

STATE OF ALABAMA)
)
SHELBY COUNTY)

**CERTIFICATE OF FORMATION OF THE GOVERNMENTAL UTILITY
SERVICES CORPORATION OF THE CITY OF CHELSEA**

The undersigned incorporators, desiring to organize a Governmental Utility Services Corporation, pursuant to Chapter 97 of Title 11 of the Alabama Code of 1975, as amended, do hereby make, sign and file this Certificate of Formation as follows:

**ARTICLE I
INCORPORATORS**

The names of the persons forming this corporation, together with the residence address of each of such incorporators, are as follows:

1. **Jay Jerman**, 100 Crossbrook Trail, Chelsea, Alabama, 35043
2. **Eric Quattlebaum**, 3287 River Birch Trail, Chelsea, Alabama, 35043
3. **Cole Williams**, 108 Liberty Cove, Chelsea, Alabama, 35043

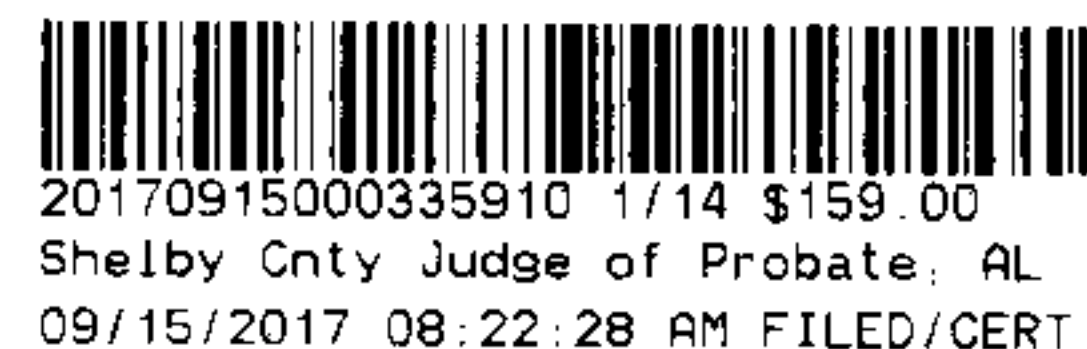
Each of the foregoing incorporators is over the age of twenty-one (21) years and is a duly qualified elector of Chelsea, Alabama.

**ARTICLE II
NAME**

The name of the corporation shall be The Governmental Utility Services Corporation of the City of Chelsea (hereinafter the "Corporation").

**ARTICLE III
DURATION**

The period for the duration of the Corporation shall be perpetual, subject to the provisions of Section 11-97-23 of the Alabama Code of 1975, as the same may be amended from time to time.



ARTICLE IV
DETERMINING SUBDIVISION

The name of the Determining Subdivision is the City of Chelsea, Alabama. On the 7th day of September, 2017, the governing body (City Council) of Chelsea, Alabama, adopted a resolution approving and authorizing the incorporation of the Corporation in accordance with the provisions of Chapter 97 of Title 11 of the Alabama Code of 1975 (hereinafter the "Enabling Law"). A certified copy of such resolution is attached hereto as Exhibit A and made a part hereof. A copy of the application seeking formation of the Corporation as filed with the governing body (City Council) of the City of Chelsea, Alabama is attached hereto as Exhibit B.

ARTICLE V
PRINCIPAL OFFICE

The location of the principal office of the Corporation shall be, 11611 Chelsea, Alabama 35043, Attention: Mayor. Such location is within the boundaries of the City of Chelsea, Alabama.

ARTICLE VI
ORGANIZATION PURSUANT TO ENABLING LAW

The Corporation is organized pursuant to the provisions of Chapter 97 of Title 11 of the Alabama Code of 1975.

ARTICLE VII
BOARD OF DIRECTORS

(a) The Corporation shall be governed by a Board of Directors. All powers of the Corporation shall be vested in and exercised by the Board of Directors or pursuant to its authorization.

(b) The Board of Directors shall consist of three (3) directors, who shall be elected by the City Council for staggered terms, as hereinafter provided:

(i) The City Council shall specify for which term each of the directors of the Corporation is elected.

(ii) The initial term of office of one director shall begin immediately upon his/her election and shall end at 12:01 a.m. on January 1 of the first succeeding odd-numbered calendar year following his/her election.

