

AMENDED BY-LAWS  
OF  
SILVER SPRINGS MUTUAL WATER COMPANY

ARTICLE I.

OFFICES

The principal office of the corporation, in the State of Nevada, shall be located at 1315 Lahontan Drive, Silver Springs, in the County of Lyon. The corporation may have such other offices, either within or without the State of Nevada, as the Board of Directors may determine, or as the affairs of the corporation may require from time to time.

The corporation shall have and continuously maintain, in the State of Nevada, a registered office, and a registered agent, whose office is identical with such registered office. The registered office may be, but need not be, identical with the principal office of the State of Nevada, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE IA

CORPORATE EXISTENCE AND NON-PROFIT STATUS

The Company was formed on February 18, 1952 under Articles of Incorporation filed with the Nevada Secretary of State pursuant to the provisions of Nevada Revised Statutes 81.040, et seq., which are Nevada's non-profit corporation statutes. Notwithstanding the change of name of the company and the adoption of the amended by-laws, the company shall continue to be governed by Nevada's non-profit corporation statutes, shall continue to be a non-profit corporation and shall continue to be governed by the Articles of Incorporation, as amended, filed with the Nevada Secretary of State.

## ARTICLE II.

### SERVICE AREA

The water service area for the corporation shall be determined by the Board of Directors which shall comply with all provisions of the law relating thereto, including obtaining the consent or consents of any state agency or other political subdivision which may have the power to approve such matters. In all instances, no expansion of the water service area shall be allowed unless the Corporation has the financial capabilities and water rights to serve such expanded water service area without compromising service to all existing customers.

## ARTICLE III.

### MEMBERS

#### Section 1. CLASSES OF MEMBERS

The corporation shall have one class of members. The designation of such class and the qualifications and the rights of members of such class shall be as follows:

Each and every person owning property (building lot) in the water service area as reported to the Nevada State Division of Water Resources and the Nevada Public Utilities Commission, in the County of Lyon, State of Nevada, shall be entitled to one share of membership in the said corporation.

In the event any entities or individuals own more than one lot in the service area, they shall be limited to one membership total for all lots titled in the same names and in the same legal capacity. In the event the lots are titled differently, the entities and/or individuals shall be entitled to one membership for all lots owned in a different name or legal capacity. For example, if a husband and wife own one lot as husband and wife as joint tenants and one lot as husband and wife as tenants in common, they shall be entitled to two memberships. This example shall be effective as to all owners and as to all types of legal ownership.

## Section 2. VOTING RIGHTS

Members shall be entitled to one (1) vote for each membership, which that member may hold. In the event the membership is held by more than one person or entity (such as husband and wife), they shall still be entitled to only one vote, as there shall not be allowed any partial or fractional votes. A partnerships, corporation, LLC and family trust the holders of the vote shall determine among themselves who shall cast their vote and provide the name and contact information to the Secretary on SSMWC Liaison form #211. If any individual or entity involved with a joint ownership vote present the Secretary of the Corporation with written notice that the holders of the joint vote cannot agree as to who should cast the vote, or cannot agree as to what the vote shall be, then any ballot cast as to such membership shall be null and void.

Tenants shall not be entitled to cast the vote of the owner-member unless the owner-member grants the tenant(s) the right to do so by executing a valid proxy. In the event a sale of a lot in the service area is evidenced by a contract for deed or other similar device whereby legal title does not pass until the final payment is made to the seller, the purchaser shall be entitled to cast the vote of the owner-member upon proof satisfactory to the President of the Corporation that the proposed voter is, in fact, purchasing a lot in the service areas by way of contract for deed, PROVIDED, HOWEVER, if the owner-member wishes to retain the right to vote the membership vote until title actually passes to the purchaser, the owner-member shall so notify the Secretary of the Corporation in writing, in which event the vote shall be cast by the owner-member.

## Section 3. TERMINATION OR WITHDRAWAL

In accordance with certain requirements that cooperative companies must meet for exemption under Section 501 (c) (12) of the Internal Revenue Code of 1954, a member's rights or interests in the corporation will not be subject to forfeiture upon termination or withdrawal.

Section 4. TRANSFER OF MEMBERSHIP

Membership in this corporation shall be transferable upon the sale of any property within the water service area, and the membership appurtenant to said property automatically transferred to the new owner thereof.

Section 5. MEMBERS V. CUSTOMERS

The Company's revenues from sales to non-members shall not exceed 15% of its total revenues.

