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RESTATED BYLAWS

**SAN FRANCISCO SUITES CITY SHARE
ASSOCIATION**

a California nonprofit mutual benefit corporation

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RESTATED BYLAWS
SAN FRANCISCO SUITES CITY SHARE ASSOCIATION
a California nonprofit mutual benefit corporation

By this instrument, the Members of the Association hereby fully amend and restate, in their entirety, all previous bylaws, as well as all amendments to those bylaws, and substitute in their place these Bylaws.

ARTICLE 1: ADMINISTRATION

1.1 Name. The name of this corporation is the San Francisco Suites City Share Association (“Association”), a California nonprofit mutual benefit corporation.

1.2 Definitions. Unless otherwise stated, all terms used in these Bylaws are defined as set forth in the Association’s First Restated Declaration of Covenants, Conditions and Restrictions for City Share Ownership (San Francisco Suites), as amended (“CC&Rs”).

ARTICLE 2: MEMBERSHIP

2.1 Membership. Each City Share Owner of a City Share automatically becomes a Member of the Association upon obtaining a publicly-recorded fee title ownership interest in a City Share and remains a Member until he or she ceases to have such recorded fee ownership of a City Share in the Property. Members are subject to the terms and provisions of the Articles of Incorporation, the CC&Rs, these Bylaws, and the Rules & Regulations (“Rules”).

2.2 Proof of Ownership. If the Board requests proof of record fee ownership of a City Share, the Member must provide such proof in the form of a recorded deed.

2.3 Suspension of Membership Privileges. The Association is permitted to suspend Membership rights and privileges as provided for in these Bylaws.

ARTICLE 3: MEETINGS OF MEMBERS

3.1 Place of Membership Meetings. Annual and special meetings of the membership must be held at a suitable location in or reasonably close to the Property.

3.2 Annual Meetings. There must be a Membership meeting at least every year the Association elects Directors for the purpose of conducting and announcing the outcome of such election and conducting any other business of the Association.

- a. *Date of Annual Meeting*. The Board must fix the date, time, and location of the Annual Meeting. The meeting must be held in the same month as the preceding Annual Meeting if it is reasonably practicable to do so, but not more than fifteen (15) months from the date of the preceding Annual Meeting.
- b. *Notice of Annual Meeting*. Notice of the Annual Meeting must be given by the Board not less than thirty (30) days prior to the date of the meeting if the election is to be conducted by written ballots and ballots are to accompany the notice.

3.3 Special Meetings. Special meetings of the Members may be called for any lawful purpose by any of the following: (i) President of the Board; (ii) majority of the Board; or (iii) Members constituting at least five percent (5%) of the Voting Power of the Association. If a special meeting is called by Members of the Association, the request must be submitted to the Board in writing and must specify the nature of the business to be transacted. The Director or Officer receiving the request must promptly deliver the request to the remaining Directors.

- a. *Notice of Special Meetings Called by the Board*. Notice of special meetings called by the Board must be given not less than ten (10) days nor more than ninety (90) days before the date of the meeting. If action is to be taken at the meeting by ballot, such ballots must be mailed to every member not less than thirty (30) days prior to the deadline for voting.
- b. *Notice of Special Meetings Called by Petition of the Members*. Notice of special meetings called by the Members must be given by the Board within twenty (20) days after the Board's receipt of such request. If the Board fails to give notice, the persons calling the special meeting may give notice consistent with these Bylaws. The special meeting must be held not less than thirty-five (35) days nor more than ninety (90) days following the Board's receipt of the request. If action is to be taken at the meeting by ballot, such ballots must be mailed to every member not less than thirty (30) days prior to the deadline for voting.

3.4 Notice Contents. Notice of any membership meeting must specify the place, date, and hour of the meeting. If applicable, the notice must also specify those matters which will be presented for action by the Members.

3.5 Those Entitled to Notice. Only those persons or entities that are on title and have provided such evidence to the Association prior to the date meeting notice is sent are entitled to receive such notice.

3.6 Manner of Giving Notice. A declaration of the mailing or other means of giving any notice of any membership meeting may be executed by the Secretary, President, or any other party giving notice, and is prima facie evidence of the effective transmittal of the notice. Notice of any membership meeting must be given either personally or by first-class mail, charges prepaid, and addressed to each Member: (i) at the address appearing on the books of the Association; (ii) at the address given by the Member for the purpose of notice; or (iii) at the address of the Member's City Share Unit, if no address appears on the Association's books and no other address has been given. Notice is deemed to have been given at the time when delivered personally or deposited in the mail. Notice may also be given by email, facsimile, or other electronic means, if the Member has consented, in writing, to that method of delivery. Such consent may be revoked, in writing, by the Member. Notice may also be given by any other method provided for by law.

3.7 Voting Rights. In all matters submitted for a membership vote, Members are entitled to one (1) vote per City Share (regardless of the number of Members having an interest in the City Share).

