



THE CITY OF SAN DIEGO

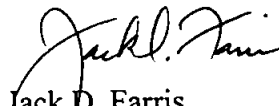
November 4, 2005

David Watson
San Diego Historical Society
P. O. Box 81825
San Diego, CA 92138

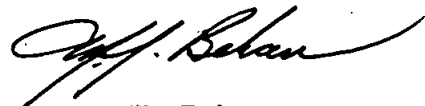
Dear Mr. Watson:

This is to acknowledge receipt of your letter dated October 26, 2005, exercising the option to extend the term of your lease, City Clerk Document RR-253882, until March 23, 2031. The City further acknowledges that you have satisfied the requirements of Section D.4.b., Option to Renew, of your lease.

Sincerely,


Jack D. Farris
Acting Director

PC/cj


Mike Behan
Deputy Director
Park & Recreation Department

cc: Ted Medina, Park & Recreation Department Director

File: Lease - SD Historical Society

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Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199

Tel (619) 236-6020 Fax (619) 236-6706



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October 26, 2005

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Bob Adelizzi, President-Elect
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Fred F. Mullins, Jr. - *SDHS Tours*
Edward Streicher - *Serra Museum*
John Rush - *Advisory Council*
Elisabeth Bergan - *Costume Council*

Executive Director

David Watson

Jack D. Farris
City of San Diego
Real Estate Assets
1200 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101-4199

Dear Mr. Farris:

In response to your NOTICE OF OPTION PERIOD letter of August 25, 2005, this letter will serve as written notice to the City of San Diego that the San Diego Historical Society hereby opts to extend the lease for space in the Casa De Balboa building in Balboa Park. The space is described in the current lease, City Clerk Document RR-253882, and we are exercising our option as described in Section D.4.b. to extend for an additional 25 years under the same provisions as in the existing lease. Please regard this letter as properly exercising this option, at my request and by Board resolution, and renew the lease to the Society until March 23, 2031.

Thank you very much.

David S. Watson
Executive Director



THE CITY OF SAN DIEGO

August 25, 2005

CITY OF SAN DIEGO	
REAL ESTATE ASSETS DEPT.	
☐	DIRECTOR
☐	DEPUTY MANAGER
☒	FILE COPY
☐	CHRON COPY
☐	ORIGINATOR

David Watson
San Diego Historical Society
P. O. Box 81825
San Diego, CA 92138

Reference: NOTICE OF OPTION PERIOD

Dear Mr. Watson:

Your lease with the City, City Clerk Document RR-253882, for space in the Casa de Balboa building will expire on March 23, 2006. Section D.4.b., Option to Renew, of the lease allows you to extend the lease for an additional term of 25 years under the same provisions as in the existing lease. To exercise the option, you must send written notice to this office between September 23, 2005, and December 22, 2005. If the option is properly exercised, the new expiration date of the lease will be March 23, 2031.

Sincerely,

Jack D. Farris
Deputy Director

PC/cj

cc: Will Griffith, Real Estate Assets Director
Ted Medina, Park & Recreation Director
Mike Behan, Park & Recreation Deputy Director
Kathleen Hasenauer, Balboa Park District Manager
Gary Stromberg, Balboa Park District Manager
Teresa Mulligan, Supervising Management Analyst

File: Lease - SD Historical Society

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Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199
Tel (619) 236-6020 Fax (619) 236-6706

AGREEMENT

THIS AGREEMENT is made by THE CITY OF SAN DIEGO, a municipal corporation, herein called "City," and SAN DIEGO HISTORICAL SOCIETY, a nonprofit California corporation, herein called "Corporation."

RECITALS

A. In Balboa Park in the City of San Diego, the City owns a building now known as the Electric Building, herein called "Building."

B. It is to the best interests of City that Corporation, being well qualified and competent, manage and operate a public museum known as the SAN DIEGO HISTORICAL SOCIETY, herein called "Museum," in part of the Building in the manner herein set forth. The part of the Building which the Corporation would manage and operate as the Museum is described in Exhibit "A" attached hereto and made a part hereof by this reference. Such part of the Building is herein called "part of the Building."

C. The Charter of the City of San Diego, Section 64, makes provision for the appropriation of monies for the support of institutions of an educational, scientific, historical and cultural character and authorizes City to execute agreements with respect to the use of such institutions.

D. The Corporation has been operating the SAN DIEGO HISTORICAL SOCIETY in the public interest and has maintained and greatly expanded their exhibit and research materials at no capital cost to City.

NOW, THEREFORE, in consideration of the recitals and the mutual obligation of the parties as herein expressed, City and Corporation agree as follows:

1. CORPORATION AS LEGAL ENTITY

Corporation shall have deposited with the City Manager by March 15 of each year duly certified copies of documents evidencing its existence as a legal entity.

DOCUMENT NO. RR-253882

01252

FILED MAR 24 1981
OFFICE OF THE CITY CLERK
CITY OF SAN DIEGO, CALIFORNIA

Without limiting the generality of the foregoing, such documents, by way of illustration, shall include the following:

a. A copy of the Articles of Incorporation certified by the Secretary of State of the State of California. The Articles need only be filed once with City, but any amendments to the Articles shall be filed by Corporation with a similar certification by the Secretary of State.

b. A copy of the bylaws of Corporation certified to be correct by the secretary of Corporation. The bylaws need only be filed once except that copies of any amendments to them similarly certified shall be filed with City.

c. A certificate executed by the Secretary of State of the State of California certifying that the Corporation is in good standing and authorized to transact business within the State of California.

d. Certificates executed by the secretary of Corporation evidencing the names of all persons holding office in Corporation, together with the terms of such office.

e. A copy of a resolution of the board of directors or other governing body of the Corporation certified by its secretary authorizing the application by Corporation for financial assistance and authority to execute this agreement on behalf of Corporation.

f. Such other records, documents or papers as may be required by the City Manager to assure him that Corporation is a valid and viable organization with a continuing existence.

2. OCCUPANCY

a. City hereby grants to Corporation a permit for the use and occupancy of its part of the Building. During the term of this agreement, City shall not grant to any individual, group or organization, other than Corporation, a permit for or a right to use and/or occupy its part of the Building, or any portion thereof, without prior written permission of Corporation.

b. Corporation shall use its part of the Building exclusively for the Museum and related purposes including research archives, provided that Corporation shall not exclude the general public or interfere with the public's right to the use and enjoyment of its part of the Building and its facilities; providing, however, that reasonable restrictions and regulations may be made in order to carry on Museum activities in an orderly and proper manner.

c. Corporation shall have the right to charge reasonable admission fees; however, at least one day per week shall be designated as a day when no fees for admission will be charged. Any schedule of admission fees will be subject to prior approval by the City Manager.

d. Corporation may operate a gift shop and sell articles to the general public, articles which primarily relate to subjects on display or activities conducted in the Museum, including, but not limited to, books, periodicals and related artifacts. All profits realized by said gift shop shall be used only for Museum purposes. The term "Museum purposes" as contained in this paragraph 2.d. shall mean operating, maintenance and improvement costs incurred in connection with the operation of the Museum premises as described in Exhibit "A" or at the other facilities of the Corporation operated in the City of San Diego. No profits from the operation of the gift shop shall be used for other purposes than as described above.

e. During the entire term of this agreement, Corporation agrees to procure and maintain public liability insurance which names City as an additional insured, with an insurance company satisfactory to City, licensed to do business in California, to protect against loss from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever, resulting directly or indirectly from any acts or activities of Corporation, its sublessees or any person acting for Corporation or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any

person caused directly or indirectly by or from acts or activities of Corporation, or any person acting for Corporation, or under its control or direction. Such public liability and property damage insurance shall also provide for and protect City against incurring any legal cost in defending claims for alleged loss. Such public liability and property damage insurance shall be maintained in full force and effect during the entire term of this agreement in the amount of not less than \$1,000,000 COMBINED SINGLE LIMIT LIABILITY. Corporation agrees to submit a policy of said insurance to the City on or before the effective date of this agreement, indicating full coverage of the contractual liability imposed by this agreement and stipulating that the insurance company shall not terminate, cancel or limit said policy in any manner without at least thirty (30) days prior written notice thereof to City. If the operation under this agreement results in an increased or decreased risk in the opinion of the City Manager, then Corporation agrees that the minimum limits hereinabove designated shall be changed accordingly upon request by the City Manager. Corporation agrees that provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which the Corporation may be held responsible for the payment of damages to persons or property resulting from Corporation's activities, or the activities of any person or persons for which Corporation is otherwise responsible. Corporation agrees to increase the limits of liability when, in the opinion of City, the value of the improvements covered is increased, subject to the availability of such insurance at the increased limits. Corporation agrees, at its sole expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of reasonable fire and public liability insurance covering said premises, buildings and appurtenances.

