

STATE OF ALABAMA — UNIFORM COMMERCIAL CODE — FINANCING STATEMENT
FORM UCC-1 ALA.

Important: Read Instructions on Back Before Filling out Form.

AMERICAN BANC SUPPLY CO., INC., Americus, GA. 31709 1-800-327-3931

☐ The Debtor is a transmitting utility
as defined in ALA CODE 7-9-105(n).

No. of Additional
Sheets Presented: 11

This FINANCING STATEMENT is presented to a Filing Officer for
filing pursuant to the Uniform Commercial Code.

1. Return copy or recorded original to:

AmSouth Bank N.A.
Corporate Trust Administration
P.O. Box 11426
Birmingham, Alabama 35202

THIS SPACE FOR USE OF FILING OFFICER
Date, Time, Number & Filing Office

Pre-paid Acct. #

2. Name and Address of Debtor (Last Name First if a Person)

Parsons Pelham Associates,
a California Limited Partnership
1400 Park Place Tower
Birmingham, AL 35203

Social Security/Tax ID #

2A. Name and Address of Debtor (IF ANY) (Last Name First if a Person)

Social Security/Tax ID #

☐ Additional debtors on attached UCC-E

3. SECURED PARTY (Last Name First if a Person)

The Governmental Utility Services
Corporation of the City of Pelham
City Hall
Pelham, Alabama 35124

Social Security/Tax ID #

☐ Additional secured parties on attached UCC-E

4. ASSIGNEE OF SECURED PARTY (IF ANY) (Last Name First if a Person)

AmSouth Bank N.A.
Post Office Box 11007
Birmingham, Alabama 35288

5. The Financing Statement Covers the Following Types (or items) of Property:

See attached Exhibit A consisting of one page and attached Exhibit B
consisting of ten (10) pages.

5A. Enter Code(s) From
Back of Form That
Best Describes The
Collateral Covered
By This Filing:

Check X if covered: ☐ Products of Collateral are also covered.

6. This statement is filed without the debtor's signature to perfect a security interest in collateral (check X, if so)
- ☐ already subject to a security interest in another jurisdiction when it was brought into this state.
- ☐ already subject to a security interest in another jurisdiction when debtor's location changed to this state.
- ☐ which is proceeds of the original collateral described above in which a security interest is perfected.
- ☐ acquired after a change of name, identity or corporate structure of debtor
- ☒ as to which the filing has lapsed.

7. Complete only when filing with the Judge of Probate:
The initial indebtedness secured by this financing statement is \$ No Tax Due
Mortgage tax due (15¢ per \$100.00 or fraction thereof) \$ 24.00

8. ☐ This financing statement covers timber to be cut, crops, or fixtures and is to be cross indexed in the real estate mortgage records (Describe real estate and if debtor does not have an interest of record, give name of record owner in Box 5)

Signature(s) of Secured Party(ies)
(Required only if filed without debtor's Signature — see Box 6)

Signature(s) of Debtor(s)

Signature(s) of Secured Party(ies) or Assignee

Signature(s) of Debtor(s)

Signature(s) of Secured Party(ies) or Assignee

Type Name of Individual or Business

AmSouth Bank N.A. as Trustee for Governmental Utility
Services Corporation, City of Pelham

EXHIBIT A

LEGAL DESCRIPTION:

A parcel of land located in the Northeast 1/4 of the Southwest 1/4 and the Southeast 1/4 of the Northwest 1/4, both in Section 14, Township 20 South, Range 3 West, Shelby County, Alabama, more particularly described as follows: Commence at the Southwest corner of the Northwest 1/4 of the Southeast 1/4 of said Section; thence in a Northerly directions, along the West line of said 1/4-1/4 Section a distance of 538.56 feet to a point on the Northwest right-of-way line of Parker Drive (extended); thence 41 deg. 28 min. 50 sec. right in a Northeasterly direction along said right-of-way line of Seaboard Coast Line Railroad; thence 90 deg. left, in a Northwesterly direction along said right-of-way line, a distance of 106.0 feet to the beginning of a curve to the left, said curve having a radius of 2774.63 feet and a central angle of 4 deg. 12 min.; thence along arc of said curve, in a Northwesterly direction along said right-of-way line, a distance of 203.39 feet to end of said curve; thence continue in a Northwesterly direction, along said right-of-way line, a distance of 381.84 feet; thence 85 deg. 48 min. left, in a Southwesterly direction along the Northwest property line of Weyerhaeuser Company (extended), a distance of 624.42 feet; thence 90 deg. right, in a Northwesterly direction, a distance of 110.0 feet to the point of beginning; thence 90 deg. left, in a Southwesterly direction, a distance of 410 feet, more or less, to the centerline of Buck Creek; thence in a Northwesterly direction, along the centerline of said Buck Creek, a distance of 1125 feet, more or less, to the intersection of said centerline and the West line of the Southeast 1/4 of the Northwest 1/4 of said Section 14; thence in a Northerly direction, along said West line a distance of 162 feet, more or less, to the intersection of said West line and the South right-of-way line of said Seaboard Coast Line Railroad; thence in a Southeasterly direction, along said right-of-way line, a distance of 1182 feet, more or less; thence in a Southwesterly direction, 250.0 feet Northwest of and parallel to the Northwest property line of Weyerhasuser Company, a distance of 593 feet, more or less; thence 90 deg. left, in a Southeasterly direction, a distance of 140.0 feet to the point of beginning. Said parcel contains 13.00 acres, more or less, and is subject to easements and rights of way of record.