ARTICLE IV.

MEETING OF MEMBERS

Section 1. ANNUAL MEETING

An annual meeting of the members shall be held at Silver Springs, Nevada on the 3rd Thursday of March each year, at the hour of 4:00 PM for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Nevada, such meeting shall be held on the next succeeding business day.

Section 2. RECORD DATE AND CONDUCT OF MEETINGS

For the purposes of determining the voting members for any annual meeting of the members, the owners of record (or purchasers by way of contract for deed) as of February 1<sup>st</sup> of the year shall be the members for voting purposes. Ownership shall be determined by the assessment records maintained by the Lyon County Treasurer. In the event of a sale after February 1<sup>st</sup> and before the date of the annual meeting, said sale shall not be recognized by the corporation for voting purposes and the seller/member shall be entitled to cast the vote associated with the membership unless a valid proxy appointing another person to cast said vote has been signed and delivered to the intended proxy holder.

The annual meeting shall be presided over by the President of the Corporation. In the event the meeting is not concluded at the time and place set for the annual meeting, it shall be continued to a date

and location (within Silver Springs, Lyon County, Nevada) as announced by the President at the meeting. No other attempt to conclude the annual meeting at a different time or place shall be effective.

Section 3. SPECIAL MEETINGS

Special meeting of the members may be called by the president, the Board of Directors, or not less than one-tenth (1/10<sup>th</sup>) of the members.

Within three (3) days following the receipt of a written request for a special meeting signed by 10% or more of the members (or by their proxy holder), the President shall cause a special meeting to be called and noticed, PROVIDED, HOWEVER, said special meeting shall not be scheduled for a date SOONER than ten (10) days nor later than twenty (20) days after notice is given as required by this section, unless there is an emergency necessitating the meeting in which event the meeting shall be scheduled for as soon after the request is made as possible considering the nature of the emergency.

Section 4. PLACE OF MEETING

The Board of Directors may designate any place within Silver Springs, Lyon County as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting were otherwise called, the place of meeting shall be the registered office of the corporation in the State of Nevada.

Section 5. NOTICE OF MEETING

Written or prior notice stating the place, the date, the hour of any meeting of members shall be delivered to all members, posted in three public places at Silver Springs, Nevada, and published in a newspaper serving the Silver Springs area. A notice sent to all users with their monthly billing shall be sufficient written notice to those members. All notices must be given not less than ten (10) and not more than fifty (50) days before the date of such meeting, by the officer or persons calling the meeting. In case of a special meeting, or one required by the statute or by these by-laws, the purpose or purposes for

which the meeting is called shall be stated in the notice. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address as it appears on the records of the corporation, with postage thereon prepaid.

Section 6. INFORMAL ACTION BY MEMBERS

Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all members entitled to vote with respect to the subject matter thereof.

Section 7. QUORUM

The members holding 10% (ten percent) of the vote, which may be cast at any meeting, shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 8. PROXIES

At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or his duly authorized attorney-in-fact by using SSMWC Proxy Form #210. Proxy forms must be received a minimum of three (3) business days prior to the meeting. No proxy shall be valid after six months from the date of its execution unless the proxy specifically provides for a longer term.

## ARTICLE V.

### DIRECTORS

#### Section 1. GENERAL POWERS

The affairs of the corporation shall be managed by its Board of Directors, the members of which shall be elected by the membership of the corporation. Directors need not be residents of Silver Springs or the State of Nevada, but except for advisory members, shall be members of the corporation.

#### Section 2. NUMBER, TENURE, QUALIFICATIONS, ELECTION

The Board of Directors shall consist of a total of seven members. The seven elected Board members shall serve three-year terms with three positions and then two positions expiring and then two positions expiring then continuing on in the same manner. At the time of the adoption of these by-laws, the current board members will be up for election as follows: three in 2001 and then two in 2002 and then two again in 2003. At the conclusion of their terms, the current board members' successors shall be elected to three-year terms so that at least two of the board members' terms shall expire each year.

At each ANNUAL MEETING, Directors shall be elected by the members of the corporation. The Nomination for Board of Directors will be accepted from members of SSMWC between October 1<sup>st</sup> and December 31<sup>st</sup> of the year preceding the election. The names of nominees will be posted online at silverspringsmwc.com with a short Bio from each. Balloting for candidates will be held at the Annual Membership Meeting in March of the following year. For purposes of Board election, cumulative voting shall not be allowed.

