

**BY - LAWS
OF
BELMAR GARDENS, INC.**

**These Bylaws are amended effective October 12, 2005 and
will take the place of any and all other preceding bylaws**

**ARTICLE I
MEETING OF STOCKHOLDERS**

Section 1. *ANNUAL MEETINGS.* The annual meeting of the stockholders shall be at the principal office of the Corporation in the City of Pittsburgh, State of Pennsylvania. The Secretary shall send through the Post Office or by messenger at least ten days before such meeting, a notice thereof addressed to each stockholder at his/her last known Post Office address, but at any meeting at which all stockholders shall be present, or of which all stockholders not present have waived notice in writing, the giving of notice as above required may be dispensed with. This meeting shall be held at the end of the Corporation's fiscal year. Sixty days before the annual meeting, the Board of Directors shall form an agenda. The secretary will mail the notice of the said meeting and the planned agenda to residents who have requested a proxy ballot. The proxy ballot shall be paper and mailed to the absent stockholder within ten days of the meeting. The absent stockholder is one who resides in Belmar Gardens and cannot attend the annual meeting because of sickness, hospitalization or the stockholder being disabled.

Section 2. *QUORUM.* At all meetings of stockholders, except where it is otherwise provided by law, it shall be necessary that a majority of the stockholders, in person or by proxy, shall be present to constitute a quorum.

Section 3. *SPECIAL MEETINGS.* Special meetings of stockholders other than those regulated by statute, may be called at any time by a majority of the directors upon ten days' notice to each stockholder of record, such notice to contain a statement of the business to be transacted at such meeting, and to be served personally or sent through the Post Office, addressed to each of such stockholders of record at his/her last known Post Office address; but at any meeting at which all stockholders shall be present, or of which stockholders not present have waived notice in writing, the giving of notice as above described may be dispensed with. The Board of Directors shall also, in like manner, call a special meeting of stockholders whenever so requested in writing by not less than twenty per cent of the stockholders. No business other than that specified in the call for the meeting shall be transacted at any special meeting of the stockholders.

Section 4. *VOTING.* At all meetings of the stockholders, all questions the manner of deciding which is not specifically regulated by statute, shall be determined by a majority vote of the stockholders present in person or by proxy. Any unit owner who is more than 60 days delinquent in the payment of any assessment shall not be entitled to vote. Each stockholder present, in person or by proxy, shall be entitled to cast but one vote without regard to the amount of stock held by him. All voting shall be by ballot, each of which shall state the name of the stockholder voting, and in addition, if any such ballot cast by proxy, the name of the proxy shall be stated. A stockholder may appoint only his/her spouse as a proxy. The casting of all votes at special meetings of the stockholders shall be governed by the provisions of the Business Corporation Law of this State. All voting rights shall be vested in the holders of common stock. At any regular or special meeting of the stockholders, the written vote of an absent stockholder, signed by him, shall be received and counted, provided he/she

shall have previously notified in writing the exact motion or resolution upon which such vote is taken, and a copy of the same is forwarded with and attached to his/her written vote.

Section 5. *ORDER OF BUSINESS.* The order of business at all meetings of the stockholders shall be as follows.

1. Roll Call
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of preceding meeting
4. Reports of officers
5. Reports of committees
6. Appointment of inspectors of election
7. Election of Directors
8. Unfinished business
9. New business

ARTICLE II

DIRECTORS

Section 1. *NUMBER.* A Board of Nine Directors, who shall be stockholders of record, shall manage the affairs and business of this corporation and all of such Directors shall be residents of Belmar Gardens in the State of Pennsylvania; and in good standing.

Section 2. *HOW ELECTED.* At each annual meeting of stockholders, the Directors shall be elected by a plurality of votes cast at such annual meeting as hereinafter provided in Section 3 of this Article.

Section 3. *TERM OF OFFICE.* The term of office of three Directors, initially elected, shall be for three years; the term of office of three Directors, initially elected, shall be for two years, and the term of office of three Directors initially elected, shall be for one year. At the expiration of the term of office of each respective Director, his/her successor shall be elected to serve a term of three years in such manner that the terms of office of the Directors shall be so staggered that the terms of no more than three Directors will expire each year. The Directors shall hold office until their successors have been elected and shall have entered upon the discharge of their duties.

Section 4. *DUTIES OF DIRECTORS.* The Board of Directors shall have the control and general management of the affairs and business of the company. Such Directors shall in all cases act as a Board, regularly convened, by a majority, and they may adopt such rules and regulations for the conduct of their meetings and the management of the company, as they may deem proper, not inconsistent with these By-Laws and the Laws of the State of Pennsylvania. The Board of Directors shall have the responsibility for seeing to it that all officers and employees of the corporation handling corporate funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the corporation.

