

This instrument was prepared by:
Bobby C. Underwood, Esquire
Bradley, Arant, Rose & White
1400 Park Place Tower
Birmingham, Alabama 35203

AGREEMENT OF ASSIGNMENT AND ASSUMPTION AND OTHER MATTERS

THIS AGREEMENT OF ASSIGNMENT AND ASSUMPTION AND OTHER MATTERS (this "Agreement") is made as of the 9th day of November, 1992, by and among PARSONS PELHAM ASSOCIATES, a California limited partnership ("PPA"); the CITY OF PELHAM, ALABAMA, a municipal corporation under the laws of the State of Alabama (the "City"); and THE GOVERNMENTAL UTILITY SERVICES CORPORATION OF THE CITY OF PELHAM, a public corporation under the laws of the State of Alabama (the "Corporation").

RECITALS:

PPA, the City and the Corporation are parties to that certain Service Agreement (the "Service Agreement") dated as of December 1, 1985, pursuant to which the Corporation hired PPA to design, construct and own the Facility and (through that certain Operation and Management Agreement with Engineering - Science, Inc., doing business in Alabama as ES Alabama Operations, Inc.) to maintain and operate the Facility and the Existing Plant. (Initially capitalized terms used and not otherwise defined herein shall have the same meaning as given them in the Service Agreement.) (The Facility and the Existing Facility are sometimes hereinafter referred to collectively as the "Sewer System.")

The Sewer System is located on that certain parcel of real estate (the "Site") located in Shelby County, Alabama, and more particularly described on Exhibit A attached hereto and made a part hereof. The City owns the Site and the Existing Facility, which it leases to PPA pursuant to that certain Ground Lease (with respect to the Site) dated as of December 1, 1985 and recorded in Real Book 53, page 233, of the Probate Office of Shelby County, Alabama (the "Ground Lease") and that certain Existing Plant Lease (with respect to the Existing Facility), dated as of December 1, 1985 and recorded in Real Book 53, page 2471, of said Probate Office (the "Existing Plant Lease").

PPA designed and constructed the Facility with funds advanced by the Corporation, which loan was secured by that certain Mortgage and Security Agreement (the "Mortgage") dated as of December 1, 1985, as recorded in Real Book 53, page 261, of said Probate Office, and related security documents (the Mortgage and related security

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documents being hereinafter sometimes referred to collectively as the "Security Documents"), which Security Documents pledged PPA's interests in, among other collateral, the Ground Lease, the Existing Plant Lease and the Facility. To raise the funds loaned to PPA, the Corporation issued its \$16,000,000.00 Wastewater Treatment Collection and Revenue Bonds, Series 1985, dated as of December 1, 1985, pursuant to the provisions of that certain Trust Indenture (the "Indenture") from the Corporation to AmSouth Bank, N.A. (the "Trustee"), as recorded in Real Book 53, page 232, of the aforesaid Probate Office, in which Indenture the Corporation pledged its interests in, among other collateral, the Security Documents.

The City now desires to acquire the Sewer System from PPA and the Corporation by making provision for the payment of the Bonds, and PPA and the Corporation desire to transfer and convey the Sewer System to the City in consideration of said payment.

In order to effect the foregoing recited intent of the parties, the City has heretofore made provision with the Trustee, pursuant to that certain Escrow Trust Agreement dated as of November 1, 1992, for payment of all the remaining outstanding Bonds; and the parties desire to enter into this Agreement in order to effect a termination of the Service Agreement, the Ground Lease and the Existing Plant Lease and to memorialize certain other actions and agreements taken or being taken to effect the conveyance of the Sewer System to the City.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Conveyance by the Corporation. The Corporation shall, simultaneously with its execution and delivery of this Agreement, convey to the City all right, title and interest of the Corporation in and to the Sewer System and all other properties described in and covered by the Indenture, which conveyance shall be in form substantially the same as the Indenture and Conveyance attached hereto as Exhibit B.

Section 2. Satisfaction of Liens. The Corporation shall cause the Trustee to satisfy and release the Indenture and any related UCC filings of record, and the Corporation shall satisfy and release the Mortgage and any related UCC filings of record, in each instance by timely recording in proper form of a Full Satisfaction of Recorded Lien and a UCC Termination Statement.