Corporation understands and agrees that City, as of the date of execution of this agreement, carries a blanket fire insurance policy covering all of the City-owned buildings. To the extent such policy may not cover the improvements and property of Corporation, Corporation may, at its sole cost and expense, provide additional insurance to

cover such property. City may, at its sole option, from time to time increase or decrease fire insurance coverage on City buildings, including the Building which is the subject of this agreement.

f. Corporation shall perform janitorial services within its part of the Building, and its immediate approaches, in such manner as to keep its part of the Building in a safe, clean and sanitary condition at all times. City shall perform major building maintenance on permanent features, including but not being limited to exterior and interior walls, ceilings, roofs, floors, external structures, replacement of windows, electrical circuits, plumbing, fire-fighting and protection equipment, fire sprinkler systems, doors and door closures, and such fixtures as heating equipment, elevators, etc., to the extent that provision has been made therefor in the schedule upon which the annual City appropriation for maintenance of public buildings is based. A detailed division of these services between City and Corporation is described in Exhibit "C" attached hereto and made a part hereof by this reference.

Janitorial and other maintenance of the lobby and restroom areas, common to all building tenants, will be maintained jointly by all tenants under the direction of the Building Tenants Committee, as outlined in Exhibit "D" and in accordance with the provisions of Exhibit "C" attached hereto.

Problems regarding building development and management will be referred to the Building Tenants Committee for resolution. Decisions of the Committee may be appealed to the City Manager, or his representative, whose decision is final.

Interior decoration and alterations for the accomodation of the Musuem or its exhibits in the Corporation's part of the Building shall be the responsibility of Corporation, and shall meet National fire, building and electrical code requirements.

g. Corporation agrees to pay for utilities within its part of the Building and to share in the lobby and restroom areas common to all building tenants in accordance

with procedures outlined in Exhibit "D." City will pay for utilities in its space and for exterior lighting.

h. Corporation may, at Corporation's own expense, make any major and/or minor alteration or changes in its part of the Building or cause to be made, built or installed structures, exterior signs, fixtures, equipment, or other improvements in its part of the Building necessary or desirable for Corporation's use of its part of the Building and may alter and repair any such structures or other improvements; provided, however, that permanent and major alterations and changes shall not be made and such structures and other improvements shall not be built or installed except in accordance with plans and specifications previously submitted by Corporation to the City Manager and approved, in writing, by him.

Corporation will at all times save City free and harmless and indemnify it against all claims for labor or materials furnished for or in connection with any and all work, change or improvements in or upon its part of the building pursuant to this paragraph.

i. The City reserves and shall always have the right to enter the Building for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the premises or to inspect the operations conducted thereon. In the event that such entry or inspection by City discloses that said premises are not in a decent, safe, healthy and sanitary condition, the City shall have the right, after ten (10) days written notice to Corporation, to have any maintenance work done at the expense of Corporation. Corporation hereby agrees to pay promptly any and all costs incurred by City in having such necessary maintenance work done in order to keep said premises in a decent, safe, healthy and sanitary condition.

During the entire term and any extension of the agreement, the area occupied by Corporation shall be used solely and exclusively for public museum purposes with the majority of the Museum area to be open and available to the public during

reasonable hours. Corporation shall keep the Museum facilities open to the public at least six (6) days per week, including Saturdays and Sundays.

j. Corporation agrees to file with the City, prior to commencement of any construction performed upon the premises, a faithful performance bond in the amount of 100% of the construction costs of the particular work to be performed at that time. Said bond may be in cash or may be a corporate surety bond satisfactory to City, or a combination of cash and bond. Said bond shall insure that the particular construction commenced by Corporation shall be completed in accordance with approved plans. The bond will be filed with the City. The City Manager shall waive this bond requirement upon a satisfactory showing by Corporation that the total funds needed for the particular construction are available and set aside for the particular construction.

3. OPERATION IN GENERAL

a. Corporation shall be operating and open to the public within six (6) months from date the City officially accepts the Building from the contractor. The anticipated completion dates as set forth in Exhibit "B" are subject to reasonable delays caused by material and labor shortages, strikes or other labor disputes, governmental actions, war, riot, insurrection, rebellion, act of God, fire, flood, storm, earthquake, or any and all causes beyond the reasonable control of Corporation or its contractors.

b. All personnel provided for operating the Museum shall be employed by and be the employees or volunteers of Corporation and shall not be the agents or employees of City. Such personnel shall not be subject to the control of City.

c. Corporation agrees to indemnify and save the City of San Diego and its agents and employees harmless from any and all liability claims, damages or injuries to any person, including injury to Corporation or any of Corporation's employees, representatives, agents, guests, licensees, invitees, patrons or of any other person whomsoever, and all expenses of investigating and defending against same: (a) arising from or alleged to have arisen from or connected with the use of or operations on the premises; (b) caused

or claimed to be caused by the independent acts of Corporation, their agents or employees.

d. Corporation shall take affirmative action to improve employment of minorities and women by implementing an Affirmative Action Program consistent with the City's Affirmative Action Program, a copy of which is on file in the office of the City Clerk and by this reference incorporated herein. Minorities are defined as Mexican-American, Black, Filipino, American Indian, and Asian/Oriental. The goal of this Affirmative Action Program shall be the attainment of the employment of minorities and women in all areas of employment in a total percentage of employment approximately equal to the total level of minority and women employment established by City for its Affirmative Action Program each year.

e. Corporation agrees not to discriminate in any manner against any person or persons on account of race, marital status, sex, religious creed, color, ancestry, national origin, physical handicap or medical condition in Corporation's use of the premises including, but not limited to, the providing of goods, services, facilities, privileges, advantages and accommodations, and the obtaining and holding of employment.

f. The Board of Directors shall:

1. Establish rules and regulations for the proper use, operation and protection of its part of the Building, and property housed therein.

2. Subject to the provisions of this agreement, designate a chief executive officer who shall have charge of the operation of the Museum.

3. Appoint a representative to the Building Tenants Committee. This Committee, consisting of a representative of each Building tenant, shall provide for Building development management in accordance with Exhibit "D."

g. The Corporation shall submit to the appropriate City representative the required reports, financial statements and other documents as requested in a timely and prompt manner.

