

**BY-LAWS
of the
OYSTER BAY WATER AND SEWER COMPANY, INC.**

**ARTICLE I
NAME, PURPOSE AND LOCATION**

1. The name of the corporation is OYSTER BAY WATER AND SEWER COMPANY, INC. (“the Corporation”). The Corporation is established in the State of Virginia in accordance with Virginia Code Section 13.1-601.
2. The purpose for the Corporation is as defined in the Articles of Incorporation of the Corporation of the Oyster Bay Water and Sewer Company, Inc., which is primarily, but not limited to, providing sewage services, and water services as may be required, for the Oyster Bay II Community, Chincoteague Island, VA.
3. The location of Corporation assets is in the Oyster Bay II Community, Chincoteague, VA. The registered agent and office for the Corporation is Carroll J. Shelton, 5252 Pine Tree Way, Chincoteague, VA 23336 but may be changed by the Board of Directors from time to time.

**ARTICLE II
SHAREHOLDERS AND CUSTOMERS**

2.1 Shareholders

Shareholders are the owners of shares of stock issued by the Corporation. A single Shareholder may own all shares of stock issued by the Corporation. In accordance with the Articles of Incorporation, all 5,000 shares of stock issued by the Oyster Bay Water and Sewer Company, Inc. are owned by the Oyster Bay II Community Property Owners Association. In the case of a single Shareholder, a representative of the Shareholder will be appointed using procedures determined by the single Shareholder.

2.2 Customers

Customers are individual property owners within the Oyster Bay II Community who maintain a connection to Oyster Bay Water and Sewer Company, Inc. service lines and receive sewer service, and water service if provided, from the Corporation and/or are individual property owners within the

Oyster Bay II Community who have been issued a connection permit, whether or not a physical connection has been made. Individuals whose service lines may have been connected to Oyster Bay Water and Sewer Company, Inc. service lines but do not receive service for reasons of having been disconnected, either by request or by delinquent payment action, are not considered customers and are not charged quarterly service fees, however disconnection fees or other fees as determined by the Board may apply.

ARTICLE III

SHAREHOLDER MEETINGS

3.1 Annual Meeting

1. A Shareholder's meeting will be held annually for the purpose of electing directors (the "Directors") of the Corporation and for the purpose of doing other business which may come before the meeting. The date for the annual meeting is established by, and may be changed by, the Board of Directors (the "Board") of the Corporation. Once established or changed Shareholders or the representatives of a sole Shareholder, shall be given not less than ten (10) nor sixty (60) days notice of the date of, or change in date of, the annual meeting.

3.2 Special Meetings

1. Unless otherwise prescribed by statute, special Shareholder meetings may only be called for any purpose or purposes in the following ways:
 - a. By a majority of the Board; or
 - b. By the president of the Corporation (the "President"); or
 - c. By not less than 10 percent of the representatives of the Shareholder entitled to vote, on any issue proposed for the meeting where written requests describing the purpose for the special meeting are signed, dated and delivered to a member of the Board or other Officer of the Corporation.
2. The Board will determine the time, place and date of any special meeting which, unless the special meeting is called by a majority of the Board, will be held with notice given to Shareholders or the representative of a single Shareholder not less than ten (10) days nor more than sixty (60) after the request to call the special meeting is delivered to the Board. Special meetings will be limited to discussing and voting on the items of business identified in the meeting notice.

3.3 Place of Meetings

1. Annual or special Shareholder meetings are to be held in a location local to the Oyster Bay II Community. If emergency circumstances do not permit local meetings, such meetings may be held at any place in or out of the Commonwealth of Virginia at a place to be determined at the discretion of the Board. If an annual meeting is not held during any specific year, Shareholder or a representative of the Shareholder may request in writing to the Chairman of the Board of the Corporation to hold the annual meeting. If a notice is not given within 60 days of that request then any Shareholder or representative of the sole Shareholder entitled to vote at an annual meeting may apply at any court having jurisdiction for an order directing that a meeting be held and fixing a place and time of the meeting.

