

RESTATED BYLAWS OF THE
GARDNERVILLE WATER COMPANY, INC.

A NON-PROFIT CORPORATION

October 2018

ARTICLE I - OFFICES

The principal office of the corporation shall be located in Douglas County, State of Nevada, at 1579 Virginia Ranch Road, Gardnerville, Nevada 89410. The board of directors may from time to time change the principal office from one location to another within the County of Douglas. Any change of this location shall be made by amending this section to reflect the new location.

ARTICLE II - MEMBERS

There shall be one class of members, namely real property owners within the corporation's certificated service area whose property has paid a fee for the use of or is in fact utilizing water service. The ownership of more than one parcel of property does not entitle a member to more than one membership or vote. In the event the property is owned by a corporation, a limited liability company, a general partnership, a limited partnership, a trust, estate or multiple owners, the group or entity is only entitled to one membership.

ARTICLE III – MEMBERS' MEETINGS

1. **ANNUAL MEETING.** The annual meeting of the members shall be held at the principal office on the 2nd Tuesday in the month of January each year at the hour of 5:00 o'clock p.m., for the purpose of transacting such business as may come before the meeting.

2. **SPECIAL MEETINGS.** Special meetings of the members may be called by the president or by the board of directors, and shall be called by the president at the written request of at least ten percent of the members of the corporation entitled to vote at the meeting.

3. PLACE OF MEETING. The board of directors may designate any location as the place for any annual meeting or for any special meeting called by the directors. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the corporation.

4. NOTICE OF MEETINGS. Notice stating the place, day and hour of any special meeting shall be by posting in three conspicuous places within the Town of Gardnerville. Posting will occur not more than fourteen (14) days nor less than three (3) days before the meeting.

5. QUORUM. Ten percent of the members, represented in person or by proxy, shall constitute a quorum at such meeting. If a quorum is not present a majority of the members present may adjourn the meeting from time to time without further notice.

6. PROXIES. At all meetings of members and for all matters requiring a vote of members except election of directors, a member may vote by proxy dated and executed in writing by the member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid for more than two (2) years from its date.

7. VOTING. Each member entitled to vote in accordance with the terms and provisions of the Articles of Incorporation and these bylaws shall be entitled to one vote, in person or by proxy. Questions other than election of directors shall be decided by majority vote of a quorum of members except as otherwise provided by the Articles of Incorporation or the laws of this state.

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8. ORDER OF BUSINESS. The order of business at all meetings of the members shall be as follows:

- A. Roll Call
- B. Receipt and Validation of Proxies
- C. Proof of Notice of Meeting or Waiver of Notice
- D. Reading of Minutes of Preceding Meeting
- E. Report of Directors and Officers
- F. Reports of Committees
- G. Unfinished Business
- H. New Business
- I. Special Reports
- J. Legal Report
- K. Adjournment

The order of business may be changed by the president during the meeting so that the meeting may progress as efficiently as possible.

ARTICLE IV - BOARD OF DIRECTORS

1. GENERAL POWERS. The business and affairs of the corporation shall be managed by its board of directors. The directors shall in all cases act as a board which may adopt such rules and regulations for the conduct of its meetings and management of the corporation as it may deem proper, not inconsistent with these bylaws and the laws of this state. The chairman is a director and may therefore vote on any issue.

2. NUMBER AND QUALIFICATIONS. The number of directors shall be five unless changed by the board of directors to a greater, uneven number. In order to be considered qualified to run for or be seated as a director a candidate must be a real property owner within, and reside within, the corporation's service area and said candidate's fees for water service provided by the corporation must be current. No person who is a voting member of any governmental entity, including, but not limited to, the Douglas County Commission, the Douglas County Planning Commission, or the Town of Gardnerville, is eligible to run for, be seated as, or remain seated as, a director of the corporation. The name of any such person may not be placed on the ballot of any

election for director. In the event a seated director is subsequently elected to or appointed to any such governmental entity, said director shall be deemed to have automatically resigned as director of the Gardnerville Water Company effective upon certification of the other body's election results, or upon said director taking the oath of the office of the governmental entity, whichever first occurs.