4. TERM OF AGREEMENT

a. The term of this agreement shall be twenty-five (25) years, commencing on March 24, 1981, and ending on March 23, 2006.

b. City hereby grants to Corporation an option to renew this agreement for an additional period of twenty-five (25) years upon the expiration of the term of this agreement. Said renewal shall be made on the same terms, covenants and conditions as expressed herein and subject to the same exceptions and reservations as herein contained. This option shall be exercised only by written notice, setting forth Corporation's election to exercise said option. Said notice of Corporation's exercise of this option to renew shall be given no more than one hundred eighty (180) days and no less than ninety (90) days prior to the expiration of the term hereof.

c. The performance of the Corporation, in accordance with the terms of this agreement, will be subject to periodic review. Should the Corporation not be in compliance with conditions of this agreement and shall fail to cure such default within ninety (90) days written notice from City specifying the default and the date on which its rights will be terminated, the City may immediately cancel and terminate this agreement.

Failure by Corporation to construct the improvements as and when specified in Exhibit "B" or failure by Corporation to operate and maintain the public Museum as specified herein at all times during the term of this agreement shall constitute material defaults by Corporation for which this agreement may be terminated by City in accordance with this paragraph 4.c.

d. Anything to the contrary herein notwithstanding, City shall not be obligated to budget funds for the operation and maintenance of the building or any portion thereof and the provisions of this agreement with regard to construction, maintenance and operation of the building shall be subject to the budgeting and availability of funds for such purposes by the City Council in its sole discretion. Furthermore, in the event City

does not budget and authorize funds sufficient to accomplish the provisions contained in the agreement, Corporation may, at its option, terminate this agreement by giving City ninety (90) days prior written notice of intent to so terminate. City shall have no liability whatsoever for any damages incurred by Corporation as a result of City's failure to budget funds necessary to maintain and operate the Building, and Corporation's sole and exclusive remedy in the event of failure by City to perform under any of the provisions of this agreement shall be to terminate this agreement as specified above.

e. Upon the expiration or earlier termination of this agreement, Corporation shall return the portion of the Building described in Exhibit "A" to City in good and clean condition, reasonable wear and tear accepted. All fixtures and personal property may be removed by Corporation upon the expiration or earlier termination except that no improvements permanently affixed to the Building may be removed, but shall be the property of City and all damages which may result from removal of other fixtures shall be repaired by and be the responsibility of Corporation.

f. In the event the City, during the first ten (10) years of the Agreement, does not budget and provide funds adequately to fulfill the City required maintenance of the building, and as a result Corporation terminates this Agreement, the City agrees to use good faith efforts to lease Corporation's portion of the Building to a new user for an amount reflecting Corporation's expenditures for permanent improvements, and all amounts received by the City, reflecting the value of such improvements, will be reimbursed to the Corporation until, in the City Council's opinion, adequate reimbursement has been made.

5. AMENDMENT

This agreement may be amended in writing by mutual written consent of the

City and the Corporation as permitted by law.

IN WITNESS WHEREOF, this agreement is executed by the City of San Diego, acting by and through its City Manager, pursuant to Resolution No. R-253882 authorizing such execution, and by Corporation.

Dated this 13th day of April, 1981.

THE CITY OF SAN DIEGO

By Elaine M. Balde
ASSISTANT TO THE City Manager

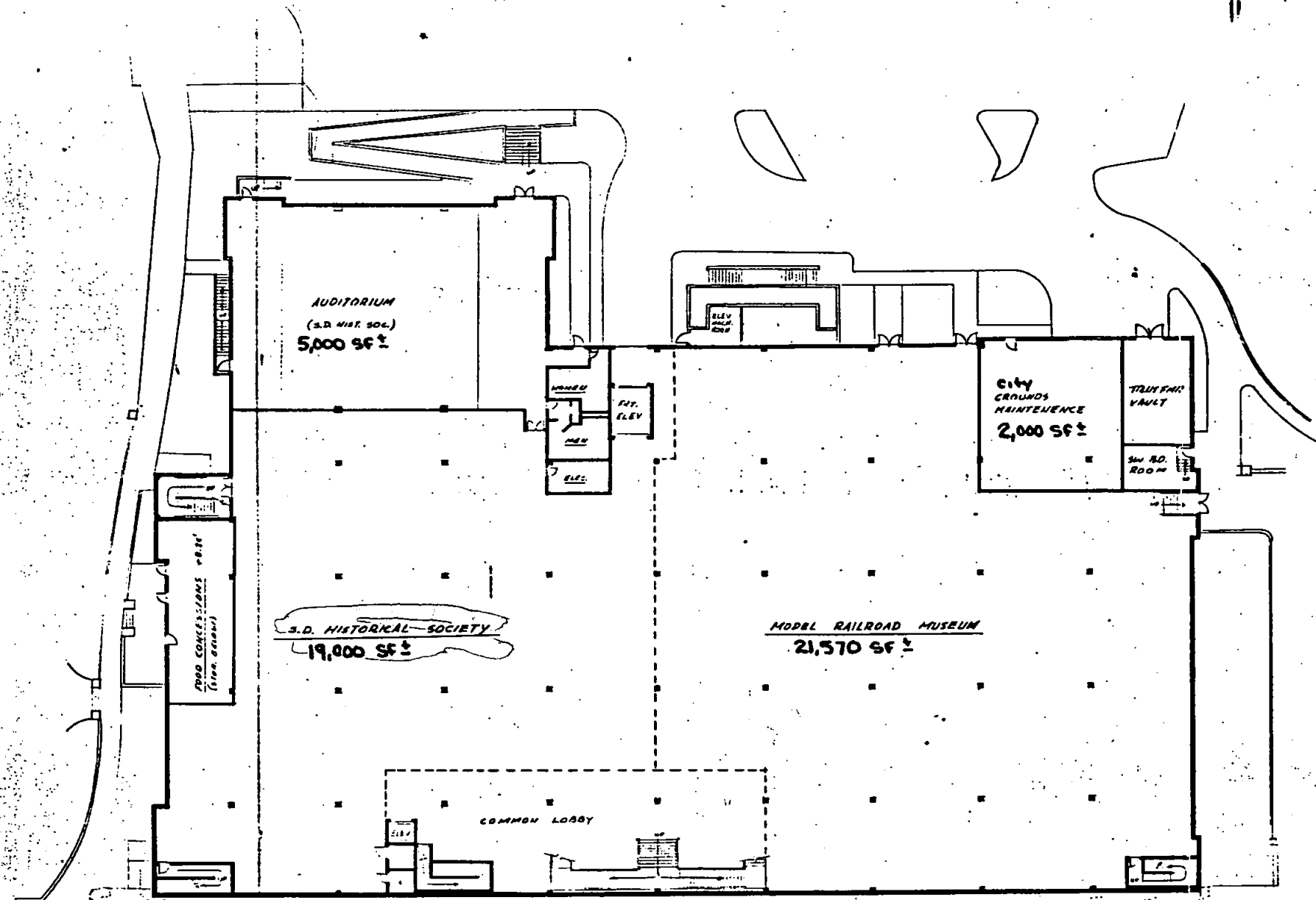
SAN DIEGO HISTORICAL SOCIETY,
Corporation

By Nicholas M. Fintelberg
president

I HEREBY APPROVE the form and legality of the foregoing agreement this 15
day of April, 1981.