Section 3. Conveyance by PPA. PPA shall convey to the City all its right, title and interest in and to the Facility, by Quitclaim Deed (with respect to the real estate) in form substantially the same as that attached hereto as Exhibit C, and by Bill of

Sale (with respect to personal property) in form substantially the same as that attached hereto as Exhibit D.

Section 4. Termination of Lease Agreements. PPA and the City agree that the terms of each of the Ground Lease and the Existing Plant Lease (collectively, the "Leases") shall be deemed to expire as of the date of this Agreement and that said Leases have, and are hereby, terminated. PPA and the City further agree that PPA shall deliver possession of the leased premises and of the Facility to the City as provided in Section 5 below.

Section 5. Termination of Service Agreement. PPA, the Corporation and the City agree that, anything therein to the contrary notwithstanding, the termination date of the Service Agreement shall be deemed to be 12:30 P.M., November 19, 1992 (the "Turnover Time"), at which time the Service Agreement shall terminate. PPA and the City agree that PPA shall (or shall cause Engineering-Science, Inc.) to turn over to the City, and the City shall assume operation and maintenance of the Sewer System at the Turnover Time, all without interruption in operation or service of said Sewer System.

Section 6. Assignment of Easements. PPA hereby assigns, transfers and conveys to the City all of the right, title and interest of PPA in and to any and all easements and rights-of-way appurtenant to the Site or the Sewer System and any collection, treatment or discharge lines or systems associated therewith, including without limitation those easements heretofore assigned to PPA by the City pursuant to that certain Assignment of Easements dated as of December 1, 1985, and any and all easements or rights-of-way acquired by PPA in the construction, installation or operation of the Sewer System or any part thereof.

Section 7. Assignment and Assumption of Permits, Licenses, Consents and Authorizations. PPA hereby assigns, transfers and conveys to the City, to the extent same are transferrable, and the City hereby assumes from PPA, all permits, licenses, consents and authorizations relating to the ownership or operation of the Sewer System.

Section 8. Representations and Warranties.

(a) The City represents and warrants that it (i) is a municipal corporation duly organized under the laws of the State of Alabama, (ii) has the power to enter into, and discharge its obligations under, this Agreement and the other agreements and transactions contemplated hereby, (iii) has made provision as hereinabove recited for payment of the Bonds, and (iv) has by proper action executed and delivered this Agreement.

(b) The Corporation represents and warrants that it (i) is a public corporation duly organized under the laws of the State of Alabama, (ii) has the power to enter into, and to discharge its obligations under, this Agreement

and the other agreements and transactions contemplated hereby, and (iii) has by proper action executed and delivered this Agreement and the other agreements herein contemplated.

(c) PPA and its general partner, Parsons/Municipal Services, Inc. ("Parsons"), represent and warrant that (i) PPA is a limited partnership duly organized, validly existing and in good standing under the laws of the State of California; (ii) Parsons is a corporation duly organized, validly existing and in good standing under the laws of the State of California; (iii) each of PPA and Parsons has the power to enter into, and to discharge its obligations under, this Agreement and the other agreements and transactions contemplated hereby; (iv) Parsons, in its capacity as said general partner, has by proper action of Parsons and PPA executed and delivered this Agreement and the other agreements herein contemplated.

(d) PPA further represents and warrants that (i) all sums due and payable to PPA by the City or the Corporation (or by PPA to Engineering-Science, Inc. under the Operation and Management Agreement) have been paid and no further or additional monies are payable or shall hereafter be payable to PPA or Engineering - Science, Inc. by the City or the Corporation under or on account of the Service Agreement or the Leases or otherwise in connection with the Sewer System; (ii) all permits, licenses, consents and authorizations necessary to operate the Sewer System have been obtained, are current and have been transferred to the City or will be so transferred pursuant to Section 9 below; (iii) there are no payments due or to become due to mechanics or materialmen or other third parties with respect to materials furnished to or labor performed on or with respect to the Sewer System or the Site prior to the date hereof, except for any such payments which are not material, delinquent or are being contested; (iv) the Operation and Management Agreement shall terminate simultaneously with the Service Agreement; and (v) neither PPA nor Engineering-Science, Inc. have entered into any contracts with respect to the Sewer System which contracts shall survive execution and delivery of this Agreement.

