

RULES, REGULATIONS, and BYLAWS
of the
TWIN LAKES WATER WORKS
CORPORATION

- June 25, 2010 -

SECTION I

RULES AND REGULATIONS GOVERNING THE INSTALLATION AND OPERATION OF SERVICE LINES AND THE SUPPLY OF WATER

GENERAL

The following Rules and Regulations established by the Board of Directors of the Twin Lakes Water Works Corporation (herein called the "Corporation") apply to each and every party taking and/or using water furnished by the Corporation, or making connections with its mains. The Board reserves the right to make such changes in these Rules and Regulations as it may from time to time deem desirable. The word "Board" as used herein shall mean the Board of Directors of the Corporation. The word "System" shall mean the water system of the Corporation. The words "owner", "consumer" and/or "user" shall mean the person or persons owning the premises connected with the mains and/or using the water therefrom.

SECTION 1

The Corporation shall distribute water to those residents of Twin Lakes Village with property on the water lines as herein provided and shall not give or sell water to others nor supply water to the inhabitants as such of any Civil division of the State.

Every consumer of water from the System shall be in all respects bound by and shall be considered to have assented to the rules, regulations, and requirements of the Twin Lakes Water Works Corporation as herein set forth or as hereinafter amended, as a condition precedent to the rights to service from the System.

There shall be no extension of the water mains beyond the present points of determination or individual connections to the mains extending beyond the mains after March 1, 1968, the date of these Rules and Regulations.

No person or persons shall be permitted to take water from any outlets or possible future fire

hydrants to sprinkle any street or portions of the streets or roads or for any other purpose without first having a permit from the Corporation. This shall not preclude the inspection and operation of any fire hydrants by members of any fire companies in performance of their official duties.

LIABILITY OF CORPORATION

SECTION 2

The Corporation shall not be liable for any damages which may result to consumer's pipes, appliances, etc., from the shutting off of water mains or service pipes for any purpose whatever, whether previous notice has been given or not. In cases where boilers are directly supplied with water, a suitable valve or other device should be applied to prevent collapse or explosion in the case the water is shut off in the street mains or the pressure drops for any reason. No deductions from the water bills will be made for periods when the service is shut off due to accidents or repairs. The Corporation shall not be held liable for any damage sustained by reason of its failure to supply water to any consumer at any time for any cause, and reserves the right to control the amount of water supplied in the event that the supply becomes short for any reason.

The Corporation does not guarantee any service, including service from main to house or through any piping, valves or connections therein. Faulty service, or inadequate supply is frequently due to corroding or stopping of pipes and fixtures. Any necessary changes in piping, valves or connections to increase the water supply or its efficiency must be made by the owner at his own expense. This applies to any improperly made "main to house" connections made previous to the adoption of these Rules and Regulations - March 1, 1968.

The Corporation reserves to itself the control of all taps, mains, curb cocks and meters if installed.

The Corporation also reserves the right whenever it deems it proper, or whenever there is a violation of the Rules and Regulations, to take charge of and control the service lines or pipes. The Corporation will not be accountable for any breaks or obstructions caused by frost damage or otherwise, or any damage arising by leakage from service pipes, fixtures or pipes owned by consumers. The Corporation will not thaw out or pay for the thawing out of frozen service lines whether or not they were installed under Corporation supervision or were tested and approved by a Corporation officer.

Any repairs to service lines between main and residences shall be made to conform to the regulations for new lines and shall be approved by the Corporation.

LIABILITY OF OWNER

SECTION 3

The owner must keep the service pipes from the main cock to building and his plumbing fixtures in good repair and at his own expense must prevent all unnecessary waste of water. Water consumers shall be liable for such repairs as may be deemed necessary to prevent water waste. Upon failure of the consumer to comply with this rule, the Twin Lakes Water Works designated official may turn off the water at the curb cock, or at the main connection, and not turn it on again until the repairs are made.