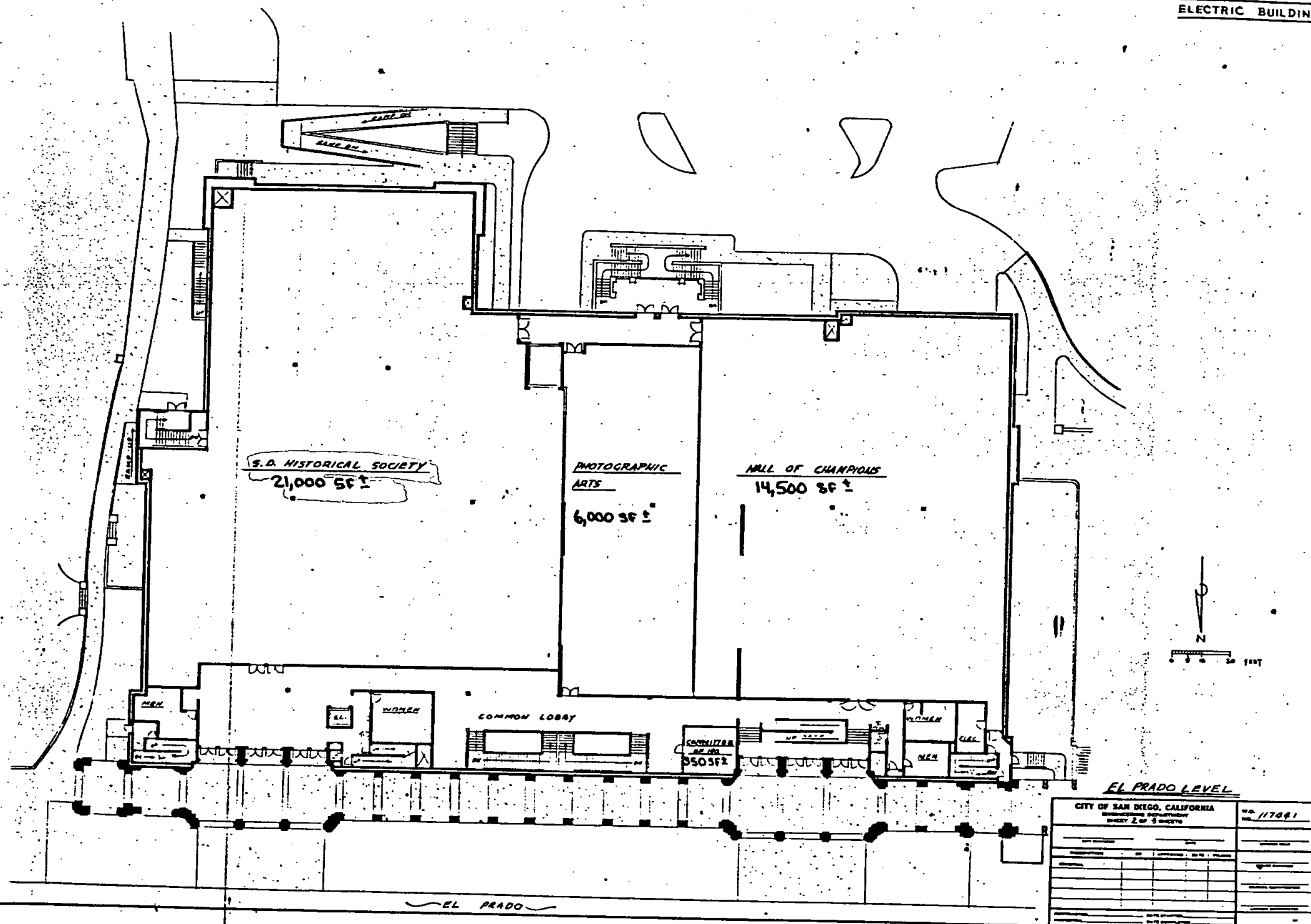
OFFICE OF THE CITY ATTORNEY

By W. A. Dudley
Deputy



LOWER LEVEL

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APPROVED BY				DATE
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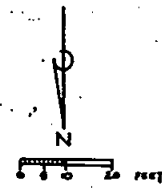


EXHIBIT "A" ser. 3 of 3

COMPLETION DATE	EXHIBIT "B" SAN DIEGO HISTORICAL SOCIETY PROPOSED IMPROVEMENT	ESTIMATED MINIMUM VALUE
Six months after Building is accepted by the city of San Diego	Research archive area of the museum open to the public. Photographic Collection, Archival and Artifact Collection moved in and available to the public. Floor for mezzanine poured	\$ 290,000
Twelve months after Building is accepted by the city of San Diego	Prado level entry area complete. 1850-70 period gallery open, special and changing exhibit gallery area open. Gift shop completed.	280,000
Eighteen months after Building is accepted by the city of San Diego.	Fifth Avenue Exhibit, 1870-1900 period gallery open to the public	200,000
Twenty-four months after Building is accepted by the city of San Diego.	1900-1930 period gallery open to the public	200,000
Thirty months after the Building is accepted by the city of San Diego.	Mezzanine area completed, audio visual theater, AC and Halon system	325,844
Thirty-six months after Building is accepted by the city of San Diego.	Auditorium completed--lower floor	90,000
	Furnishings placed in above improvements	125,000
	TOTAL IMPROVEMENTS	\$1,510,844

- 1) The City Manager may extend the completion date of proposed improvements, at his sole discretion, when delays are caused by situations beyond the control of the corporation, for a period not to exceed one year without Council approval.
- 2) To be built, or installed in accordance with current building codes and regulations and as delineated on plans and specifications approved, in writing, by him.
- 3) The Corporation shall provide the City Manager with documentation of the actual cost of improvements or an estimated value thereof. The City Manager is the sole judge of estimated value and his decision is final.

EXHIBIT "D"

MEMORANDUM OF AGREEMENT

AMONGST

THE TENANTS OF THE NEW ELECTRIC BUILDING

ARTICLE I: NAME

Section 1. This organization shall be known as the New Electric Building Tenants Committee.

ARTICLE II: PURPOSE

Section 1. To provide for the development and efficient management and operation of the new Electric Building in accordance with operating agreements.

Section 2. To delineate exclusive and non-exclusive use areas of responsibility.

Section 3. To effect or arrange for maintenance and inspection of non-exclusive use areas of the building and common mechanical, electrical, ventilating and plumbing systems in the building because they cross the boundaries of the various exclusive use areas.

Section 4. To establish the financial responsibilities of each tenant as regards:

Overall building utility costs

Non-exclusive use areas maintenance costs

Section 5. To arbitrate any disputes or differences between or among tenant organizations arising from the internal management of the building.

ARTICLE III: MEMBERSHIP

Section 1. The Tenants Committee shall consist of one representative from each tenant organization.

Section 2. A quorum consists of a majority of the member organizations, and each organization is vested with one vote.

ARTICLE IV: MEETINGS

Section 1. Members of the Tenants Committee will meet as required to review and act on such agenda as may be brought before it. Normally agenda items will be submitted at least with 7 days notice.

Section 2. Any tenant can schedule a meeting as necessary to resolve issues requiring joint policy decision. Agenda will be furnished each member organization seven days prior to meeting.

Section 3. Meeting chairmanships will generally rotate among organizations.

Section 4. Secretarial service shall be provided by the Meeting Chairman.

Section 5. Robert's Rules of Order shall govern the conduct of all meetings except as otherwise provided herein.

Section 6. A simple majority vote shall normally carry on agenda items.

ARTICLE V: AMENDMENTS

Section 1. This Memorandum of Agreement may be amended or revised by a majority vote of the members.

ARTICLE VI: ADOPTION

Section 1. This Memorandum shall be ratified by all tenant organizations. Ratification of this agreement by each organization signifies willingness of the organization to abide by the decisions of the Tenants Committee.

Leas -
San Diego Historical
Society
CLERK'S FILE COPY

5300a
(R-81-1739)
(REV.)

RESOLUTION NO. R- 253882

Adopted on MAR 24 1981

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

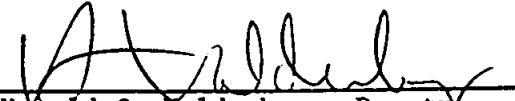
That the City Manager be and he is hereby authorized and empowered to execute, for and on behalf of said City, an Agreement between City and SAN DIEGO HISTORICAL SOCIETY, a nonprofit California corporation, for the use and occupancy of a portion of the ELECTRIC BUILDING in Balboa Park for museum purposes, which Agreement has a term of 25 years with an option vested in the user to renew the Agreement for an additional 25 year term, with consideration to the City being the construction of interior permanent public improvements and the maintenance and operation of museum exhibits to be open to the public, under the terms and conditions set forth in that Agreement on file in the office of the City Clerk as Document No. RR-
253882 .