Section 5. *DIRECTORS' MEETINGS.* Regular meetings of the Board of Directors shall be held immediately following the annual meeting of the stockholders, and at such other times as the Board of Directors may determine. If a Board Member misses three consecutive regular meetings, not due to illness or a death in the family, then said Board Member shall be relieved of his/her position and duties. Special meetings of the Board of Directors may be called by the President at any time, and shall be called by the President or the Secretary upon the written request of three Directors.

At this meeting, the Board of Directors will elect new officers for the coming fiscal year. This meeting shall take place within ten days.

Section 6. *NOTICE OF MEETINGS.* Notice of meetings other than regular annual meetings shall be given by service upon each director in person or by mailing to him at his/her last known Post Office address at least three days before the date therein designated for such meeting, including the day of mailing, of a written or printed notice thereof specifying the time and place of such meeting, and the business to be brought before the meeting, and no business other than that specified in such notice shall be transacted at any special meeting. At any meeting at which every member of the Board of Directors shall be present, although held without notice, any business may be transacted which might have been transacted if the meeting had been duly called.

Section 7. *QUORUM.* At any meeting of the Board of Directors a majority of the Board shall constitute a quorum for the transaction of business, but in the event of a quorum not being present, a lesser number may adjourn the meeting to some future time, not more than ten days later.

Section 8. *VOTING.* At all meetings of the Board of Directors, each Director is to have one vote, irrespective of the number of shares of stock that he/she may hold.

Section 9. *VACANCIES.* If any Director shall die, or be removed, or cease to be a stockholder of the corporation, or cease to be a resident of Belmar Gardens in the Commonwealth of Pennsylvania, and the number of resident Directors remaining on the Board shall be reduced to less than one, then in any or all of such cases, his/her place among the Directors shall thereby become vacant. Whenever any vacancy shall occur in the Board of Directors by death, resignation or otherwise, the same shall be filled without undue delay by a majority vote by ballot of the remaining members of the Board at a special meeting which shall be called for that purpose. Each election shall be held within sixty days after the occurrence of such vacancy. The person so chosen shall hold office until the next annual meeting or until his/her successor shall have been chosen at a special meeting of the stockholders and shall enter upon the discharge of his/her duties.

Section 10. *REMOVAL OF DIRECTORS.* Any one or more of the Directors may be removed with just cause at any time by a vote of the majority of the stockholders at any regular or special meeting duly called, and a successor may be elected to fill the vacancy thus created. The first meeting of the Board of Directors, following each annual meeting of the Association shall be held within thirty days thereafter at such time and place as shall be fixed by the President (even if he/she is the outgoing President).

ARTICLE III

OFFICERS

Section 1. *NUMBER.* The officers of this Company shall be:

1. President
2. Vice-President
3. Secretary
4. Treasurer
5. Assistant Secretary
6. Assistant Treasurer

The offices of Assistant Secretary and Assistant Treasurer may be combined.

Section 2. *ELECTION.* All officers of the company shall be elected annually by the Board of Directors at its meeting held immediately after the meeting of stockholders, and shall hold office for the term of one year or until their successors are duly elected, subject to removal for cause by a majority of the stockholders at any regular or special meeting duly called within ten days.

Section 3. *DUTIES OF OFFICERS.* The duties and powers of the officers of the company shall be as follows:

PRESIDENT

The President must be a Director and a Stockholder and shall preside at all meetings of the Board of Directors and stockholders.

He/she shall present at each annual meeting of the stockholders and directors a report of the condition of the business of the company.

He/she shall cause to be called regular and special meetings of the stockholders and Directors in accordance with these By-Laws.

He/she shall appoint and remove, employ and discharge, and fix the compensation of all servants, agents, employees, and clerks of the corporation other than the duly appointed officers, subject to the approval of the Board of Directors.

He/she shall sign and make all contracts and agreements in the name of the corporation, and see that they are properly carried out.

He/she shall see that the books, reports, statements and certificates required by the statutes are properly kept, made and filed according to law.

He/she shall sign all certificates of stock, notes, drafts, or bills of exchange, warrants or other orders for the payment of and any bonds and mortgages attested by the Secretary.

He/she shall enforce these By-Laws and perform all the duties incident to the position and office, and which are required by law.

VICE-PRESIDENT

The Vice-President must be a Director and a Stockholder.

