

AFFIDAVIT OF MICHAEL K. K. CHOY

CV04 0375

BEFORE ME, the undersigned authority, personally appeared the affiant, who, being duly sworn, stated as follows:

1. My name is Michael K. K. Choy. I am over 19 years of age, of sound mind, competent to make this affidavit, and personally acquainted with the facts stated herein.
2. I am a lawyer for the Judgment Creditor, HEALTHSOUTH Corporation, whose last known address is One HealthSouth Parkway, Birmingham, Alabama 35243.
3. On December 22, 2003, in the case of *In Re HEALTHSOUTH Corp. Shareholders Litigation*, Consolidated Civil Action No. 19896-NC, the Court of Chancery of the State of Delaware in and for New Castle County entered an Order and Final Judgment. This judgment is valid, enforceable, and unsatisfied.
4. The Judgment Debtor is Richard M. Scrushy, whose last known addresses are 2406 Long Leaf Street, Birmingham, AL 35243, and c/o Lewis Gillis, Raymond L. Johnson, Jr. and James L. Richey of Thomas Means Gillis & Seay, P.C., 505 20th Street North, Suite 1035, Birmingham, Alabama 35237, and c/o Thomas Sjoblom, Chadborne & Park, 1200 New Hampshire Avenue, NW, Washington, DC 20036.

SIGNED this the 21st day of January 2004.



20040123000039710 Pg 1/8 32.00
Shelby Cnty Judge of Probate, AL
01/23/2004 12:22:00 FILED/CERTIFIED

Michael K. K. Choy
AFFIANT

Sworn to and subscribed before me
this the 21st day of January 2004.

[Signature]
Notary Public

My Commission Expires: 5/10/2004

FILED IN OFFICE

JAN 21 2004

ANNE-MARIE ADAMS
Clerk



GRANTED

EFiled: Dec 22 2003 10:43 AM
Filing ID 2869156



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE
IN AND FOR NEW CASTLE COUNTY**

IN RE HEALTHSOUTH CORP. : Consolidated
SHAREHOLDERS LITIGATION : Civil Action No. 19896-NC

**ORDER AND FINAL JUDGMENT PURSUANT
TO COURT OF CHANCERY RULE 54(B)**

For the reasons articulated in the Court's Opinion dated November 24, 2003 in the above captioned action (the "Opinion"), and in the on-the-record hearing in this Court regarding the form of order on December 9, 2003, IT IS HEREBY FINALLY ADJUDICATED, ADJUDGED AND DECREED as follows:

1. Richard M. Scrushy's ("Scrushy") Loan (as defined in the Opinion) will be treated as reinstated as of the date of the Buyback (as defined in the Opinion), July 31, 2002, and repayable with interest as of April 30, 2003.

2. On January 2, 2004 (the "Closing Date"), Scrushy, the derivative plaintiffs herein, and Healthsouth Corporation ("HealthSouth"), shall and are hereby ordered to perform the following acts at the offices of Prickett, Jones & Elliott, P.A., in Wilmington, Delaware:

- (a) Subject to paragraph 2b, below, Scrushy shall pay and transfer to HealthSouth Corporation cash or cash equivalents the sum of the following: (i) \$25,879,326.84 (the "Judgment Amount"), being

**CERTIFIED
AS A TRUE COPY:
ATTEST:**

REGISTER IN CHANCERY

Sharia Boyd
Judicial Case
Processor

the amount of principal and interest that would have been owing to HealthSouth under the Loan on April 30, 2003; plus (ii) \$743,065.11, constituting prejudgment interest on the Judgment Amount at the contract of the Loan from April 30, 2003 until November 24, 2003 (the "Pre-Judgment Interest"); plus (iii) post-judgment interest on the Judgment Amount at the rate applicable under the Loan between November 24 and the date of receipt by HealthSouth of the sums set forth in paragraph 2a.

- (b) (i) Simultaneous with full performance under Paragraph 2a, HealthSouth shall deliver to Scrushy 2,506,770 shares of HealthSouth stock with appropriate legends and restrictions that in HealthSouth's sole opinion are required by law. (ii) At Scrushy's option, at the Closing, Scrushy may elect to forego receipt of restricted shares as provided in Paragraph (2)(b)(i), and receive instead a credit against his obligation to pay the amounts specified in Paragraph 2(a), above. The credit shall be the market value of 2,506,770 shares of HealthSouth stock, calculated at the market price at the close of trading on the Closing Date.
- (c) If Scrushy performs under Paragraph 2(b) by paying in full the amounts set forth in Paragraph 2(a), and chooses to receive and does actually receive restricted and legended stock on the

Closing Date, and within thirty (30) days after the Closing Date, HealthSouth cannot in its sole opinion tender to Scrushy 2,506,770 shares of unlegended and unrestricted HealthSouth stock, in a simultaneous exchange for the 2,506,770 shares of legended and restricted HealthSouth stock that Scrushy received pursuant to paragraph 2(b), above, then Scrushy may at his sole option surrender the restricted shares to HealthSouth in a simultaneous exchange for a cash refund from HealthSouth to Scrushy in the amount of the market value of 2,506,770 shares of HealthSouth stock, calculated at the market price at the close of trading on the Closing Date, plus 30 days interest calculated at the contract Loan rate.