Directors may be removed from their position by a vote of the members at any ANNUAL MEMBERS' MEETING or any SPECIAL MEMBERS' MEETING called and noticed for such purpose. As with all members meetings, the presence of at least 10% of the members (in person and/or by proxy)

will be required to constitute a quorum and a majority of the votes cast on a question of removal shall determine the issue.

**Upon status changes during the term of an elected board member, that board member may elect to complete their term of office.**

Section 3. REGULAR MEETINGS

A regular meeting of the Board of Directors shall be held bimonthly, on the 3<sup>rd</sup> Thursday of the month at 4:00 p.m. at the SSMWC office building, or other location as agreed upon, without other notice than by these by-laws.

The Board of Directors may provide by resolution the time, place, and date, within Silver Springs, Lyon County, Nevada for holding additional regular meetings of the Board without notice than such resolution.

Section 4. SPECIAL MEETINGS

Special meeting for Board of Directors may be called by, or at the request of the President or any two Directors. Persons authorized to call special meetings of the Board may fix any place within Silver Springs, Lyon County, Nevada as a place for holding any special meeting of the Board called by them.

Section 5. NOTICE

Notice of any special meeting of the Board of Directors shall be given at least ten (10) days previously thereto, by written notice delivered personally or sent by mail or Email to each Director at his address as shown by the records of the corporation, If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed. If notice is given by Email, such notice shall be deemed delivered when the Email is sent. A copy of the email with date and time sent shall be made available, upon request of the President of the Board of Directors. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute



a waiver of notice of such meeting, except where a Director attends a meeting for the direct purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The purpose of any special meeting shall be stated specifically in the notice thereof.

#### Section 6. QUORUM

A majority of the elected members of the Board of Directors shall constitute a quorum at any meeting of the Board; but if less than the majority of said elected Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

#### Section 7. MANNER OF ACTING

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, or by these by-laws.

#### Section 8. VACANCIES

Any vacancy occurring in the Board of Directors and any Directorship to be filled by reason of an increase in the number of Directors shall be filled by the Board of Directors. A Director appointed to fill a vacancy shall be appointed until next annual members' meeting, where the position shall be filled by a vote of the members. At the next annual meeting the members shall conduct a special election to elect a replacement Director, which newly elected Director shall only serve the balance of the term of the Director whose position was vacated.

#### Section 9. COMPENSATION

Directors, as such, shall not receive any stated salaries for services. By resolution, the Board of Directors can affix the sum and expenses of attendance, if any may be allowed, for attendance of such regular or special meeting of the Board. Directors may not hold a salaried position with the Corporation (such as the Water Master, Office Secretary, etc.).

## ARTICLE VI.

### OFFICERS

#### Section 1. OFFICERS

The officers of the corporation shall be a President, one or more Vice Presidents (the number thereafter to be determined by the Board of Directors), a Secretary, Treasurer, and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may elect or appoint such other officers, including one or more assistant Secretaries and one or more assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. The same person except the offices of President and Secretary may hold any two or more offices.

#### Section 2. APPOINTMENT AND TERM OF OFFICE

The officers of the corporation shall be appointed annually by the Board of Directors at the first regular meeting of such Board of Directors. If appointment of officers shall not be held at such meeting, such appointments shall be held as soon thereafter as conveniently may be.

#### Section 3. REMOVAL OF OFFICERS

Any officer appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

#### Section 4. VACANCY

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, shall be filled by the Board of Directors.

Section 5. PRESIDENT

The President shall be the principal executive officer of the corporation and shall, in general, supervise and control all the business and affairs of the corporation. He/She shall preside at all meetings of the members and of the Board of Directors. He/She may sign, with the Secretary, or any other appropriate officer of the corporation authorized by the Board of Directors, a deed, mortgages, bonds, contracts, or any other instruments which the Board of Directors have authorized to be executed, except in cases where execution thereof shall be expressly delegated by the Board of Directors or by these by-laws, or by statutes, to some other officer or agent of the corporation; and, in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. VICE PRESIDENT

In the absence of the President or in the event of his/her inability or refusal to act, the Vice President (or in the event there may be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 7. TREASURER

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties, as the Board of Directors shall determine. He/She shall have the charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for money due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such bank, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VII of these by-laws;

and in general perform all duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 8. SECRETARY

The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; and see that all notices are duly given in accordance with the provisions of these by-laws, or as required by law; the custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation shall be affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these by-laws; keep a register of the post office address of each member which shall be furnished to the Secretary by such members; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 9. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES

If required by the Board of Directors, the assistant treasurer shall give bond for the faithful discharge of their duties in such sum and with such sureties as the Board of Directors shall determine. The assistant treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary for by the President or the Board of Directors.

