


I, the undersigned Secretary of THE HEALTH CARE AUTHORITY OF SHELBY COUNTY, a public corporation under the laws of the State of Alabama, hereby certify that the attached pages numbered consecutively from 1 to 3, inclusive, constitute a true, correct and complete copy (except for the exhibits thereto) of a resolution of the Board of Directors of said Authority duly adopted at a special public meeting thereof held on June 22, 1998, as the same appear in the records of said Authority.

Inst # 1998-25238

WITNESS my signature as said Secretary, under the seal of said Authority, this 22nd day of June, 1998.

[SEAL]

  
As Secretary of  
THE HEALTH CARE AUTHORITY  
OF SHELBY COUNTY

Inst # 1998-25238

07/06/1998-25238  
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SHELBY COUNTY JUDGE OF PROBATE  
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BE IT RESOLVED by the Board of Directors (herein called the "Directors") of THE HEALTH CARE AUTHORITY OF SHELBY COUNTY (herein called the "Authority") as follows:

**Section 1.** The Directors have ascertained and do hereby find and declare as follows:

(a) The Authority has heretofore issued its First Mortgage Gross Revenue Bonds (The Central Alabama Adolescent Chemical Dependency Treatment Facility), Series 1985 (herein together called the "Bonds"), pursuant to a Mortgage and Trust Indenture dated as of December 1, 1985, as supplemented and amended (herein called the "Indenture"), from the Authority to National Bank of Commerce of Birmingham (which has been succeeded by AmSouth Bank), as Trustee (herein, in such capacity, called the "Trustee").

(b) The Bonds were issued by the Authority to finance the costs of acquiring, constructing and equipping a chemical dependency treatment facility (herein called the "Project"), which was leased by the Authority to FloWarr Management (now known as The Bradford Group, Inc.), an Alabama corporation (herein called the "Company"), pursuant to a Lease Agreement dated as of December 1, 1985, as supplemented and amended (herein called the "Lease").

(c) Under the Lease, the Company (i) is obligated to pay net rentals sufficient to provide for payment of debt service on the Bonds and (ii) has an option to purchase the Project for a purchase price of \$1.00 after full payment of the Bonds.

(d) The Company has advised the Authority that at this time it wishes (i) to retire all the outstanding Bonds by providing the Trustee with moneys sufficient to provide for the payment of principal of and interest on the outstanding Bonds in an amount acceptable to the holders thereof as full and complete payment thereof and (ii) thereafter to exercise the aforesaid option to purchase the Project.

(e) Upon payment in full of the Bonds and the conveyance of the Project to the Company or its nominee as aforesaid, the Authority will have no further purpose to serve and, therefore, it is wise, expedient and necessary that the Authority be dissolved.

(f) Upon receipt by the Authority of evidence satisfactory to it (acting with the advice of its counsel) that the Trustee has satisfied the Indenture of record following the payment in full of the Bonds, and in order to facilitate the foregoing proposed transactions, it will be necessary for the Authority to perform the actions and to enter into the agreements authorized by this resolution.

**Section 2.** In order to release and terminate the respective rights and obligations of the Authority and the Company under the Lease, the Authority is hereby authorized to enter into a Termination of Lease Agreement and Supplemental Lease Agreement with the Company (herein called the "Release and Termination Agreement"), which shall be in substantially the form presented to the meeting of the Directors at which this resolution is adopted (which form shall be attached to the minutes of such meeting as Exhibit I and which is hereby adopted in all respects as if the same were set out in full herein), with such changes as the Chairman or Vice Chairman of the Directors, acting with the advice of counsel to the Authority, shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination of the definitive form of the Release and Termination Agreement by either such officer to be conclusively established by his execution of such document. The Chairman or Vice Chairman of the Directors is hereby authorized and directed to execute and deliver the Release and Termination Agreement for and in the name and behalf of the Authority, and the Secretary of the Authority is hereby authorized and directed to affix the seal of the Authority to the Release and Termination Agreement and to attest the same.

**Section 3.** The Authority is hereby authorized to transfer and convey the Project to the Company upon its exercise of the purchase option provided in Section 11.3 of the Lease and satisfaction of all of the applicable conditions precedent thereto; provided, however, that the Authority hereby waives any notice requirement with respect to the exercise of such option to purchase by the Company. In order to effect such conveyance and transfer, the Chairman or Vice Chairman of the Directors is hereby authorized to execute and deliver, for and in the name of the Authority, a statutory warranty deed and a bill of sale which shall together convey and transfer all of the property (whether real, personal or mixed) now constituting part of the Project from the Authority to the Company or its nominee. Such statutory warranty deed and such bill of sale shall each be in such form as the Chairman or Vice Chairman of the Directors, acting with the advice of counsel to the Authority, shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination of the definitive forms of such instruments by either such officer to be conclusively established by his execution thereof. The Secretary of the Authority is hereby authorized to affix the seal of the Authority to such warranty deed and to such bill of sale and to attest the same.

**Section 4.** Upon (i) the payment in full of the principal of and the interest on the Bonds, (ii) the delivery to the Authority of a satisfaction of the Indenture by the Trustee, (iii) the termination of the Lease pursuant to the Release and Termination Agreement and (iv) the conveyance of the Project to the Company or its nominee as provided in Section 3 of this resolution, the Authority shall be dissolved. In order to give effect to such dissolution, pursuant to the provisions of Code of Alabama 1975, § 22-21-39, the Chairman or Vice Chairman of the Directors shall cause to be filed in the office of the Judge of Probate of Shelby County a certified copy of this resolution, whereupon the Authority shall stand dissolved and all assets or

property owned by the Authority at the time of such dissolution shall thereupon vest in the City of Columbiana, Alabama.

**Section 5.** The Chairman and Vice Chairman of the Directors and the Secretary of the Authority are hereby further authorized and directed to execute, deliver, seal and attest such other ancillary documents and certificates as may be necessary to carry out fully the transactions contemplated in the documents authorized in this resolution to be executed and delivered on behalf of the Authority. All actions of any officers of the Authority and counsel to the Authority heretofore taken with respect to the matters contemplated by this resolution are hereby ratified and confirmed.

**Section 6.** The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision of this resolution.

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