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SUPPLEMENTAL INDENTURE

between

**THE HEALTH CARE AUTHORITY OF
SHELBY COUNTY**

and

NATIONAL BANK OF COMMERCE OF BIRMINGHAM

Dated as of December 1, 1986

BOOK 155 PAGE 446

Relating to

\$190,000

**THE HEALTH CARE AUTHORITY OF
SHELBY COUNTY**

**First Mortgage Gross Revenue Bonds
(The Central Alabama Adolescent Chemical
Dependency Treatment Facility)
Series 1986**

Haskell Slaughter

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between
THE HEALTH CARE AUTHORITY OF
SHELBY COUNTY
and
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SUPPLEMENTAL INDENTURE between **THE HEALTH CARE AUTHORITY OF SHELBY COUNTY**, a public corporation and instrumentality under the laws of the State of Alabama (herein called the "Authority"), and **NATIONAL BANK OF COMMERCE OF BIRMINGHAM**, a national banking association in its capacity as Trustee under that certain Mortgage and Trust Indenture of the Authority dated as of December 1, 1985 (said banking association in such capacity, as well as any successor trustee under said Mortgage and Trust Indenture, being herein called the "Trustee"),

RECITALS

Under and pursuant to the provisions of the aforesaid Mortgage and Trust Indenture (herein called the "Indenture"), the Authority has heretofore issued \$5,225,000 principal amount of First Mortgage Gross Revenue Bonds (The Central Alabama Adolescent Chemical Dependency Treatment Facility), Series 1985, (herein called the "Series 1985 Bonds"). The Series 1985 Bonds were issued to finance permanently the costs of acquiring certain land described in the Indenture (said land being herein called the "Project Site"), constructing building thereon (herein called the "Project Building") and acquiring and installing certain furniture, furnishings, fixtures, machinery and equipment to be used in the operation of the Project Building (said furniture, furnishings, fixtures, machinery and equipment being herein called the "Project Equipment"). Under and pursuant to a Lease Agreement dated as of December 1, 1985 (said Lease Agreement being herein called the "Lease"), the Authority has leased the Project Site, the Project Building and the Project Equipment to FloWarr Management, Inc., a corporation organized and existing under the laws of the State of Alabama (which, together with its successors and assigns, is herein called the "Company").

Under the provisions of Article VIII of the Indenture, the Authority has reserved the right to issue, upon compliance with the conditions precedent set forth in said Article VIII, additional bonds, to be secured on a parity with the Series 1985 Bonds, for the purpose of obtaining funds with which to pay the "Project Development Costs" (as said term is defined and used in the Indenture) in the event that the available proceeds from the sale of the Series 1986 Bonds are insufficient to pay all such costs. The Authority agreed in the Lease that, upon being requested so to do by the Company, it would issue additional bonds for the aforesaid purpose and use its best efforts to sell such bonds on the terms and conditions specified by the Company. No such additional bonds have heretofore been issued by the Authority.

The Authority, with the approval of the Company, proposes to sell and issue the Series 1986 Bonds hereinafter referred to in order to obtain funds to pay for the balance of said Project Development Costs. The Authority and the Company have entered into a Supplemental Lease Agreement dated as of December 1, 1986 (herein called the "Supplemental Lease"), which provides, among other things, for the payment by the Company of additional rentals sufficient to pay, when due, the principal of and the interest and premium (if any) on said Series 1986 Bonds. The Authority has, by proper corporate action and pursuant to the provisions of the

Indenture, duly authorized said Series 1986 Bonds, which are to be secured by the Indenture on a parity with the Series 1985 Bonds. This Supplemental Indenture is executed in order to specify the details with respect to said Series 1986 Bonds.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE

WITNESSETH:

It is hereby agreed among the Authority, the Trustee and the holders at any time of said Series 1986 Bonds (the holders of said Series 1986 Bonds evidencing their consent hereto by the acceptance of said Series 1986 Bonds), each with each of the others, as follows:

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 **New Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used in this Supplemental Indenture, shall have the following respecting meanings:

"Post-Tax Series 1986 Bond" means any Series 1986 Bond that was outstanding and unpaid on the date of a Series 1986 Event of Taxability with respect thereto but not on the Series 1986 Taxability Redemption Date; provided, however, any provision hereof to the contrary notwithstanding, any Series 1986 Bonds shall be deemed, for purposes of this definition, not to have been outstanding and unpaid on the date of a Series 1986 Event of Taxability with respect thereto only if (i) it had theretofore matured and moneys were available at the principal office of the Trustee for full payment thereof prior to the date of such Series 1986 Event of Taxability, or (ii) it had theretofore been duly called for redemption on a redemption date prior to the date of such Series 1986 Event of Taxability and moneys were available at the principal office of the Trustee for full payment of the redemption price thereof prior to the date of such Series 1986 Event of Taxability.

"Series 1986 Bonds" means those of the Bonds bearing the designation First Mortgage Gross Revenue Bonds (The Central Alabama Adolescent Chemical Dependency Treatment Facility), Series 1986 and authorized to be issued in Article II hereof.

"Series 1986 Determination of Taxability" means a determination, made in accordance with the provisions of Section 4.3 of the Supplemental Lease, that the interest income on any of the Series 1986 Bonds is subject to federal income taxation as a result of the occurrence of a Series 1986 Event of Taxability.