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

1985 DEC 13 PM 4:50

Thomas P. Lawrence, Jr.
JUDGE OF PROBATE

EXHIBIT B

STATE OF ALABAMA

SHELBY COUNTY

)
)
)

MORTGAGE AND SECURITY AGREEMENT (COLLATERAL IS OR INCLUDES FIXTURES)

THIS MORTGAGE AND SECURITY AGREEMENT, dated as of December 13, 1985 (herein referred to as "this Mortgage and Security Agreement"), from PARSONS PELHAM ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, a limited partnership organized under California law (the "Service Party"), whose address is 1400 Park Place Tower, Birmingham, Alabama 35203, to THE GOVERNMENTAL UTILITY SERVICES CORPORATION OF THE CITY OF PELHAM, a public corporation under the laws of the State of Alabama, whose address is City Hall, Pelham, Alabama (the "Corporation").

SECTION 1

Recitals and Conveyance

1.1 The Service Party is borrowing the principal amount of \$16,000,000 from the Corporation pursuant to the terms of a Loan Agreement dated as of the date hereof (the "Loan Agreement"), and as evidence of its obligation to repay the funds so borrowed, is delivering to the Corporation its Note (the "Note") dated as of December 1, 1985, in the principal amount of \$16,000,000.

1.2 The Corporation is obtaining funds to lend to the Service Party through the issuance and sale of a like principal amount of its Wastewater Treatment and Collection Revenue Bonds, Series 1985 (Parsons Pelham Associates, a California Limited Partnership Project) (the "Bonds") pursuant to the Act (as defined in the Loan Agreement).

1.3 The Corporation is issuing the Bonds pursuant to a Trust Indenture dated as of the date hereof (the "Indenture") between the Corporation and AmSouth Bank, N.A. (the "Trustee"), as Trustee.

1.4 The Service Party has agreed pursuant to the terms of the Loan Agreement to apply the loan proceeds to pay, among other things, costs of wastewater treatment facilities and collection facilities to be located in Shelby County, Alabama.

1.5 The Service Party is desirous that the Corporation issue the Bonds and is willing hereby to secure its obligations under the Loan Agreement and the Note to induce the Corporation to issue the Bonds and loan the proceeds thereof to the Service Party and to induce the purchase of the Bonds by all who shall at any time become owners thereof.

1.6 The Service Party understands and agrees that the mortgage herein shall be assigned by the Corporation to the Trustee, and their respective successors and assigns, and applied in accordance with the provisions of the Loan Agreement and the Indenture.

1.7 All capitalized terms used in this Mortgage and Security Agreement and not defined herein shall have the same definition and meaning in this Mortgage and Security Agreement as in the Indenture; provided, however, with respect to the Note, Mortgage and Security Agreement, Loan Agreement, Indenture, and Assignment of Easements, such terms shall refer to and include, in addition to the original instruments, all modifications, amendments, supplements, substitutions, and extensions and renewals thereof.

1.8 The present obligation secured by this Mortgage and Security Agreement is the entire amount of the indebtedness evidenced by the Note and the Loan Agreement in the principal amount of \$16,000,000.

1.9 This Mortgage and Security Agreement shall be deemed given to secure all present and future obligations of the Service Party to the Corporation under the terms of the Note or the Loan Agreement. The making of future advances under the Note is pursuant to a commitment and obligatory, subject to the terms and conditions of the Loan Agreement.