During the absence and inability of the President to render and perform his/her duties or exercise his/her powers, as set forth in these By-Laws, or in the acts under which this corporation is organized, the same shall be performed and exercised by the Vice-President, and when so acting, he/she shall have the powers and be subject to all the responsibilities hereby given to or imposed upon such President.

SECRETARY

The Secretary must be a Director and a Stockholder. He/she shall keep the minutes of the meetings of the Board of Directors and of the stockholders in appropriate books.

He/she shall give and serve all notices of the corporation.

He/she shall be custodian of the records and attest the signature of the President.

He/she shall sign all certificates of stock.

He/she shall present to the Board of Directors at their stated meetings all communications addressed to him officially by the President or any officer or shareholder of the corporation.

He/she shall perform all of the duties incident to the office of Secretary.

TREASURER

The Treasurer must be a Director and a Stockholder.

He/she shall sign, in the name of the corporation, all bonds, mortgages and loans, under the direction of the President of the Board of Directors.

He/she shall exhibit at all reasonable times his/her books and accounts to the Directors at the direction of the President of the Board.

He/she shall keep correct account of assigned accounts as the Board of Directors may require.

He/she shall do and perform all duties appertaining to the office of Treasurer.

Section 4. *BOND.* The Treasurer shall be bonded.

Section 5. *VACANCIES, HOW FILLED.* All vacancies in any office shall be filled by the Board of Directors without undue delay, at its regular meeting, or at a meeting specially called for that purpose.

Section 6. *DELEGATION OF POWERS; MANAGING AGENT.* The Executive Board may employ for the Cooperative a "Managing Agent" at a compensation established by the Executive Board. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including but not limited to all the duties listed in the Act, the Declaration and these By-laws: provided, however, where a managing agent does not have the power to act under the Act, the Declaration or these By-laws, such duties shall be performed as advisory to the Executive Board. Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by the Act, the Declaration and these By-laws other than the following powers:

- a. to adopt the annual budget and any amendment or to access any Common Expenses.
- b. to adopt, repeal, or amend rules and regulations based on Board approval.
- c. to designate signatories on Association Bank Accounts.
- d. to borrow money on behalf of the Association.
- e. to acquire units.
- f. to designate Reserved Common Elements.
- g. to allocate Limited Elements.

Any contract with the Agent must provide that it may be terminated with cause on more than sixty days written notice and without cause on no more than sixty days written notice. The term of any such contract may not exceed one year.

ARTICLE IV

Section 1. *SEAL*. The seal is in the custody of the Management Company to be used to emboss certificates of stock and any other document of the corporation that requires such a seal.

ARTICLE V

CERTIFICATES OF STOCK

Section 1. *DESCRIPTION OF STOCK CERTIFICATES*. The certificates of stock shall be numbered and registered in the order in which they are issued. They shall be bound in a book and shall be issued in consecutive order therefrom, and in the margin thereof shall be entered the name of the person owning the shares therein represented with the number of shares and the date thereof. Such certificates shall exhibit the holder's name and the number of shares. They shall be signed by the President or Vice-President, and countersigned by the Secretary or Treasurer, and sealed with the seal of the corporation. Certificates of stock shall not be issued to any subscriber until fully paid for. The certificates shall contain a reference to the restrictions and provisions contained in the Articles of Incorporation and in this By-Law Article V.

The corporation shall have a lien on the shares of common stock, which it has issued in order to secure payment of any sums which shall be due or become due from the stockholders for any reason whatsoever. Such lien may be foreclosed by the corporation. This provision shall be set forth in the stock certificates issued by the corporation.

Section 2. *STOCK*. The stock of the corporation shall be assigned and transferable on the books of the corporation only by the person in whose name it appears on said books, or by his/her legal representative, subject to the following conditions:

- (a) A stockholder may transfer his/her stock to a member of his/her immediate family by gift, bequest, assignment, or otherwise, provided said family member meets the required credit and criminal check.
- (b) If a stockholder desires to dispose of his/her stock other than as provided in (a) of this Section, he/she shall notify the corporation in writing of such intention, and the corporation, by action of the Board of Directors, shall have an option for a period of thirty days after the receipt thereof within which to purchase such stock. The Board of Directors shall not be obliged to purchase such stock. In the event that the Board of Directors shall determine to purchase such stock, the cost thereof to the corporation shall be the book value less any monies due to the corporation.
- (c) If the corporation waives, in writing, its right to purchase such stock, or fails to exercise its option within said thirty day period, the stockholder may sell all, but not less than all, of his/her stock to any person, who shall become an occupant of the project, provided that he/she shall have been approved by the Directors of the corporation and has passed the required credit and criminal check. The corporation may refuse to transfer such stock unless all monies due to the corporation have been paid.