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized and directed to approve a completion date for the initial improvements to be made by Corporation, which completion date shall be six (6) months following the date of execution of the Agreement, six (6) months after the Electric Building basic construction is accepted by The City of San Diego, or December 31, 1981, whichever date or event occurs last.

01272

APPROVED: John W. Witt, City Attorney

By


Harold O. Valderhaug, Deputy

HOV:ps:274

~~3/18/81~~ Revised 3/25/81

Or. Dept.: Pk&Rec.

01273

Passed and adopted by the Council of The City of San Diego
on March 24, 1981, by the following vote:

YEAS: Mitchell, Cleator, Golding, Williams, Schnaubelt, Gotch, Murphv
Killea, Wilson.

NAYS: None.

NOT PRESENT: None.

AUTHENTICATED BY:

PETE WILSON
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By ELLEN BOVARD, Deputy.

I HEREBY CERTIFY that the above and foregoing is a full,
true and correct copy of RESOLUTION NO. R-253882
passed and adopted by the Council of The City of San Diego,
California, on MAR 24 1981.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By Ellen Bovard, Deputy.

(Rev. 8/79)
lbc

01274

SAN DIEGO HISTORICAL SOCIETY

BOARD OF TRUSTEES 2003-2004

President
Ron Urich

President Elect
Thomas Carter

Past President
Nell Waltz

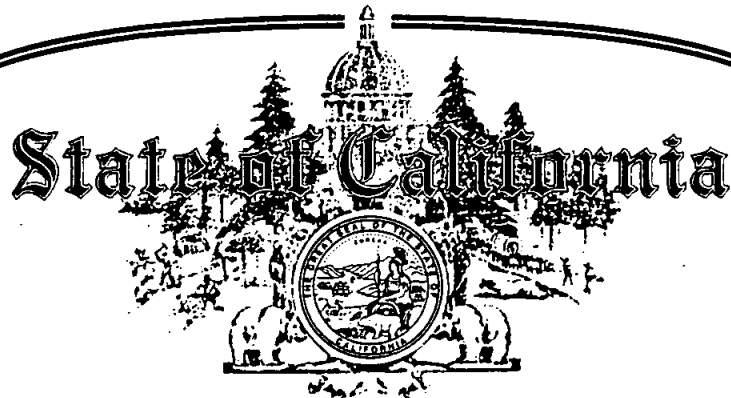
Secretary
Sandi Arkin

Treasurer
Ardyce Jarvis

Robert Adelizzi
Diego Aguilera
Bobbie Bagel
Elisabeth Bergan
Diane Canedo
Bruce Dunlap
August Felando
Al Jacoby
Susan Kalish
Mimi McCoy
James Milch
Lynn Mooney
Fred Mullins
John O'Brien
Drexel Patterson
John Rush
Harold Sadler
Aino Sten
Edward Streicher
Janet Sutter
Ross Tharp
Carolyn Waggoner
Leon Williams
Tim Zinn

Ex-Officio
Ellen Oppenheim

Executive Director
John W. Wadas

**SECRETARY OF STATE**

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

AUG 14 2000

Bill Jones

Secretary of State

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
of the
SAN DIEGO HISTORICAL SOCIETY
A California nonprofit public benefit corporation

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JUL 21 2000

ELL JONES, Secretary of State

Christine S. Fontana and Carolyn K. Waggoner certify that:

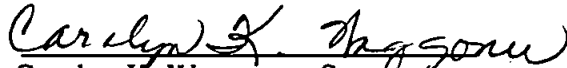
1. They are the President and Secretary, respectively, of the corporation.
2. The Articles of Incorporation of the corporation shall be amended by revising Article FIFTH to read as follows:

"That the number of Directors of this corporation shall be as set forth in its bylaws."

3. The foregoing amendment has been approved by the Board of Directors of the corporation.
4. The foregoing amendment was approved by the required vote of the members of the corporation.

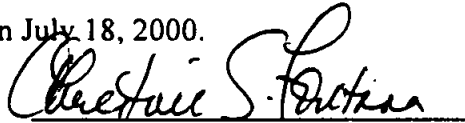
Dated: June 30, 2000

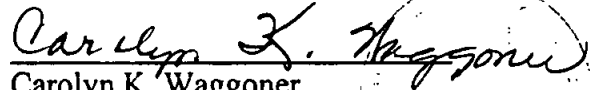

Christine S. Fontana, President


Carolyn K. Waggoner, Secretary

Christine S. Fontana and Carolyn K. Waggoner, the President and Secretary, respectively, of the San Diego Historical Society, each declares under penalty of perjury under the laws of the State of California that the matters set out in the foregoing Certificate of Amendment are true of her own knowledge.

Executed at San Diego, California, on July 18, 2000.


Christine S. Fontana


Carolyn K. Waggoner

Address any reply to: P.O. Box 2350, Los Angeles, Calif. 90053

Department of the Treasury

District Director

Internal Revenue Service

Date: 3 FEB 1982 In reply refer to:
EP/EO:G-2:D
(213) 688-4152 K. Winslow

San Diego Historical Society
P.O. Box 81825
San Diego, CA. 92138

Date of Exemption: October, 1952
Internal Revenue Code Section: 501(c)(3)

Gentlemen:

Thank you for submitting the information shown below. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



District Director

Item Changed

From

To

Amendment to Articles of Incorporation executed on February 17, 1981.

EXHIBIT "C"

MAINTENANCE REPAIRS
OPERATING AGREEMENT PERMIT FACILITIES

<u>SYSTEM/AREA</u>	<u>CITY'S RESPONSIBILITIES</u>	<u>JOINT TENANTS' RESPONSIBILITIES</u>	<u>CORPORATION RESPONSIBILITIES</u>
Electrical/Lighting and Power	Switches, switch/outlet plates, outlets and fixture lenses in lobby areas only. Wiring, conduit, breakers, light fixtures (as a complete item) neon lighting. All exterior lighting including lamps. Electrical costs in its part of building and exterior lighting costs.	Replace lamps in lobby and common use areas and electrical costs in those areas.	Replace lamps, switches, switch outlet plates, outlets and fixtures lenses and electrical costs in its part of the building.
Emergency Electrical System	Repair parts and/or system wiring/conduit, etc. Periodic operational check-out.	Preventive maintenance in lobby and common use areas.	Preventive maintenance in its part of the building.
Heating and Ventilation, including Solar System, Pumps and Boilers	All except filter/strainer changes and daily/weekly operational checks.	Clean/replace filters, cleaning of solar panel glass, daily/weekly operational checks.	None.
Plumbing, Sewer, Water	Broken pipe, valves within system. Clean sewer inside and outside of building. Repair/maintenance of valves, faucets and trim at service points, i.e., angle stops, flushometers, toilet valves and seats, lavatory faucets, traps, hosebibs, in public restrooms in lobby and common use areas.	Preventive maintenance in lobby and common use areas. Custodial care of lobby restrooms and common use areas.	All except broken pipe and valves within system and clearing sewer related to labs, sinks, and restrooms added by Corporation in its part of the building.
Painting	All exterior, including touch up after vandalism. All lobby and common use areas, including touch up after vandalism.	Cleaning lobby and common use area walls.	All interior walls in its portion of the building.
Doors/Hardware	All but loose screws/bolts.	Loose screws/bolts in lobby and common use areas.	Loose screws/bolts in its portion of building.