3. TERMS OF DIRECTORS. The directors' terms shall be staggered. Directors shall be elected for four year terms. Beginning with the November 1994 election, two director positions shall be voted upon. At the following election the remaining three (3) director positions will be up for election, and so on every other even numbered election year.

4. ELECTION OF DIRECTORS. Beginning with the year 1994, elections will take place on the 1st Tuesday of November during each even numbered year. In the event of any election contest, ballots for the competing candidates shall be delivered to the corporation's primary office during the time frame set forth elsewhere herein. Voting shall be consistent with the membership as defined in Article II. All elections for directors shall be decided by plurality vote. In the event that no candidate on the ballot is opposed on the date candidate applications close, the board may dispense with the voting process and certify the lone candidate as prevailing.

5. CANDIDATES. In order to run for the board a candidate must qualify as set forth above. A candidate may, but need not, provide the information sought within the corporation's Candidate Questionnaire, and may also provide a biography of not more than one hundred words. The responses to the Candidate Questionnaire and the biography may be included on the ballot sent to the members. Those members of the board not up for election will determine whether to include the candidates' biographical information. If anyone candidate's biographical information is deemed inappropriate, no candidate biographies will be provided.

6. ELECTION PROCEDURE AND TIMING. Corporation staff will notify the members of an upcoming election by publication in a local paper no later than the first Wednesday in June of that election cycle, at which time applications will be available. Candidate applications will be accepted beginning the last Friday in June through the close of business on the second Friday in August. Ballots will be mailed to eligible members by the last business day in September. Ballots will be accepted at the corporation's primary office only until 2:00 p.m. on the first Tuesday in November. Only original ballots mailed by the corporation to the members will be accepted; photocopies will be rejected. A director-elect shall be seated as a director at the following annual meeting in January.

7. VOTING. Each member has one vote per open seat. In the event of ownership by other than one natural person, the corporation will accept a vote as instructed in writing delivered to the corporation at least thirty (30) days prior to the election and signed by a majority of the owners or, if no such writing is delivered to the corporation, from the first valid representative or partial owner to cast a vote. Ballots shall be counted by those board members not up for election or as delegated to other employees or members of the corporation or other designated agent.

8. NEWLY CREATED DIRECTORSHIPS AND VACANCIES. In the event of a vacancy, the board will fill the position with a qualified person for the balance of the original term.

9. REGULAR MEETINGS. A regular meeting of the board of directors shall be held without any other notice than provided by these bylaws immediately after, and at the same place as the annual meeting of members. The directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the corporation in the absence of any designation in the resolution.

10. **SPECIAL MEETINGS.** Special meetings of the board of directors may be called by or at the request of the president or any two directors and shall be held at the principal office of the corporation or such other place as the directors may determine.

11. **NOTICE.** Notice of any special meeting of the board of directors shall be given at least three (3) days previously thereto verbally, by email or by written notice delivered personally or sent by mail to each director at his address as shown on the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail on a card or in a sealed envelope so addressed, with postage thereon prepaid. 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 express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

12. **QUORUM.** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board; but if less than a majority of the directors are present, a majority of the directors present may adjourn the meeting from time to time without further notice.

13. **BOARD DECISIONS.** The vote of a 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 bylaws. A resolution proposing to dissolve the corporation, or to sell the corporation in its entirety, may pass only upon the unanimous consent of the directors, and a change to this bylaw reducing this quantum may only be made by the unanimous vote of the directors.

14. **COMPENSATION.** The compensation of the chairman and of the directors may be reviewed and changed at such times as the board may determine and notice. The amount of compensation shall be maintained by the corporation's manager, and shall be divulged upon request of any member. In addition, subject to approval by the board on a case-by-case basis, the directors will be compensated at the hourly rate of \$10.00 for any time spent on corporation matters other than the monthly or annual board or membership meetings. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation for such service.