Section 9. Further Assurances. PPA and the Corporation agree to cooperate with the City, and to execute and deliver such further documents and instruments, and to take such further actions, as may be necessary or appropriate from time to time hereafter to effect the intention of the parties as herein reflected or to perfect the City's title in and to the Sewer System.

Section 10. Counterparts. This Agreement may be executed simultaneously and in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 11. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

Section 12. Governing Laws. This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on their behalves by their respective duly authorized officers, all as of the day and year first above written.

PELHAM PARSONS ASSOCIATES

By: Parsons Municipal Services, Inc.

Its General Partner

By: [Signature]

Its President

CITY OF PELHAM

By: [Signature]

Its Mayor

THE GOVERNMENTAL UTILITY SERVICES
CORPORATION OF THE CITY OF PELHAM

By: [Signature]

Its CHAIRMAN

STATE OF California)
Los Angeles COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Paul R. Nade, whose name as President of Parsons Municipal Services, Inc., a California corporation, as general partner of Parsons Pelham Associates, a California limited partnership, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he/she, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation, acting in its capacity as general partner of said partnership as aforesaid.

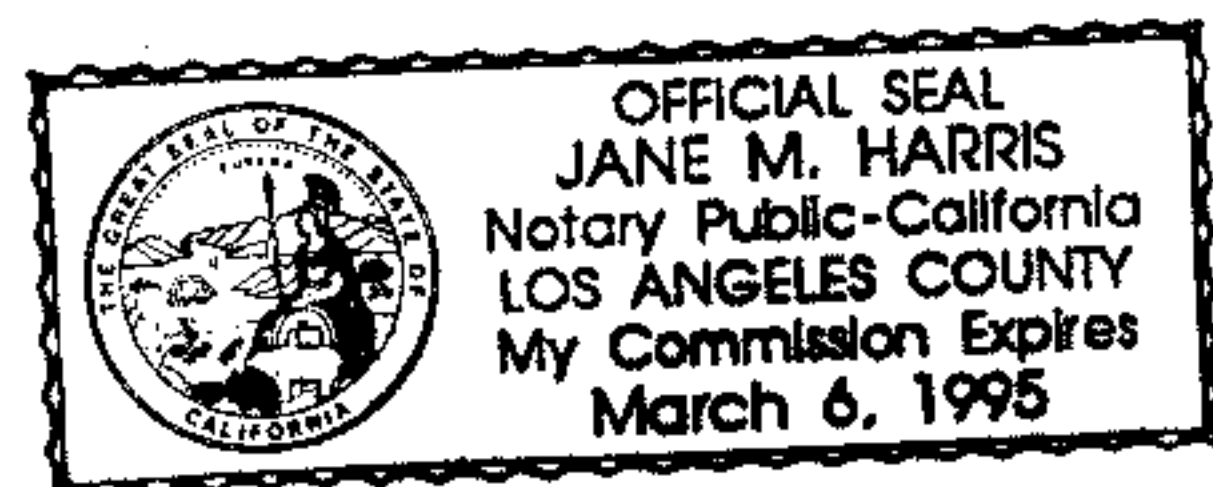
Given under my hand and seal of office this 11th day of November, 1992.

[Signature]
Notary Public

My commission expires: March 6, 1995

[NOTARIAL SEAL]

(acknowledgments continue on page 6)



STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Bobby Hayes, whose name as Mayor of the City of Pelham, Alabama, a municipal corporation 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 instrument, he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this ____ day of November, 1992.

Martha W. Smith
Notary Public
My commission expires: 8/9/96

[NOTARIAL SEAL]

STATE OF ALABAMA)

SHELBY COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Dwight L. Bates, whose name as Chairman of The Governmental Utility Services Corporation of the City of Pelham, a public corporation 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 instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the ____ day of November, 1992.