"Series 1986 Event of Taxability" means the date on which the interest income on any of the Series 1986 Bonds becomes subject to federal income taxation

as a result of any of the conditions or circumstances set forth in Section 4.3 of the Supplemental Lease.

"Series 1986 Guaranty" means that certain Guaranty Agreement dated as of December 1, 1986, between the Company and the Trustee, in and by which the Company has unconditionally guaranteed the payment by the Authority of the principal of and the interest and premium (if any) on the Series 1986 Bonds, as such Guaranty Agreement may from time to time be amended in accordance with the provisions thereof.

"Series 1986 Investment Proceeds" means the net income derived from the investment and reinvestment of proceeds of the Series 1986 Bonds (including income derived from the investment and reinvestment of previously derived income), it being understood that such net income shall consist of the aggregate interest received from investments plus any profit actually realized from the purchase of investments at a discount, less any accrued interest and any premium paid as part of the purchase price of any investments. As used herein the term "Series 1986 Investment Proceeds" includes the net income derived from the investment of moneys transferred from the Construction Fund to the Bond Fund Escrow Account, as well as the net income derived from the investment of moneys held in the Construction Fund.

"Series 1986 Issuance Expenses" means the expenses of issuing the Series 1986 Bonds to the extent, and only to the extent, that, in determining the amounts of the "proceeds" of the Series 1986 Bonds for purposes of the "substantially all" test provided by Treasury Regulations Section 1.103-8(a)(1)(i) and Section 1.103-10(b)(1)(ii), such expenses are properly deductible from the aggregate amount (excluding accrued interest) received by the Authority from the sale of the Series 1986 Bonds.

"Series 1986 Original Purchasers" means the original purchasers of the Series 1986 Bonds from the Authority.

"Series 1986 Owner" means, with respect to any Post-Tax Series 1986 Bond, the person in whose name such Post-Tax Series 1986 Bond was registered on the registry books of the Trustee pertaining to the Bonds at the time it matured or on the redemption date with respect thereto.

"Series 1986 Principal Proceeds" means the aggregate amount (excluding accrued interest, if any) received by the Authority from the sale of the Series 1986 Bonds, less the Series 1986 Issuance Expenses.

"Series 1986 Taxability Redemption Date" means the redemption date on which all then outstanding Series 1986 Bonds are required to be redeemed, pursuant to the provisions of subsection (b) of Section 2.4 of the Supplemental Indenture, as the result of a Series 1986 Determination of Taxability.

"Supplemental Indenture" means this Supplemental Indenture.

"Supplemental Lease" or "Supplemental Lease Agreement" means that certain Supplemental Lease Agreement dated as of March 1, 1986, between the Authority, as lessor, and the Company, as lessee, which supplements and amends the Lease.

Section 1.2 Definitions Contained in the Indenture. Unless the context clearly indicates a different meaning, any words, terms or phrases that are used in this Supplemental Indenture as defined terms without being herein defined and shall have the meanings respectively given them in the Indenture if they are therein defined.

ARTICLE II

THE SERIES 1986 BONDS

Section 2.1 Issuance of Series 1986 Bonds; Interest Rate and Other Terms of the Series 1986 Bonds. There is hereby authorized to be issued under the Indenture an issue or series of Bonds designated First Mortgage Gross Revenue Bonds (The Central Alabama Adolescent Chemical Dependency Treatment Facility), Series 1986, limited in aggregate principal amount to \$190,000. The Series 1986 Bonds shall (except as otherwise provided in Sections 5.1 and 5.2 of the Indenture) be dated the date of their issuance, shall be issued in denominations of \$5,000 or any integral multiple thereof, shall be numbered from R1 up, in the order issued, and shall mature and become payable on December 1, 2008. The Series 1986 Bonds shall bear interest from their date until their maturity or prior redemption at the rate of eleven and one-half percent (11-1/2%) per annum. The principal of and the interest and premium (if any) on the Series 1986 Bonds shall bear interest after the respective due dates of such principal, interest and premium (if any) until paid at the rate of eleven and one-half percent (11-1/2%) per annum.

The principal of and the interest and premium (if any) on the Series 1986 Bonds shall be payable in accordance with the provisions of Section 3.2 of the Indenture, except that in the case of any Bond originally issued in a principal amount of not less than \$50,000, the interest of such Bond, as well as the redemption price of any partial redemption of the principal thereof, may be payable as provided in a Home Office Payment Agreement with respect thereto.

Section 2.2 Optional Redemption of Series 1986 Bonds. Except for (i) sinking redemption of Series 1986 Bonds pursuant to the provisions of Section 2.3 hereof and (ii) extraordinary redemption of Series 1986 Bonds pursuant to any of the provisions of Section 2.4 hereof, the Series 1986 Bonds shall not be subject to redemption prior to their respective stated maturities until December 1, 1995. At the option of the Authority (which option shall be exercisable only upon request by the Company if at the time no Lease Default shall have occurred and be continuing), the Series 1986 Bonds shall be subject to redemption and payment (i) as a whole on December 1, 1995, and on any date thereafter, and (ii) in part, subject to the provisions of Section 2.6 hereof, on December 1, 1995, and on any interest payment

date thereafter, such redemption, whether in whole or in part, to be at and for the following respective redemption prices (expressed in percentages of the principal amount of each Series 1986 Bond or portion thereof to be redeemed) plus accrued interest to the date fixed for redemption on each Series 1986 Bond (or portion of the principal thereof) to be redeemed:

<u>Redemption Period</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
December 1, 1995 to November 30, 1998	105%
December 1, 1998 to November 30, 2000	103%
December 1, 2000 to November 30, 2002	101%
December 1, 2002 and thereafter	100%

The redemption of Series 1986 Bonds pursuant to this section shall comply with the applicable provisions of Article VI of the Indenture. Any redemption of less than all the outstanding Series 1986 Bonds pursuant to this section shall also comply with the provisions of Section 2.5 hereof.