- a. *Co-Owners.* Where there is more than one owner of a City Share subject to the Association's CC&Rs, all such co-owners are Members and may attend any meeting of the Association, but only one co-owner is entitled to exercise the vote to which the City Share is entitled. Fractional votes are not permitted. In the event an election is conducted by ballot and more than one ballot is cast for a particular City Share, only the first ballot received will be opened and counted.
- b. *Voting Rights Suspended.* Subject to the notice and hearing provisions set forth in these Bylaws, the voting rights of a Member may be suspended for continuing violations of the Governing Documents. Once suspended, a Member's voting rights remain suspended until such continuing violation is cured.
- c. *Record Date.* The record date on an election by ballot will be the date ballots are distributed to the Membership. Only City Share Owners on title on the Record Date are entitled to vote. Persons acquiring title after the Record Date may attend the election meeting but are not entitled to vote. For any Membership election conducted by other than written ballot, the Board is permitted to set a Record Date for an election no more than sixty (60) days before the date of the election meeting.

3.8 Proxies. Proxy voting is not allowed.

3.9 Chair and Secretary of Meetings. The President of the Board or, in the President's absence, the Vice President or any other person designated by the Board must call the membership meeting to order and must chair the meeting. The Secretary of the Board must act as Secretary. In the absence of the Secretary, the presiding Officer must appoint someone to serve as acting Secretary for the meeting.

3.10 Recording of Meetings. Audio and video recording of meetings are prohibited by anyone other than a person authorized by the Board to record the meetings for the sole purpose of preparing official Association minutes.

3.11 Quorum Requirements. Except as provided for elsewhere in the Association's governing documents, a Quorum means more than fifteen percent (15%) of the Voting Power of the Association. "Voting Power of the Association" means lawful votes of the Association members excluding the votes of any City Share Unit which have been suspended. A Quorum of Members is required for all Membership votes or elections, except as otherwise provided in the Governing Documents. No Quorum is required for an election of Directors.

3.12 Approval Requirements. The approval requirement for all matters decided by the Membership is an affirmative vote of a majority of the votes represented and voting in a duly held election in which a Quorum is represented, which affirmative votes also constitute a majority of the required Quorum, unless otherwise specified in these Bylaws or the CC&Rs.

3.13 Loss of Quorum. The Members present at a duly called meeting at which a Quorum is present may continue to transact business until adjournment, notwithstanding the loss of a Quorum, so long as the business is approved by enough Members to constitute at least a majority of a Quorum, had a Quorum been present.

3.14 Adjourned Meetings or Elections. Any Membership meeting or election conducted at a Membership meeting, whether or not a Quorum is present, may be adjourned from time to time by the vote of the majority of the Members represented at the meeting; provided, however, an adjournment for lack of a Quorum must be to a date not less than five (5) days nor more than thirty (30) days from the date the original meeting was called. In the absence of a Quorum of Members, no business may be transacted, except to adjourn the meeting to another date and time. If a new date for the adjourned meeting is announced prior to adjournment, no further notice need be given to the membership. If, however, a new date is not announced prior to adjournment, the Board President (or the remaining Directors, in the President's absence or failure to act) may set the date for a subsequent meeting and must cause written notice of the date, time, and place of such meeting to be given to the Members at least four (4) days in advance of the meeting.

ARTICLE 4: ACTION BY BALLOT WITHOUT A MEETING

4.1 Written Ballot. Elections may be conducted by written ballot or any other lawful method.

4.2 Approval Requirement. Approval by written ballot is valid only when: (i) the number of votes cast by ballot by the specified deadline equals or exceeds the Quorum required to be present at a meeting authorizing the action; and (ii) the number of votes cast equals or exceeds the number of votes that would be required to approve the action at a meeting.

4.3 Form of Ballot. When an election is by written ballot and instructions on how to return ballots must be delivered by any lawful means to every Member not less than thirty (30) days prior to the deadline for voting. Ballots must: (i) set forth the proposed action; (ii) provide an opportunity to approve or disapprove each item submitted for a vote; (iii) set forth the number of ballots needed to satisfy the Quorum requirement; (iv) specify the percentage of votes required to pass the proposal; and (v) state a deadline by which the ballot must be returned to be counted. Ballots must also provide for the name, City Share information, and signature of the Member owning the City Share being voted.

4.4 Return of Ballot. The ballots may be mailed or delivered by hand to the location or locations specified by the inspectors of election. Once a ballot has been received by the inspectors of election, it is irrevocable.

4.5 Inspectors of Election. Prior to the date ballots are sent to the membership, the Board must select either one (1) or three (3) independent inspectors of election to: (i) oversee all ballot measures and elections, including the election of Directors; (ii) hear and determine all challenges and questions regarding any aspect of the election; (iii) collect and maintain custody of all ballots; (iv) supervise the opening and counting of ballots; (v) certify the election results; and (vi) do such other acts as may be proper to conduct the election.

