

**BYLAWS**  
of  
Edgewater Beach  
Apartments Corporation  
revised.  
June 15, 2023

(An Illinois For-Profit Corporation)

Certain restrictions contained in the  
Proprietary Leases should be considered  
in connection with the provisions of  
the Amended & Restated Bylaws.

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NOTE: The singular “they” is used throughout this document as a generic third-person singular pronoun.

## **ARTICLE I Offices**

The principal office of the corporation in the State of Illinois shall be located in the City of Chicago and County of Cook.

The registered office of the corporation required by the Business Corporation Act of 1983, as amended, to be maintained in the State of Illinois may be, but need not be, identical with the principal office in the State of Illinois, and the address of the registered office may be changed from time to time by the board of directors.

## **ARTICLE II Shareholders**

SECTION 1. ANNUAL MEETING. The annual meeting of the shareholders shall be held on the first Tuesday of May in each year for the purpose of electing directors, and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a meeting of the shareholders as soon thereafter as conveniently may be.

### SECTION 2. SPECIAL MEETINGS.

a. Special meetings of the shareholders may be called by the president, by the board of directors, or by the holders of not less than one-fifth of all the outstanding shares of the corporation.

b. If the special meeting is called by the shareholders the demand for the special meeting must be signed by one or more shareholders demanding the special meeting, dated, and delivered to the corporation describing the purpose or purposes for which the special meeting is to be held.

c. Only business within the purpose or purposes described in the meeting notice may be conducted at the special meeting of shareholders.

d. No written demand by a shareholder for a special meeting shall be effective unless, within sixty (60) days of the earliest date on which such a demand delivered to the corporation as required by this section was signed, written demands signed by shareholders holding at least the percentage of votes specified in or fixed in accordance with the first paragraph of this section have been delivered to the corporation. Upon receipt of written demands from shareholders holding at least one-fifth of all the outstanding shares of the corporation, the board shall hold a special meeting of the shareholders within sixty (60) days thereafter.

SECTION 3. PLACE OF MEETING. The board of directors may designate any place within the city of Chicago, Illinois, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. This meeting may also be held by remote communication. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation in the State of Illinois.

SECTION 4. NOTICE OF MEETING. Written or printed notice stating the place, if any, date, and hour of the meeting; the means of remote communication, if any, by which shareholders may be deemed to be present in person and vote at such meeting; and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than forty (40) days before the date of the meeting, either personally or by United States mail, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at their address as it appears in the records of the corporation, with postage thereon prepaid.

SECTION 5. CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or in order to make a determination of shareholders for any other proper purpose, the board of directors of the corporation may provide that the stock transfer books shall be closed for a stated period of not more than forty (40) nor less than ten (10) days, or in case of dissolution or sale, lease, or exchange of assets other than in the usual and regular course of business, not less than twenty (20) days, immediately preceding the action or meeting. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the board of directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than forty (40) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, the date on which notice of the meeting is mailed is the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of the shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

SECTION 6. VOTING LISTS. The officer or agent having charge of the transfer books for shares of the corporation shall make, within twenty (20) days after the record date for a meeting of shareholders or ten (10) days before such meeting, whichever is earlier, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file and shall be subject to inspection by any shareholder, and to copying at the shareholder's expense, at the registered office of the corporation at any time during usual business hours, or on a reasonably accessible electronic network, at the corporation's election. If the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to shareholders of the

corporation. Such list shall also be produced and kept open at the time and place of the meeting, or on a reasonably accessible electronic network if the meeting will be held solely by means of remote communication, and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in this state, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book, or to vote at any meeting of shareholders.

SECTION 7. INSPECTORS. Prior to the annual meeting of the shareholders, independent inspectors shall be appointed by the president of the corporation in accordance with the Business Corporation Act of 1983, as amended, and shall take complete custody of all proxies or ballots as they are voted, and no one other than said inspectors shall handle or view the same. To ensure complete secrecy, the corporation shall furnish and maintain in a place in the lobby of the corporation's building, convenient to all parties, a tamper-proof receptacle for such proxies or ballots, which shall remain in the custody of said inspectors at all times subject to each shareholder's right of revocation (by filing a new proxy with a later date, by providing a notice of revocation to the inspector, or by attending the annual meeting and voting in person) until all voting and the report of the same is completed. At no time shall there be any disclosure by anyone as to how any shareholder voted. Said proxies and ballots shall be retained in the custody of said inspectors for a period of not less than ninety (90) days, after which they shall be destroyed by said inspectors. All proxies or ballots shall be delivered to the inspectors not later than 12:00 noon on the date of the annual shareholders' meeting.