Section 2.3 Sinking Fund Mandatory Redemption of Series 1986 Bonds. The Series 1986 Bonds shall be subject to mandatory redemption prior to their stated maturity as a whole on any date, at and for a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, in the event that the sum of the respective amounts held in the Bond Fund Principal Account, the Debt Service Reserve Fund and the Improvement Fund equals or exceeds the principal amount of the Series 1986 Bonds then outstanding. In case all the Series 1986 Bonds are required to be redeemed pursuant to the provisions of this Section 2.3, the redemption date with respect thereto shall be the earliest practicable date, after the date on which the sum of the aforesaid funds and accounts shall first equal or exceed the principal amount of the Series 1986 Bonds then outstanding, on which the Series 1986 Bonds can be redeemed in accordance with their terms and the terms of the Indenture, but in no event later than sixty (60) days after the date on which the aforesaid sum shall first equal or exceed such amount. The redemption of Series 1986 Bonds pursuant to this section shall comply with the applicable provisions of Article VI of the Indenture, including the giving of notice to the Holders of Series 1986 Bonds called for redemption as may be required by Section 6.1(b) of the Indenture.

Section 2.4 Extraordinary Redemption of Series 1986 Bonds. The Series 1986 Bonds shall be subject to extraordinary mandatory redemption prior to their stated maturity as follows:

- (a) In the event that (i) all or substantially all of the Project is taken through the exercise of the power of Eminent Domain (as defined in the Lease) with the consequences described in Section 2.2(a) of the Lease or (ii) the Company exercises the option granted in Section 11.2 of the Lease to purchase the Project, then, and in either of such events, the Series 1986 Bonds shall be subject to mandatory redemption as a whole, at and for a redemption price, with respect to each Series 1986 Bond, equal to the principal amount thereof plus accrued interest thereon to the date

fixed for redemption. In case all the Series 1986 Bonds are required to be redeemed pursuant to clause (i) of the first sentence of this subsection (a), the date fixed for such redemption shall be the date on which the Lease terminates as provided in said Section 2.2 (a) thereof (or such later date as may be required by the provisions of Section 17.4 of the Indenture). In case all the Series 1986 Bonds are required to be redeemed pursuant to clause (ii) of the first sentence of this subsection (a), the date fixed for such redemption shall be the date of purchase of the Project determined by the Company in accordance with the provisions of Section 11.2 of the Lease. The provisions of Section 6.4 of the Indenture shall apply to the redemption of Series 1986 Bonds pursuant to this subsection (a).

(b) In the event of a Series 1986 Determination of Taxability, the Series 1986 Bonds shall be subject to mandatory redemption as a whole, at and for a redemption price, with respect to each Series 1986 Bond, equal to the principal amount thereof plus accrued interest thereon to the Series 1986 Taxability Redemption Date and a premium equal to the interest accrued thereon, computed at the per annum rate applicable thereto, from the date of the Series 1986 Event of Taxability or the date upon which the Holder of such Series 1986 Bond became the Holder thereof, whichever date occurs later, until the Series 1986 Taxability Redemption Date. In case all the Series 1986 Bonds are required to be redeemed pursuant to this subsection (b), the Series 1986 Taxability Redemption Date shall be the earliest practicable date, after the Series 1986 Determination of Taxability, on which the Series 1986 Bonds can be redeemed in accordance with their terms and the terms of the Indenture, but in no event later than sixty (60) days after the date of the Series 1986 Determination of Taxability. If, in accordance with the provisions of Section 4.3 of the Supplemental Lease, any moneys held in the Indenture Funds are credited against any amount payable by the Company pursuant to said Section 4.4 in respect of the redemption of Series 1986 Bonds, the Trustee will not thereafter apply any of the moneys so held in any of such funds and so credited for any purpose other than the redemption of Series 1986 Bonds. On the Series 1986 Taxability Redemption Date, the Trustee shall (i) segregate and set aside in the Bond Fund (out of any moneys held therein for the redemption of the Series 1986 Bonds, any moneys held in the other Indenture Funds for the redemption of the Series 1986 Bonds and any moneys payable by the Company pursuant to Section 4.4 of the Supplemental Lease) moneys sufficient to provide for full redemption of the Series 1986 Bonds and (ii) shall apply such moneys for the redemption and payment of the Series 1986 Bonds in accordance with the applicable provisions of this subsection (b) as the same shall be presented for redemption and payment.

The redemption of Series 1986 Bonds pursuant to this section shall comply with the applicable provisions of Article VI of the Indenture, including the giving of such notice to the Holders of Series 1986 Bonds called for redemption as may be required by Section 6.1(b) of the Indenture.