4.6 Counting Ballots. Inspectors of election must oversee the opening and tabulating of all ballots before the membership at a properly noticed membership meeting.

4.7 Announcement of Results. The results of the election must be announced immediately after all the ballots have been counted. Within fifteen (15) days of the election, the Board must give notice of the election results to the Members.

ARTICLE 5: ELECTION OF DIRECTORS

5.1 Number and Term of Directors. The Board will consist of five (5) Directors. The term of each Director is three (3) years and until a qualified successor is elected to fill his/her seat. In each three-year cycle, two (2) Directors will be elected in the first year of the cycle, two (2) Directors will be elected in the next year of the cycle and one (1) Director will be elected in the third year of the cycle. Notwithstanding any contrary provisions of this Section, in the election year beginning in 2021, three (3) Directors will be elected and the two (2) Directors elected receiving the highest number of votes will serve three-year terms, and the Director receiving the third highest number of votes will serve a two-year term. After the 2021 election, all Directors elected will serve three (3) year terms.

5.2 Term Limits. Directors serving the substantial portion of two (2) consecutive terms (six (6) consecutive years) are not eligible to serve on the Board for a period of one (1) year. After being off the Board for a minimum of one year, the person may again be eligible under this Section to be appointed or elected to the Board of Directors. Further, such person would be eligible under this Section to be a candidate for the Board if the term of the position for which they are running would begin at least one year after they last served. In any election where the number of candidates is less than or equal to the number of open seats, term limitations are suspended.

5.3 Candidate and Director Qualifications. Members must meet the qualifications in the subsections hereafter to be eligible for nomination as a candidate for or to serve as a Director on the Board. Except for the “good standing” qualification in subparagraph (c) of this section which requires a noticed hearing, the determination of whether any these qualifications are met and, if not, whether a director’s seat should be vacated must be an agenda item for a properly noticed open Board meeting.

- a. *Ownership and Age Requirement.* The person must be at least twenty-one (21) years old and the record Owner of at least a ten percent (10%) fee simple interest in a City Share, proof of which must be a recorded deed. Persons holding a fee simple interest in a City Share merely as security for the performance of an obligation is not eligible to serve on the Board.
- b. *Co-Owners Eligible for Only One Position.* The person or impersonal entity must not have a record fee simple ownership interest in a City Share with another person or impersonal entity concurrently serving as a Director. Where two or more co-Owners concurrently seek election to the Board, only the first nomination will be effective.
- c. *Member in Good Standing.* The person or impersonal entity must not be delinquent by more than sixty (60) days in the payment of any Assessment, fee, or fine, and must not be found to be in violation of the Association’s Governing

Documents (following proper notice, hearing, and a finding by the Board).

- d. *No Litigation.* The person or impersonal entity must not be a party in or have an ownership interest in an entity that is a party in any legal proceeding against the Association or its Officers or Directors. If the seat is vacated the Board is permitted to fill the vacancy or conduct a Membership election in the Board's discretion.
- e. *No Felonies.* The person must not have been convicted of a felony within ten (10) years prior to the scheduled date of his/her election to the Board.

5.4 Impersonal Entities. In the event an impersonal entity is a Member of the Association, it may designate one person (who meets the director qualifications described above) to stand for election to the Board as follows:

- a. *Trust.* If the record fee title to a City Share is held in the name of a trust, the trustees of the trust is authorized to serve on the Board.
- b. *Corporation.* If the record fee title to a City Share is held by a corporation, the president of the corporation, as designated in the corporation's minutes, is authorized to serve on the Board.
- c. *Partnership.* If the record fee title to a City Share is held by a partnership, the managing partner, as designated in the partnership agreement, is authorized to serve on the Board.
- d. *Limited Liability Company.* If the record fee title to a City Share is held by a limited liability company, the manager, as designated in the limited liability operating agreement, is authorized to serve on the Board.
- e. *Other Entities.* If the record fee title to a City Share is held by a legal entity not described above, the majority owner of the entity is authorized to serve on the Board.

The designation by an impersonal entity must be in writing with supporting documentation it has the authority to designate someone to serve on the Board.

5.5 Nominations. Prior to the election of Directors, the Board must, by written notice to all Members, solicit nominees. The notice must include the "Director Qualifications" described above and a cutoff date and time for close of nominations. Nominees may be listed alphabetically as candidates on the ballot provided (i) they meet director qualifications and (ii) their nomination is made prior to the date and time set for the close of nominations. Write-in candidates and nominations from the floor of a meeting are not permitted.

5.6 Voting for Directors. Members are entitled to one vote per open seat. Cumulative voting is not allowed.

5.7 Director Elections. The election of Directors may occur entirely through the mail with the cutoff for balloting preceding the meeting at which the ballots are counted. Qualified candidates receiving the highest number of votes are elected.

5.8 Counting of Ballots. Ballots cast for the election of directors must be counted either at an open meeting of the Board or at any membership meeting duly called for that purpose. Candidates and members may witness, but not interfere with, the counting and tabulation of the votes from at least two (2) feet away from the inspector and his/her assistants.