SECTION 8. QUORUM. A majority (50% + 1) of the outstanding shares held by shareholders of the corporation, represented in person, by proxy, remote communication, or through electronic voting, shall constitute a quorum at any meeting of shareholders, provided that, if less than a majority of the outstanding shares are represented at said meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting shall be the act of the shareholders, unless the vote of a greater number is required by the corporation's Articles of Incorporation, the Proprietary Lease, these bylaws, or the Business Corporation Act of 1983, as amended. At any adjourned meeting which has been reconvened and at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of shareholders from any meeting is not cause of failure of a duly constituted quorum of that meeting.

SECTION 9. PROXIES. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by their duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after the expiration of eleven months from the date of its execution, unless otherwise provided in the proxy.

A shareholder may make such an appointment by doing one of the following:

a. signing the proxy or affixing their signature by any reasonable means including, but not limited to, a facsimile signature;

b. transmitting or authorizing the electronic transmission of a proxy which shall either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the shareholder or their proxy; or

c. substituting any reliable reproduction of the writing or transmission in lieu of the original transmission for any and all purposes for which the original writing or transmission could be used, provided that it shall be a complete reproduction of the entire original writing or transmission.

SECTION 10. VOTING OF SHARES. Subject to the provisions of Section 13 of this article, each outstanding share shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders. Shareholders may vote their shares at the meeting of the shareholders, either in person, via electronic transmission as authorized in these bylaws, via proxy, or by submitting a vote via an electronic voting platform approved by the directors.

SECTION 11. PRESUMPTION OF CONSENT. If the subject shares are jointly owned and a proxy or ballot is issued by only one of the shareholders, that individual is presumed to be acting on behalf of the other shareholders, and the proxy or ballot is considered valid and binding, unless a written notice from the dissenting shareholder(s) is made to the secretary of the corporation before the meeting. If the shareholders are evenly split, the votes are pro-rated. In the event of a disagreement by multiple shareholders, then an agreement by the majority would control the vote of the shares.

#### SECTION 12. VOTING OF SHARES BY CERTAIN HOLDERS.

a. Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

b. Shares standing in the name of a deceased person may be voted by their administrator or executor, either in person or by proxy. Shares standing in the name of a guardian, conservator, or trustee may be voted by such fiduciary, either in person or by proxy, but no guardian, conservator, or trustee shall be entitled, as such fiduciary, to vote shares held by them without a transfer of such shares into their name.

c. Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into their name if authority so to do is contained in an appropriate order of the court by which such receiver was appointed.

d. A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

e. Shares of its own stock belonging to this corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by it in a fiduciary capacity may be voted



and shall be counted in determining the total number of outstanding shares at any given time.

SECTION 13. CUMULATIVE VOTING. In all elections of directors, every shareholder shall have the right to cast as many votes as (a) their number of shares multiplied by (b) the number of open director positions. Such votes may be cast in person, by proxy, remote communication, or through electronic voting. These cumulative votes may be distributed in any proportion among any number of candidates (including any write-in candidates) the shareholder chooses.

SECTION 14. INFORMAL ACTION BY SHAREHOLDERS. Unless otherwise provided by the Business Corporation Act of 1983, as amended, any action required to be taken at a meeting of the shareholders may be taken without a meeting and without a vote, if a consent in writing, setting forth the action to be so taken, shall be signed (a) by the holders of the outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voting, or (b) by all of the shareholders entitled to vote with respect to the subject matter thereof. If such consent is signed by less than all of the shareholders entitled to vote, then such consent shall become effective only if, at least five (5) days prior to the execution of the consent, a notice in writing is delivered to all shareholders entitled to vote with respect to the subject matter thereof and, after the effective date of the consent, prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be delivered in writing to those shareholders having voting rights on such matter, who have not consented in writing.

SECTION 15. MEETING PROCEDURES. All shareholders' meetings and board of directors meetings shall, in general, be guided by the most recently revised edition of *Robert's Rules of Order*.