Section 2.5 Special Provisions Respecting Partial Redemption of Series 1986 Bonds. The principal of any Series 1986 Bonds shall be redeemed only in the amount of \$5,000 or any integral multiple thereof. If less than all the Series 1986 Bonds are to be called for redemption on any single redemption date, the Trustee shall assign a number or other unique designation to each \$5,000 in principal amount of the Series 1986 Bonds then outstanding and select by lot, from among all such numbers or other unique designations associated with the Series 1986 Bonds then outstanding, numbers or other unique designations representing an aggregate principal amount equal to the principal amount of the Series 1986 Bonds to be so called for redemption, whereupon there shall be called for redemption an amount of the unpaid principal of each Series 1986 Bond equal to the principal amount represented by the numbers or other unique designations related thereto that were so selected.

Section 2.6 Delivery of Series 1986 Bonds by the Company for Cancellation. The Trustee shall cancel any Series 1986 Bonds from time to time purchased by the Company and surrendered to the Trustee for cancellation, provided that no Series 1986 Bonds so surrendered by the Company shall be cancelled by the Trustee unless there shall be delivered to the Trustee a certificate signed by the President of the Company stating in effect that such Series 1986 Bonds were purchased pursuant to an offer to purchase Series 1986 Bonds from all Holders thereof in a principal amount proportionate to the principal amount of Series 1986 Bonds then held by such Holders and that the same terms and conditions for the purchase of such Bonds were offered to each Holder.

Section 2.7 Bond Form of Series 1986 Bonds. The Series 1986 Bonds and the Trustee's authentication certificate and the form of assignment and related signature guaranty applicable thereto shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

[Form of Series 1986 Bonds]

No. R _____

\$ _____

UNITED STATES OF AMERICA

STATE OF ALABAMA

THE HEALTH CARE AUTHORITY OF
SHELBY COUNTY

FIRST MORTGAGE GROSS REVENUE BOND
(The Central Alabama Adolescent
Chemical Dependency Treatment Facility)
Series 1986

On the 1st day of December, 2008 (unless the principal of this bond shall have been duly called for previous redemption and payment duly provided for), for value received, THE HEALTH CARE AUTHORITY OF SHELBY COUNTY, a public corporation and instrumentality under the laws of the State of Alabama (herein called the "Authority"), will pay to _____, or registered assigns, solely out of the sources of payment hereinafter referred to, the sum of

D O L L A R S

(or such lesser portion thereof then unpaid), with interest on the unpaid principal balance hereof from the date hereof at the rate of 11-1/2% per annum (computed on the basis of a 360-day year of 12 consecutive 30-day months) payable on June 1, 1987, and semiannually thereafter on June 1 and December 1 in each year until and at the maturity hereof. The principal of and the premium (if any) on this bond shall be payable in lawful money of the United States of America at the principal office of National Bank of Commerce of Birmingham, Birmingham, Alabama, or its successors as Trustee under the Indenture hereinafter referred to, and the interest on this bond shall be remitted, by the Trustee hereinafter referred to, by check or draft mailed or otherwise delivered to the then registered holder hereof at the address shown on the registry books of the said Trustee; provided, however, that in case this bond is initially issued in a principal amount of not less than \$50,000, the said Trustee will, at the request of the holder hereof, enter into a special payment agreement with such holder providing for the payment of the interest hereon and the redemption price of any partial redemption of the principal hereof at a place and in a manner other than as described above, but such special payment agreement shall be subject to the terms and conditions specified in the said Indenture. The principal of and the interest and premium (if any) on this bond shall bear interest after their respective due dates until paid at the rate of 11-1/2% per annum.

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In connection with the issuance of the Series 1986 Bonds, the Authority has leased the Project to FloWarr Management, Inc., an Alabama corporation (herein, together with its successors and assigns, called the "Company"), under a Lease Agreement dated as of December 1, 1985 as supplemented by a Supplemental Lease Agreement dated as of December 1, 1986 (said Lease Agreement, as so supplemented, being herein called the "Lease" and said Supplemental Lease Agreement being herein called the "Supplemental Lease"). The Lease obligates the Company to pay rent directly to the Trustee, for the account of the Authority, on such dates and in such amounts as will provide moneys sufficient to pay, when due, the principal of and the interest and premium (if any) on the Series 1985 Bonds and the Series 1986 Bonds. Pursuant to a Guaranty Agreement with the Trustee dated as of December 1, 1986 (herein called the "Series 1986 Guaranty"), the Company has unconditionally guaranteed the full and prompt payment of the principal of and the interest and premium (if any) on the Series 1986 Bonds.

The Series 1986 Bonds are subject to redemption prior to their respective maturities as follows:

(1) The Series 1986 Bonds are subject to redemption, at the option of the Authority, (i) as a whole on December 1, 1995, and on any date thereafter, and (ii) in part (but only in installments of \$5,000 or any integral multiple thereof, and if less than all the Series 1986 Bonds are to be redeemed, those to be called for redemption shall be selected by lot) on December 1, 1995, and on any interest payment date thereafter, such redemption, whether in whole or in part, to be at and for the following respective redemption prices (expressed in percentages of the principal amount thereof to be redeemed) plus accrued interest thereon to the date fixed for redemption:

<u>Redemption Period</u> <u>(Dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
From December 1, 1995 to November 30, 1998	105%
From December 1, 1998 to November 30, 2000	103%
From December 1, 2000 to November 30, 2002	101%
December 1, 2002 and thereafter	100%

(2) The Series 1986 Bonds are subject to mandatory redemption as a whole within sixty (60) days after the amount held in certain trust funds created under the Indenture equals the principal amount of the Series 1986 Bonds then outstanding. The Series 1986 Bonds called for such mandatory redemption shall be redeemed at and for a redemption price, with respect to each such Series 1986 Bond redeemed, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