5.9 Uncontested Elections. In any Director election where the number of candidates nominated exceeds the number of vacancies, voting for directors must be conducted. When, at the close of nominations, the number of qualified candidates nominated does not exceed the number of vacancies, the candidates may be declared elected without need for a vote and will take their seats on the date set for the membership meeting.

5.10 Breaking a Tie. In the event of a tie, all other newly elected Directors will immediately begin serving their terms. An incumbent Director whose seat was tied will continue in office until a runoff election determines the winner for his/her seat. Only those candidates who tied for the seat must be in the runoff. In lieu of a runoff and if the tied candidates agree, the winner may be decided by a coin toss or the drawing of names by the Inspector of Elections.

ARTICLE 6: REMOVAL OF DIRECTORS

6.1 Removal of Director by the Board. By vote at a duly noticed meeting of the Board, a majority of the Board may declare vacant the office of any Director for any of the reasons listed below. However, before any such removal may occur, the Board must, at its next open meeting or a special open meeting called for this purpose, review evidence and make a finding of whether the Director should be removed and, if the Board makes such finding, the Board may remove the Director from the Board and, if so, must record its findings and action in the minutes of the meeting.

- a. The Director ceases to meet the qualifications of a Director.
- b. The Director has been declared of unsound mind by a final order of court.
- c. The Director has been absent from more than three (3) consecutive regular meetings of the Board or more than four (4) regular meetings within any twelve (12) month period.
- d. The Director has allowed a proposed contract or other transaction to be put to a vote by the Board or membership without disclosing that he or she will receive a financial benefit from the transaction.

6.2 Removal of Directors by Membership. The entire Board, or any individual Director, may be removed from office by the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present, which affirmative votes also constitute a majority of the required quorum. In the event any or all Directors are so

removed, new Directors must be elected by the Membership at the same special meeting at which the Directors are removed.

6.3 Resignation. Any Director may resign by giving written notice to the President, the Secretary, or the Board. The resignation will take effect upon the giving of the notice unless a later time is specified in the notice. If the resignation is effective at a future time, the resigning Director may participate in the selection of a successor to fill the vacated seat.

6.4 Vacancies. Vacancies created other than by removal by the Members may be filled by the designation of a majority of the remaining Directors, except, if there are less than three (3) Directors, vacancies may be filled by the unanimous designation of the remaining Directors. If the remaining Directors are unable to so designate a qualified Member to fill the vacancy, the Board may notice a special election for Members to elect replacement Directors. Each Director so appointed or elected holds office until the end of his/her predecessor's term.

ARTICLE 7: ROLE OF BOARD OF DIRECTORS

7.1 Powers. The business and affairs of the Association is controlled by the Board. In addition to the powers and duties set forth in the Association's Governing Documents, the Board is empowered to perform any and all other acts that a nonprofit mutual benefit corporation is empowered to do in the administration of the Association's affairs and to protect and advance the general welfare of the Association.

7.2 Enactment of Rules. The Board may adopt, amend, and repeal Rules and Regulations and establish a system of fines and penalties regarding any matter set forth in the Governing Documents, including, without limitation, (i) the use, occupancy, and maintenance of the Property, (ii) the general health, welfare, comfort, and safety of guests in the Property, (iii) the conduct of persons within the Property, (iv) the use of Common Areas, and (v) the interpretation and implementation of the Governing Documents. The Board must use the following procedure for adopting Rules and Regulations:

- a. *Vote on Rules*. At a properly noticed Board meeting, the Board must vote on the adoption, amendment, or repeal of any Rules.
- b. *Approved Rules*. Within fifteen (15) days after approving the adoption, amendment or repeal of any Rules, the Association must give notice of the Rules change to the membership by any lawful means.

7.3 No Compensation. No Officer or Director is permitted to receive compensation for services rendered to the Association. However, Officers and Directors may be reimbursed for actual expenses incurred in the performance of their duties. Any Officer or Director requesting reimbursement for expenses must provide appropriate documentation, such as a receipt, to the Board before being reimbursed by the Association.

7.4 Conflicts of Interest. The Association is not permitted to enter into any contract with any party in which any Officer or Director of the Association, the Manager, management company, or any employee of the Association has a direct or indirect economic interest in the contract without: (i) full disclosure of the interest to the Board; (ii) full disclosure of the interest

in the minutes of the Board meeting where the discussion occurred; and (iii) recusal by the interested party from deliberations and voting on the issue.

7.5 Duty to Defend. The Association must indemnify and defend and must advance reasonable attorneys' fees and costs and all expenses and liabilities its Officers, Directors, Committee members, and employees reasonably incur in connection with any proceeding to which they may be a party by reason of having been an Officer, Director, Committee member, or employee of the Association. However, the Association may recover its attorneys' fees and costs from those persons who are adjudged to have acted in bad faith or in gross negligence in the performance of their duties or to be liable to the Association (unless the Court determines that the person is fairly and reasonably entitled to indemnity for expenses).