### **ARTICLE III**

#### **Directors**

SECTION 1. GENERAL POWERS. The property, business, and affairs of the corporation shall be managed by or under the direction of its board of directors and, except as otherwise expressly provided by the law, the Articles of Incorporation, or these bylaws, all the powers of the corporation shall be vested in such board.

#### SECTION 2. CANDIDATES.

a. Any candidate for election may submit their candidacy at any time up to and including the day of the meeting and the meeting itself. However, any qualified candidate for election to the board of directors who wishes to be included in a "meet the candidates" forum held by the board of directors prior to the annual meeting shall submit their name and qualifications to the Election Committee not less than forty (40) days prior to the date of the annual shareholder meeting. These names shall be placed in the minutes of the next board meeting and shared with the shareholders. The proxy or ballot shall contain no references to the preferences or opinions of the board.

b. Any candidate who wishes their name to be printed on a proxy or ballot must submit

their candidacy to the secretary of the corporation not less than forty (40) days before the annual meeting in order to provide time to put their name on the proxy or ballot.

c. The Election Committee shall be chaired by a member of the board who is not a candidate for reelection. The Election Committee shall be composed of shareholders or board members who are not candidates for election or reelection.

d. The board will not discriminate against candidates on the basis of race, color, national origin, religion, gender identity, sex, age, disability, marital status, sexual orientation, or other protected classes as provided by law.

### SECTION 3. NUMBER, TENURE, AND QUALIFICATIONS.

a. The number of directors of the corporation shall be fifteen. At each annual meeting of shareholders, five directors shall be elected for a term of three years.

b. Each director so elected shall hold office until their successors are elected and qualified or until their death, resignation, or removal.

c. No shareholder may serve in an elected position as director for more than three consecutive years except as provided in section 3.b. above. Serving as an appointed director for less than one year does not prohibit that director from running for a consecutive three-year term.

d. A director shall be deemed to have resigned from the board if, during a twelve-month period, they are absent, without advance notice and without good cause, from three consecutive board meetings.

e. Any director who lists their apartment for sale and has not announced their intention to purchase another in the building must submit their resignation to the board of directors.

f. Any candidate who runs for election to the board of directors or any person who is appointed to the board of directors of the Edgewater Beach Apartments Corporation must be a shareholder of the corporation and must have resided for at least one year in the Edgewater Beach Apartments immediately prior to such election or appointment. In addition, a candidate must be a shareholder in good standing by being current on all assessments, fees, and fines, with no outstanding violations of either the rules and regulations or the Proprietary Lease.

g. No shareholder whose apartment is listed for sale is eligible to run for election to the board of directors.

h. Only one person listed on a jointly owned stock certificate of the Edgewater Beach Apartments Corporation may serve on the board of directors of the corporation at any given time.

#### SECTION 4. MEETINGS OF THE BOARD OF DIRECTORS.

a. **REGULAR MEETINGS.** Meetings of the board of directors may be held in person or by remote communication, or both.

b. **ELECTION OF OFFICERS MEETING.** Within fourteen (14) days after the annual meeting of shareholders and on a date designated by the outgoing president, the board of directors shall hold its first regular meeting, at which the election of officers will take place.

c. **SPECIAL MEETINGS.** Special meetings of the board may be called by or at the request of the president or no less than four directors. The person or persons authorized to call special meetings of the board of directors shall provide notice listing the date, the time, and the place within the City of Chicago, Illinois, for holding the special meeting.

d. **NOTICE.** Written notice of all board of directors meetings shall be mailed or delivered to all shareholders at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice. Copies of notices of meetings of the board of directors shall be posted in the elevator lobby, elevators, or other conspicuous places in the building at least forty-eight (48) hours prior to the meeting of the board of directors.

e. **OPEN MEETINGS.** Meetings of the board of directors shall be open to any shareholder, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the corporation has been filed and is pending in a court or administrative tribunal, or when the board of directors finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment, or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the corporation by a shareholder.

f. **RECORDING OF MEETINGS.** A shareholder may record the proceedings of the board of directors open to shareholders. The board of directors may prescribe reasonable rules and regulations to govern the right to make such recordings.

g. **WAIVER.** Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need to be specified in the notice or waiver of notice of such meeting.