3.4 Notice of Meetings

1. Written notice of any meeting will be sent to each Shareholder or representative of a single Shareholder entitled to vote at the meeting not less than 10 days or more than 60 days before the date of the meeting. The written notice of the meeting will state the place, time and hour of the meeting, the means of remote communications, if any, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.
2. If mailed, notice is given when the notice is deposited in the United States mail, postage prepaid, and directed to the Shareholders at the address as it appears on the records of the Corporation. An affidavit of the secretary (the "Secretary") of the Corporation that the notice has been given will be prima facie evidence of the facts stated in the notice.

3.5 Consent of Shareholders in Lieu of Meeting

1. Any action to be taken at any annual or special Shareholder's meeting may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing setting forth the action to be taken is signed by a majority of the representatives of the Shareholder. Every written consent will bear the date of the representatives of the Shareholder who signs the consent. However, no written consent will be effective unless the consent is delivered within 60 days of the earliest dated consent, by hand or by certified or registered mail, to the Corporation for inclusion in the minutes or filing with the corporate records.

3.6 Remote Communication Meetings

1. Remote communication means any electronic communications including telephone conference, video conference, electronic mail, the Internet or any other method currently available or developed in the

future by which Shareholders not present in the same physical location may simultaneously communicate with each other.

2. Regular and Special meetings will be held in person. Remote communications will be used only if the capability can be made available and only in case a representatives of the Shareholder who cannot attend in person requests, in advance and with sufficient rationale, to participate by remote means.
3. Where any remote communication is used in a Shareholder's meeting, all persons authorized to vote or take action at the meeting must be able to hear each other during the meeting and each person will have a reasonable opportunity to participate. The remote participation in a meeting will constitute present in person at the meeting. All votes or other actions taken at the meeting by means of electronic transmission must be maintained as a matter of record by the Corporation.

3.7 List of Shareholders Entitled to Vote

1. The officer who has charge of the list of representatives of the Shareholder of the Corporation ("the List") will prepare and make, the day before notice of a Shareholder's meeting is sent, a complete list of the representatives of the Shareholder entitled to vote at the meeting, arranged in alphabetical order and showing the address of each representative of the Shareholder and the number of votes each representative of the Shareholder in good standing is entitled to vote. The list must be prepared not more than seventy (70) days prior to the meeting and must be available for inspection by any Shareholder or representative of a single Shareholder beginning two days after notice of the meeting is given and continuing through the meeting. The list must be provided for any purpose relating to the meeting:
 - a. On a reasonably accessible network, so long as the information required to access the list is provided with the notice of the meeting, or
 - b. During ordinary business hours, at the Registered Office of the Corporation or at its Principal Office.
2. If the Corporation decides to make the list available on an electronic network, the Corporation will ensure that this information is available only to the representatives of the Shareholder. If the list is to be held at a physical location, then the list will be produced and kept at the time and place of the meeting and may be inspected by any representative of the Shareholder, who is present.

3. The List of representatives of the Shareholder will be the only evidence as to the representatives of the Shareholder, entitled by this section to examine the List required by this section or to vote in person or by proxy at any Shareholder's meeting.

3.8 Quorum and Required Vote

1. A minimum of one-third of the Shareholders entitled to vote, present in person or represented by proxy, will constitute a quorum entitled to take action at any Shareholder's meeting. In the case of a single Shareholder, the presence of a representative of the Shareholder in person or represented by proxy will constitute a quorum.
2. In all matters, including the election of Directors, any act of the Shareholders must be passed by affirmative vote of the majority of the Shareholders entitled to vote, present in person or represented by proxy. In the case of a single Shareholder, any act of the Shareholder must be passed by affirmative vote of the representative of the Shareholder.

3.9 Shareholder Voting Rights and Proxies

1. Subject to the Articles of Incorporation, each Shareholder will be entitled to one vote for each share of stock held by that Shareholder. In the case of a sole Shareholder such as for the Corporation, the representative of the Shareholder will direct the vote of the shares of stock held by the Shareholder.
2. Each Shareholder or representative of a single Shareholder in good standing and entitled to vote at a Shareholder's meeting, or to express consent or dissent to corporate action in writing without a meeting, may authorize another person or persons to act for that representative of the Shareholder by proxy, however no proxy will be valid after 11 months from the date of its execution.