- (d) Provided that the corporation shall have sufficient reserve funds it may, by the determination of the Board of Directors, purchase or recall stock of an expelled stockholder at the book value of such stock, less any monies due to the corporation. If the stockholder is sued because of non-payment of the stockholder's water assessment for six months, his/her shares shall be cancelled and revert to the Corporation on approval of the Board of Directors.
- (e) For the purpose of the transfer, where a stockholder has an appointed attorney, the power of attorney shall be deposited with the Secretary. In all cases of transfer, the former certificates must be surrendered up and cancelled before a new certificate may be issued. No transfer shall be made upon the books of the corporation within ten days next preceding the annual meeting of the stockholders.
- (f) Notwithstanding anything contained herein to the contrary, each occupant of the corporation's project must be an owner of common stock of the corporation, and the ownership of stock of the corporation shall be restricted to occupants of the project who shall have been approved by the Board of Directors of the corporation.
- (g) In the event the corporation has, pursuant to the provisions of the Occupancy Agreement, terminated the rights of a stockholder under said Occupancy Agreement and repossessed the dwelling unit, the stockholder shall be required to deliver promptly to the corporation his/her share or shares of stock and his/her Occupancy Agreement, both endorsed in such manner as may be required by the corporation. The corporation shall thereupon at its election either (1) re-purchase said stock at its book value as determined by the corporation, or (2) proceed with reasonable diligence to effect a sale of the stockholder's rights under such share or shares of stock to a purchaser and at a sales price acceptable to the corporation. The retiring stockholder shall be entitled to receive the book value (if the corporation has exercised election (1) above, or sales price if the corporation has exercised election (2) above, but in either case less the following amounts (the determination of such amounts by the corporation to be conclusive): (1) any amount due to the corporation from the stockholder under the Occupancy Agreement; (2) the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the corporation to place the dwelling unit in suitable condition for another occupant; (3) legal and other expenses incurred by the corporation in connection with the default of such stockholder and the resale of his/her stock.
- (h) "Book Value" used in these By-Laws and in the Occupancy Agreement is an accounting valuation of the net worth of the corporation. The book value of each individual share of stock is the proportionate share of the net worth applicable to such share of stock as determined by the Board of Directors.

ARTICLE VI

DIVIDENDS

Section 1. The receipts of the corporation during each fiscal year shall be applied to the operating expenses, including, without limitation, taxes, maintenance, repairs, replacements, insurance, interest and all other expenses and obligations of the corporation, as they become due. Reserves for depreciation and operating reserves shall be established as required by the Articles of Incorporation.

Section 2. The profits of the corporation available for distribution in the form of dividends shall be allocated to holders of the common stock on the basis of their stock holdings and their occupancy of units in the housing project owned by the corporation within sixty days after the close of the fiscal year. In lieu of declaring a dividend, the Board of Directors in its discretion, has chosen to reinvest any dividends to improve the properties.

Section 3. Anything in this Article to the contrary notwithstanding, the common stockholders, by majority vote, may dispose of profits available for dividends from the business operations of the corporation in such manner as to lower its occupancy charges or prices or otherwise further the common benefit of the common stockholder occupants of the project, and may adopt a system for deferment for a fixed period of dividends which would otherwise be distributed.

ARTICLE VII

BILLS, NOTES, ETC.

Section 1. *HOW MADE.* All bills payable, notes, checks, or other negotiable instruments of the corporation shall be made in the name of the corporation by the agent. Any amount over \$2,000 to be paid or transferred to any vendor or institution must be approved by a majority of the Board.

Section 2. No officer or agent of the corporation, either singly or jointly with others, shall have the power to make any bill payable, note, check, draft or warrant or other negotiable instrument, or endorse the same in the name of the corporation, or contract or cause to be contracted any debt or liability in the name or in behalf of the corporation, except as herein expressly prescribed and provided, nor shall any officer or director, or the Board of Directors, have the power, without prior approval of the holders of the preferred stock, given in writing, incur liabilities (direct or contingent) which will at any one time exceed in the aggregate ten thousand (\$10,000.00) dollars, or any liability maturing more than one year from the creation thereof.

ARTICLE VIII

AMENDMENTS

Section 1. *COMMON STOCK.* The adoption of any change shall be by the affirmative vote of two-thirds of the common stockholders at a meeting held after due written notice, setting forth the proposed action and the purpose of the meeting.

ARTICLE IX

MISCELLANEOUS

In the event that there should be any inconsistency between the By-Laws and the Articles of Incorporation, then the Articles of Incorporation shall prevail.