ARTICLE 8: MEETINGS OF THE BOARD

8.1 Member Notice of Board Meetings. Members must be given an agenda and notice of the time and place of open session Board meetings at least four (4) calendar days prior to the meeting and of executive session Board meetings at least two (2) calendar days prior to the meeting. The notice and agenda may be given by posting the notice in a prominent place or places accessible to all Members and which have been designated for the posting of notices by the Association in the annual policy statement, by mail or delivery of the notice to each City Share Unit, by newsletter, by email, by inclusion in a billing statement or other properly delivered document, or as otherwise permitted by law. An emergency meeting of the Board may be called if there are circumstances that could not have been reasonably foreseen which require immediate attention by the Board. In such instances, the Board must give notice, as may be reasonable and practical.

8.2 Director Notice of Board Meetings. Notice of Board meetings must be given to each Director, at least four (4) calendar days prior to an open meeting or at least two (2) calendar days before an executive session meeting, to the address, phone number, fax number, or e-mail address listed on the Association's records for the Director.

8.3 Waiver of Notice. Notice of a meeting need not be given to a Director who (1) provided a waiver of notice or consent to holding the meeting or (2) provided an approval of the minutes thereof in writing, whether before or after the meeting, or (3) who attends the meeting without protesting the lack of notice to that Director, prior thereto or at its commencement. The waivers, consents and approvals referenced in this section must be filed with the corporate records or made a part of the minutes of the meetings.

8.4 Place of Meetings. All meetings of the Board must be held at a place in or near the Property designated by the Board or at a suitable location in or reasonably close to the Property.

8.5 Regular Meetings. Meetings of the Board must be held quarterly although the Board may, for good reason, waive such meetings. Such "good reason" must be set forth in the minutes of the next Board meeting.

8.6 Special Meetings. Special meetings of the Board may be called by the President or by a majority of the Board. Such meetings may be held upon four (4) days' notice for open

session meetings and upon two (2) days' notice for executive session meetings. In the event of an emergency, the Board may meet with less notice, but must post such notice to the membership and must note in the minutes of the meeting the reason why more notice could not be given.

8.7 Executive Sessions. Executive session meetings of the Board may be held as authorized by statute. Such purposes include but are not limited to: (i) litigation; (ii) the formation of contracts with third parties; (iii) Member discipline; (iv) personnel matters; (v) meeting with a Member to consider a payment plan for delinquent assessments; and (vi) to vote on the foreclosure of a delinquent assessment lien. Any matters considered in executive session must be generally noted in the minutes of the next meeting that is open to the membership.

8.8 Quorum of Directors. A majority of the number of Directors authorized in the Bylaws constitutes a quorum of the Board for the transaction of business. Directors may not attend Board meetings by proxy and may not vote by proxy.

8.9 No Action Outside Meetings. The Board is not permitted to take action on any item of business outside of a Board meeting.

8.10 Adjournment of Board Meetings. A majority of the Directors present at a meeting, whether or not a quorum is present, may adjourn any Board meeting to a stated day and hour. If the meeting is adjourned for more than twenty-four (24) hours, before the adjourned meeting is held, notice of the adjournment must be given to Directors who were not present at the time of the adjournment.

8.11 Attendance by Members. Members are entitled to attend regular and special (non-executive session) meetings of the Board. A reasonable amount of time must be set aside during the meeting for Members to address the Board, as provided by law.

8.12 Conduct of Board Meetings. The Board may establish Rules for the orderly conduct of its meetings. Board meetings must be conducted by the Association's President or, in the President's absence, an Officer or Director designated by the Board.

8.13 Teleconference. Members of the Board may participate in a meeting through use of a conference telephone, electronic video screen, or similar communications equipment, so long as all Directors and Members participating in such meeting can hear one another and the notice of the teleconference meeting identifies at least one (1) physical location so that Members of the Association may attend, and at least one (1) Director or a person designated by the Board is present at that location. Participation in a meeting pursuant to this subdivision constitutes presence in person at such meeting.

8.14 Minutes of Meetings. The minutes, minutes proposed for adoption that are marked as draft, or a summary of the minutes of Board meetings, other than executive session meetings, must be available to Members within thirty (30) days of the meeting and must be distributed to any Member upon request and upon reimbursement of the Association's cost.

8.15 Recording of Meetings. Audio and video recording of meetings are prohibited by anyone other than a person authorized by the Board to record the meetings for the sole purpose of preparing official Association minutes.

ARTICLE 9: OFFICERS

9.1 Number. The Officers are President, Vice President, Secretary, Treasurer, each of whom must be a member of the Board, and such other Officers as the Board may designate. The President may not hold more than one (1) office; however, any two (2) of the remaining offices may be held by a single person.