h. **QUORUM.** A majority of the board of directors shall constitute a quorum for transaction of business at any meeting of the board, provided that, if fewer than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

i. **PARTICIPATION BY CONFERENCE CALL.** Members of the board of directors or of any committee of the board of directors may participate in use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear one another. Participation in such meeting shall constitute attendance and presence in person at

the meeting of the person or persons so participating.

j. MANNER OF ACTING. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors unless otherwise provided in these bylaws.

k. CONFLICT OF INTEREST. Any member of the board of directors having a personal, fiduciary, financial, or other interest or benefit from a contract or other transaction presented to the board of directors shall make full disclosure of such interest to the board of directors prior to discussion of the matter. Any conflict of interest shall be handled in accordance with the Business Corporation Act of 1983, as amended.

SECTION 5. VACANCIES. If a vacancy occurs on the board of directors subsequent to the annual shareholders' meeting, such vacancy may be filled by the board of directors, or by election by shareholders at the next annual meeting, or by election at a special meeting of shareholders called for that purpose. A director elected by shareholders to fill a vacancy shall hold office for the balance of the term for which they were elected. A director appointed to fill a vacancy shall serve until the next meeting of shareholders at which directors are to be elected.

SECTION 6. PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless their dissent shall be entered into the minutes of the meeting or unless they shall file their written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered or certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action. Any director may request a roll call vote on a specific issue.

#### SECTION 7. COMMITTEES.

a. Board committees (standing and temporary) and shareholder committees are created by the board of directors.

b. All committee chairs are appointed by the president and approved by the board of directors. The membership of all committees is constituted by the committee chair, after discussion with the board president, and approved by the board. Such members may be chosen from among the board members or from the shareholders. All committee members shall serve at the pleasure of the board.

c. The chair of board committees (standing and temporary) must be a director, while the chair of a shareholder committee may be either a director or a non-director shareholder. If the chair of a shareholder committee is not a director, a director shall be designated by the president to have a liaison responsibility with the committee.

d. Committees are required to have a board-approved charter and act in accordance with said charter. All committees shall keep minutes of the transactions of their meetings and shall

report the minutes at the next board of directors meeting.

e. A majority of any committee shall constitute a quorum and a majority of a quorum is necessary for committee action.

f. A committee may act by unanimous consent in writing signed by all members of the committee, without a meeting. Signed consents need not be original and may be submitted via email, facsimile, or other electronic means. Consents may also be signed electronically.

g. Actions that a committee votes to recommend to the board shall be presented as a motion to the board of directors for approval.

h. During the period between the annual meeting and a subsequent meeting of the board of directors at which new committee members are confirmed, existing committees shall continue, when necessary, to conduct business on behalf of the corporation.

## **ARTICLE IV**

### **Officers**

SECTION 1. NUMBER. The officers of the corporation shall be a president, one or more vice presidents (the number thereof to be determined by the board of directors), a treasurer, and a secretary, and such assistant treasurers, assistant secretaries, or other officers as may be elected or appointed by the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices filled at any meeting of the board of directors. Each officer shall hold office until their successor shall have been duly elected and shall have been qualified or until their death or until they shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. REMOVAL. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the persons removed.

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

SECTION 5. PRESIDENT. The president shall be the chief executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation subject to the direction of the board of directors. The president shall preside at all

meetings of the shareholders and of the board of directors. The president may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

SECTION 6. THE VICE PRESIDENTS. In the absence of the president or in the event of their inability or refusal to act, the vice president (or in the event that there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. Any vice president may sign, with the secretary or an assistant secretary, certificates for shares of the corporation; and shall perform such other duties as from time to time may be assigned to them by the president or by the board of directors.

SECTION 7. THE TREASURER. The treasurer is responsible for protection of the assets of the corporation either directly, or indirectly through delegation of certain of the treasurer's responsibilities to an entity such as a management company. The treasurer has oversight responsibility for (a) all funds and securities of the corporation, receiving and giving receipts for moneys due and payable to the corporation from any source whatsoever, and depositing all such moneys in the name of the corporation in such banks or other depositories as shall be selected in accordance with the provisions of Article VI of the bylaws; (b) all other duties incident to the office of the treasurer such as budgeting and funding the expenses of the corporation and such other duties as from time to time may be assigned by the president or board of directors. If requested by the board of directors, the treasurer shall give a bond for the faithful discharge of the treasurer's duties in such sum and with such surety or sureties as the board of directors shall determine.

