

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, desiring to associate ourselves together, not for pecuniary profit in the sense of paying interest or dividends on stock, but for mutual benefit through the application of co-operation, do hereby file this declaration in writing to become a body corporate under the provisions of Title 10, Section 168, of the Code of Alabama of 1940:

ARTICLE I

Name of Corporation: The name of the corporation shall be "SPANISH FORT WATER SYSTEM"

ARTICLE II

Purposes of the Corporation: The purposes for which this corporation is formed are:

- a. To own, by purchase or otherwise, lease, rent or in any other manner lawfully acquire, and to sell, rent, lease or assign to any other person, firm, corporation, county or municipality, pipelines and mains, for the transportation, delivery, distribution and sale of water; and to construct, build, maintain, and operate a water system or systems for the supplying of water for domestic, commercial, agricultural, industrial and other purposes to its members, and for the sale of any surplus water remaining after the needs of its members have been satisfied and met to individuals, firms, corporations, counties or municipalities; and to engage in any activity related to the ownership, purchase or other acquisition of pipelines and mains and the water system or systems including but not being limited to, the acquisition of water by appropriation, drilling, pumping or purchase, and the ownership or other acquisition or disposition of such property, real, personal or mixed,

BOOK ULS PAGE 221

including wells, pumps, pumping equipment, water mains, pipelines, valves, meters and all other equipment necessary to the construction, maintenance and operation of a water system or systems and necessary to the conduct of any of the business of this corporation and not contrary to the law of the State of Alabama.

b. To borrow money from any source, and, from time to time, make, accept, endorse, execute and issue bonds, debentures, promissory notes, bills of exchange, or other obligations of the corporation for moneys borrowed or in payment for property acquired or for any of the other objects or purposes of the corporation or its business, and to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other instrument of trust, or by other lien upon, assignment of, or agreements in regard to, all or any part of the property, rights or pledges of the corporation wherever situated, whether now owned or hereafter to be acquired.

c. To purchase, or otherwise acquire, and to hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of shares of the capital stock in bonds, debentures, or other evidences of indebtedness created by any other corporation or corporations or association engaged in any related activity, and while the holder thereof, to exercise all the rights, privileges of ownership, including the right to vote thereon.

d. To join or consolidate with, and to enter into agreements and cooperative relations not in contravention of the law with, any persons, firms, associations or corporations, governmental, municipal, or otherwise, in connection with carrying out all or any part of the purposes of this corporation.

e. To establish reserves and to invest the funds thereof in stocks, bonds and other property as the Board of Directors may, in their judgment, deem satisfactory.

f. To make charges for services and to levy assessments in such manner and in such amount or amounts as may be provided in

the by-laws of this corporation.

g. To have and exercise all powers, privileges and rights conferred on corporations by the laws of the State of Alabama, including, but not being limited to, the provisions of Title 10, Section 168 of the Code of Alabama of 1940, together with all powers and rights incidental in carrying out the purposes for which this corporation is formed, except such as are inconsistent with the express provisions of the act under which this corporation is formed; and subject to all limitations, restrictions and conditions imposed upon corporations by the laws of the State of Alabama.

h. To sell, lease, exchange, mortgage, pledge, or make other disposition of all, or substantially all, the property and assets, with or without the good will, of the corporation, including shares of any other corporation, domestic or foreign, as may be authorized in the following manner:

(1) The board of directors shall adopt a resolution recommending such sale, lease, exchange, mortgage, pledge, or other disposition and directing the submission thereof to a vote at a meeting of members, which may be either an annual or a special meeting.

(2) Written or printed notice shall be given to each member of record entitled to vote at such meeting within the time and in the manner provided for the giving of notice of meeting of members, and, whether the meeting be an annual or a special meeting, shall state that the purpose, or one of the purposes, of such meeting is to consider the proposed sale, lease, exchange, mortgage, pledge or other disposition.

(3) At such meeting the members may authorize such sale, lease, exchange, mortgage, pledge or other disposition and may fix or may authorize the Board of Directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of at least two-thirds of the

BOOK 013 PAGE 223

membership certificates of the corporation.

(4) After such authorization by a vote of members, the Board of Directors nevertheless, in its discretion, may abandon such sale, lease, exchange, mortgage, pledge, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by members.

### ARTICLE III

Principal Place of Business: The principal place of business of the corporation shall be the unincorporated area of Baldwin County, Alabama, that is known as the Spanish Fort Community (Route One, Daphne, Alabama) extending in a generally Eastward direction from the Mobile Bay Causeway to, and including the area known as Shambo Station.

### ARTICLE IV

Period of Duration: The period of existence or duration of this corporation shall be perpetual.

### ARTICLE V

Ownership of Corporation: This corporation shall not have capital stock, but its ownership shall be represented by membership certificates.