The owner shall be liable for failures resulting from leaks, or open fixtures in the event of his absence from the premises or the absence of his tenants, if any, and any action taken to prevent waste of water by officers of the Corporation shall be deemed to have had his permission and agreement, and any expense incurred to take such action shall be chargeable to and/or the responsibility of the owner.

The payment of water bills must include all arrears and charges to date. No payment will be accepted which leaves a previous charge unpaid. All water bills must be paid by the owner of the premises. If requested by the owner, the Corporation will send bills to and receive payment from agents or tenants, but the owner is responsible for the payment.

SERVICE OF NOTICE

SECTION 4

Service of any notice, authorized or directed by, or on behalf of, the Corporation may be made upon the owner or consumer personally, or by leaving the same at the premises where water is supplied, or by sending the same by mail to such party at the last address shown on the records of the Corporation.

SERVICE CONNECTIONS AND METERS

SECTION 5

The officers of the Corporation, or employees (including within the "employees" as used herein, any person, whether independent contractor or otherwise, doing work for the Corporation) accompanied by an officer or director in the performance of their duties, shall be permitted to enter the premises of any consumer between the hours of 8 A.M. to 5 P.M. to examine and repair any and all water systems in the premises with a 24 hour notice given if the house is occupied, or immediately, if any emergency situation is believed to exist, in order to shut off water flow harmful to the property and/or wasteful to the supply.

SERVICE LINES - MAIN TO CURB BOX

SECTION 6

The size of the service line will be 3/4" unless otherwise designated by the Corporation in accordance with information to be furnished by the consumer as to his probable requirements. Service lines from the main to a point approximately on the property line will be installed complete by the owner's plumber, and at his sole expense, and will consist of a corporation cock inserted to the main; a section of copper tubing lines, and a curb cock and box to be located approximately on the property line. The curb cock shall become the property of the Corporation when installed in the main.

All curb boxes once set shall be adjusted to changes in grade and shall be kept accessible and in repair by the owner if such change is caused by the owner.

SECTION 7

From the main to the curb box and into the owner's building, the service line is to be installed by the owner's plumber and at his sole expense. The service line is to be of 3/4" Type K copper tubing unless otherwise ordered.

A stop cock or valve is to be placed inside the foundation wall, and also a "tee" with a drain cock, so that water in the house system can be drained.

All trenches for service lines shall be excavated at least 4 feet in depth and at right angles to the main, unless otherwise ordered by the Corporation. When the trench is ready, the owner shall connect the service line with the curb cock and shall lay the service line into the building. When the service line has been completely installed within the property limits by the owner or his agent, he shall notify the Corporation which will inspect the connections, and will turn on the water and test the line. If the test is satisfactory, the owner shall then backfill the trench, but if said test is not satisfactory, the owner shall make such alterations as requested by the Corporation, which shall retest the line before permission to backfill is granted. If any service line is backfilled before testing in the presence of an officer or representative of the Corporation, the trench shall be re-excavated.

No connection is to be made until application has been filed with and approved by the Corporation.

Except with written permission of the Corporation, a separate tap and service shall be installed for each building used for residence purposes and located on the street in which there is a district water main, and no consumer shall be allowed to supply water to other persons or premises. No connections of any kind shall be made to the service pipe between the main and any future meter.

WATER TAPS

SECTION 8

Whenever it is necessary to tap the lines of the Corporation, the following regulations will be strictly adhered to.

Application shall be made by mail to the Twin Lakes Water Works, Inc., together with a certified check or certified bond in the sum of \$200. The cost of digging, main line shutoff cock, service line and curb box and back filling shall be borne by the owner. Any damage to the main line shall be at the owner's expense and deducted from the bond of \$200.00 along with any expense to repair any damage to the main line caused by digging. Any damage beyond the \$200 bond will be chargeable to the owner by Corporation billing and water will not be supplied to the premises until the bill is paid. At the time the builder taps into the water line a fee of 25 percent of the yearly rate will be charged. This would remain until either the certificate of occupancy is received or occupancy occurs, whichever is earlier.

All taps shall be made at the point deemed best by a representative of the Corporation.