ARTICLE IV

BOARD OF DIRECTORS

4.1 General Powers

1. The business and affairs of the Corporation will be managed by, or under the direction of, the Board.

4.2 Number, Tenure and Quorum

1. The Board will consist of not less than three nor more than ten members. Directors will be elected by the Shareholders or representative of a single Shareholder at the annual Shareholder's meeting. Directors are to be elected from Members of the Oyster Bay II Community Property Owner's

Association in good standing. Customers of the Company are to be represented at least equally on the Board of Directors as non-Customers who are Members of the Oyster Bay II Community Property Owner's Association. Directors will be hold their Director's position for a term of one year at the end of which that Director may be re-elected or the Director's successor is elected and qualified, or until the Director resigns or is removed. Any Director may resign at any time upon notice given in writing or by electronic transmission to the President or other Officer of the Corporation. In order to transact business at a meeting of the Directors, a quorum of 50 percent of the total number of Directors eligible to vote is required. The vote of the majority of the Directors present at a meeting at which a quorum is present will be the act of the Board.

4.3 Regular Meetings

1. By resolution, the Board may provide the time and place for the holding of regular meetings without any notice other than resolution. Meetings will be held local to the Oyster Bay II. If the Board determines that is not possible to hold a meeting(s) locally due to an emergency situation, meetings may be held either within or without the Commonwealth of Virginia as determined by the Board.

4.4 Special Meetings

1. Special meetings of the Board may be called by, or at the request of, the President or by a majority of the Directors. The person or persons calling that special meeting of the Board may fix any date, time or place local to the Oyster Bay II Community if at all possible. If, due to emergency circumstances, the Board determines that is not possible to hold a meeting(s) locally, meetings may be held either within or without the Commonwealth of Virginia as determined by the Board.

4.5 Notice

1. Written notice of the date, time and place of a special meeting of the Board will be given at least 15 days prior to the date set for that meeting. The written notice can be given personally, by mail, by private carrier, by telegraph, by telephone facsimile, electronic mail or by any other manner as permitted by the Virginia Stock Corporation Act. The notice will be given by the Secretary or by one of the persons authorized to call Director's meetings.
2. If written notice is mailed, correctly addressed to a Director's address as provided in the Corporation's current records, the notice will have been deemed to have been given to that Director at the time of mailing. If written notice is sent by private carrier or if the notice is sent by United States mail, postage prepaid and registered or certified mail, return receipt requested, the notice will be

deemed to have been given to the Director on the date shown on the return receipt. Otherwise notice is effective when received by a Director.

4.6 Action by Directors Without a Meeting

1. Any action to be taken at a meeting of the Board or any committee of the Board may be taken without a meeting if members of the Board or committee respond in writing, or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board, or committee. For actions taken without a meeting, unanimous agreement or vote of the directors is required for an affirmative action for the item.

4.7 Remote Communications for Meetings

1. Remote communications means any electronic communication including telephone conference, video conference, the Internet or any other method currently available or developed in the future by which Directors not present in the same physical location may simultaneously communicate with each other.
2. Regular and Special meetings will be held in person. Remote communications will be used only if the capability can be made available and only in case a Director who cannot attend in person requests, in advance and with sufficient rationale, to participate by remote means.

4.8 Vacancies and Newly Created Directorships

1. When vacancies or newly created directorships resulting from any increase in the authorized number of Directors occur, a majority of the Directors then in office, although it may be less than a quorum, or a sole remaining Director will have the power to appoint new Directors to fill his vacancy or vacancies. Each new Director so chosen will hold office until the end of the established term for Directors.
2. If, at any time by reason of death or resignation or other cause, the Corporation should have no Directors in office, then any Officer or any representative of the Shareholder, may call a special Shareholder's meeting for an election to fill the vacancy.
3. When one or more Directors resigns from the Board and the resignation is to become effective at a future date, a majority of the Directors then in office will have the power to appoint new Directors to fill this vacancy or vacancies. The appointments of these new Directors will take effect when the resignation or resignations are to become effective. Each new Director so chosen will hold office until the end of the term of the Director who resigned.

4.9 Removal

1. Any Director or the entire Board may be removed, with or without cause by a majority of the Shareholders or the representative of a single Shareholder then entitled to vote at an election of Directors at a special Shareholder's meeting called for that purpose.