NOW, THEREFORE, in consideration of the premises and the indebtedness herein recited and for the sum of TEN DOLLARS (\$10.00) to the Service Party paid by the Corporation, the receipt of which is hereby acknowledged, the Service Party hereby mortgages, grants, bargains, sells, assigns and conveys to the Corporation, its successors and assigns, in trust, with power of sale, the Service Party's fee or leasehold interest, as the case may be, in and to the land, buildings, improvements, fixtures, equipment and other rights or property (all collectively referred to as the "Mortgaged Property") as follows:

(a) The leasehold interest of the Service Party in the Sites created by those two (2) ground leases between the City of Pelham, Alabama, as lessor, and the Service Party, as lessee, each dated as of December 1, 1985, intended to be recorded contemporaneously herewith, which relate to parcels or tracts of land described in Exhibit A attached hereto and

made a part hereof, and the rights of the Service Party under the Assignment of Easements, intended to be recorded contemporaneously herewith (the said real property described on Exhibit A and all interests granted pursuant to the Assignment of Easements, as hereafter amended or supplemented being herein called the "Sites"); and

(b) The buildings and improvements now or hereafter erected or located on the Sites; and

(c) All equipment of the Service Party at any time located on the Sites; and

(d) All apparatus, equipment and property now or hereafter attached to and used in the operation of the Sites or any buildings thereon, including, but not limited to, all buildings, as fixtures, and substitutions therefor and renewals and replacements thereof, and additions, modifications, improvements, accumulations and accessions thereto from time to time, including, but not limited to, all heating, refrigerating, air conditioning, gas, plumbing and electrical apparatus and equipment, all boilers, engines, motors, power equipment, piping and plumbing fixtures, pumps, tanks, lighting equipment and systems, fire prevention and sprinkling equipment and systems, and other things now or hereafter located thereon or therein as part of the Mortgaged Property, which constitute fixtures under Alabama law (hereinafter collectively "Fixtures"); and

(e) The proceeds of any and all of the foregoing Mortgaged Property and, to the extent not otherwise included, all payments under insurance policies or condemnation awards (whether or not the Holder is a loss payee thereof), or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the foregoing Mortgaged Property; and

(f) All of the Collateral, including without limitation, all rents, issues, and profits of the Mortgaged Property from time to time accruing.

As additional security hereunder, the Service Party hereby assigns and transfers to the Corporation, and grants to the Corporation a security interest in and to, the entire Base Fee, the entire Additional Fee, the entire Standard Fee, all amounts payable to and for the benefit of the Service Party under the Service Agreement, the Guaranty Agreement, the

O/M Agreement or under any of the other Security Documents, all rents, issues, profits and other amounts which may at any time become payable to the Service Party arising out of or in any way connected with the operation of the Project (including, without limitation, payments due to the Service Party (i) for acceptance and treatment of wastewater of users described in Section 11.02 of the Service Agreement, or (ii) the sale, assignment or other transfer of Sludge or other residues), all insurance or condemnation awards relating to the Mortgaged Property and all rights to receive the same, whether in the form of accounts, general intangibles or other rights, and the proceeds of such rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired (all of the foregoing additional security being herein referred to as the "Collateral"). The foregoing assignment is an absolute present assignment, subject only to the terms of the Loan Agreement and the Indenture.

TO HAVE AND TO HOLD the Mortgaged Property and the Collateral together with all rights, privileges, hereditaments, easements, rights-of-way and appurtenances thereunto belonging or in any wise appertaining and the rents, issues and profits thereof to the Corporation, its successors or assigns.

THIS CONVEYANCE is made to secure to the Corporation (a) the repayment of the indebtedness evidenced by the Note, together with all interest and premium, if any, thereon as therein provided and all other sums which may become due thereunder or under the Loan Agreement; (b) the observance and performance of all the covenants and agreements of the Service Party contained in the Loan Agreement; (c) the performance of the covenants and agreements of the Service Party contained in this Mortgage and Security Agreement; and (d) the payment of all other sums with interest thereon, advanced in accordance herewith to protect the Corporation's security. If the Service Party shall pay the Note and all indebtedness evidenced thereby, together with interest and premiums, if any, thereon as therein provided and all other sums which may become due thereunder or under the Loan Agreement, and any renewals, extensions or modifications thereof, and shall pay all other sums with interest thereon, advanced in accordance herewith, and if all obligations required to be performed that are secured hereby and if the Indenture shall have been satisfied of record, then this Mortgage and Security Agreement shall be null and void and shall be cancelled of record at the request and at the expense of the Service Party; otherwise to remain in full force and effect.