ARTICLE VII.

COMMITTEES

Section 1. COMMITTEES OF DIRECTORS

The Board of Directors, by resolution adopted by the majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committee, to the extent provided in said resolution, shall have and exercise the authority of the Board

of Directors and the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or individual director, of any responsibility imposed upon it or him/her by law.

#### Section 2. OTHER COMMITTEES

Other committees not having and exercising the authority of the Board of Directors and the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present, Except as otherwise provided in such resolution, members of each such committee shall be the members of the corporation and the President of the Corporation shall appoint the members thereof. The President may remove any committee member whenever in their judgment the best interest of the corporation shall be served by such removal.

#### Section 3. TERM OF OFFICE

Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

#### Section 4. CHAIRMAN

One member of each committee shall be appointed by the persons on the committee as chairman.

#### Section 5. VACANCIES

Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointment.

Section 6. QUORUM

Unless otherwise provided in the resolution of the Board of Directors designating the committee, a majority of the whole of the committee shall constitute a quorum and act for the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. RULES

Each committee may adopt rules for its own government not inconsistent with these by-laws or with the rules adopted by the Board of Directors.

ARTICLE VIII.

CONTRACTS, CHECKS, DEPOSITS, AND BONDS

Section 1. CONTRACTS

The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws to enter into any contract or execute or deliver any instrument in the name of or on behalf of the corporation and such authority may be general or confined to specific instances.

Section 2. CHECKS, DRAFTS AND ETC.

All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such a manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. GIFTS

The Board of Directors may accept, on behalf of the corporation any contributions, gifts, bequests, or device for the general purposes or for any special purpose of the corporation.

ARTICLE IX.

BOOKS AND RECORDS

Section 1.

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and the committees having any authority of the Board of Directors, and shall keep at their registered or principal office, a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member or his/her agent or attorney for any purpose at any reasonable time.

ARTICLE X.

FISCAL YEAR

Section 1.

The fiscal year of the corporation shall be from the first day of January and end on the last day of December of each year.

ARTICLE XI.

RULES, REGULATIONS AND TARIFFS

Section 1.

All rules, regulations and tariffs, including hook-up fees shall be discussed with the voting membership at its annual meeting, or any legally convened membership meeting, but the final decision as to any rules, regulations, tariffs, etc. shall be made by the Board of the Directors. Adoption and

enforcement of the Rules and Regulations, and collection of tariffs shall be the responsibility of the Board of Directors in accordance with said rules, regulations and tariffs directive.

## ARTICLE XII.

### AMENDMENTS TO BY-LAWS

#### Section 1.

These amended by-laws may be altered, amended or repealed, and new by-laws may be adopted by the majority of the Directors present at any meeting or at any special meeting, if at least ten (10) days written notice is given of intention to alter, amend, or repeal, or to adopt new by-laws at such meeting. These by-laws may also be amended by the members of the Corporation in the manner provided by law, but only if notice of any proposed amendments is included in any notice of any annual or special meeting of the members called for such purpose.

## ARTICLE XIII.

### SAVINGS OF THE CORPORATION AND EXCESS FUNDS ON HAND

#### AT THE END OF THE YEAR

#### Section 1.

The excess funds on hand at the end of the year may be retained to meet future losses and expenses, or returned to the members as the Board of Directors may determine at a special, or the annual meeting.

#### Section 2.

The savings of the corporation, in accordance with fundamental cooperative and mutual principles, are subject to the rights and interests of the members to be determined in proportion to their business with the organization. The interest of members in the savings of the organization may be



determined in proportion to either the value or the quantity of the services purchased from the organization provided such basis is realistic in terms of actual cost of the services to the organization.

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned Secretary of the Corporation known as the SILVER SPRINGS MUTUAL WATER COMPANY does hereby certify that the above and foregoing by-laws were duly adopted by the Board of Directors of said corporation, as the by-laws of said corporation, on the 16<sup>th</sup> day of November, 2017 and that we do now constitute the by-laws of said corporation.

Clavo David Butler      11/1/18

Secretary

Date

STATE OF NEVADA

COUNTY OF LYON

Signed and sworn to before me by CLAVO DAVID BUTLER

on 11/1/18.

W. Weaver

Notary Public