(iii) The initial term of office of the second director shall begin immediately upon his/her election and shall end at 12:01 a.m. on January 1 of the second succeeding odd-numbered calendar year, following his/her election.

(iv) The initial term of office of the third director shall begin immediately upon his/her election and shall end at 12:01 a.m. on January 1 of the third succeeding odd-numbered calendar year, following his/her election.

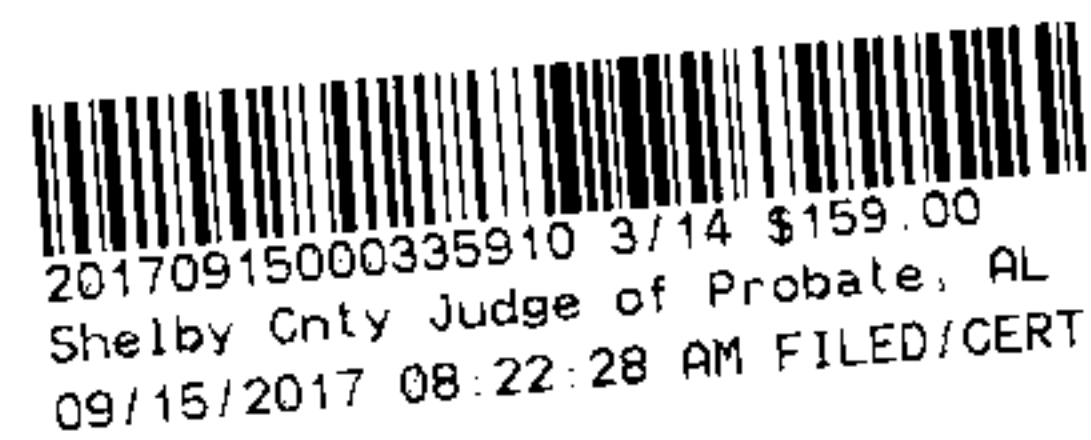
(v) Thereafter, the term of office of each director of the Corporation shall be six years.

(vi) The names and addresses of the initial members of the Board of Directors are as follows:

<u>Name</u>	<u>Address</u>
Jay Jerman	100 Crossbrook Trail, Chelsea, Alabama, 35043
Eric Quattlebaum	3287 River Birch Trail, Chelsea, Alabama, 35043
Cole Williams	108 Liberty Cove, Chelsea, Alabama, 35043

(c) If at any time there should be a vacancy on the Board of Directors, a successor director, to serve for the unexpired term applicable to such vacancy, shall be elected by the Chelsea City Council. If the term of office being served by any director shall expire prior to the election of such director for a new term or prior to the election of his/her successor by the City Council, such director shall continue to serve until his/her successor is elected and qualified. Further, if such director is elected for a new term after the expiration of the immediately preceding term for which he/she has been serving, his/her new term of office shall be deemed to have commenced as of the expiration of such immediately preceding term.

(d) Any member or officer of the Chelsea City Council shall be eligible for election to the Corporation's Board of Directors, and may serve as a member of such board for the term for which he/she is elected, or during his/her tenure as a member or officer of the City Council, whichever expires first. In no event, however, shall any member or officer of the City Council who serves as a member of the Board of Directors of the Corporation receive a fee for his or her services. Further, at no time shall the Board of Directors of the Corporation consist of more than one (1) officer or member of the Chelsea City Council.



(e) Each director of the Corporation shall be a duly qualified elector of Chelsea, Alabama.

(f) Directors shall be eligible for re-election.

(g) Each director shall be reimbursed for expenses actually incurred by him or her in and about the performance of his or her duties as a director. No director shall vote on or participate in the discussion of any matter coming before the Board of Directors in which he/she, his/her immediate family, or any business enterprise with which he/she is associated has any direct or indirect pecuniary interest; provided, however, that when any such matter is brought before the Board of Directors of the Corporation, any director having an interest therein which may be in conflict with his/her obligations as a director shall immediately make a complete disclosure to the Board of Directors of any direct or indirect pecuniary interest he or she may have in such matter, prior to removing himself or herself and withdrawing from the Board's deliberations and vote on the matter presented.