9.2 Election of Officers. The Board must meet to select the Officers of the Association immediately after or as soon as practicable after the results of the election of Directors are announced. If the meeting of the Board for selection of Officers occurs at a separate meeting from the one where the Directors were elected, the Board must give notice to all Members, consistent with notice requirements. Notice of the organizational meeting must be given at the same time as the annual meeting. If the meeting is held immediately following the annual meeting, notice to the newly elected Directors is not necessary to legally constitute the meeting, provided that a majority of the Board is present.

9.3 Term of Office. Officers hold office at the pleasure of the Board. Officers must be appointed by the Board and will hold office until the annual election of Directors or such time as they resign, are removed, or are otherwise disqualified to serve. Within thirty (30) days of the election of Directors each year, the Board must reappoint Officers. The same persons may be appointed to the same offices.

9.4 Removal and Resignation. Any Officer may be removed at any time by the vote of a majority of all the Directors then in office, at any regular or special meeting of the Board at which a quorum is present. Any Officer may resign at any time by giving written or verbal notice to the Board. Any such resignation will take effect on the date the notice is given, unless a later date is specified in the notice.

9.5 Vacancies. A vacancy in any office, because of death, resignation, removal, disqualification, or any other cause, must be filled in the manner prescribed in these Bylaws for regular appointments to such office.

9.6 President. The President is the principal executive Officer of the Association and, subject to the control of the Board, supervises, directs, and controls all of the business and affairs of the Association. The President presides at all meetings of the Board, has the general powers and duties of management usually vested in the office of the President of a corporation, and has such other powers and duties as may be prescribed by the Board or these Bylaws. The President acts as the spokesperson (or liaison) between the Manager and the Board, unless the Board directs otherwise.

9.7 Vice President. In the absence or disability of the President, the Vice President must perform all duties of the President. The Vice President has such other powers and will perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

9.8 Secretary. The Secretary must keep or cause to be kept in the management office: (i) minutes of all meetings of the Board and the membership; (ii) the names of all Members of the Association and their addresses; and (iii) such other records of the Association's affairs as may be necessary and proper. The Secretary must give or cause to be given notice of all meetings

of the Members and of the Board that are required by the Bylaws or by law and has such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

9.9 Treasurer. The Treasurer must keep or cause to be kept accounts of the monies, properties, and business transactions of the Association. The Treasurer must cause to be deposited all monies and other valuables, in the name and to the credit of the Association, with such depositories, as may be designated by the Board. The Treasurer must cause to be disbursed the funds of the Association as may be ordered by the Board, must render to the President and Directors, whenever they request it, an account of the Association's transactions and the financial condition of the Association, which must be made a part of the minutes of Board meetings, and has such other powers and perform such other duties as may be prescribed by the Board or these Bylaws. To the fullest extent allowed by law, the duties of Treasurer can be delegated to the Association's manager.

9.10 Assistant Treasurer and Assistant Secretary. The Board may appoint one (1) or more Assistant Treasurers and/or Assistant Secretaries, who need not be Members of the Association, to assist the Officers in their duties.

9.11 Parliamentarian. The Board may also appoint a Parliamentarian to advise it on matters of parliamentary procedure.

ARTICLE 10: COMMITTEES

10.1 Establishment of Committees. The Board may establish Committees as it deems appropriate and necessary to advise and/or assist the Board in carrying out its duties. The Board is empowered to specify the task of each Committee, may limit the number of members of any Committee, may appoint non-Members to Committees, may limit the term of the Committee, and may appoint Committee chairpersons, who need not be Board members. Committee chairpersons may be appointed by the Board and, if not appointed, may be elected by members of the Committee.

10.2 Term of Office. Committees dissolve automatically at each annual meeting to be reappointed by the new Board at the Board's discretion. Individual Committee members and Committee chairs may be added or removed at any time by the Board, with or without cause.

10.3 Committee Authority. Except as may be otherwise provided in the Governing Documents, Committees are advisory only and have no authority to spend Association monies, enter into contracts, or direct Association personnel or vendors.

10.4 Member Comments. Each Committee must receive comments and complaints from Members on any matter within its field of responsibility. Committees must handle or dispose of such comments or complaints as they deem appropriate or refer them to any other Committee, Director, or Officer of the Association also involved in that matter or to the Board.

10.5 No Compensation. Committee membership is voluntary and members are not permitted to be compensated for their services. However, Committee members are permitted to be reimbursed for reasonable expenses incurred in the performance of their duties.

10.6 Meetings. Committees must meet from time to time as may be necessary to perform their duties. Committees must make interim reports to the Board during the course of their task and must make a final report to the Board upon completion of their tasks.

10.7 Conflicts of Interest. No Committee member may participate in or make recommendations on any matter which involves a Committee member or a member of his/her own family or in which a Committee member or a member of his/her family has a direct or indirect financial interest.