SECTION 8. THE SECRETARY. The secretary shall (a) keep the minutes of the shareholders' and of the board of directors meetings in one or more locations accessible, whether electronically or physically, by shareholders; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all certificates for shares prior to the issue thereof and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; (d) keep a register of the post office address of each shareholder which shall be furnished to the secretary by such shareholder; (e) sign with the president, or a vice president, certificates for shares of the corporation, the issue of which shall have been authorized by resolution of the board of directors; (f) have general charge of the stock transfer books of the corporation; (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to them by the president or by the board of directors.

SECTION 9. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. The assistant treasurers shall respectively, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine. The assistant secretaries as thereunto authorized by the board of directors may sign with the president or a vice president certificates for shares of the corporation, the issue of which shall have been authorized by a resolution of the board of directors. The assistant treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned to them by the treasurer or the secretary, respectively, or by the president or the board of directors.

SECTION 10. SALARIES. Board members shall not receive compensation for their services.

## **ARTICLE V**

### **Indemnification of Directors and Officers**

a. The corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that they are or were a director, officer, employee, or agent of the corporation, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, if such person acted in good faith and in a manner they reasonably believed to be in, or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The termination of any action suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the corporation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that their conduct was unlawful.

b. The corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the corporation, provided that no indemnification shall be made with respect to any claim, issue, or matter as to which such person has been adjudged to have been liable to the corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

c. To the extent that a present or former director, officer, or employee of a corporation has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding

referred to in subsections (a) and (b), or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, if the person acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the corporation.

d. Any indemnification under subsections (a), (b), or (c) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case, upon a determination that indemnification of the present or former director, officer, employee, or agent is proper in the circumstances because they have met the applicable standard of conduct set forth in subsections (a), (b), or (c). Such determination shall be made with respect to a person who is a director or officer of the corporation at the time of the determination: (1) by the majority vote of the directors who are not parties to such action, suit, or proceeding, even though less than a quorum, (2) by a committee of such directors, even though less than a quorum, designated by a majority vote of such directors, (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the shareholders.

e. Expenses (including attorney's fees) incurred by an officer or director of the corporation in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this section. Such expenses (including attorney's fees) incurred by former directors and officers, or other employees and agents of the corporation, may be so paid on such terms and conditions, if any, as the corporation deems appropriate.

f. The indemnification and advancement of expenses provided by or granted under the other subsections of this article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. A right to indemnification or to advancement of expenses arising under a provision of the articles of incorporation or a bylaw shall not be eliminated or impaired by an amendment to such provision after the occurrence of the act or omission that is the subject of the civil, criminal, administrative, or investigative action, suit, or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such act or omission has occurred.

g. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of their status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this article.

h. If the corporation indemnifies or advances expenses to a director or officer under subsection (b) of this article, the corporation shall report the indemnification or advance in writing to the shareholders with or before the notice of the next shareholders meeting.



i. For purpose of this article, references to “the corporation” shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officer, and employees or agents, so that any person who was a director, officer, employee, or agent of such merging corporation shall stand in the same position under the provisions of this article with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.

j. The indemnification and advancement of expenses provided by or granted under this article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of that person.

## **ARTICLE VI**

### **Contracts, Loans, Checks, and Deposits**

SECTION 1. CONTRACTS. The board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Expenditures over \$50,000 and not contained in the corporation’s approved annual budget, require approval by the board of directors.

The board of directors may not authorize any expenditure for a capital improvement which exceeds 3% of assessment income (combination of regular and reserve assessments) in the current budget without the approval of a majority (50% +1) of the outstanding shares held by shareholders of the corporation. A capital improvement is the addition of a new element or facility that does not currently exist at EBA. Maintenance, repair, restoration, or replacement of existing elements or facilities are not considered a capital improvement even if the maintenance, repair, restoration, or replacement results in an improvement over the original quality or quantity of such elements or facilities.

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

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, or agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

SECTION 4. DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

**ARTICLE VII**  
**Certificates for Shares and Their Encumbrance and Transfer**

SECTION 1. CERTIFICATES FOR SHARES. Certificates representing shares of the corporation shall be in such form as may be determined by the board of directors. Such certificates shall be signed by the president or vice president and by the secretary or an assistant secretary and shall be sealed with the seal of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in the case of a lost, destroyed, or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the board of directors may prescribe.