(h) A majority of the directors shall constitute a quorum for the transaction of business. No vacancy in the membership of the Board of Directors, or the voluntary disqualification or abstention of any member thereof, shall impair the right of a quorum to exercise all of the powers and duties of the Corporation.

(i) Any director of the Corporation may be impeached and removed from office in the same manner and on the same grounds provided in Section 175 of the Alabama Constitution of 1901, or any successor provision thereof, and the general laws of the State of Alabama for impeachment and removal of the officers mentioned in said Section 175, or applicable successor provision thereof.

(j) All proceedings of the Board of Directors shall be reduced to writing by the Secretary of the Corporation and shall be maintained in the permanent records of the Corporation. Copies of such proceedings, when certified by the Secretary of the Corporation under the seal of the Corporation, shall be received in all courts as evidence of the matters therein certified.

ARTICLE VIII

OFFICERS

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Shelby Cnty Judge of Probate, AL
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The officers of the Corporation shall consist of a Chairman, a Vice-Chairman, a Secretary, a Treasurer and such other officers as the Board of Directors shall deem necessary or appropriate. The offices of Secretary and Treasurer may, but need not be, held by the same person. The Chairman and Vice-Chairman of the Corporation shall be elected by the Board of Directors from the membership thereof. The Secretary, the Treasurer and any other officers of the Corporation may, but need not be, members of the Board of Directors and shall also be elected by the Board. The Chairman, Vice-Chairman, Secretary and Treasurer of the Corporation shall also be the Chairman, Vice-Chairman, Secretary and Treasurer of the Board of Directors.

ARTICLE IX

PURPOSE AND POWERS

The purpose of the Corporation shall be to construct, purchase own, operate, sell, lease, improve or maintain utility systems and utility lines of all types, together with all related facilities and appurtenances. Notwithstanding the foregoing, all applications by the Corporation for access to or use of any right-of-way in the City of Chelsea shall be filed with and processed by the appropriate Chelsea (or County or State) office or official.

The powers of the Corporation are and shall be those provided by Section 11-97-8 of the Alabama Code of 1975, as the same may be amended from time to time.

ARTICLE X

DISPOSITION OF NET EARNINGS OF CORPORATION

The Corporation shall be a non-profit, public corporation and no part of its net earnings remaining after the payment of its expenses shall inure to the benefit of any private person, except that, in the event the Board of Directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds, and other obligations of the Corporation, then any net earnings of the Corporation thereafter accruing shall be paid to City of Chelsea, Alabama.

ARTICLE XI

DISSOLUTION OF CORPORATION

At any time that the Corporation has no bonds or other obligations outstanding, and when there shall be no other obligations assumed by the Corporation that are then outstanding, the Board of Directors may adopt a resolution, which shall be duly entered upon its minutes, declaring that the Corporation shall be dissolved. Upon filing for record of a certified copy of said

resolution in the Office of the Judge of Probate of Shelby County, Alabama, the Corporation shall thereupon stand dissolved. In the event the Corporation owned any assets or property at the time of its dissolution, the title to all such assets or property shall thereupon vest in the City of Chelsea, Alabama.

ARTICLE XII **STATUTORY CHANGES**

Any and every amendment to the provisions of Sections 11-97-1 through 11-97-27, inclusive, of the Alabama Code of 1975, together with any and every other statute of the State of Alabama hereafter enacted, whereby the rights, powers and privileges of corporations organized under the provisions of Chapter 97 of Title 11 of the Alabama Code of 1975, are increased, diminished or in any way affected, shall apply to this Corporation and shall be binding upon this Corporation to the same extent as if such statute had been in force at the date of the making and filing of this Certificate of Incorporation.

ARTICLE XIII **AMENDMENT**

This Certificate of Formation of the Corporation may be amended in the manner provided in Section 11-97-5 of the Alabama Code of 1975, as the same may be amended from time to time.

IN WITNESS WHEREOF, the undersigned incorporators have hereunto subscribed their signatures to this Certificate of Formation on this the 7 day of September, 2017



J. L. Jerman, II



Eric Quattlebaum



Cole Williams



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STATE OF ALABAMA)
)
SHELBY COUNTY)

Before me, the undersigned notary public in and for said county in said state, personally appeared Jay Jerman, whose name is signed to the foregoing Certificate of Formation and who is known to me, acknowledged before me on this day that (i) he/she is a duly qualified elector of Chelsea, Alabama, and (ii) being informed of the contents of the foregoing Certificate of Incorporation, he/she executed the same voluntarily.