(3) The Series 1986 Bonds are subject to mandatory redemption as a whole on any date, at and for a redemption price, with respect to each Series 1986 Bond, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, but only in the event of the taking through the exercise of the power of eminent domain of all or substantially all the Project or in the event of the exercise by the Company of an option to purchase the Project granted in the Lease, which option shall be exercisable only if (a) the Project shall have been damaged or destroyed (in whole or in part) by fire or other casualty to such extent that the Company deems it not practicable or desirable to rebuild, repair or restore the Project, or (b) title to, or the temporary use of, all or substantially all the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority, to such extent that the Company will, in the Company's reasonable judgment, be prevented from carrying on its normal operations at the Project, or (c) as a result of any changes in the Constitution of the State of Alabama or of legislative or administrative action (whether local, state or federal) or by final decree, judgment or order of any court or administrative body (whether local, state or federal) entered after the contest thereof by the Company in good faith, the Lease shall have become void or unenforceable.

(4) The Series 1986 Bonds are further subject to mandatory redemption as a whole on any date, at and for the redemption price hereinafter specified, but only in the event there is a determination, as provided in Section 4.3 of the Supplemental Lease, that the interest income on the Series 1986 Bonds is or has become subject to federal income taxation as a result of the application of certain provisions of the Internal Revenue Code of 1986, as amended, such redemption to be at and for a redemption price, with respect to each Series 1986 Bond, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption and a premium equal to the interest accrued thereon, computed at the per annum rate applicable thereto, from the date that, according to such determination, the interest income on the Series 1986 Bonds became so subject to federal income taxation or the date upon which the holder of such Series 1986 Bond on the date fixed for redemption became the holder thereof, whichever date occurs later, until the date fixed for redemption.

The Indenture requires written notice of the redemption of this bond (or portion of the principal thereof) to be forwarded by United States registered or certified mail to the registered holder hereof not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption. In the event that less than all the principal of this bond is to be redeemed, the registered holder thereof shall surrender this bond to the Trustee in exchange for a new bond of like tenor herewith except in a principal amount equal to the unredeemed portion of this bond. In the case of a bond initially issued in a principal amount of not less than \$50,000, however, the Indenture provides that the holder of this bond may enter into a special payment agreement with the Trustee which will permit the redemption price of any partial redemption of the principal hereof to be paid to the holder without the surrender or

presentation of this bond to the Trustee, but such special payment agreement shall require in such case that the holder endorse thereon, or on a record of partial redemption appertaining hereto, the payment of the portion of the principal hereof so redeemed, all as more particularly specified in the Indenture.

The Authority, with the consent of the Company, is authorized by the Indenture to issue thereunder, upon the terms and conditions therein specified, additional bonds that are secured on a parity with the Series 1986 Bonds as respects the security afforded by the Indenture. Such additional parity bonds may be issued, at any time and from time to time, for the purposes of (i) obtaining funds (but not exceeding \$200,000), if additional funds are needed, to pay the costs of completing the acquisition, construction and equipping of the Project, (ii) obtaining funds to pay the costs of making additions and improvements to the Project, (iii) refunding and retiring all or any portion of any one or more series of bonds then outstanding under the Indenture and (iv) any combination of the foregoing purposes (the Series 1985 Bonds, the Series 1986 Bonds and all such additional parity bonds being herein together called the "Bonds").

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The principal of and the interest and premium (if any) on the Bonds are payable solely from (i) the rentals and other receipts to be derived from the leasing or sale of the Project, (ii) certain other moneys pledged under the Indenture and (iii) in the case of the Series 1986 Bonds only, moneys received by the Trustee pursuant to the Series 1986 Guaranty. The payment of the principal of and the interest and premium (if any) on the Bonds is secured, pro rata and without preference or priority of one Bond over another or of the Bonds of any one series over the Bonds of any other, by a valid pledge of the aforesaid rentals, receipts and moneys out of which the Bonds are solely payable (including specifically the "Basic Rent" payable to the Authority by the Company under the Lease), by the Indenture, which constitutes a lien on the Project, and by an assignment to the Trustee of all right, title and interest of the Authority in and to the Lease (except certain expense reimbursement and indemnification rights of the Authority and certain other rights which are expressly reserved to the Authority); provided, however, that the Series 1986 Guaranty shall be for the exclusive benefit of the holders of the Series 1986 Bonds and all moneys received by the Trustee under the Series 1986 Guaranty shall be applied solely for the payment of the principal of and the interest and premium (if any) on the Series 1986 Bonds. Reference is hereby made to the Lease, the Indenture and the Series 1986 Guaranty for complete information respecting the nature and extent of the security afforded by each of such instruments, the rights and duties of the Authority and the Trustee with respect thereto, the rights of the holders of the Series 1986 Bonds and the terms and conditions on which additional series of Bonds may be issued.