Before tapping is done, there shall be in the possession of the Corporation proof that the contractor is covered by liability and workman's compensation insurance, proof of the use of proper tools for the job, and assurance that said tap shall be made by competent mechanics, skilled in their trade.

All taps shall be made in the following manner: there shall be a Corporation shutoff installed on the main at the point of tap. There shall be a curb box installed on the owner's property, with the proper shutoff valve on the line. All taps shall be made of type K copper with no unnecessary joints. All joints, where made, shall be with flare fittings. The finished job shall be left open for the inspection of the Assistant Vice President of Operations and his approval shall be necessary before any backfill shall be permitted. The service line shall be 3/4". Shutoff cocks affixed to the water lines become the property of the Twin Lakes Water Works Corporation after installation.

The person inspecting the line shall arrange to have the main cock opened and pressure applied to the uncovered line between the main and dwelling before giving approval to back fill the trench. If a trench is filled prior to inspection the cost of digging and refilling shall be borne by the owner.

Back filling at the main shall be tamped and free of stones or objects which will press against the main or cause the connection to be strained or broken after filling. When close to the road or

under the surface of the road the main shall be protected against pressure from vehicles by back filling to a depth of 8 inches from finished grade with clean bankrun, firmly tamped as per Town of Lewisboro specifications. A 6 inch layer of 2 inch trap rock with filler shall be firmly tamped in place, and a 2 inch layer of hot patch blacktop firmly rolled in place on top of this.

The performance bond shall not be released by the Twin Lakes Water Works Corporation until the satisfactory completion of the job.

At times it is necessary to pass the front or other boundary of another member's property when tapping the water. In this case it shall be the express responsibility of the owner making the tap to return the property to the original landscaped condition to the satisfactory judgment of the Corporation. If, in the opinion of the Corporation, a larger than normal performance bond shall be necessary to insure the proper completion of this work, it shall be within the jurisdiction of the directors to set an amount satisfactory to insure the performance of the work.

SEALING OF WATER METERS

SECTION 9

All water meters within the jurisdiction of the Corporation shall be sealed by an agent of the Corporation and shall remain thus. Any breakage of this seal shall be promptly reported to the Assistant Vice President of Operations by the member.

If in reviewing yearly bills, when meters are used, the Corporation at times finds several which are inconsistent with the average for a family of a given size, the meters will, at the option of the Board, be replaced and returned to the factory for rebuilding. In the case of a low reading meter, an adjusted bill going back two years shall be submitted to the customer on the basis of a six-month reading of the new meter. In the case of a high reading meter, the same regulation shall apply compensating the owner accordingly.

Should any customer of this Corporation having a meter in his system decide that his meter is reading high, such meter shall be replaced and sent to the factory for test. Should the meter prove defective, said customer shall not be liable for any charge for this service, however, should

the meter prove to register accurately, the customer shall be liable for all charges arising for replacement and test.

USE OF WATER

SECTION 10

Water supplied to users by the Corporation is to be limited to household use for drinking water, clothes washing, for use in bathing and toilet fixtures and for outside hose use when water supply permits, but not for filling swimming pools or other large receptacles for storing or holding water for any purpose, or water cooled air conditioners, without written permission of the Corporation. Refusal based on limited water supply shall be final and the Corporation shall not be liable for any loss or damage resulting from such refusal. Under certain conditions of drought, and due to other natural and mechanical reasons, at times it may become necessary, in the judgment of the Corporation, to curtail the use of water. Upon written notice to the Membership such regulations shall become binding and the infractions thereof shall subject the member to penalties levied by the Corporation.

BREAKAGE OF WATER LINES

SECTION 11

If, in the course of work, any water line of the Corporation or member thereof is damaged, it shall promptly be reported to the Corporation. It shall be the responsibility of the owner of the property involved to pay all costs for repair of same, and the same regulations which govern the making of a new tap shall apply to the repair of same.