10.8 Executive Committee. The Board may appoint Executive Committees as provided for by law.

ARTICLE 11: BUDGETS, RESERVES, AND FINANCIAL STATEMENTS

11.1 Review of Accounts. The Board must do the following not less frequently than monthly:

- a. *Operating Accounts*. Cause a current reconciliation of the Association's operating accounts to be made and to review the same.
- b. *Reserve Accounts*. Cause a current reconciliation of the Association's Reserve Accounts to be made and to review the same.
- c. *Actual to Budget*. Review the current year's actual revenues and expenses compared to the current year's budget for the Association's Operating and Reserve Accounts.
- d. *Bank Statements*. Review and cause to be reconciled the most current account statements prepared by the financial institution where the Association has its Operating and Reserve Accounts.
- e. *Income and Expense Statements*. Review an income and expense statement for the Association's Operating and Reserve Accounts.
- f. *Register, Ledger, and Delinquencies*. Review the check register, monthly general ledger and delinquent assessment receivable reports.

11.2 Operating Budget. The Board must annually prepare an estimated operating budget for the next fiscal year. The budget must include the following:

- a. *Revenue and Expenses*. The estimated revenue and expenses on an accrual basis;
- b. *Reserves*. A summary of the Association's Reserves, based upon the most recent review or study, which must be printed in bold type and include: (i) the current estimated replacement cost, estimated remaining life, and estimated useful life of each major component; (ii) the current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components; and (iii) the current amount of accumulated cash reserves actually set aside to repair,

replace, restore, or maintain major components, as of the end of the fiscal year for which the study is prepared;

- c. *Special Assessments.* A statement as to whether the Board has determined or anticipates that the levy of one or more Special Assessments will be required in order to repair, replace, or restore any major component or to provide adequate Reserves therefor;
- d. *Reserve Procedure.* A general statement addressing the procedures used for the calculation and establishment of Reserves to defray the costs of future repair, replacement, or additions to those major components that the Association is obligated to maintain;
- e. *Summary in Lieu of.* In lieu of the distribution of the budget, the Board may elect to distribute a summary of the budget to all Members, with a written notice, in at least 10-point boldface type on the front page of the summary, that the budget is available at the manager's office of the Association or at another suitable location and that copies will be provided upon request, at the Association's expense;
- f. *Revised Budget.* If the Board, in its reasonable discretion, deems it necessary at any time during the course of its fiscal year to adjust or modify the budget, it may do so and copies of the revised budget must be sent to all Members within thirty (30) days of its adoption by the Board.

11.3 Annual Review. An annual review of the financial statement of the Association must be prepared in accordance with Generally Accepted Accounting Principles by a licensee of the California State Board of Accountancy. A copy of the review of the financial statement must be distributed to all Members within one hundred twenty (120) days after the close of each fiscal year.

11.4 Reserve Study. The Reserve study must be reviewed annually and at least once every three (3) years, the Board must cause a site-review study of the Reserve account to be performed. The study must, at a minimum, include:

- a. *Major Components.* Identification of those major components of the Common Areas which the Association is obligated to repair, replace, restore, or maintain;
- b. *Remaining Life.* Identification of the probable remaining useful life of the components, as of the date of the study;
- c. *Cost to Repair or Replace.* An estimate of the cost of repair, replacement, restoration, or maintenance of the components during and at the end of their useful life;
- d. *Annual Contribution.* An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the components during and at the end of their useful life, after subtracting total Reserve funds as of the date of the study;

- e. *Reserve Funding Plan.* A reserve funding plan that indicates how the Association plans to fund the annual contribution to meet the Association's obligations for the repair and replacement of all major components with an expected remaining life of thirty (30) years or less, not including those components that the Board has determined will not be replaced or repaired. The plan must include a schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the reserve funding plan. The plan must be adopted by the Board of Directors at an open meeting before the membership of the Association. If the Board of Directors determines that an assessment increase is necessary to fund the reserve funding plan, any increase must be approved in a separate action of the Board.

11.5 Approval of IRS Resolution. The Membership may approve an IRS Resolution that any excess income for the current year will be applied to the next fiscal year, as provided by IRS Revenue Ruling 70-604. Neither written balloting nor a Quorum is required for this approval.

ARTICLE 12: INSPECTION OF RECORDS

12.1 Maintenance of Records. The Association must keep or cause to be kept records of the Association as required by the Corporations Code as follows:

- a. A membership register, setting forth all names, mailing addresses, and telephone numbers of the Members (as may be changed from time to time by written notice from the Member to the Board of Directors);
- b. The Association's books and records, membership lists, governing documents, minutes of meetings, and any other documents relevant to the Association must be kept in written form or any other form capable of being converted into clearly legible paper form, and must be retained pursuant to the Association's document retention policy and applicable law;
- c. Financial records and books of account of the Association, including a chronological listing of all receipts and expenditures of funds and a separate account for each Assessment levied or charged against each Separate Interest or Member, the dates when so assessed and when due, the amounts paid thereon, and the balance, if any, of any Assessment remaining unpaid; and
- d. All other documents required to be made available to Members under this Article and the Corporations Code. Such additional documents must be kept for at least the time frame during which Members are entitled to inspect them.