15. **PRESUMPTION OF ASSENT.** A director who is present at a meeting of the directors at which action on any matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forwards such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

16. **EXECUTIVE AND OTHER COMMITTEES.** The board may by resolution designate from among its members an executive committee and other committees, each consisting of three or more directors. Each such committee shall serve at the direction and pleasure of the board.

ARTICLE V - OFFICERS

1. **OFFICERS.** The officers of the corporation shall be a president, one or more vice-presidents (the number thereof to be determined by the board of directors), a secretary, a 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. Any two or more offices may be held by the same persons, except the offices of president and secretary.

2. ELECTION AND TERM OF OFFICE. The officers shall be elected annually by the board of directors at the regular annual meeting of the board of directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the board of directors. Each officer shall hold office until his successor has been duly elected and qualifies.

3. REMOVAL. Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests 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.

4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.

5. PRESIDENT. The president shall be the executive officer of the corporation and, subject to the control of the directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the members and of the directors. He may sign, with the secretary or any other proper officer thereunto authorized by the directors, any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the directors from

time to time.

6. VICE PRESIDENT. In the absence of the president or in event of his death, inability or refusal to act, the vice president 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. The vice president shall perform such other duties as from time to time may be assigned to him by the president or by the directors.

7. SECRETARY. The secretary shall ensure that the minutes of members and directors meetings are kept in one or more books provided for that purpose; see that all notices are duly given in accordance with provisions of these bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation; keep a register of the post office address of each member which shall be furnished to the secretary by such member; 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 by the president or by the board of directors. These duties may be delegated to an employee of the corporation.

8. TREASURER. The treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever; shall deposit all such monies in the name of the corporation in such banks, trust companies or other depositories which shall be selected in accordance with these bylaws; and shall in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the directors. If required by the directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with surety or sureties as the directors shall determine. These duties may be delegated to an employee of the corporation.

9. INDEMNIFICATION.

A. The corporation shall indemnify all of its members, directors and officers to the fullest extent provided by Nevada law, and the board of directors may additionally enter into such agreements for the indemnification of the corporation's members, directors, and officers as it deems appropriate.

B. No director or officer of the corporation shall be personally liable to the corporation or its members for damages for breach of fiduciary duty as a director or officer except for acts or omissions which include intentional misconduct, fraud or a knowing violation of law.

ARTICLE VI - CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

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 bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or may be confined to specific instances.

2. LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by the board of directors. Such authority may be general or confined to specific instances.

3. CHECKS, DRAFTS, 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 any two officers or an officer and any other agent as designated by resolution of the board of directors.

4. 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.

5. GIFTS. The board of directors may accept on behalf of the corporation any contribution, gift, bequest or devise for any purpose of the corporation.

ARTICLE VII - FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January of each year and continue through the last day of December.

ARTICLE VIII - NEW SERVICE CHARGES

The directors shall have the complete authority to implement service charges and rates for providing water services and any incidental charges thereto by adoption of resolutions. The directors shall also adopt policies and procedures for collection of all rates and charges.

ARTICLE IX - SEAL

The board of directors may adopt and maintain a corporate seal.

ARTICLE X - WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Nevada Revised Statutes pertaining to non-profit organizations, articles of incorporation or bylaws of this corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI - AMENDMENT OF BYLAWS

These bylaws of the corporation may be altered by action of the board of directors or by fifty-one (51%) or more of the members.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

(1) I am the duly elected and acting secretary of the GARDNERVILLE WATER COMPANY, INC. a Nevada non-profit corporation; and

(2) The above bylaws, consisting of twelve (12) pages, including this page, are the bylaws of this corporation as adopted at a meeting of the board of directors held on October 9, 2018.

IN WITNESS WHEREOF, I have hereunto subscribed my name on the _____ day of October, 2018.

Barbara Henningsen- Secretary
Gardnerville Water Company, Inc.