The Indenture provides, inter alia, (a) that upon the occurrence and continuation of certain events of default as therein provided, the Trustee may declare the principal of and the interest accrued on this bond immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Trustee shall be entitled to pursue the remedies provided in the Indenture, (b) that the holder of this bond shall have no right to enforce the provisions of the Indenture except as provided therein and then only for the equal and pro rata benefit of the holders of all the Bonds, and (c) that if this bond shall not be presented for payment when due (whether by maturity or otherwise) and if funds sufficient for such payment shall have been made available to the Trustee therefor, all liability of the

Authority to the holder of such bond and all rights of such holder against the Authority under such bond or under the Indenture shall cease and terminate and that the sole right of such holder shall thereafter be against the said funds so made available, which the Trustee is required to set aside and hold, subject to any applicable escheat or other similar law, for the benefit of such holder. The Indenture also provides that the Authority and the Trustee, with the written consent of the holders of a majority in aggregate principal amount of the Bonds then outstanding under the Indenture, may at any time and from time to time amend the Indenture or any indenture supplemental thereto, provided that no such amendment shall (1) without the consent of the holder of each bond affected, reduce the principal of, the rate of interest on, or the premium (if any) payable on redemption of, any Bond, or (2) without the consent of the holders of all the Bonds then outstanding under the Indenture, extend the maturity of any installment of principal of or interest on any of the Bonds, make any change in the provisions of the Indenture that require the redemption of any of the Bonds prior to maturity, create a lien or charge on the property mortgaged under the Indenture or the rentals, receipts and other moneys pledged thereunder ranking prior to or (except in connection with the issuance of additional parity bonds under the Indenture) on a parity with the lien and charge thereon contained in the Indenture, effect a preference or priority of any Bond over any other Bond or reduce the aggregate principal amount of Bonds the holders of which are required to consent to any such amendment. The Indenture further provides that the Authority and the Company, with the written consent of the holders of a majority in aggregate principal amount of the Bonds then outstanding under the Indenture, may at any time and from time to time amend, change or modify the Lease, provided that no such amendment, change or modification shall, without the consent of the holders of all the Bonds then outstanding under the Indenture, permit (i) a reduction in the amount of "Basic Rent" payable under the Lease [other than a reduction resulting from, and directly proportional to, a reduction in the amounts required for payment of the principal of or the interest or premium (if any) on the Bonds], (ii) any change in the due dates of the installments of such "Basic Rent", or (iii) any other change that, in the sole and uncontrolled judgment of the Trustee, might adversely affect the interests of the holders of the Bonds.

It is hereby expressly declared, and the holder hereof by acceptance of this bond hereby consents, that the Series 1986 Bonds shall not have or be entitled to any priority of payment or security over the Bonds of any other series hereafter issued under the Indenture, and that any series of Bonds hereafter issued under the Indenture shall be on a parity with the Bonds of all series theretofore issued under the Indenture; provided, however, that the Series 1986 Guaranty shall be for the exclusive benefit of the holders of the Series 1986 Bonds and all moneys received by the Trustee under the Series 1986 Guaranty shall be applied solely for the payment of the principal of and the interest and premium (if any) on the Series 1986 Bonds.

The Authority is a public corporation organized under the provisions of Code of Alabama 1975, Title 22, Chapter 21, Article 11, and the Series 1986 Bonds are authorized to be issued for the purposes for which bonds are authorized to be issued under the specific provisions of said code. The Series 1986 Bonds and the covenants and representations contained in the Indenture do not and shall never constitute a general liability or charge against the general credit of the Authority. Neither the State of Alabama nor any county, municipality or other political subdivision of said state shall in any manner be liable for payment of the principal of

or the interest or premium (if any) on the Series 1986 Bonds or for the performance of the undertakings of the Authority contained herein or in the Indenture.

It is hereby certified that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed and happen precedent to or in the issuance of this bond do exist, have been performed and have happened in due and legal form.

The Series 1986 Bonds are issuable only as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the Indenture for the exchange of Series 1986 Bonds for a like aggregate principal amount of other Series 1986 Bonds in authorized denominations, all as may be requested by the holder surrendering the Series 1986 Bond or Bonds to be so exchanged and upon the terms and conditions specified in the Indenture.

The transfer of this bond may be registered by the registered holder hereof in person, or by duly authorized attorney or legal representative, at the principal corporate trust office of the Trustee, but only upon surrender of this bond to the Trustee for cancellation, and upon any such transfer a new fully registered bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly provided in the Indenture. ANY ASSIGNEE OR TRANSFEREE OF THIS BOND TAKES IT SUBJECT TO ALL PAYMENTS OF PRINCIPAL AND INTEREST IN FACT MADE WITH RESPECT HERETO, WHETHER OR NOT SUCH PAYMENTS ARE REFLECTED BY ENDORSEMENT ON THIS BOND OR ANY PAYMENT RECORD PERTAINING HERETO.

The Trustee shall not be required to transfer or exchange this bond during the period of fifteen (15) days next preceding any interest payment date with respect thereto or, if this bond (or any portion of the principal thereof) is duly called for redemption, during the period of fifteen (15) days next preceding the date fixed for such redemption.

Execution by the Trustee of its authentication certificate hereon is essential to the validity hereof and is conclusive of the due issue hereof under the Indenture.

IN WITNESS WHEREOF, the Authority has caused this bond to be executed in its name and behalf by its Chairman, has caused its corporate seal to be

hereunto affixed, has caused this bond to be attested by its Secretary and has caused this bond to be dated _____.

THE HEALTH CARE AUTHORITY OF
SHELBY COUNTY

By _____
Chairman

ATTEST:

Secretary

[S E A L]

[Form of Trustee's Authentication Certificate]

The within bond is one of those described in the within-mentioned Mortgage and Trust Indenture.

