.2870%
5 <b>Total percentage:</b> Add the percentages in column (c), line 1, line 2, and line 4			.2870%
6 <b>Average apportionment percentage:</b> Divide the factor on line 5 by 4 and enter the result here and on Form 109, Side 1, line 2. See instructions for exceptions			.0718%

**Schedule C Rental Income from Real Property and Personal Property Leased with Real Property**

For rental income from debt-financed property, use Schedule D, R&TC Section 23701g, Section 23701i, and Section 23701n organizations. See instructions for exceptions.

1 Description of property		2 Rent received or accrued	3 Percentage of rent attributable to personal property	
4 Complete if any item in column 3 is more than 50%, or for any item if the rent is determined on the basis of profit or income		5 Complete if any item in column 3 is more than 10%, but not more than 50%		
(a) Deductions directly connected	(b) Income includible, column 2 less column 4(a)	(a) Gross income reportable, column 2 x column 3	(b) Deductions directly connected with personal property	(c) Net income includible, column 5(a) less column 5(b)
Add column 4(b) and column 5(c). Enter here and on Side 2, Part I, line 6				

**Schedule D Unrelated Debt-Financed Income**

1 Description of debt-financed property		2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		9 Net income (or loss) includible, column 7 less column 8
			(a) Straight-line depreciation	(b) Other deductions	
4 Amount of average acquisition indebtedness on or allocable to debt-financed property	5 Average adjusted basis of or allocable to debt-financed property	6 Debt basis percentage, column 4 ÷ column 5	7 Gross income reportable, column 2 x column 6	8 Allocable deductions, total of columns 3(a) and 3(b) x column 6	
		%			
		%			
		%			
Total. Enter here and on Side 2, Part I, line 7 .....					

**Schedule E Investment Income of an R&TC Section 23701g, Section 23701i, or Section 23701n Organization**

1 Description	2 Amount	3 Deductions directly connected	4 Net investment income, column 2 less column 3	5 Set-asides	6 Balance of investment income, column 4 less column 5
Total. Enter here and on Side 2, Part I, line 8 .....					
Enter gross income from members (dues, fees, charges, or similar amounts) .....					

**Schedule F Income (Annuities, Interest, Rents, and Royalties) from Controlled Organizations**

1 Name and address of controlled organizations		2 Gross income from controlled organizations	3 Deductions directly connected with column 2 income	4 Exempt controlled organizations		
				(a) Unrelated business taxable income	(b) Taxable income computed as though not exempt under Section 23701, or the amount in column (a), whichever is greater	(c) Percentage, column (a) ÷ column (b)
						%
						%
						%
5 Nonexempt controlled organizations			6 Gross income reportable, column 2 x column 4(c) or column 5(c)	7 Allowable deductions, column 3 x column 4(c) or column 5(c)	8 Net income includible, column 6 less column 7	
(a) Excess taxable income	(b) Taxable income or amount in column (a), whichever is greater	(c) Percentage col. (a) ÷ (b)				
		%				
		%				
		%				
Total. Enter here and on Side 2, Part I, line 9 .....						

**Schedule G Exploited Exempt Activity Income, other than Advertising Income**

1 Description of exploited activity (attach schedule if more than one unrelated activity is exploiting the same exempt activity)	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income from unrelated trade or business, column 2 less column 3	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expense, column 6 less column 5 but not more than column 4	8 Net income includible, column 4 less column 7 but not less than zero
Total. Enter here and on Side 2, Part I, line 10 .....							



Schedule H Advertising Income and Excess Advertising Costs

Part I Income from Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising income or excess advertising costs, 5 Circulation income, 6 Readership costs, 7 Calculation instructions.

Part II Income from Periodicals Reported on a Separate Basis

Table with 7 columns for separate basis reporting, corresponding to columns 1-7 of Part I.

Part III Column A - Net Advertising Income

Part III Column B - Excess Advertising Costs

Table with 4 columns: (a) Enter "consolidated periodical" and/or names of non-consolidated periodicals, (b) Enter total amount from Part I, column 4 or 7, and amounts listed in Part II, cols. 4 and 7, (a) Enter "consolidated periodical" and/or names of non-consolidated periodicals, (b) Enter total amount from Part I, column 4, and amounts listed in Part II, column 4.

Schedule I Compensation of Officers, Directors, and Trustees

Table with 6 columns: 1 Name of Officer, 2 SSN or ITIN, 3 Title, 4 Percent of time devoted to business, 5 Compensation attributable to unrelated business, 6 Expense account allowances.

Schedule J Depreciation (Corporations and Associations only. Trusts use form FTB 3885F.)

Table with 7 columns: 1 Group and guideline class or description of property, 2 Date acquired, 3 Cost or other basis, 4 Depreciation allowed or allowable in prior years, 5 Method of computing depreciation, 6 Life or rate, 7 Depreciation for this year.

FORM 109	INCOME (LOSS) FROM PARTNERSHIPS	STATEMENT	1
DESCRIPTION		AMOUNT	
PREMIER PURCHASING PARTNERS LP UNRELATED BUSINESS TAXABLE INCOME		11,845.	
TOTAL TO FORM 109, PAGE 2, LINE 5		11,845.	