EXHIBIT "C" (contd)

SYSTEM/AREA

CITY'S RESPONSIBILITIES

JOINT TENANTS' RESPONSIBILITIES

CORPORATION RESPONSIBILITIES

Windows/Glass in doors

Replace glass in doors. Replace glass in solar panels. Replace/repair windows and glass in windows.

Cleaning of glass in doors and windows in lobby and common use areas.

Replacement of window glass if responsible for breakage. All exhibit glass in its portion of building. Maintain security alarm system in its part of building.

Fire Suppression System

Maintain and repair City installed fire suppression system throughout building. Approve alternate systems installed by tenants.

Preventive maintenance to City system.

All systems installed by Corporation.

Floor Covering

Repair/maintain tile/carpet, etc. in lobby and common use areas.

Custodial care of tile, carpet, etc., in lobby and common use areas.

Repair/maintain tile/carpet etc., in its part of building.

Displays

Approve hook-up of electrical and water (Buildings) and structural (Engineering and Development).

Custodial care of displays in lobby and common use areas.

Install and operate displays in its part of building

Elevators

All except routine inspection.

Routine inspection and reporting of problems.

None.

Pest Control

Termites, Bees

All other pests in common use areas.

All other pests in its part of building.

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San Diego Historical Society Bylaws

**SAN DIEGO HISTORICAL SOCIETY
BYLAWS**

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BYLAWS
SAN DIEGO HISTORICAL SOCIETY
A California Nonprofit Public Benefit Corporation
Revised April 25, 2000

ARTICLE 1 - PURPOSES

Section 1.01 - PURPOSE

San Diego Historical Society (hereinafter "the Society") is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501 (c) (3) of the U.S. Internal Revenue Code of 1954, as amended. The Society's primary and specific purposes are to:

- (a) Discover, collect, and preserve objects, documents, photographs, literary or artistic works and other articles or materials which may establish or illustrate the history of Western America, particularly the County of San Diego and the State of California.
- (b) Publish and disseminate historical matter such as listed in (a) above.
- (c) Promote appreciation and enjoyment of the things in (a) above, by the widest possible number of residents of and visitors to San Diego County and its environs.
- (d) Maintain museums and museum collections for the education and enjoyment of the general public, as well as for use for research.

Section 1.02 - MISSION

The San Diego Historical Society is an educational and cultural institution dedicated to preserving and sharing our growing historical collections and extensive archives with our members, visitors, and the community. We connect the past to the future so that all generations will understand and appreciate the richness of San Diego's regional history.

ARTICLE 2 – OFFICES

Section 2.01 - PRINCIPAL OFFICE

The principal office of the Society shall be in the Casa de Balboa, Balboa Park, San Diego, California, or at such location as may be determined by the Board of Directors.

Section 2.02 - OTHER OFFICES

Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE 3 - MEMBERSHIP

Section 3.01 - CLASSES AND QUALIFICATIONS OF REGULAR MEMBERS

Any individual, corporation, or other entity, by making application and payment of dues, may become a regular member of the Society. Classes of membership and their dues shall be

determined by the Board of Directors. There shall be no qualification for membership in the Society except for the payment of annual dues.

Section 3.02 - DUES

Annual dues shall be due and payable upon joining the Society, and thereafter on or before the anniversary date in each subsequent year.

Section 3.03 - TERMINATION OF MEMBERSHIP

A written notice or notices shall be mailed to regular members at reasonable times in advance of the dates by which their dues are required to be paid as stated in section 3.02 informing them of the amount of dues required and the date by which payment must be made. A notice shall inform the member that if payment is not received by that date, the membership will be terminated. If the Society has not received payment by that date, the membership will be terminated on the last day of the month in which the anniversary occurs.

Section 3.04 - HONORARY MEMBERS

The Board of Directors, or the members of the Society (by a majority vote at any regular meeting of the members), may elect to honorary membership any person who has made outstanding contributions to local history or the work of the Society.

Section 3.05 - ANNUAL AND SPECIAL MEETINGS OF MEMBERS

The Annual Meeting of members of the Society shall be held in May or June of each year, at such place and time as may be determined by the Board of Directors. Special meetings of members may be called as determined by the Board or the President, or shall be called upon receipt of written request signed by one hundred (100), or five (5) percent (whichever is smaller) of the members and delivered to the President. In the case of a special meeting requested by the members, the purpose of the meeting shall be set forth in the written request for the meeting.

Section 3.06 - NOTICE FOR MEETINGS

Written notice of all membership meetings shall be given to each member who is listed on the membership register of the Society as of the close of business two (2) weeks before the giving of notice. Each member entitled to notice of a meeting shall be given notice not less than ten (10) nor more than ninety (90) days before the date of the meeting. Written notice shall be given either personally or by mail sent to the member at the address listed for the member in the membership register of the Society. If notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, notice shall be given not less than 20 days before the meeting. Notice shall be deemed given at the time when delivered personally or deposited in the mail.

Section 3.07 - CONTENTS OF NOTICE

The notice shall specify the place, date, and time of the meeting and the general nature of the business to be transacted, and no other business may be transacted.

Section 3.08 - QUORUM AND MEMBERSHIP ACTION

The presence in person of at least twenty five (25) members entitled to vote shall constitute a quorum for the transaction of business at a meeting of the members. The affirmative vote of a majority of the members entitled to vote and voting on any matter in a meeting where a quorum is present shall be the act of the members, unless the vote of a greater number is required by

California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business until adjournment notwithstanding the withdrawal of members, but any action taken (other than adjournment) must be approved by at least thirteen (13) members. The only matters that may be voted upon at any meeting actually attended by less than one third (1/3) of the members of the Society are matters the general nature of which was mentioned in the notice of the meeting.

Section 3.09 - VOTING POWER

Each regular or honorary member listed in the membership register for the Society as of the "record date" for a meeting shall be entitled to vote at that meeting. The Board of Directors may fix the record date of a meeting as a date not more than sixty (60) days before a meeting. If no record date is fixed, all honorary and regular members present at the meeting shall be entitled to vote. Each member entitled to vote shall have one vote. Proxies shall not be allowed.

Section 3.10 - NON-LIABILITY OF MEMBERS

A member of the Society is not, as such, personally liable for the debts, liabilities, or obligations of the Society.

ARTICLE 4 - BOARD OF DIRECTORS

Section 4.01 - NUMBER AND QUALIFICATIONS

The Board of Directors shall consist of between fifteen (15) and thirty three (33) members of the Society, the number to be determined by the Board. The Immediate Past President shall be designated as one of the number of Directors. Members of the Board of Directors are elected by the members of the Society as provided in Section 7.06, except as provided in Section 4.02 and Section 4.06.

Section 4.02 - EX-OFFICIO DIRECTORS

The Board shall elect the chief officer or her/his designee of each of the Society's auxiliaries as named in Section 6.01 of these bylaws as Directors. Each Director elected in this way shall serve for a one (1) year term ending on June 30. In no case shall these Directors serve for more than six (6) consecutive years. In addition, there shall be one non-voting Director designated by and serving at the will of the City Manager of the City of San Diego. The City Manager's designee shall not be counted as a Director for the purpose of establishing a quorum (Section 4.09) or within the limits of the number of Directors as provided in Section 4.01.

Section 4.03 - POWERS

Subject to the limitations of the Articles of Incorporation and these Bylaws, the activities and affairs of the Society shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the Society to any person(s), a management company, or committees however composed, provided that the activities and affairs of the Society shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

No assignment, referral, or delegation of authority by the Board or anyone else shall preclude the Board from exercising the authority required to meet its responsibility for the conduct of the activities of the Society and the Board shall retain the right to rescind any such delegation.