EMERGENCY WATER SUPPLY

SECTION 12

In case of emergency, a customer of the Corporation may supply water to a neighboring customer of the Corporation by cross-connection of a temporary nature. Lines for such purpose must be so installed as to not waste water and if the Corporation finds that waste does exist, then such service must be discontinued upon order of the Corporation. Upon failure to suspend such

service as ordered, the Corporation may order the suspension of service to the primary supplier. Water is not to be supplied to an adjoining lot for building purposes, or other use under any condition without prior written permission of the Corporation.

INDEPENDENT WATER SYSTEMS

SECTION 13.

A water user may not have any independent water supply which is connected to the Corporation's water system. Any user who obtains an independent supply must disconnect from the Corporation's system prior to operating it. He must notify the Corporation of his intention to disconnect and, later, of his actual disconnection as stipulated in Section 14. If such notification is not forthcoming or the disconnection is not properly done or verifiable to the Corporation's satisfaction, then the Corporation has the right to disconnect the user from its lines and charge him for the cost thus incurred. The purpose of this section is to protect against possible contamination of the Corporation's system.

DISCONTINUANCE OF SERVICE

SECTION 14.

Any user who wishes to have his service permanently discontinued must advise the President of the Corporation in writing of his intention. He must notify the Corporation in writing of the date on which his line has been properly disconnected from the Corporation's lines.

Action to be taken by the Corporation will involve digging to the main and shutting off the Corporation cock at the main, and/or disconnecting the service line to eliminate the possibility of any substituted water system backing up into the Corporation lines. If application for resumption of service is made, the cost of reconnection, which shall include the cost of disconnection, will be chargeable to the legal owner of the premises involved at the time of reconnection. A deposit shall be required equal to twice the cost of the disconnection, including the digging, the disconnection itself, refilling and repaving the road above the main in accordance with legal requirements. A refund shall be made if the total costs are less than this advance payment. If the costs are greater, an additional charge shall be made. However, the cost of disconnection will not be assessed as part of the cost of reconnection if the cost was not incurred by the Corporation or has already been recovered. Water charges upon reconnection will be made on a prorated basis.

SECTION II

BYLAWS

ARTICLE I

OFFICES

The principal office of the Corporation shall be in such place in the Town of Lewisboro, County of Westchester, State of New York, as the Board of Directors may from time to time direct. The Corporation may also establish and have such other offices needed for the conduct of its business at such other place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

SEAL

The Corporation shall have a seal of duly approved form and design, an impression of which is affixed hereto.

ARTICLE III

STOCKHOLDERS' MEETING

Section 1. - Annual Meeting

The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may properly come before it, shall be held in the Town of Lewisboro, New York, at a place selected by the Board of Directors. The time of the annual meeting will be set for a date in June selected by the Board of Directors.

Section 2. - Quorum

The presence, in person or by proxy, of the stockholders who own fifty-one percent of the outstanding stock of the Corporation entitled to vote shall constitute a quorum.

Section 3. - Special Meetings

Special meetings of the stockholders shall be held in the Town of Lewisboro, New York, at such place as the Board of Directors may select. Such

meetings, other than those regulated by statute, may be called at any time by the Board of Directors, or a majority thereof. It shall be the duty of the Board of Directors to call such meetings whenever so requested in writing by the stockholders of record who own at least thirty percent of the outstanding shares of the capital stock of the Corporation entitled to vote at such meetings. Notice of such meetings shall specify the object or objects thereof, and no other business than that specified in such notice shall be considered at any such meeting.

Section 4. - Notice of Meetings

A written or printed notice of each annual or special meeting of the stockholders of the Corporation, signed by the President or Vice President, or Secretary, which shall state the time, place and objects of such meeting, shall be delivered personally or sent by mail, not less than fifteen days before the annual meeting, and not less than ten days before a special meeting, to each stockholder of record entitled to vote at such meeting. If mailed, the notice shall be directed to the stockholder at his address as it appears on the stock book, unless he shall have filed with the Secretary of the Corporation a written request that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 5. - Voting

At all meetings of the stockholders, each stockholder entitled to vote and present at the meeting or by proxy, shall be entitled to one vote for each full share of capital stock of the Corporation entitled to vote and standing registered in his name at the time of such voting; and the vote of the holders of a majority of the stock present and entitled to vote at any such meeting of the stockholders shall control on any question brought before such meeting. No share of stock shall be voted which has been transferred on the books of the Corporation within twenty days, exclusive of the day of the meeting, next preceding an election.