### ARTICLE VI

Admission of Members: Under such terms and conditions as may be hereafter prescribed by its by-laws, this corporation shall admit as members such persons, partnerships, corporations, or other legal entities, having a reasonable accessibility to the source of, and who desire to have water and services supplied for domestic, commercial, agricultural, industrial or other uses from the water system constructed, maintained and operated by this corporation. The corporation shall not be required to admit additional

members if the capacity of its water system is exhausted by the needs of its existing members and such other persons to whom it is then or has been supplying water.

#### ARTICLE VII

Liability of Members: The private property of the members of this corporation shall not be subject to the payment of the debts of this corporation to any extent whatsoever.

#### ARTICLE VIII

Names and Addresses of Charter Members: The names and addresses of the persons desiring to become a body corporate as herein are as follows:

<u>NAME:</u>	<u>ADDRESS:</u>
Ford Cook	Route One, Daphne, Alabama
J. B. Shivers	Route One, Daphne, Alabama
T. Lee Whitson	Route One, Daphne, Alabama
Woodrow Wilson	Route One, Daphne, Alabama
William H. Cobb	Route One, Daphne, Alabama
David E. Books	P. O. Box 371 Spanish Fort, Alabama
T. C. Bethea	Route One, Daphne, Alabama
F. L. Burkett	Route One, Daphne, Alabama
B. H. Steele	P. O. Box 336 Spanish Fort, Alabama
H. F. Clark	Route One, Daphne, Alabama
J. A. Jernigan	Route One, Daphne, Alabama
Frank Buzbee	Route One, Daphne, Alabama

and they shall be known as the Charter Members.

IN THE MATTER OF THE DECLARATION OF INCORPORATION OF SPANISH FORT WATER SYSTEM

BEFORE THE HONORABLE L. D. OWEN, JR., JUDGE OF PROBATE OF BALDWIN COUNTY, ALABAMA

ISSUANCE OF CHARTER

The foregoing declaration having been filed with the undersigned as Judge of Probate of Baldwin County, Alabama, in accordance with the terms and provisions of Title 10, Section 168 of the Code of Alabama of 1940; and it appearing to the Court that the persons executing such Declaration of Incorporation desire to associate themselves together together to become a body corporate not for pecuniary profit in the sense of paying interest or dividends on stock, but for mutual benefit through the application of co-operation; and that such persons have filed with the Judge of Probate in the County in which it proposes to establish itself, a declaration in writing, setting out the name of the proposed corporation, the names of the charter members, and the purposes of said corporation; and that the declaration complies, in all respects, with the terms, provisions and requirements of the laws of the State of Alabama; and the undersigned having considered all of the above, is of the opinion that a charter should issue to such corporation; it is, therefore

ORDERED, ADJUDGED and DECREED by the undersigned L. D. Owen, Jr., as Judge of Probate of Baldwin County, Alabama, that the foregoing "Declaration of Incorporation" this day filed in the Office of the Judge of Probate of Baldwin County, Alabama, and recorded in Corporation Record 13 at pages 221-27, be, and the same is hereby, issued as, and declared to be, the Charter of Spanish Fort Water System, as fully and as effectively as if specifically set forth in this order, and said Charter shall be perpetual, subject to the revocation at any time by the Legislature of the State of Alabama.

Done this the 5 day of MARCH, 1964, at Bay Minette, Alabama.

L. D. Owen, Jr.  
Judge of Probate of Baldwin County

BOK  
UJS PAGE 221

ARTICLE IX

Organizational Meeting: Upon the issuance to this corporation of a charter in accordance with the laws of the State of Alabama, the charter members shall hold a meeting for the purpose of organizing the corporation, and shall, at such meeting, adopt by-laws for the conduct of the business and affairs of the corporation, elect from their number a board of directors which shall consist of not less than five (5) members, adopt a seal, and conduct such other business as might properly come before such a meeting.

ARTICLE X

Election of Officers: Following the organizational meeting of the charter members, the board of directors elected at such organizational meeting shall forthwith hold a meeting for the purpose of electing officers of the corporation, adopting rules and regulations for the operation of the business of the corporation and such other business as may properly come before such meeting.

IN WITNESS WHEREOF, we, the incorporators, have hereunto set our hands and seals on this the 3 day of March, 1964.

<u>Ford Cook</u>	<u>[Signature]</u>
<u>J. B. Shiner</u>	<u>[Signature]</u>
<u>J. Lee Whitson</u>	<u>[Signature]</u>
<u>Wardrow Nelson</u>	<u>[Signature]</u>
<u>William H. Cobb</u>	<u>[Signature]</u>
<u>Frank E. Books</u>	<u>Frank Buzbee</u>

BOOK 013 PAGE 226

STATE OF ALABAMA, BALDWIN COUNTY  
Filed 3/5/64  
Recorded 9:15 AM  
221-27  
Cory E. Davis