Sworn to and subscribed before me on this the 7th day of September, 2017.

Bucky C. Sanders
Notary Public

[SEAL]

My Commission Expires:
February 17, 2021

STATE OF ALABAMA)
)
SHELBY COUNTY)

Before me, the undersigned notary public in and for said county in said state, personally appeared Eric Quattlebaum, whose name is signed to the foregoing Certificate of Formation and who is known to me, acknowledged before me on this day that (i) he/she is a duly qualified elector of Chelsea, Alabama, and (ii) being informed of the contents of the foregoing Certificate of Incorporation, he/she executed the same voluntarily.

Sworn to and subscribed before me on this the 7th day of September, 2017.

Bucky C. Sanders
Notary Public

[SEAL]

My Commission Expires:
February 17, 2021



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Shelby Cnty Judge of Probate, AL
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STATE OF ALABAMA)
)
SHELBY COUNTY)

Before me, the undersigned notary public in and for said county in said state, personally appeared Cole Williams, whose name is signed to the foregoing Certificate of Formation and who is known to me, acknowledged before me on this day that (i) he/she is a duly qualified elector of Chelsea, Alabama, and (ii) being informed of the contents of the foregoing Certificate of Incorporation, he/she executed the same voluntarily.

Sworn to and subscribed before me on this the 7th day
of September, 2017.

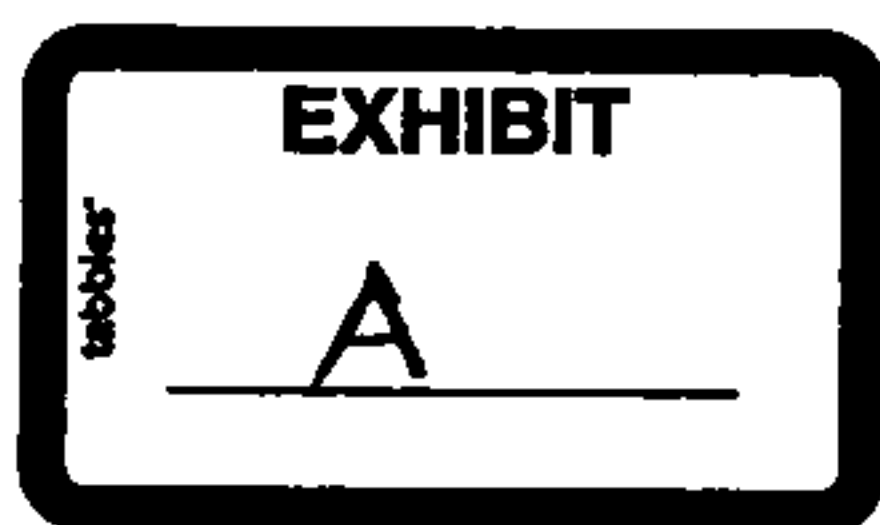
Betty C. Sanders
Notary Public

[SEAL]

My Commission Expires:

My Commission Expires:
February 17, 2021

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CITY OF CHELSEA

RESOLUTION 2017-09-07-640

Resolution to Form a Governmental Utility Services Corporation

WHEREAS, an Application For Authority To form a Governmental Utility Services Corporation has been filed with the City Council of Chelsea, Alabama, a copy of which application is attached hereto as Exhibit "A" and made part and parcel hereof as fully as if set out herein, and

WHEREAS, the formation of a Governmental Utility Services Corporation will provide a legal entity which can offer to current and future residential and business utility customers in Chelsea delivery of improved utility services of a broad spectrum, and will offer an opportunity to positively influence and impact the rates charged for such services and otherwise facilitate the economical and efficient delivery of said services to individuals, families, businesses, and other consumers; and

WHEREAS, the Chelsea City Council, the governing body of Chelsea, Alabama, has reviewed the contents of the aforesaid application and has determined that it is wise, expedient, necessary, and advisable that the proposed corporation be formed;