4.10 Organization

1. Meetings of the Board will be presided over by the President, or in the President's absence by a Director chosen at the meeting. The Secretary will act as secretary of the meeting, but in the absence of the Secretary, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

4.11 Compensation

1. The Corporation is to function primarily in a community service capacity, therefore the Board is not envisioned to receive compensation, other than reimbursement of expenses incurred in the carrying out of duties as assigned.

2.13 Indemnification of Directors

1. Each director shall be indemnified against liabilities, fines, penalties and claims imposed upon or asserted against him/her (including amounts paid in settlement) by reason of having been a director, whether or not continuing so to be, and against all expenses (including counsel fees) reasonably incurred by him/her in connection therewith, except in relating to matters as to which he/she shall have been finally judged to be liable by reason of having been guilty of gross negligence or willful misconduct in the performance of his/her duty as a director. In the event of any other judgment against such director or in the event of a settlement, the indemnification shall be made only if the Board shall be advised by independent counsel to be appointed by the Board, that in his or her opinion, such director was not guilty of gross negligence or willful misconduct in the performance of his/her duty, and in the event of a settlement, and that such settlement was, or if still to be made is, in the best interests of the Company.

ARTICLE V
COMMITTEES

5.1 Appointment

1. The President, with Board approval, may designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. The President may designate one or more Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. Other than at least one Director, Committee members may be any representative of the Shareholder that the Board deems as qualified.
2. In the absence or disqualification of a member of a committee, the member or members present at any committee meeting and not disqualified from voting, whether or not that member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any absent or disqualified member.

5.2 Tenure

1. Each member of a committee will serve for the duration of the existence of the Committee unless the member resigns or is removed by action of the Board.

5.3 Meetings and Notice

1. The method by which Director's meetings may be called and the notice requirements of these meetings as set out in these By-Laws will apply to any committee designated by the Board, as appropriate.

5.4 Action Taken Without A Meeting

2. The requirements and procedures for actions without a meeting for the Board as set out in these By-Laws will apply to any committee designated by the Board, as appropriate.

5.5 Resignation and Removal

1. Any member of any committee may be removed at any time, with or without cause, by a resolution adopted by a majority of the full Board. Any member of any committee may resign from the committee at any time by giving notice to the Chairman of the Board of the Corporation. Unless otherwise specified in the notice, the acceptance of this resignation will not be necessary to make it effective.

5.6 Vacancies

1. Any vacancy in a committee may be filled by a resolution adopted by a majority of the full Board.

5.7 Committee Rules of Procedure

1. A committee chairman will be appointed by the President of the Board for each committee from its members. Committees may fix their own rules of procedure provided they are not inconsistent with these By-Laws. A committee will keep regular written minutes of its proceedings and report those minutes to the Board at the first subsequent meeting of the Board.

ARTICLE VI

OFFICERS

6.1 Election of Officers

1. The Officers of the Corporation (individually “Officer” and collectively “Officers”) will consist of the President, the Treasurer and the Secretary.
2. The Officers will be elected annually by the Board of the first meeting of the Directors for the year, or as soon after the first meeting of the Directors as possible if Officers have not already been elected. The President, who also acts as Chairman of the Board, may not hold another office. Any other Officer may hold one or more offices.

6.2 Term of Office

1. Each Officer will hold office for a period of one year, at the end of which that Officer may be re-elected by the Board or the Officer’s successor is elected and qualified by the Board, or until the Officer resigns, dies or is removed as provided in these By-Laws.

6.3 Removal

1. Any Officer elected by the Board may be removed by majority vote of the Board at any time, with or without cause.

6.4 Vacancies

1. The Board may fill any vacancy in any office because of death, resignation, removal, disqualification or otherwise.

6.5 President

1. Subject to the control and supervisory powers of the Board, the powers and duties of the President will be:
 - a. To have the general management and supervision , direction and control of the business and affairs of the Corporation;
 - b. To act as Chairman of the Board and preside over all meetings of the Shareholders;
 - c. To call meetings of the Shareholders to be held at such times and such places as the President will deem proper within the limitations prescribed by law or these By-Laws;
 - d. To ensure that all orders and resolutions of the Board are effectively carried out;
 - e. To maintain records of and certify, whenever necessary, all proceedings of the Board and Shareholders;
 - f. To put the signature of the Corporation to all deeds, conveyances, mortgages, guarantees, leases, obligations, bonds, certificates and other papers and instruments in writing which have been authorized by the Board to sign certificates for the Corporation's shares, and, subject to the instructions of the Board, to have general charge of the property of the Corporation and to supervise and manage all Officers, agents and employees of the Corporation; and
 - g. To perform other duties and carry out other responsibilities as determined by the Board.