Section 4.04 - DUTIES

It shall be the duties of the Directors to:

- (a) Perform any and all duties imposed upon them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;
- (b) Oversee the conduct, management, and control of the affairs and business of the Society and to make rules and regulations, not inconsistent with the laws of California and the Bylaws of the Society;
- (c) Establish long-range policies of the Society;
- (d) Adopt the annual operating budget and ensure long-term financial stability;
- (e) Appoint, evaluate, and remove, if necessary, the Executive Director, to proscribe the duties of that position, and to fix compensation;
- (f) Institute a strategic plan.

Section 4.05 - TERM OF OFFICE FOR DIRECTORS

Term of office for Directors normally shall be three (3) years, starting July 1 with the start of the Society's fiscal year. Directors may be reelected for an additional three (3) year term. No Director may serve on the Board longer than six consecutive years, except that (a) if a Director is elected as an Officer for the year following his/her sixth year, he/she may serve as a Director for the duration of his/her term(s) as an Officer, and (b) the Immediate Past President shall be eligible to continue to serve on the Board as long as he/she holds that position. A person who has served a portion of a three-year (3) term because of having filled a vacancy in an unexpired term shall be eligible for only one (1) consecutive three-year (3) term. After a Director's eligibility to serve on the Board has expired as stated in this Section 4.04, the Director may be elected to the Board only after one (1) year's absence from the Board. As nearly as is practicable, Directors shall be elected in a manner that the terms of one-third of them expire each year.

Section 4.06 - VACANCY ON THE BOARD OF DIRECTORS

A vacancy on the Board shall be deemed to exist in the case of the death, resignation, or removal of any Director or if the authorized number of Directors is increased by the Board, provided that the authorized number of Directors shall not be increased by more than five (5) during any fiscal year.

Any Director may resign effective upon giving written notice to the President or the Secretary, unless the notice specifies a later time for the effectiveness of the resignation. The President or Secretary may accept an oral resignation in determining a quorum.

The Board may remove a Director who has been absent from three (3) or more consecutive meetings, declared of unsound mind by a final order of court, convicted of a felony, or found by a final order or judgment of any court to have breached any duty under Article 3 or Chapter 2 of the California Nonprofit Public Benefit Corporation Law.

Vacancies on the Board may be filled by a majority vote of the remaining Directors at any regular or special meeting of the Board, or by the sole remaining Director.

A Director elected to fill a vacancy shall serve the term, as determined by the Board, of the balance of the current fiscal year or the balance of the current fiscal year plus one or two years.

Section 4.07 - MEETINGS OF DIRECTORS

Regular meetings of the Board of Directors shall be held at least six (6) times per year and at least once every two (2) months, at such times and places as may be determined by the Board or the President.

Section 4.08 - SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the President, or at the written request of seven (7) Directors, delivered to the President and indicating the purpose of the meeting. Special meetings of the Board shall be held upon four (4) days notice by first-class mail or forty-eight (48) hours given personally or by telephone, telegraph, FAX, email, or other similar means of communication. Any such notice shall be addressed or delivered to each Director at the Director's address as it is shown on the records of the Society or as may have been given to the Society by the Director for purposes of notice.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. The related postmark shall document the time. Any other written notice shall be deemed to have been given at the time it is personally given to the recipient or is given to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or by wireless, to the recipient or to a person at the office of the recipient who the person given the notice had reason to believe will promptly communicate it to the receiver.

Section 4.09 - QUORUM

A majority of the Directors then in office shall constitute a quorum. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, but any action taken must be approved by at least a majority of the required quorum for such a meeting. Directors may not vote by proxy. Directors may not participate in the meeting by telephone or other electronic communication.

Section 4.10 - ELIGIBILITY OF DIRECTORS

No Director shall be an employee of the Society, nor shall any Director receive fees or compensation for services performed as a Director; however, a Director may be reimbursed for reasonable expenses incurred in his/her duties as a Director. Neither persons within the first degree of consanguinity, nor husband and wife, shall be members of the Board of Directors at the same time.

Section 4.11 - LEAVE OF ABSENCE

The President may grant a leave of absence to a duly elected Director for compelling personal or professional reasons. The number of Directors needed to determine a Board quorum will be reduced by the corresponding number of Director(s) on leave. Director(s) on official leave will not have liability for decisions made in her or his absence.

Section 4.12 - WAIVER OF NOTICE

Notice of a meeting need not be given to any Director who signs a waiver of notice or written consent to hold the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting thereto or at its commencement; the lack of notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made part of the minutes of the meeting.

Section 4.13 - MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the entire Board of Directors, unless the Articles of Incorporation or these Bylaws, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to the appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233), and indemnification of Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

Section 4.14 - NON-LIABILITY OF BOARD MEMBERS

A. Pursuant to Section 5239 of the Nonprofit Public Benefit Corporation Law of the State of California, there shall be no personal liability to a third party on the part of a Director, or President, Vice President, Secretary, or Treasurer of the Society caused by the Director's or Officer's negligent act or omission in the performance of that person's duties as a Director or Officer, if all of the following conditions are met:

- (a) The act or omission was within the scope of the Director's or Officer's duties;
- (b) The act or omission was performed in good faith;
- (c) The act or omission was not reckless, wanton, intentional, or grossly negligent, and
- (d) Damages caused by the act or omission are covered pursuant to a liability insurance policy issued to the Society, either in the form of a general liability policy or a Director's and Officer's liability policy, or personally to the Director or Officer; or, if the damages are not covered by a liability insurance policy, the Board of Directors and the Officer or Director had made all reasonable efforts in good faith to obtain available liability insurance.

This limitation on the personal liability of a volunteer Director or Officer does not limit the liability of the Society for any damages caused by acts or omissions of a Director or Officer, nor does it eliminate the liability of a Director or Officer as provided in Section 5233 or 5237 of the California Nonprofit Public Benefit Corporation Law or any action or proceeding brought by the Attorney General.

ARTICLE 5 - OFFICERS

Section 5.01 - NUMBER AND TITLE

The Officers of the Society shall be elected from the Board of Directors and shall consist of a President, a President-Elect, a Vice President - Program, a Vice President - Membership, a Vice President - Fund Development, a Vice President - Marketing, a Secretary, and a Treasurer. Any

number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as the President.

Section 5.02 - TERM

Officers shall serve at the pleasure of the Board. Normally, officers shall be elected annually and shall serve for a one-year term starting July 1. An Officer shall be eligible for reelection for an additional one-year (1) term. An Officer having served two consecutive years (plus any time served in filling an unexpired term) shall then be ineligible for reelection to the same office until one year after the ending of two (2) one-year (1) terms served. When the office of the President becomes vacant as aforesaid, or for any other reason, it shall be forthwith filled by the President-Elect.

Section 5.03 - PRESIDENT

The President shall preside at all meetings of the members, the Board of Directors, and the Executive Committee. The President shall call such meetings as are provided for in these Bylaws, shall see that the Bylaws, rules, and regulations are enforced, shall appoint Chairs of and members of committees in accordance with Section 7.01, and shall make a report at the Annual Meeting of members. The President ex-officio shall be a member of all committees, except that the President may not be a member of the Board Governance Committee. The President may sign (jointly with the Secretary where required) all corporate documents which are not inconsistent with policies set by the Board of Directors.

Section 5.04 - PRESIDENT - ELECT

In the absence or inability of the President, the President-Elect shall perform the duties of the President.

Section 5.05 - VICE PRESIDENTS

In the absence or inability of the President or President-Elect, a Vice President designated by the President or President-Elect shall perform the duties of the President. The Vice President shall have duties assigned to him or her by the President with the approval of the Board and as long as they are not in conflict with these Bylaws.