SECTION 2

Service Party's Covenants, Representations and Agreements

2.1 Title to Property; Permitted Encumbrances. The Service Party warrants that it has, or upon acquisition thereof will have, good, marketable title to the Mortgaged Property and the Collateral and is, or upon acquisition will be, lawfully seized and possessed of a good and marketable title to the Mortgaged Property and the Collateral and every part thereof and has, or upon acquisition will have, the right to convey the same; that the Mortgaged Property and the Collateral is, or upon acquisition will be, unencumbered except for the Permitted Encumbrances and that the Service Party will forever warrant and defend the title to the Mortgaged Property and the Collateral to the Corporation against the claims of all persons whomsoever, subject only to Permitted Encumbrances. Permitted Encumbrances shall have the meaning given in the Indenture.

2.2 Payment and Performance of the Note, Loan Agreement, and Mortgage and Security Agreement. The Service Party shall pay all sums, including interest and premiums, secured hereby when due as provided in the Note and all other sums required to be paid under this Mortgage and Security Agreement, the Loan Agreement and any other instruments by the Service Party securing payment of the Note. The Service Party shall further observe, keep and perform all of the covenants, provisions, terms and conditions of the Security Documents to be observed, kept, and performed by the Service Party. All of such covenants, terms, provisions, and conditions of the Security Documents are incorporated by reference in this Mortgage and Security Agreement and are made a part of the same as if fully set forth herein.

2.3 Further Instruments. The Service Party shall execute and deliver to the Corporation, upon demand, in such form as the Corporation shall reasonably require, any further instrument or instruments, including, but not limited to, deeds of trust, mortgages, security agreements, financing statements, assignments, notices of extension, or renewal or substitution notes necessary to reaffirm, correct or perfect the evidence of the obligations hereby secured and the security title and lien of the Corporation to all or any part of the Mortgaged Property and the Collateral intended to be given or conveyed hereunder or under the Loan Agreement, whether now given or conveyed, later substituted for, or acquired subsequent to the date of this Mortgage and Security Agreement, including, but not limited to the Package Treatment Plant to be included in Phase C, and any easements assigned in any amendment or supplement to the Assignment of Easements.

2.4 Security Interest. This Mortgage and Security Agreement constitutes an obligation incurred for the construction of an improve-

ment on land and is intended to be and shall constitute a security agreement (in addition to and not in lieu of the Loan Agreement) pursuant to the Alabama Uniform Commercial Code with respect to any equipment forming a part of the Project (the "Project Equipment"), the Fixtures, and all items and types of tangible or intangible personal property, accounts, general intangibles and other rights included in the Mortgaged Property and the Collateral. The Service Party hereby grants to the Corporation a continuing security interest in the Project Equipment, the Fixtures, the Collateral, and all such other personal property, accounts, general intangibles and other rights. With respect to the Fixtures, this Mortgage and Security Agreement shall constitute a financing statement filed as a fixture filing. **THE MORTGAGED PROPERTY AND THE COLLATERAL ARE OR INCLUDE FIXTURES.** The security interest in the Fixtures granted herein shall be in addition to and not in lieu of any lien upon or security title in the Fixtures or the Collateral acquired by real estate law or the Act. The Service Party agrees to execute and deliver to the Corporation, upon the Corporation's request, financing statements and continuations and amendments thereof in such form as the Corporation may require to perfect the security interest granted herein. The Corporation shall have, in addition to all other rights and remedies given by this Mortgage and Security Agreement and otherwise allowed by law, the rights and remedies of a secured party under the Alabama Uniform Commercial Code, and upon the occurrence of an Event of Default (as hereinafter defined) under this Mortgage and Security Agreement, the Corporation shall be entitled to exercise all rights and remedies of a secured party under the Alabama Uniform Commercial Code and may proceed as to the Project Equipment, the Fixtures and any other items of personal property, accounts, general intangibles and other rights included in the Mortgaged Property or the Collateral in the manner provided therein or in the manner provided herein for the real property. Any item of the Mortgaged Property or the Collateral acquired by the Service Party after the date hereof, which by the terms hereof is required or intended to be subjected to the lien and security interest of this Mortgage and Security Agreement shall, immediately upon the acquisition thereof and without further grant, conveyance or assignment, become subject to such lien and security interest as fully as though now owned by the Service Party and specifically described herein. Notwithstanding the foregoing, the Service Party will do all such further acts and execute all such further instruments with respect to each such item of the Mortgaged Property or the Collateral as may be requested by the Corporation to protect and preserve such lien and security interest.

2.5 Consent to Assignment to the Trustee. The Service Party acknowledges and consents to the transfer of the Corporation's rights hereunder to the Trustee and agrees that the Trustee and, subject to the provisions of the Indenture, the Bondholders and the Bond Insurer, shall have the sole right to enforce, either acting with the Corporation or acting alone, the rights, remedies and privileges granted to the Corporation hereunder.