6.6 Treasurer

1. Subject to the control and supervisory powers of the Board, the powers and duties of the treasurer will be:
 - a. To keep accurate financial records for the Corporation;
 - b. To deposit all money, drafts and checks in the name of, and to the credit of, the Corporation in the accounts at banks and depositories designated by the Board;
 - c. To endorse for deposit all notes, checks and drafts received by the Corporation as instructed by the Board, making proper vouchers for them;

- d. To disburse Corporate funds and checks and drafts in the name of the Corporation as instructed by the Board;
- e. To submit to the President and Board, as requested, an account of all transactions by the Treasurer and the financial condition of the Corporation;
- f. To prepare preliminary annual budgets for Board approval which provide for the funding of operating and capital reserve accounts;
- g. To invoice customers for service fees, collect and account for payments of such fees, and initiate action with the Board for non-payment of the fees;
- h. To prepare and submit to the Board quarterly and annual reports detailing the financial status of the Corporation;
- i. To perform all other duties and carry out responsibilities as prescribed by the Board or the President.

6.7 Secretary

1. The Secretary will perform the following duties:
 1. Prepare the minutes of meetings of the Shareholders and meetings of the Board, distribute and keep those minutes in one or more books or electronic files established for that purpose;
 2. Authenticate the records of the Corporation as will from time to time be required;
 3. Ensure that all notices are duly given in accordance with the provisions of these By-Laws or as required by law;
 4. Act as custodian of the Corporate records and of the Corporate seal, if any, and ensure that the seal of the Corporation, if any, is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized;
 5. Keep a register of the post office address of each Shareholder;
 6. Sign, along with the President, certificates for shares of the Corporation, the issuance of which will have been authorized by the Board;
 7. Have general charge of the Shareholder's List of the Corporation; and

8. Perform all duties incidental to the office of Secretary and any other duties as from time to time may be delegated to the Secretary by the President or the Board.

ARTICLE VII

LOANS, CHECKS, DEPOSITS, CONTRACTS

7.1 Loans

1. Without authorization by resolution of the Board, the Corporation and any of its Directors, Officers and representatives of the Shareholder are prohibited from making or accepting loans in the name of the Corporation, or issuing evidence of indebtedness in the name of the Corporation. The authorization of the Board of the Corporation to perform these acts can be general or specific;

7.2 Checks, Drafts, Notes

1. All checks, drafts or other orders for payment money, notes or other evidence of indebtedness issued in the name of the Corporation must be signed by a designated Officer or Officers of the Corporation in a manner as will from time to time be determined by resolution of the Board;

7.4 Deposits

1. All funds of the Corporation will be deposited to the credit of the Corporation in banks, trust companies, or other depositories designated by the Board.

7.5 Voting Securities Held by the Corporation

1. The President, or any other officer designated by the Board will, with full power and authority attend, act and vote, on behalf of the Corporation at any meeting of security holders or interest holders of other corporations or entities in which the Corporation securities or interests. At that meeting, the President or other delegated agent will have and execute any and all rights and powers incidental to the ownership of the securities and interests that the Corporation holds.

7.6 Contracts

1. The Board may give authority to any Officer to make any contract or execute and deliver any instrument in the name of the Corporation and on its behalf, and that authority may be general or specific.

7.7 Conflict of Interest by Directors

1. A Director or Officer of the Corporation will be disqualified from voting as a Director or Officer on a specific matter where that Director or Officer deals or contracts with the Corporation either as a vendor or purchaser.

7.8 Loans to Employees and Officers

1. The Corporation may not lend money to, or guarantee any obligation of, or otherwise assist, any individual, including any Officer or employee of the Corporation or any subsidiary of the Corporation and including any Officer or employee who is a Director of the Corporation or any subsidiary of the Corporation.