NATIONAL BANK OF COMMERCE OF BIRMINGHAM,
Trustee

By _____
Authorized Officer

[Form of Assignment]

For value received, _____
hereby sell(s), assign(s) and transfer(s) unto _____
the within bond and hereby irrevocably constitute(s) and appoint(s) _____

attorney, with full power of substitution in the premises, to transfer such bond on the books of the within-mentioned Trustee.

DATED this _____ day of _____.

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

[Form of Signature Guarantee]

Signature Guaranteed:

(Bank, Trust Company or Firm)

By _____
(Authorized Officer)

Section 2.8 Execution and Delivery of the Series 1986 Bonds. The Series 1986 Bonds shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order, signed on behalf of the Authority by the Chairman or Vice Chairman of the Authority, requesting such authentication and delivery and designating the Person or Persons to receive the same or any part thereof.

Section 2.9 Application of Proceeds from Sale of Series 1986 Bonds. The entire proceeds derived by the Authority from the sale of the Series 1986 Bonds shall be paid to the Trustee and promptly thereafter applied by the Trustee for the following purposes in the following order:

(a) payment into the Bond Fund Interest Account of that portion of such proceeds that is allocable to premium (if any) and accrued interest;

(b) payment of the balance of proceeds into the Construction Fund.

ARTICLE III

MISCELLANEOUS

Section 3.1 Concerning the Construction Fund. As provided in Section 2.9 of this Supplemental Indenture, there shall be deposited in the Construction Fund created under Section 9.2 of the Indenture all proceeds (exclusive of accrued interest and any premium) derived from the sale of the Series 1986 Bonds in addition to all proceeds of the Series 1985 Bonds theretofore deposited therein. Anything contained herein or in the Indenture to the contrary notwithstanding, all provisions of Article IX of the Indenture, with necessary changes in detail, shall be deemed to apply to the disposition of the proceeds of the Series 1986 Bonds so deposited in the Construction Fund, including, without limitation, requirements for certain certifications (including, without limitation, certifications regarding application of percentages of Series 1986 Investment Proceeds and Series 1986 Principal Proceeds for Qualifying Project Development Costs) in connection with each withdrawal or transfer of any of said proceeds of the Series 1986 Bonds from the Construction Fund.

Section 3.2 Confirmation of Indenture. All the terms, covenants and conditions of the Indenture, as supplemented by this Supplemental Indenture, are hereby in all things confirmed, and they shall remain in full force and effect. Further, the Authority does hereby confirm the lien of the Indenture on all properties now or hereafter constituting a part of the Project, including specifically, without limiting the generality of the foregoing, all properties acquired as a part of the Project since the execution and delivery of the Indenture. Any reference in the Indenture to the Lease shall, unless the context clearly and unequivocally indicates otherwise, henceforth be construed to refer to the Lease as supplemented by the Supplemental Lease.

Section 3.3 Further Assurances. The Authority will take all actions that at the time and from time to time may be necessary (or, in the opinion of the Trustee, may be necessary) to perfect, preserve, protect and secure the interests of the Authority and the Trustee, or either, in and to the Project (or any part thereof), including, without limiting the generality of the foregoing, the filing of all financing and continuation statements that may at the time be required under the Alabama Uniform Commercial Code.

Section 3.4 Concerning Certain Payments. As promptly as practicable after the receipt by the Trustee of any payment made to it pursuant to the provisions of clause (2) of Section 4.4 of the Supplemental Lease, it will pay to the Series 1986 Owner of each Post-Tax Series 1986 Bond the amount paid to it in respect of such Post-Tax Series 1986 Bond; provided, however, that the payment pursuant to this section to any Series 1986 Owner of a Post-Tax Series 1986 Bond who was not the Holder thereof on the date of the Series 1986 Event of Taxability shall be in an amount equal to the interest which accrued on such Post-Tax Series 1986 Bond during the period subsequent to the date of the Series 1986 Event of Taxability during which it was held by such Series 1986 Owner. The Trustee shall also pay, from the moneys paid to it pursuant to the provisions of clause (2) of Section 4.4 of the Supplemental Lease, to each Person who was a Holder of any Post-Tax Series 1986 Bond at any time subsequent to the date of the Series 1986 Event of Taxability, but not the Series 1986 Owner thereof, an amount equal to the interest which accrued on such Post-Tax Series 1986 Bond during any period subsequent to the date of the Series 1986 Event of Taxability during which it was held by such Person.

As promptly as practicable after any redemption of all outstanding Series 1986 Bonds pursuant to the provisions of subsection (b) of Section 2.4 hereof, the Trustee shall determine the amount of money paid to it pursuant to clause (1) of Section 4.4 of the Supplemental Lease which was not needed to effect such redemption. The Trustee shall then apply such remaining moneys to the payment to each Person who was a Holder of any Series 1986 Bond (other than a Post-Tax Series 1986 Bond) at any time during the period beginning with the date of the Series 1986 Event of Taxability and ending with the Series 1986 Taxability Redemption Date, but not the Holder of such Series 1986 Bond on the Series 1986 Taxability Redemption Date, of an amount equal to the interest which accrued on such Series 1986 Bond during any period subsequent to the date of the Series 1986 Event of Taxability during which it was held by such Person.