Section 6. – Proxies

Any stockholder of record entitled to vote may be represented at any regular or special meeting of the stockholders by a duly appointed proxy. All proxies shall be written and properly signed, but shall require no other attestation, and shall be filed with the Secretary of the meeting before being voted.

Section 7. - Officers of Meetings

The President of the Corporation, if present, shall preside at all meetings of stockholders; in his absence the Vice President or Assistant Vice President of the Corporation, if present, shall preside. The Secretary of the Corporation shall, if present, act as secretary of all meetings of the stockholders. In his or her absence a temporary secretary for that particular meeting shall be elected. The Secretary of the stockholder's meetings shall keep a faithful record of the proceedings of such meetings, and, if not the Secretary of the Corporation, shall immediately turn over to the Secretary of the Corporation such record.

Section 8. - Order of Business

The order of business at all meetings of the stockholders, unless changed by majority vote, shall be as follows:

1. Roll Call
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of the preceding meeting
4. Reports of Officers and Directors
5. Reports of Committees (if any)
6. Election of Inspectors of Election (if any)
7. Election of Director or Directors
8. Unfinished Business
9. New Business

ARTICLE IV

DIRECTORS

Section 1. - Number, Term of Office, etc.

The Directors of the Corporation shall be three (3) in number, all of whom must be stockholders of the Corporation. All of the Directors shall have their principal residence in the Twin Lakes section

of South Salem, Town of Lewisboro, New York, and be users of the Twin Lakes Water Works Corporation water with no other or supplemental supply for household drinking water. The Directors shall be elected in the manner provided by these By-Laws, at the annual meeting of the stockholders of the Corporation, and a Director shall be elected each year to serve until the annual meeting in the third year after his election. Any one or more of the directors may be removed, either with or without cause, at any time by a vote of a quorum of the stockholders at a special meeting called solely for this purpose and provided that a quorum is present at the meeting. Any vacancy occurring in the Board of Directors shall be filled for the unexpired term by a majority vote of the remaining Directors. There should be no more than a three week interim period between the loss of a director within a term and the appointment of a successor to serve until the next annual meeting, at which time the remainder of the term, if any, shall be filled by a stockholder nominated and elected under the same rules that govern the election of a full-term director.

Section 2. - Nominating Committee

Annually in May, the directors shall select a nominee to fill the vacancy which will result upon completion of a director's three-year term. If more than one vacancy is to exist at the time of the annual meeting, a nominee shall be selected for each vacancy. Each nominee shall have accepted the nomination before his or her name is announced to the stockholders. The stockholders shall also be informed that two additional candidates for each position may be nominated from the floor at the meeting. If there is more than one vacancy to be filled, there will be separate nomination and election proceedings for each. The position involving the longest term shall be voted on first.

All voting shall be by secret ballot, with a majority vote required for election. If no candidate receives a majority on the first ballot, then a second vote shall be held between the two candidates receiving the most votes on that ballot. Should there be a tie for the second highest vote, than a run-off shall be held between those candidates, and the winner will run a against the highest vote-getter from the first ballot.

If more than two candidates are nominated from the floor, there will be an election among them to

find the two who will run for office along with the one nominee submitted by the directors.

Section 3. - Duties and Powers

The Board of Directors shall have the control and management of the affairs of the Corporation and shall exercise all such powers of the Corporation, and do all such lawful acts and things necessary or expedient in the control and management thereof, as are not by statute or by these By-Laws directed or required to be exercised or done by the stockholders. The directors may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they may deem proper, not inconsistent with the law. The directors shall elect and designate officers of the corporation.