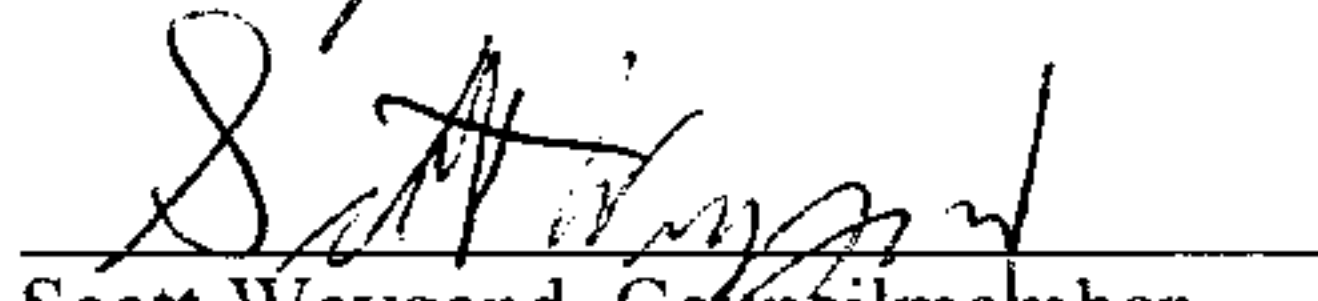
NOW, THEREFORE, BE IT RESOLVED BY THE CHELSEA CITY COUNCIL:

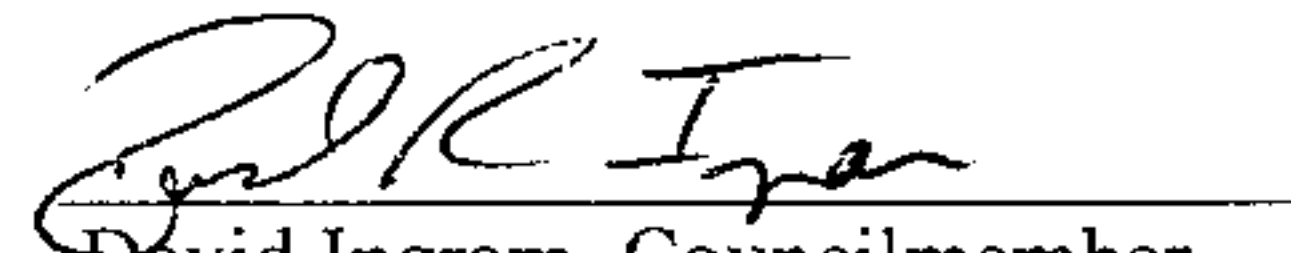
1. That the Chelsea City Council does hereby find and declare that it is wise, expedient, necessary, and advisable that the proposed *The Governmental Utilities Corporation of the City of Chelsea* be formed.
2. That the applicants shown on said Exhibit "A" above referenced are authorized to proceed to form the proposed corporation by the filing for record of the Certificate of Incorporation thereof in accordance with the provisions of Section 11-97-4, Code of Alabama, 1975, as amended.
3. The Board of Directors of said corporation shall consist of three (3) Directors who shall be elected by the Chelsea City Council for staggered terms as herein provided. The initial Board of Directors shall consist of Jay Jerman, whose term of office shall begin immediately and shall end at 12:01 A.M. January 1, 2019; Eric Quattlebaum, whose term of office shall begin immediately and shall end at 12:01 A.M. January 1, 2021; and Cole Williams, whose term of office shall begin immediately and shall end at 12:01 A.M. January 1, 2023; thereafter the term of office of each such Member of the Board of Directors shall be six (6) years as provided by Section 11-97-6, Code of Alabama, 1975, as amended.
4. That the application for the incorporation of The Governmental Utilities Corporation of the City of Chelsea and this Resolution be spread upon and made a permanent part of the Minutes of this meeting of the Chelsea City Council, reflecting the final action upon said application.