Martha W. Smith
Notary Public
My Commission expires: 8/9/96

[NOTARIAL SEAL]

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 direction, along the West line of said 1/4-1/4 Section a distance of 536.56 feet to a point on the Northwest right-of-way line of Parker Drive (extended); thence 41 degrees 28 minutes 50 seconds right in a Northeasterly direction along said right-of-way line a distance of 870.82 feet to a point on the Southwest right-of-way line of Seaboard Coast Line Railroad; thence 90 degrees 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 degrees 12 minutes; 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 degrees 48 minutes left, in a Southwesterly direction along the Northwest property line of Weyerhaeuser Company (extended), a distance of 624.42 feet; thence 90 degrees right, in a Northwesterly direction a distance of 110.0 feet to the point of beginning; thence 90 degrees 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 Weyerhaeuser Company, a distance of 593 feet, more or less; thence 90 degrees left, in a Southeasterly direction, a distance of 140.0 feet to the point of beginning.

Situated in Shelby County, Alabama.

EXHIBIT B

Draft of: October 13, 1992

INDENTURE AND CONVEYANCE

from

**THE GOVERNMENTAL UTILITY SERVICES CORPORATION
OF THE CITY OF PELHAM**

to

CITY OF PELHAM, ALABAMA

**Bradley, Arant, Rose & White
1400 Park Place Tower
Birmingham, Alabama**

INDENTURE AND CONVEYANCE from **THE GOVERNMENTAL UTILITY SERVICES CORPORATION OF THE CITY OF PELHAM** (the "Corporation"), a public corporation under the laws of the State of Alabama, to **CITY OF PELHAM, ALABAMA** (the "City"), a municipal corporation under the laws of the State of Alabama.

R E C I T A L S

The Corporation has heretofore issued its \$16,000,000 Wastewater Treatment Collection and Revenue Bonds, Series 1985, dated December 1, 1985 (the "Bonds"), which Bonds were issued pursuant to the provisions of that certain Trust Indenture (the "Indenture"), dated as of December 1, 1985, from the Corporation to AmSouth Bank, National Association (the "Trustee"). The Bonds were issued by the Corporation to provide funds to loan to a private party to pay costs of acquiring and constructing a sanitary sewer system (the "Sewer System") in the City.

The City has determined to acquire the Sewer System by making provision for the payment of those of the Bonds that remain outstanding pursuant to that certain Escrow Trust Agreement dated as of October 1, 1992 (the "Escrow Trust Agreement"), among the City, the Corporation and the Trustee, and depositing into the Escrow Fund amounts sufficient to enable the Trustee to purchase certain direct, general obligations of the United States of America, maturing at such times and in such amounts as, when added to the interest income to be received thereon, will produce cash sufficient in the Escrow Fund to pay all principal of and interest that will hereafter mature on the Bonds and to redeem certain of the Bonds prior to their maturities.

As a result of the provision for the payment of all principal of and interest on the Bonds having been made, the Corporation desires to execute and deliver this Indenture and Conveyance pursuant to which the Corporation will, subject to the conditions hereinafter set forth, convey to the City all right, title and interest of the Corporation in and to the Sewer System.

NOW, THEREFORE, THIS INDENTURE AND CONVEYANCE

W I T N E S S E T H:

In consideration of the City having provided funds to the Corporation to enable the Corporation to make provision for the payment of the principal of and interest on the Bonds, the Corporation does hereby grant, bargain, sell and convey under the City, all right,

title and interest of the Corporation in and to the Sewer System and all other properties described in and covered by the Indenture, subject however:

(a) To the provisions of the Indenture, until such time as the principal of and interest on the Bonds shall have been paid in full;

(b) On the condition that the City shall pay all expenses of the Trustee under the Indenture and the Escrow Trust Agreement until such time as the Bonds shall have been paid in full; and

(c) With the understanding that the Corporation will continue in existence until such time as the Bonds are paid in full, and that it will perform those duties, if any, that under the Indenture it may from time to time be required to perform.

Upon the execution and delivery hereof, the Corporation will cause the Trustee to execute, and file for record in the Office of the Judge of Probate, Shelby County, a Satisfaction of Indenture, releasing the discharging the lien of the Indenture of record. Upon the redemption of the Bonds on December 1, 1995, the Corporation shall stand dissolved in accordance with the provisions of the act under which it was incorporated. The Corporation agrees that it will not hereafter issue any indebtedness under the Indenture.

IN WITNESS WHEREOF, the Corporation has caused these presents to be executed for and in its name and its seal to be hereunto affixed and duly attested by its duly authorized officers, all as of this ____ day of _____, 1992.