Section 4. - Meetings

Meetings of the Board of Directors shall be held in the Town of Lewisboro, New York, at any place which the majority of the Board of Directors may from time to time designate. There shall be an annual meeting of the Board of Directors held upon the day of their election, or as soon thereafter as convenient. Other regular meetings of the Board shall be held at such times and places as the Board shall from time to time prescribe. At least two Directors shall approve and attend every meeting held by the President or Vice President for transacting Corporation business. The Secretary shall call a meeting of the Board of Directors whenever requested in writing by any one Director so to do. Ten days notice shall be given to each Director by the Secretary, of each meeting of the Board of Directors. Such notice may be given by mail, telegram, telephone to the Director personally, or in person. The Board of Directors may meet to transact business at any time and place without notice, provided that every member of the Board shall be present, or that any member or members not present shall waive notice of such meeting in writing. Two Directors shall constitute a quorum for the transaction of business but the Director or Directors present, if less than a quorum, may adjourn any meeting from time to time until such quorum shall be present. The Secretary of the Corporation may be present at such Directors meeting, but will act only as a Secretary to record decisions made at the meeting. All questions coming before the Board shall be determined and decided by a majority vote. Each Director shall be entitled to one vote at all meetings of

Directors. At such meetings of Directors, if the Secretary is not present, one Director will report decisions made to the Secretary who will transmit them in writing to the Officers of the Corporation.

When meetings are held with both Directors and Officers present, the decisions made and questions voted upon shall be decided by majority vote of the Directors and Officers present at the meeting provided that at least two of the Directors attend the meeting. Any decisions thus made may be changed, cancelled, or modified at a subsequent meeting of the Directors alone if considered necessary by the Directors unanimously.

ARTICLE V

OFFICERS

Section 1. - Appointments

The Board of Directors shall meet as soon as convenient following the annual meeting of the stockholders to appoint a president, secretary, and treasurer. They may elect such other officers as the needs of the Corporation may from time to time require. All officers shall serve for one year, or until the election and qualification of their successors, subject to the power of the Directors to remove any officer at pleasure by a majority vote of the Board. Any two offices may be held by the same person. The compensation of the officers, if any, shall be fixed by the Board of Directors.

Section 2. - President

The President shall, when present, preside at all meetings of the Board of Directors and Officers, and shall act as temporary Chairman at and call to order all meetings of the stockholders. The President shall be the chief Executive officer of the Corporation, and shall perform all duties commonly incident to his office and shall have general supervision of the affairs of the Corporation subject to the approval of the Board of Directors. The President or Vice President shall sign all certificates of stock, to be counter signed by the Secretary or Treasurer. At the first regular meeting of the Board of Directors of the Corporation, the President shall submit a complete report of the operations and the business of the Corporation for the previous fiscal year, together with a statement of the

Corporation's affairs at the close of such year, and shall submit a similar report at each annual meeting of the stockholders. The President shall also report to the Board from time to time all matters coming to his notice, relating to the interests of the Corporation, that should be brought to the attention of the Board.

Section 3. - Vice President and Assistant Vice President

The Vice President shall have and exercise all the powers and duties of the President in case of his absence or inability to act, and shall perform such other duties as may be prescribed by the Board of Directors.

The Assistant Vice President shall work with the Vice President and in the case of his absence perform his duties. In addition, he shall have the responsibility for the plant and equipment of the Corporation in regard to its efficient operation and maintenance.

Section 4. - Secretary

The Secretary shall attend meetings of the Board of Directors and Officers, and meetings with stockholders, and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose. Copies of all minutes will be made and sent or delivered to each Officer and Director. The Secretary shall give or cause to be given notice of all meetings of the stockholders, and Officers with Directors, and shall affix the seal of the Corporation to all certificates of stock, and to such other papers as may require it, and shall have charge of the Corporation's seal, the stock certificate book, and such other books and papers as the Board of Directors may prescribe, and shall cancel all surrendered stock certificates before issuing new certificates therefor, and shall preserve such cancelled certificates. The Secretary shall also make such reports to the Board of Directors as they may request, and shall prepare and cause to be filed such reports and statements as may be required by the laws of the State of New York and by the laws of any other State in which the Corporation shall do business.