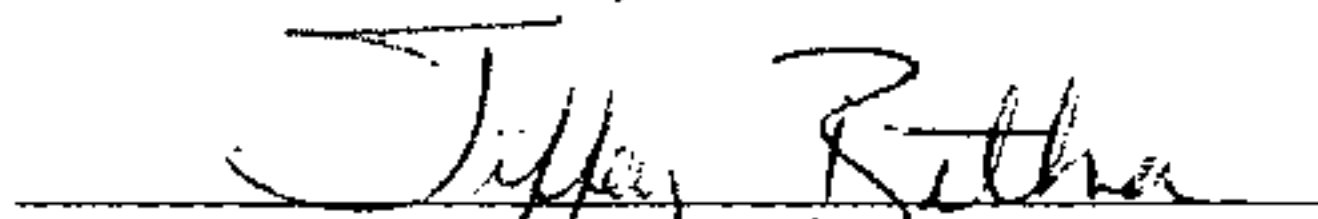
Presented and adopted this the 7th day of September, 2017


Tony Picklesimer, Mayor


Cody Sumners, Councilmember


Scott Weygand, Councilmember


David Ingram, Councilmember

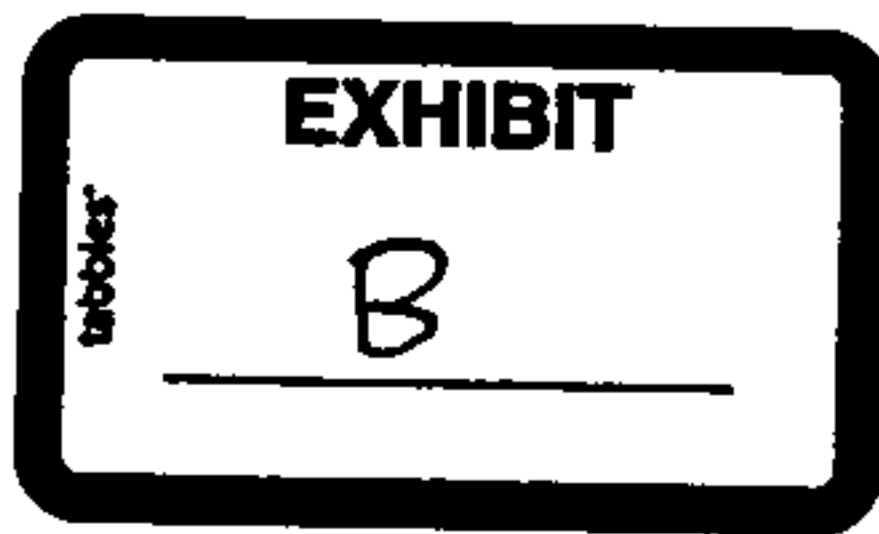

Tiffany Bittner, Councilmember


Casey Morris, Councilmember

I, the undersigned City Clerk of the City of Chelsea, Alabama, do hereby certify that the above and foregoing is a resolution lawfully passed and adopted by the City Council of the City of Chelsea, at a regular meeting of such Council held on the 7th day of September, 2017, and that such resolution is on file in the office of the City Clerk.

Attested by: 
Becky G. Landers, City Clerk


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Shelby Cnty Judge of Probate, AL
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*Received and filed 9-7-17
Becky C. Lyders*

**APPLICATION FOR AUTHORITY TO FORM
A GOVERNMENTAL UTILITY SERVICES CORPORATION
Pursuant to Code of Alabama (1975), §11-97-3**

TO THE GOVERNING BODY OF CITY OF CHELSEA, ALABAMA:

We, the undersigned natural persons, each of whom is a duly qualified elector of Chelsea, Alabama, do hereby make this application, in writing, seeking authority to incorporate a Governmental Utility Services Corporation under the provisions of Chapter 97 of Title 11 of the Alabama Code of 1975, as amended. Pursuant thereto, we file this application as follows:

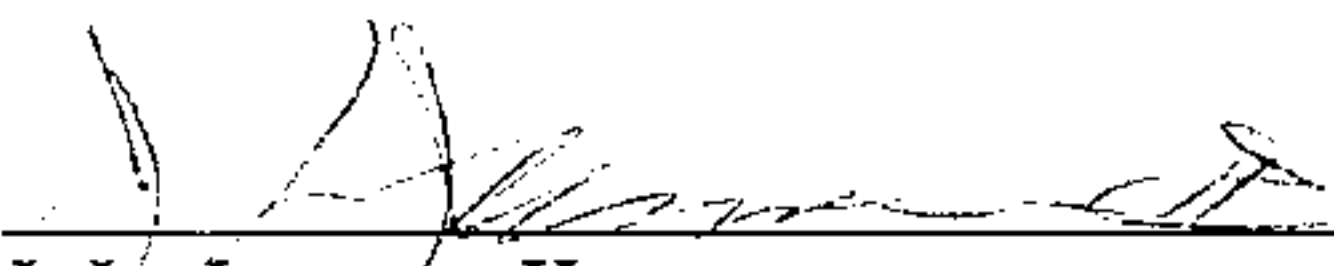
1. The undersigned applicants propose to incorporate a Governmental Utility Services Corporation pursuant to Alabama Code (1975), §11-97-1, *et seq.*