12.2 Records Not Subject to Inspection. The following records are not subject to inspection:

- a. Executive session minutes of the Board;
- b. Personnel records (other than payroll records);

- c. Litigation files or records protected by the attorney-client privilege;
- d. Pending contracts;
- e. Legal invoices (however, Members do have the right to know how much money is being spent on legal matters);
- f. Records likely to lead to identity theft;
- g. Records likely to lead to fraud;
- h. Records reasonably likely to compromise the privacy of an individual Member (such as City Share Owner records, including goods or services provided to Members for which the Association received monetary consideration other than assessments);
- i. Disciplinary actions, collection activities, or payment plans of other Members; and
- j. Personal information, including a social security number, tax id number, driver's license number, email address, telephone number, credit card account numbers, bank account number, or bank routing number.

12.3 Deadlines for Producing Records. Associations must produce records within the time frames specified in the Corporations Code and as follows:

- a. Minutes of Member and Board meetings: within thirty (30) calendar days of the meeting;
- b. Membership list: within five (5) business days of the Association's receipt of a Member's written request.

12.4 Inspection and Copying Procedure. The Association must make the above Association records available for inspection and copying in the Association's manager's office within the Property. If the Association does not have a manager's office within the Property, the Association must make the specified Association records available for inspection and copying at a place agreed upon by the Member and the Association. If the Association and the Member cannot agree upon a place for inspection and copying, or if the Member requests, in writing, copies of specifically-identified records, the Association may mail copies of the requested records to the Member by first-class mail.

12.5 Redacting Information. The Association may withhold or redact information from the Association records, as provided for by law.

12.6 Members' Use of Records. Members may not sell Association records, use them for commercial purposes, or use them for any purpose not reasonably related to their interest as a Member of the Association.

12.7 Production Fees. The Association may bill the requesting Member, including a Director, for copying, redacting, and mailing the requested records as permitted by law.

ARTICLE 13: DISCLOSURES

13.1 Distribution of Disclosures. The Board may distribute documents and disclosures electronically to those members who have given written consent. Otherwise, all documents must be distributed by "first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier."

- a. Notice of a member's right to receive copies of meeting minutes, pursuant to Civil Code §4950(b); and
- b. Any other information that is required by law or the governing documents or that the Board determines to be appropriate for inclusion.

13.2 Other Disclosures as Required by Law. The Board must make such other applicable disclosures as are required by law.

ARTICLE 14: RULES ENFORCEMENT AND DISPUTE RESOLUTION

14.1 Rules Enforcement Procedures. Membership privileges may not be suspended, or fines imposed, except as follows:

- a. *Notice of Hearing.* The Board must set a hearing date and notify the Member in writing at least ten (10) days in advance, either personally or by prepaid first-class or registered mail to the most recent address of the Member as shown on the Association's records. The notice must set forth the date and nature of the violation, the proposed penalty, and the Member's right to present evidence in his or her defense, either in writing or in person, at the hearing.
- b. *Hearing.* The hearing must be held in executive session.
- c. *Notice of Decision.* Within fifteen (15) days after the Board makes a decision on imposition of any penalty or fine, notice of the decision must be given to the Member, which must specify the violation and the penalty imposed. In the event the Association suspends Membership privileges, the suspension does not take effect until five (5) days after the notice of decision is given to the Member.

ARTICLE 15: MISCELLANEOUS

15.1 Fiscal Year. The fiscal year of the Association must be a calendar year, unless a different fiscal year is adopted by the Board.

15.2 Checks, Drafts, Etc. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such a manner as, from time to time, shall be determined by the Board.

15.3 Contracts, Etc. Execution. The Board, except as otherwise provided in these Bylaws, may authorize any Officer or Officers, Agent or Agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and so unless so authorized by the Board, no Officer, Agent, or Employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

15.4 Singular Includes Plural. Words used herein regardless of the number and gender specifically used, are deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

15.5 Conflicts. In the case of any conflict, the CC&Rs prevail over the Articles of Incorporation, which prevail over the Bylaws and the Bylaws prevail over the Rules.


15.6 Amendments. These Bylaws may be modified, amended, or replaced with new Bylaws as follows:

- a. *Amendment by Members.* These Bylaws may be modified, amended, or replaced with new Bylaws by the affirmative vote of a majority of a Quorum of the membership
- b. *Amendment to Conform to Statute.* If at any time a provision in these Bylaws contradicts current law, according to a written opinion of the Association's legal counsel, the Board of Directors will have the authority, on the unanimous approval of the Directors and without approval of the Members, to amend that provision, but only to the extent necessary to render the provision compliant with applicable law.

CERTIFICATION

WE CERTIFY this 4th day of January, 2011 that these Restated Bylaws have been duly approved and adopted by the membership of San Francisco Suites City Share Association.

SAN FRANCISCO SUITES CITY SHARE ASSOCIATION



President



Secretary