Section 5. - Treasurer

The Treasurer shall have the care and custody of all the funds and securities of the Corporation, and shall deposit the same in the name of the

Corporation in such bank or banks as the Board of Directors may approve and designate, and shall disburse the same under such rules and regulations as may be made by the Board of Directors, and shall perform such other duties as the Board of Directors may from time to time prescribe. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall see that all expenditures are duly authorized and are evidenced by proper receipts and vouchers. The Treasurer shall make out all Federal and State tax returns required by law.

The Treasurer and one of the three Directors shall sign checks. All bonds, mortgages and other contracts shall be signed by two Directors, the Secretary and Treasurer.

The Treasurer shall make all necessary arrangements for, and supervise and be responsible for, keeping the books of the Corporation in regard to services of outside agencies or individuals. The Treasurer shall render to the President and the Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer, and of the financial condition of the Corporation, and shall also make a full report and present a financial statement showing the financial condition of the Corporation at each annual meeting of the stockholders.

Section 6. - Special Appointments - Vacancies

Every officer shall perform such duties as the Board of Directors may from time to time require, and the Board of Directors may likewise appoint such other officers as may in its discretion be necessary for the transaction of the business of the Corporation, with such powers and duties as it may confer and impose. Should any vacancy occur among the officers by death, resignation, or otherwise, the same shall be filled by a majority vote of the Directors at any regular or special meeting called for the purpose.

ARTICLE VI

CAPITAL STOCK

Section 1. - Certificates

Certificates of stock shall be signed by the President or Vice President and countersigned by

the Secretary or Treasurer and sealed with the seal of the Corporation. Each certificate of stock shall represent one share for each parcel of property as indicated on the tax map of the Town of Lewisboro, New York, County of Westchester. All certificates exchanged or returned to the Corporation shall be marked "Cancelled" by the Secretary, with the date of cancellation. They will be retained in the stock record book. Certificates will be issued only to property owners whose property is included in the Twin Lakes Water Works Corporation area of water distribution.

Section 2. - Transfers

All transfers of stock shall be made upon the books of the Corporation, and in the event that any parcel of property to which a certificate of stock in the Twin Lakes Water Works Corporation is assigned shall be sold, then such certificate of stock assigned to the aforesaid parcel will automatically be transferred without charge to the new owner of record.

In the event that the original certificate is not surrendered to the Secretary of the Corporation for transfer within one month after the date of sale of the property, then the original certificate will become null and void and of no value, and a new certificate will be issued to the new owner of the property without charge. Proof of ownership will be submitted by the new owner to initiate this issuance of stock.

Transfers of stock upon the books of the Corporation must be accompanied by the surrender of the duly endorsed certificate representing the stock transferred. Transfer books shall be closed twenty days before the annual meeting of the stockholders.

ARTICLE VII

DIVIDENDS

Dividends shall be declared and paid at such times and in such amounts, or in the form of

discounts of water charges, as the Board of Directors may in their absolute discretion determine and designate, subject to the restrictions and limitations imposed by the Certificate of Incorporation and By-Laws.

ARTICLE VIII

SIGNATURES

All checks, notes, drafts and orders for the payment of money by the Corporation, and all other papers requiring the signature of an officer and Director of the Corporation, shall, unless otherwise authorized by law, the Certificate of Incorporation, or these Bylaws, be signed by the Treasurer and one Director, or in the absence of the Treasurer by two Directors in cases of emergency and in such cases by unanimous arrangement of the three Directors with the bank on which the check will be drawn.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Corporation shall commence on the first day of January and shall end on the thirty-first day of December of the same year.

ARTICLE X

AMENDMENTS

These Bylaws may be amended, altered, repealed, or added to in any manner not inconsistent with the statutes of the State of New York or the provisions of the Certificate of Incorporation by the vote of two-thirds of the stockholders voting at any regular or special meeting of the stockholders, provided that notification of the intent to alter the bylaws is presented to the stockholders.