2. The proposed location of the principal office of the corporation shall be 11611 Chelsea Road, Chelsea, Alabama 35043.

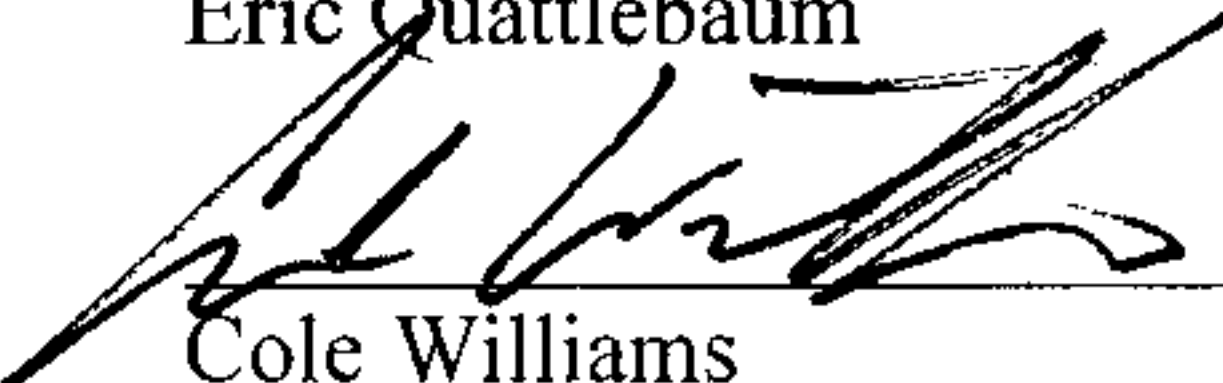
3. Each of the undersigned applicants is a duly qualified elector of Chelsea, Alabama.

4. The undersigned applicants hereby request that the Chelsea City Council adopt a resolution declaring that it is wise, expedient, necessary and advisable that the proposed Governmental Utility Services Corporation be formed, and authorizing the undersigned applicants to proceed to form the proposed corporation by the filing for record of a Certificate of Incorporation (in the form attached hereto as Exhibit A), in accordance with the requirements of Section 11-97-4 of the Alabama Code of 1975.

IN WITNESS WHEREOF, we, the undersigned applicants, have signed this Application for Authority to Form a Governmental Utility Services Corporation on this the 7th day of September, 2017.


J. L. Jerman, II


Eric Quattlebaum


Cole Williams


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Shelby Cnty Judge of Probate: AL
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STATE OF ALABAMA)
:
SHELBY COUNTY)

Before me, the undersigned notary public in and for said county in said state, personally appeared Jay Jerman, whose name is signed to the foregoing Application for Authority to Form a Governmental Utility Services Corporation and who is known to me, acknowledged before me on this day that (i) he/she is a duly qualified elector of Chelsea, Alabama, and (ii) being informed of the contents of the foregoing Application, he/she executed the same voluntarily.

Sworn to and subscribed before me on this the 7th day of September, 2017.

Bucky C. Sanders
Notary Public

[SEAL]

My Commission Expires:

~~My Commission Expires:~~
February 17, 2021

STATE OF ALABAMA)
:
SHELBY COUNTY)

Before me, the undersigned notary public in and for said county in said state, personally appeared Eric Quattlebaum, whose name is signed to the foregoing Application for Authority to Form a Governmental Utility Services Corporation and who is known to me, acknowledged before me on this day that (i) he/she is a duly qualified elector of Chelsea, Alabama, and (ii) being informed of the contents of the foregoing Application, he/she executed the same voluntarily.

Sworn to and subscribed before me on this the 7th day of September, 2017.