ARTICLE VIII

BUDGETS AND SERVICE FEE RATES

8.1 Budget Year

1. The Corporation operates on a calendar year basis as determined by the Board of Directors. The annual budget shall cover the period from January 1 to December 31 of each year.

8.2 Preliminary Budget

1. Each calendar year, the Treasurer, sixty (60) days prior to the annual Shareholder's meeting each year, shall prepare for the next succeeding calendar year a preliminary budget. These budgets must estimate the income necessary to cover the expenditures and losses, if any, of the Corporation and should include reasonable reserves for future operating losses and expenses. These budgets shall include, in addition to normal operating expenditures, expense items to provide for a maintenance capital reserve fund.

8.3 Review and Approval of the Budget

1. A Board of Directors meeting, or meetings, shall be held prior to the annual Shareholder's meeting at which the Treasurer will present the preliminary budget for the upcoming year. Budgets presented shall provide adequate funding of income which must be collected from customers for the sole purpose of meeting losses and expenditures. The goal of these budgets shall be to provide sewer and water service to the customers, substantially at cost. The Board of Directors shall review, revise as necessary and approve the budget prior to the annual Shareholder's meeting. The approved budget shall be presented at the annual Shareholder's meeting.

8.4 Determination of Rates

1. The Board of Directors shall, at the budget review and approval meeting, or meetings, review and determine rates and fees which must be charged to meet income obligations for the budget for the upcoming year. Rate and fee approval shall be a part of the budget approval process. Rates and fees for the upcoming year shall be presented at the annual Shareholders meeting and shall be distributed by the Secretary, by postal service or electronic means, to each customer of the Corporation.

8.5 Disposition of Excess Funds

1. Any surplus funds or net income to the Corporation at the end of the fiscal year after provisions are made for the payment of the expenses of operation and maintenance, and the funding of the various reserves, shall be taken into consideration by the Board of Directors in determining sewage rate and, if applicable, the water rate to be charged Customers.
2. The Corporation will provide sewage, and if required, water, services substantially at cost. Dividends shall not be paid to shareholder(s). All funds from whatsoever source remaining at the end of the year in the separate accounts to be maintained for the sewage system in excess of the monies needed to meet the current losses and expenses of each separate system will be assigned to maintaining reserves for necessary purposes or reducing the subsequent year's sewage, and/or water, rate. It is expressly provided that for purposes of this section, and the future operation of the Corporation, that all expenses, indebtedness, and income shall be segregated for accounting purposes and for purposes of determining future utility rates.

ARTICLE IX

PAYMENT OF SERVICE FEES

9.1 Payment of Service Fees

1. The owner of each property for which a hook-up fee, if any, has been paid and for which a sewer connection permit has been issued is a Customer whether or not a home is connected to the

Corporation's sewer lines, and water lines if provided. The Customer shall be obligated to pay quarterly fees to the Corporation by the first (1st) day of each quarter.

3. When a Customer's home is sold or transferred, it shall be the responsibility of the Customer to pay any fees due at the time of the sale or transfer.

9.2 Effect of Non-Payment of Service Fees

1. Any fees which are not paid when due shall be delinquent. Non-receipt of a fee notice or reminder shall not constitute justification for non-payment of service fees. Delinquent payments shall be subject to interest at a rate determined by the Board and shall be subject to such additional penalties as may be established by the Board.
2. The Board may bring an action at law against the customer personally obligated to pay the fee or foreclose a lien against the property. Interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such delinquent payments.

ARTICLE X

REVISION OF THE BY-LAWS

1. These By-Laws of the Oyster Bay Water and Sewer Company, Inc. may be amended by two-thirds (2/3) majority vote of the Directors of the Corporation at any Regular or Special Meeting of the Board of Directors, provided that notice of the meeting specifically states that a potential amendment to the By-Laws is to be considered at the meeting.