**THE GOVERNMENTAL UTILITY CORPORATION
OF THE CITY OF PELHAM**

By _____

Its _____

ATTEST:

By _____

Its _____

STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____ whose name as _____ of **THE GOVERNMENTAL UTILITY CORPORATION OF THE CITY OF PELHAM**, a public corporation under the laws 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 instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this _____ day of _____, 1992.

Notary Public

[NOTARIAL SEAL]

My Commission Expires:

This instrument was prepared by:
Bobby C. Underwood, Esquire
Bradley, Arant, Rose & White
1400 Park Place Tower
Birmingham, Alabama 35203

EXHIBIT C

STATE OF ALABAMA)

QUITCLAIM DEED

SHELBY COUNTY)

KNOW ALL MEN BY THESE PRESENTS, that **PARSONS PELHAM ASSOCIATES**, a California limited partnership ("Grantor"), for and in consideration of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby remise, release, convey and quitclaim unto the **CITY OF PELHAM, ALABAMA**, a municipal corporation under the laws of the State of Alabama ("Grantee"), all of Grantor's right, title and interest in and to that certain parcel of real estate located in Shelby County, Alabama and described on Exhibit A attached hereto and made a part hereof, together with all improvements and fixtures located thereon or attached thereto, and together with easements, leases, rights of way and all other rights and privileges appurtenant thereto.

TO HAVE AND TO HOLD, unto Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, Grantor has caused this conveyance to be executed by its general partner as of the ____ day of November, 1992.

PARSONS PELHAM ASSOCIATES

PELHAM

BY: PARSONS/MUNICIPAL SERVICES, INC.
Its General Partner

BY: _____
Its _____

STATE OF _____)
_____ COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of Parsons/Municipal Services, Inc., a California corporation, as general partner of Parsons Pelham Associates, a California limited partnership, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he/she, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation, acting in its capacity as general partner of said partnership as aforesaid.

Given under my hand and seal of office this ____ day of November, 1992.

[NOTARIAL SEAL]

Notary Public
My commission expires: _____

BILL OF SALE

EXHIBIT D

THIS BILL OF SALE is made and delivered as of the _____ day of November, 1992, by PARSONS PELHAM ASSOCIATES, a California limited partnership (hereinafter referred to as "Seller"), to the CITY OF PELHAM, ALABAMA, a municipal corporation under the laws of the State of Alabama (hereinafter referred to as "Buyer").

KNOW ALL MEN BY THESE PRESENTS, that Seller, in consideration of the payment by Buyer of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, does hereby grant, bargain, sell and convey to Buyer all of Seller's right, title and interest in and to the plant, equipment, generators, pumps, machinery, furniture and furnishings, supplies, vehicles, rolling stock, vehicles, heating, lighting and air conditioning systems and apparatus, appliances, files and records, fixtures and all other personal property located on or used or intended to be used in connection with (i) that certain real estate situated and being in Shelby County, Alabama and more particularly described on Exhibit A hereto or (ii) the waste water treatment plants located thereon and the collection and disposal systems and lines associated therewith, whether or not located on said real estate.

Said personal property is conveyed to Buyer in "AS IS" condition, subject, nevertheless, to Seller's representation and warranty that Seller and its contractor, Engineering-Science, Inc., have fully and faithfully performed their obligations under that certain Service Agreement and Operation and Management Agreement, respectively, each dated as of December 1, 1985.

TO HAVE AND TO HOLD the aforesaid personal property unto Buyer, its successors and assigns, forever.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed on its behalf by its duly authorized General Partner as of the day and year first above written.

PELHAM PARSONS ASSOCIATES

By: ^{Pelham} Parsons/Municipal Services, Inc.
Its General Partner

By: _____ Inst # 1992-27565
Its _____

STATE OF _____)
COUNTY _____)

11/19/1992-27565
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SHELBY COUNTY JUDGE OF PROBATE

I, the undersigned, a Notary Public in and for ^{Pelham} said County, in said State, hereby certify that _____, whose name as _____ of Parsons/Municipal Services, Inc., a California corporation, as general partner of Parsons Pelham Associates, a California limited partnership, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he/she, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation, acting in its capacity as general partner of said partnership as aforesaid.

Given under my hand and seal of office this _____ day of November, 1992.

[NOTARIAL SEAL]

Notary Public
My commission expires: _____