SECTION 2. LIMITATIONS ON THE ISSUE AND TRANSFERS OF SHARES. Unless otherwise ordered by the board of directors, all shares issued by the corporation shall be issued to the lessees of Proprietary Leases of the corporation associated with the apartments in the building owned by the corporation and shall be allocated as qualifying shares to each such Proprietary Lease in such manner as the board of directors shall approve. Each shareholder of the corporation shall be entitled solely by reason of their ownership of shares of the corporation to occupy for dwelling purposes the apartment in the building owned by the corporation to which their shares are allocated, such occupancy to be under and in accordance with the terms of the Proprietary Lease covering such apartment. No shares of the corporation shall be transferable except to the permitted assignee of the Proprietary Lease to which such shares are allocated and may be transferable only as an entirety except where the board of directors by resolution shall approve the division of such shares into separate certificates.

Transfer of shares of the corporation shall be made only on the books of the corporation by the registered owner thereof or by their attorney thereunto authorized by power of attorney duly executed and filed with the secretary of the corporation, and on surrender for cancellation of the certificate for such shares, but only if all obligations of the holder thereof to the corporation under the Proprietary Lease to which such shares are allocated shall have been paid in full, or otherwise satisfied. The person or persons in whose name shares stand on the books of the corporation shall be deemed the owner thereof for all purposes as regards the corporation.

SECTION 3. LIEN ON SHARES. The corporation shall at all times have a first and prior lien upon all the shares registered in the name of each shareholder for debts due the corporation by such shareholder and for the purpose of enforcing such lien the board of directors of the corporation shall have the right to sell the shares of stock belonging to any shareholder, in such manner and upon such terms as it deems fit, in case of default by such shareholder in the payment of any sum or sums due and owing to the corporation and the continuance of any such default for a period of sixty (60) days after written notice from the board to such shareholder specifying such default. In such event, the shares of stock may be sold by the board at public or private sale, upon and after not less than ten (10) days' notice by the board to such shareholder of the time and place of such sale. The net proceeds of any such sale shall be applied toward the satisfaction of said

indebtedness, and the residue, if any, paid to such shareholder, or their legal representative or assigns.

At any sale aforesaid either the corporation or its nominee may be the purchaser at such sale.

#### SECTION 4. SHARE LOANS.

a. RECOGNITION AGREEMENT. The board of directors shall have the right and power from time to time to authorize the corporation to enter into a "Recognition Agreement" among the corporation, a shareholder, and a lender, in form and substance satisfactory to the board, whereby the corporation acknowledges and consents to a pledge by the shareholder of their shares in the corporation to the lender. Regardless of the nature of the loan, the corporation shall have a first and paramount lien upon all the shares registered in the name of the shareholders for debts due the corporation by such shareholders.

b. LOAN TO VALUE. The corporation shall enter into a Recognition Agreement only if the shareholder has satisfactorily fulfilled all obligations to the corporation to date and has demonstrated the ability to fulfill the resulting total future financial obligation to the corporation and the lender.

SECTION 5. APARTMENT RENTALS. To retain the character of the Edgewater Beach Apartments as an owner-occupied building, the subletting of apartments shall be strictly controlled through specific rules and regulations approved by the board of directors.

### **ARTICLE VIII**

#### **Fiscal Year**

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

### **ARTICLE IX**

#### **Dividends**

The board of directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Articles of Incorporation.

**ARTICLE X**  
**Seal**

The board of directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Illinois."

**ARTICLE XI**  
**Waiver of Notice**

Whenever any notice whatever is required to be given under the provisions of these bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Business Corporation Act of 1983, as amended, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

**ARTICLE XII**  
**Amendments**

These bylaws may be altered, amended, or repealed, or new bylaws may be adopted, by the approval of a majority (50% + 1) vote of the outstanding shares held by shareholders of the corporation at any annual or special shareholders' meeting. Such proposed amendments may be initiated by the board of directors or by the shareholders. If initiated by the shareholders, the procedure for special meetings outlined in Article II, Section 2, must be followed. In addition any such proposition must be presented with the requisite number of signatures to the secretary of the corporation not less than sixty (60) days prior to such annual or special meeting to provide time for notice of such proposition to be circulated by the corporation to the shareholders. Article XIII may not be altered, amended, or repealed.