Anything contained herein to the contrary notwithstanding, if the moneys provided to the Trustee for the purpose of making the payments provided for in this Section 3.4 are not sufficient to enable the Trustee to make all of such payments in full, then the Persons to whom such payments are owed shall be entitled to share the moneys provided to the Trustee for the purpose of making such payments ratably and in proportion to the amounts respectively due to each of such Persons.

In making any determination, for the purpose of this section, as to the Person who was the Holder of any Series 1986 Bond at any time subsequent to the date of the Series 1986 Event of Taxability, the Trustee shall be fully protected in relying upon an opinion of Independent Counsel acceptable to it, the information contained in the registration and transfer book and list of Bondholders maintained by the Trustee, any confirmation of a transfer of any of the Series 1986 Bonds prepared by a dealer or broker participating in such transfer and any other evidence with respect to the ownership of a Series 1986 Bond which the Trustee may deem to be persuasive.

Section 3.5 Disclaimer of General Liability. Section 17.1 of the Indenture is hereby supplemented and amended by adding the following language thereto and is otherwise ratified and confirmed:

It is acknowledged (i) that the Directors serve without compensation and have regularly scheduled meeting dates, (ii) that the Authority has and will probably continue to have limited knowledge about the operation of the Project and the affairs of the Company, (iii) that the Authority will not undertake, unless requested as hereinafter provided, to determine whether the Company, the Trustee, or any other party is complying with the terms of the Lease, as supplemented and amended by the Supplemental Lease, the Indenture, as supplemented and amended by the Supplemental Indenture, or any other document or instrument relating to the Project, and (iv) that certain of the statements and covenants made by the Authority in the Indenture, as supplemented and amended by the Supplemental Indenture, the Lease, as supplemented and amended by the Supplemental Lease, and other documents or instruments have been made in reliance upon information provided and statements and representations made to the Authority by the Company and other parties.

The Authority shall be under no obligation or duty to take any action, or to exercise any of its powers, under the Indenture, as supplemented and amended by the Supplemental Indenture, or the Lease, as supplemented and amended by the Supplemental Lease, unless it shall have received a written notice or a written request to do so from the Trustee or other appropriate party of the desirability or necessity for such action, exercise or performance (although it may exercise any such rights or powers to take any action, or perform any covenant or agreement as it deems advisable without any such request). The Authority shall take such action or exercise such powers within a reasonable period of time after such written notice or request, provided that there shall first be furnished indemnity, satisfactory to the Authority, against its prospective liabilities, expenses (including all anticipated out-of-pocket expenses of the Authority or the Authority's counsel), attorney's fees for

the Authority's counsel, and reasonable compensation for necessary services of the directors, officers, employees and agents of the Authority. Nothing contained in this section shall affect or restrict the right, power or duty of the Trustee to take any actions or exercise any power or discretion hereunder or under the Lease, as supplemented and amended by the Supplemental Lease, in accordance with the terms thereof or hereof.

Section 3.6 Article and Section Captions. Use of Phrases. The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

"Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to this Supplemental Indenture and not solely to the particular portion thereof in which any such word is used. The terms used herein include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

BOOK 155 PAGE 466

IN WITNESS WHEREOF, the Authority has caused this Supplemental Indenture to be executed in its corporate name and behalf by its Chairman, has caused its corporate seal to be hereunto affixed and has caused this Supplemental Indenture to be attested by its Secretary and the Trustee has caused this Supplemental Indenture to be executed in its corporate name and behalf, has caused its corporate

seal to be hereunto affixed and has caused this Supplemental Indenture to be attested, by its duly authorized officers, and the Authority and the Trustee have caused this Supplemental Indenture to be dated as of December 1, 1986, although actually executed and delivered on December 30, 1986.

THE HEALTH CARE AUTHORITY OF
Shelby County

By W. Paul Yeager
Its Chairman

ATTEST:

J. D. Felker
Its Secretary

[SEAL]

NATIONAL BANK OF COMMERCE OF
BIRMINGHAM, as Trustee under the Mortgage and
Trust Indenture of The Health Care Authority of
Shelby County, dated as of
December 1, 1985

By Vance Anderson
Its VICE PRESIDENT & TRUST OFFICER

ATTEST:

Margaret McKinnis
Its TRUST OFFICER

[SEAL]

BOOK 155 PAGE 467

STATE OF ALABAMA)

Shelby COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that Paul Grayer, whose name as Chairman of THE HEALTH CARE AUTHORITY OF Shelby County, a public corporation and instrumentality under the laws of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instruments, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and official seal of office, this 29 day of December, 1986.

[NOTARIAL SEAL]

Joan B. Harless
Notary Public

My Commission Expires: May 18, 1988

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that J. Vance Davidson, whose name as Vice President and Trust Officer of NATIONAL BANK OF COMMERCE OF BIRMINGHAM, a national banking association (formerly known as Birmingham Trust National Bank) acting in its capacity as Trustee under the Mortgage and Trust Indenture of The Health Care Authority of Shelby County, dated as of December 1, 1985, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instruments, he, as such officer and with full authority, executed the same voluntarily for and as the act of said association in its capacity as Trustee as aforesaid.

GIVEN under my hand and official seal of office, this 30th day of December, 1986.

[NOTARIAL SEAL]

E. Anne R.
Notary Public

STATE OF ALA. SHELBY CO.
I HEREBY CERTIFY THIS
INSTRUMENT TO BE TRUE

My Commission Expires: 9/8/89

1987 OCT 15 PM 12:13

Thomas A. Davidson - 20 -