APPENDIX

Glossary

- **By-Laws** – The purpose of these by-laws (the “By-Laws”) is to provide rules governing the internal management of the Corporation.
- **Chairman of the Board** – Once a Board of Directors has been elected by the representatives of the Shareholder, the Board will then elect officers: President, Treasurer and Secretary. The President will also serve as chairman (the “Chairman of the Board”). The Chairman of the Board will act to moderate all meetings of the Board of Directors and perform any other duties and obligations as described in these By-Laws.
- **Corporate Officer** – A corporate officer (individually the “Officer” and collectively the “Officers”) is any individual acting for or on behalf of the Corporation. An Officer of the Corporation will usually be elected to perform a specific task such as president, secretary or treasurer or other similar position. Other than the President who may not hold other offices, one person may hold multiple offices. The Officers will manage the day-to-day operations of the Corporation and report to the Board of Directors.
- **Customer** - Customers are individual property owners within the Oyster Bay II Community who maintain a connection to Oyster Bay Water and Sewer Company, Inc. service lines and receive sewer, and water service if provided, from the Corporation and/or who have been issued a connection permit, whether or not a physical connection is made.
- **Member** –A Member of the Oyster Bay II Community Property Owners Association. All persons or entities who own lots in the Oyster Bay II Community are Members of the Association. Ownership of a lot is the sole qualification for being a Member. Voting by Members is equal to the number of lots owned by any Member.
- **Member in Good Standing and Member Entitled to Vote** – A Member of the Oyster Bay II Community Property Owners Association who has paid all dues and fees levied by the Oyster Bay II Community Property Owners Association. Members who are also Customers of the Corporation (the

Oyster Bay Water and Sewer Co. Inc.) must also have paid all fees due to the Corporation to be a Member in Good Standing and Entitled to Vote.

- **Principal Executive Office** – The Principal Executive Office for the Corporation is where the President of the Corporation has an office.
- **Principal Office** – The Principal Office of the Corporation is the address designated in the annual report where the executive office of the Corporation is located.
- **Principal Place of Business** – The location at which the Corporation provides services. The Principal Place of Business is the Oyster Bay II Community, North Main Street, Chincoteague Island, Virginia. The mailing address for the Corporation is P.O. Box 642, Chincoteague, Virginia, 23336. Correspondence will be received and handled by the Officers of the Corporation.
- **Registered Office** – The registered Office is the physical address within the state where the registered agent can be contacted during normal business hours for service of process. The registered agent and registered office address is available from the Officers of the Corporation.

Shareholder - Shareholders are the owners of shares of stock issued by the Corporation. A single Shareholder may own all of the shares of stock. All shares of stock issued by the Oyster Bay Water and Sewer Company, Inc. are owned by the Oyster Bay II Community Property Owners Association. The Oyster Bay II Community Property Owners Association, as the sole shareholder, will be represented by the Members of the Oyster Bay II Community Property Owners Association (“Representatives”) entitled to vote at Shareholder’s meetings and in all other capacities described herein for Shareholders.

- **Shareholders’ List** – A Shareholders’ List is the complete record of the owners of the shares of stock in a Corporation or, in the case of a sole Shareholder, the complete record of the all representatives of the sole Shareholder. For this Corporation, the List consists of a complete record of the sole Shareholder representative Members of the Oyster Bay II Community Property Owners Association with indication as to whether the representative Members are in good standing and entitled to vote.

APPROVAL CERTIFICATION

As principal Officer of the Corporation, I hereby certify that these By-Laws were approved and ratified by the requisite two-thirds majority of the directors in good standing at a Board of Directors meeting held at the Hampton Inn and Suites in Chincoteague, Virginia on October 22, 2016.

In witness whereof, Oyster Bay Water and Sewer Company, Inc. by its President and duly appointed agent, has executed the foregoing this 31st day of October, 2016

Oyster Bay Water and Sewer Company, Inc.

By: Buford T. Rowland (Signature on file)
Buford T. Rowland, President

ATTEST:

I certify that Buford T. Rowland whose name is signed to the foregoing instrument has acknowledged the same before me in my County/City:

Witness the following Signatures and Seals
(Notary Public)

Debra S. Grauel (Signature and seal on file)
Notary Public
Anne Arundel County, Maryland
October 31, 2016

I certify this document to be a true and accurate transcript of the By-Laws of the Corporation as presented on October 22, 2016, approved by **vote of two-thirds (2/3) majority** agreement of the members of the Board of Directors of the Oyster Bay Water and Sewer Company, Inc., at a duly called Board of Directors meeting held on the 22nd day of October 2016. Board Members present 9, the vote being 9 yea, 0 nay.

By: M. D. Hudgins (Signature on file)
Michael David Hudgins, Secretary