**ARTICLE XIII**  
**Sale of Corporate Real Estate**

The real estate of the corporation shall be defined as including all incidents both above and below ground level. No part, parcel, or incident of any of the corporate real estate shall be sold, exchanged, or disposed of separately from any other part, parcel, or incident. The real estate, as herein defined, shall be sold, exchanged, or disposed of only in its entirety and then only when authorized in the following manner:

a. The board of directors shall adopt a resolution recommending such sale, exchange, or disposition and directing the submission thereof to a vote at a meeting of shareholders, to be called specifically for that purpose.

b. Written or printed notice, stating that the purpose of such meeting is to consider the sale or other disposition of all the real estate of the corporation, shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided by the bylaws for the giving of notice of meeting of shareholders.

c. At such meeting the shareholders may authorize such sale or other disposition and fix (or authorize the board of directors to fix) any or all of the terms and conditions thereof, and the consideration to be received by the corporation, but only upon the affirmative vote of at least 80% of the outstanding shares held by shareholders of the Edgewater Beach Apartments Corporation.

#### **ARTICLE XIV**

##### **Assessments**

Any special assessment and any monthly assessment which exceeds the monthly assessment for the same month during the preceding year by more than 5% must be approved by 2/3 +1 of the members of the board of directors or by the owners of 51% of the outstanding shares of the corporation.

## APPENDIX: DEFINITIONS

**Annual meeting:** A meeting of shareholders that the law requires a corporation to hold each year for the election of directors and the transaction of other business.

**Ballot:** A document used by a shareholder to cast their vote.

**Board committees (standing and temporary):** Committees that support the board of directors in fulfilling their responsibility for the oversight of the corporation's business and affairs.

**Board of Directors/Board/Directors:** Edgewater Beach Apartments Corporation Board of Directors.

**Capital improvement:** A new element or facility that does not currently exist at Edgewater Beach Apartments.

**EBA:** Edgewater Beach Apartments (the building and grounds)

**EBAC/corporation:** Edgewater Beach Apartments Corporation (the corporation).

**Election committee:** A temporary board committee of EBAC that is responsible for the administration of regular and special elections of directors.

**Electronic transmission:** The transfer of data or information through an authorized electronic data interchange system consisting of, but not limited to, computer modems and computer networks.

**Electronic voting:** The application of electronic technology to cast and count votes.

**Illinois Business Corporation Act of 1983, as amended:** The Act governs the formation, maintenance, and dissolution of corporations in the state of Illinois. As an Illinois corporation, EBAC must be in compliance with this Act to transact business in Illinois.

**Independent inspectors:** Inspectors outside of the corporation appointed by the president to perform certain acts related to conducting elections and voting, and also to ensure that the election of directors is conducted in complete secrecy.

**Pledge:** Something offered and held as security for the payment of a debt or fulfillment of a promise.

**Proxy:** The authority to vote on behalf of another.

**Quorum:** The minimum number of directors or outstanding shares of the corporation that must be represented at a meeting to make the proceedings of the meeting valid.

**Recognition Agreement:** An agreement whereby EBAC acknowledges and consents to a pledge by the shareholder of their shares in the corporation to a lender as collateral for a loan.

**Registered office:** The statutory address where a registered agent of Edgewater Beach Apartments Corporation receives service of process and other official documents on behalf of EBAC.

**Remote communication:** Electronic communication, conference telephone, videoconference, the internet, or such other means by which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis.

**Reside:** To live in a particular place.

**Share ledger:** A record listing the names and addresses of the shareholders of the corporation and the number of shares owned.

**Shareholder:** The owner of the shares associated with a specific apartment.

**Shareholder committees:** Committees that work to bring residents together and build a sense of community.

**Special meeting of the shareholders:** A shareholder meeting occasionally held in addition to the annual meeting in order to conduct the business described in a notice to the shareholders.

**Standing committee:** A permanent committee established by the board to deal with a specified subject.

**Temporary committee:** A committee established by the board to complete a specific project.

**Transfer book:** A register of transfers of shares of the corporation from one party to another.

## NOTES