SECTION 3

Events of Default

The occurrence of any of the following events shall constitute a default under the terms of this Mortgage and Security Agreement (hereinafter "Event of Default").

3.1 **Default Under Loan Agreement.** The occurrence of a "Loan Agreement Default" as defined in the Loan Agreement.

3.2 **Default Under Indenture.** The occurrence of an "Event of Default" as defined in the Indenture.

SECTION 4

Rights and Remedies of the Corporation

4.1 **Exercise of Remedies.** Upon the occurrence of an Event of Default and until payment in full of all sums owed by the Service Party to the Corporation, the Corporation shall, subject to Section 2.5 hereof, be entitled to exercise all of the rights and remedies provided herein, in the Loan Agreement, the Indenture or as otherwise provided by law, including, but without limitation, the power of sale, and the right in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any other security, in its own name or in the name of the Service Party, to sue for or otherwise collect the collateral, whether past due and payable or to become due and payable, to demand, receive and enforce payment thereof, to give receipts, releases and satisfactions therefor, and to apply the same, less costs and expenses of operation and collections, as provided in the Loan Agreement or the Indenture, in such order as the Corporation may determine.

4.2 **Foreclosure.** This Mortgage and Security Agreement shall be subject to foreclosure and may be foreclosed as now provided by law in case of past due mortgages, and the Mortgagee shall be authorized, at its option, whether or not possession of the property is taken, after giving notice by publication once a week for three consecutive weeks of the time, place and terms of each such sale by publication in some newspaper published in Shelby County, Alabama, to sell the property (or such part or parts thereof as the Mortgagee may from time to time elect to sell) in front of the courthouse door of such county, at public outcry, to the highest bidder for cash. The Mortgagee, its successors and assigns, may bid at any sale or sales had under the terms of this Mortgage and Security Agreement and may purchase the property, or any part thereof, if the highest bidder

therefor. The purchaser at any such sale or sales shall be under no obligation to see to the proper application of the purchase money.

4.3 No Remedy Exclusive. Subject to the provisions of Section 4.2 of the Loan Agreement, no remedy of the Corporation or the Trustee under this Mortgage and Security Agreement or under the Loan Agreement or the Indenture is intended to be exclusive of any remedy now or hereafter existing at law or in equity or by statute or under this Mortgage and Security Agreement or the Loan Agreement or the Indenture. No delay or omission of the Trustee or the Corporation to exercise any right or power accruing upon an Event of Default shall impair such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein. Every power or remedy given by this Mortgage and Security Agreement to the Corporation may be exercised from time to time as often as may be deemed expedient by the Trustee or the Corporation. The Service Party hereby waives any and all rights to require a marshalling of assets in connection with the exercise of any remedies provided herein or as permitted by law.

SECTION 5

Miscellaneous

5.1 Notices. All notices, approvals, consents, requests and other communications hereunder shall be made in writing and shall be deemed to have been given when delivered or on the third day following the day on which mailed by first class, registered or certified mail, postage prepaid, addressed as provided in the Loan Agreement or the Indenture.

5.2 Applicable Law. This Mortgage and Security Agreement shall be governed by the applicable laws of the State of Alabama.

5.3 Severability. In the event any provision of this Mortgage and Security Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

5.4 Execution in Counterparts. This Mortgage and Security Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

5.5 Supplements and Amendments to this Mortgage and Security Agreement. Subsequent to the issuance of the Bonds and prior to the payment in full of the Bonds, this Mortgage and Security Agreement and

any amendments thereof and supplements thereto may not be effectively supplemented, amended, changed, modified, altered, assigned or terminated without the written consent of the Corporation, the Service Party and the Trustee.

5.6 Successors and Assigns. This Mortgage and Security Agreement shall be binding upon and inure to the benefit of the parties hereto, the Trustee, the Bondholders, and the Bond Insurer, and their respective successors and assigns.

IN WITNESS WHEREOF, the Service Party has caused this Mortgage and Security Agreement to be executed in its name and its corporate seal to be affixed and attested by its duly authorized officers, all as of the date first above written.

PARSONS PELHAM ASSOCIATES
a California Limited Partnership

By Parsons Municipal Services, Inc.
its General Partner

By: _____

K. P. Barney, Jr.
Its President

ATTEST:

[Corporate Seal]

**Exhibit A
to Alabama Form UCC-1**

All general intangibles, accounts, and all other funds, amounts and payments to which the Debtor may be entitled in connection with the ownership, operation and disposition of the property and facilities described in the attached Exhibit B, including without limitation, the Collateral and the Mortgaged Property described in Exhibit B.

**04/25/1992-5934
02:23 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
012 MCD 24.00**