3. Should Scrushy fail for any reason whatsoever to pay and transfer the sums set forth in Paragraph 2 on the Closing Date, then he shall thereupon be considered in default and non-compliance hereunder, and he shall thereafter pay the following to satisfy this Judgment:

- (a) The sum set forth in Paragraph 2 (a)(i) and (ii), above, or \$26,622,391.95, plus post-judgment interest at the Loan rate on the Judgment Amount until the date the judgment is satisfied in full, subject to a credit as set forth in Paragraph 3b.
- (b) The amount Scrushy shall be required to deliver pursuant to paragraph 3a shall be reduced by the lower of (i) the market price of

2,506,770 HealthSouth shares as of the Closing Date, or (ii) the market price of 2,506,770 HealthSouth shares as of the date that this judgment is fully satisfied through the date of receipt by HealthSouth of the sums set forth in this Paragraph 3. Nothing herein shall be construed to impair immediate execution on this Judgment in the amounts set forth in this Paragraph 3 if it is not paid in full on or before the Closing Date.

4. In further addition, Scrushy shall pay HealthSouth post-judgment interest on the Judgment Amount and the Pre-Judgment Interest at the Loan rate from the closing date until the date the judgment is satisfied in full.

5. Pursuant to Court of Chancery Rule 54(b), the Court expressly finds that there is no just reason for delaying and expressly directs the entry of this final judgment and decree upon the claims adjudicated in the Opinion and herein.

6. Without affecting the finality of this Order, the court reserves jurisdiction to consider an application by plaintiff's counsel for an award of fees and expenses to be paid by HealthSouth.

Vice Chancellor Leo E. Strine, Jr.

Dated: December __, 2003

Court: DE Court of Chancery

Judge: Leo Strine

LexisNexis File & Serve Reviewed Filing ID: 2865632

Date: 12/22/2003

Case Number: 19896

Case Name: In Re: Healthsouth Corp Shareholders Litigation vs Healthsouth Corp
et al

/s/ Judge Leo Strine

State of Delaware,

New Castle County, } ss.

9. Dianne M. Kempinski,

Register of the Court of Chancery of the State of Delaware, in and for New Castle County, do hereby certify that the foregoing is a true and correct copy of the Order and Final Judgment Pursuant to Court of Chancery Rule 54(B) signed by Vice Chancellor Leo Strine on 12/22/03

as the same remains on file and of record in said Court.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court, at Wilmington, this 16th day of January in the year of our Lord, two thousand and four.

Dianne M. Kempinski
Register in Chancery

State of Delaware, to wit:

9. William B. Chandler, Chancellor of the State of Delaware, do hereby certify that the foregoing Record and Attestation, made by Dianne M. Kempinski, Register in Chancery within the County of New Castle, whose name is thereto subscribed, and to which the seal of said Court is affixed, are in due form of law, and made by the proper officer.

IN TESTIMONY WHEREOF, I have hereunto set my hand, this 16th day of January in the year of our Lord, two thousand and four.

William B. Chandler
Chancellor

State of Delaware,

New Castle County, } ss.

9. Dianne M. Kempinski,

Register of the Court of Chancery of the State of Delaware, in and for New Castle County, do hereby certify that the Honorable Chancellor

William B. Chandler

by whom the foregoing attestation was made and whose name is thereto subscribed, was at the time of the making thereof, and still is Chancellor of the State of Delaware, duly commissioned and sworn, to all whose acts, as such full faith and credit are and ought to be given, as well in Courts of Justice as elsewhere.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Court, at Wilmington, this 16th day of January in the year of our Lord two thousand and four.

Dianne M. Kempinski
Register in Chancery

State of Alabama - Jefferson County

I certify this instrument filed on:

2004 JAN 22 P.M. 16:16

Recorded and \$

Mtg. Tax

and \$

Deed Tax and Fee Amt.

\$ 19.50 Total \$ 19.50

MICHAEL F. BOLIN, Judge of Probate



200401/9226

State of Alabama
Jefferson County

I, the Undersigned, as Judge of Probate in and for
said County, in said State, hereby certify that the
foregoing is a full, true and correct copy of the
instrument with the filing of same as appears of
record in this office in vol. 200401 page 9226.

Given under my hand and official seal, this the 22nd
day of January, 2004.

Michael F. Bohm

Judge of Probate