Bucky C. Sanders
Notary Public

[SEAL]

My Commission Expires:

~~My Commission Expires:~~
February 17, 2021


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Shelby Cnty Judge of Probate, AL
09/15/2017 08:22:28 AM FILED/CERT

STATE OF ALABAMA)
:
SHELBY COUNTY)

Before me, the undersigned notary public in and for said county in said state, personally appeared Cole Williams, whose name is signed to the foregoing Application for Authority to Form a Governmental Utility Services Corporation and who is known to me, acknowledged before me on this day that (i) he/she is a duly qualified elector of Chelsea, Alabama, and (ii) being informed of the contents of the foregoing Application, he/she executed the same voluntarily.

Sworn to and subscribed before me on this the 7th day of September, 2017.

Bucky C. Sanders
Notary Public

[SEAL]

My Commission Expires:

~~My Commission Expires:~~
~~February 17, 2021~~

My Commission Expires:
February 17, 2021

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Shelby Cnty Judge of Probate: AL
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John H. Merrill
Secretary of State

P.O. Box 5616
Montgomery, AL 36103-5616

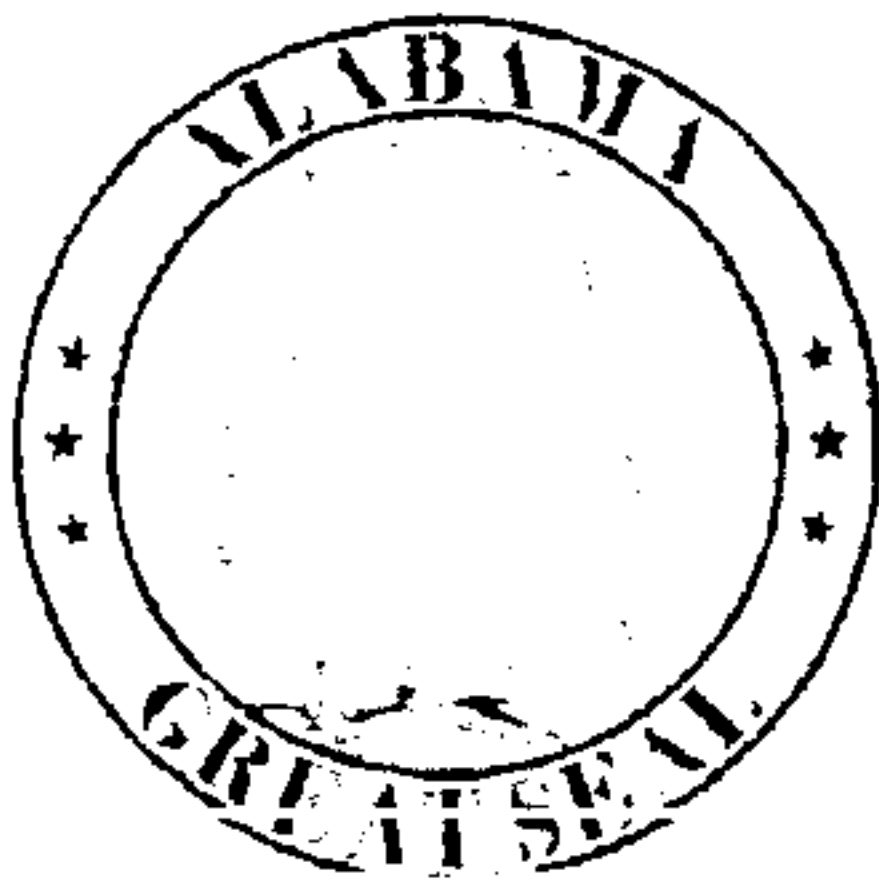
STATE OF ALABAMA

I, John H. Merrill, Secretary of State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that

pursuant to the provisions of Title 10A, Chapter 1, Article 5, Code of Alabama 1975, and upon an examination of the entity records on file in this office, the following entity name is reserved as available:

The Governmental Utility Services Corporation of the City of Chelsea

This name reservation is for the exclusive use of Terry McElheny, 1130 22nd Street South, Suite 4000, Birmingham, AL 35205 for a period of one year beginning September 13, 2017 and expiring September 13, 2018



RES771516

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the city of Montgomery, on this day.

September 13, 2017

Date

A handwritten signature in black ink, appearing to read "J. H. Merrill".

John H. Merrill

Secretary of State

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Shelby Cnty Judge of Probate, AL
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