Section 5.06 - SECRETARY

Subject to any limitations in these Bylaws, the Secretary of the Society shall oversee the conduct, management, and control of:

- (a) Certification and retention at the principal office of the Society the original or a copy of these Bylaws as amended or otherwise altered to date: retention at the principal office of the Society or at other such place as the Board may determine, a book of all minutes of the Directors, and if applicable, meetings of committees of Directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice was thereof given, the names of those present at the meeting, and the proceedings thereof;
- (b) Distribution of all notices required within the provisions of these Bylaws or required by law;

- (c) Custody of the records and of the seal of the Society and that the seal is affixed to all duly executed documents of which on behalf of the Society under its seal is authorized by law or these Bylaws;

Section 5.07 - TREASURER

The Treasurer shall be the chief financial officer of the Society.

Subject to any limitations in these Bylaws, the Treasurer shall oversee the conduct, management, and control of:

- (a) The charge and custody of, and the responsibility for, all funds and securities of the Society, and the deposit of all such funds in the name of the Society in such banks, trust companies, or other depositories as shall be selected by the Board of Directors;
- (b) The receipt, and receipt for, all monies due and payable to the Society from any source whatsoever;
- (c) The disbursement of the funds of the Society as may be directed by the Board of Directors, with proper vouchers for such disbursements;
- (d) The keeping and maintenance of adequate and correct amounts of the Society's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- (e) The exhibit at all reasonable times of the books of account and financial records to any Director of the Society, or to his or her agent or attorney, on request therefor;
- (f) The rendering to the President and Directors, whenever requested, an account of any or all his or her transactions as Treasurer and of the financial condition of the Society;
- (g) The preparation and certification of the financial statements to be included in any required reports, and
- (h) The development of the annual budget of the Society.

The Treasurer shall also:

- (a) Serve as the chairperson of the Finance Committee, and
- (b) In general, perform all duties incident to the office of Treasurer and such duties as may be required by law, by the Articles of Incorporation, by these Bylaws, or which may be assigned to her or him from time to time by the Board of Directors.

ARTICLE 6 - AUXILIARY ORGANIZATIONS

Section 6.01 - IDENTIFICATION AND STATUS

The Society shall have the following auxiliaries: Advisory Council, Costume Council, Decorative Arts Council, Friends of Marston House, SDHS Tours, Friends of Serra Museum, and Friends of

Villa Montezuma. Auxiliaries are individual, but not independent activities of the Society, that elect their own Boards, officers, and committees. All members of the auxiliaries shall also be members of the Society.

Section 6.02 - ACTIVITIES

Subject to approved Society policies and procedures, the auxiliaries as listed in Section 6.01 may, upon approval of the Executive Director, or her/his authorized representative, implement events, purchases, fund raising projects, educational tours, and other programs in support of the mission of the Society.

Section 6.03 - FINANCES

Subject to approved Society policies and procedures, auxiliaries may make disbursements from their individual funding resources for approved activities. Auxiliaries may not incur debt without approval of the Executive Director.

ARTICLE 7 - COMMITTEES

Section 7.01 - APPOINTMENT AND NATURE OF COMMITTEES

The work of the Board and Officers of the Society shall be accomplished not only through the efforts of the Directors and Officers, but also through the work of committees. The President, with the approval of the Board of Directors, shall appoint Chairs of standing and ad hoc committees. Members of the standing and ad hoc committees will be appointed by the President in consultation with the committee Chair. Committees shall be constituted, charged, and governed by the Board. Although the Board may designate such committees to gather information and transact business on behalf of the Board, the Board retains full authority over all business of the Society.

The terms of the members of such committees shall expire at the next Annual Meeting of the members, without limitation of appointment to the same or other committees. There is no limit to the number of successive terms which a person, otherwise qualified, may serve on a committee, except insofar as it is limited by these Bylaws. The standing committees shall include Executive, Board Governance, Finance, Fund Development, Marketing, Membership, and Program. Committees may be constituted as needed to accomplish the work of the Society. The standing committees are designated in Sections 7.05 - 7.11. The chairs of the standing committees must be Board members.

Section 7.02 - DUTIES AND LIMITATIONS OF COMMITTEES

The Committees may recommend programs of action to the Board of Directors or to the Executive Committee and, upon approval, may implement the programs. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) fill vacancies on the Board or on any committee which has the authority of the Board;
- (b) fix compensation of directors for serving on the Board or any committee;
- (c) amend or repeal Bylaws or adopt new Bylaws;

- (d) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) appoint any other committees of the Board or members of these committees;
- (f) spend corporate funds to support a nominee or applicant for director after there are more people nominated for director than can be elected;
- (g) approve any self-dealing transaction with respect to any assets held in charitable trust.

Section 7.03 MEETING AND ACTION OF BOARD COMMITTEES

Meetings and actions of Board committees shall be governed by, and held and taken in accordance with, the provisions of Article 6 of these Bylaws, concerning meetings of the Board, with such changes in context of those provisions as are necessary to substitute the committee and its members for the Board and its members, except that the time of regular meetings of committees may be determined by either resolution of the Board or resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings or Board committees shall also be given to any and all alternate members who shall have the right to attend all meetings of the committee. The Board may adopt rules for government of a Board committee not inconsistent with the provisions of these Bylaws.

Section 7.04 - STANDING COMMITTEES

The Society shall have seven (7) standing committees: Executive Committee, Board Governance Committee, Finance Committee, Fund Development Committee, Marketing Committee, Membership Committee, and Program Committee.

Each standing committee shall be chaired by a vice president so designated or by a member of the Board. Each committee shall also have a vice-chair. Each committee, except for the Executive Committee, may have committee members who are not Board members. Subcommittees or committees other than standing committees are not restricted as to composition of committee members.

Section 7.05 - EXECUTIVE COMMITTEE

A. COMPOSITION

The Board of Directors shall appoint an Executive Committee which shall be composed of the President, President-Elect, all the Vice Presidents, Secretary, Treasurer, Immediate Past President, the nonvoting Director named by the City Manager, and two Directors-at-large. Vacancies in the Executive Committee shall be filled by a majority vote of the Directors then in office.

B. DELEGATION BY BOARD TO THE EXECUTIVE COMMITTEE

The Board may delegate to the Executive Committee any of the Board's powers and authority except with respect to:

- (a) The filling of vacancies on the Board.
- (b) The adoption, amendment, or repeal of Bylaws.

- (c) The appointment of committees of the Board.
- (d) The approval of any self-dealing transactions as referred to in Article 12 below.
- (e) The selection of or dismissal of the Executive Director.

C. MEETINGS

Meetings of the Executive Committee may be called at any time by the President, or if she or he is absent or is unable or unwilling to act, by a Vice President, or by any two members of the Committee.

D. QUORUM

A majority of the Executive Committee then in office, excluding the nonvoting Director, shall constitute a quorum.

E. POWERS OF THE EXECUTIVE COMMITTEE

The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the business and affairs of the Society between meetings of the Board. All business transacted by the Committee shall be reported to the Board of Directors at its next regular meeting. Any action which under the Law may be taken at a meeting of the Executive Committee, may be taken without a meeting, if authorized by a writing signed by all members of the Committee who would be entitled to vote at a meeting for such purpose as filed with the Secretary.

Section 7.06 - BOARD GOVERNANCE COMMITTEE

- (a) The President shall appoint a Board Governance Committee consisting of at least five (5) members, and no more than seven (7), the Chair of which shall be the Immediate Past President. The majority of members of the Board Governance Committee must also be members of the Board of Directors. The President shall not be eligible to be a member of the Board Governance Committee.
- (b) At least six (6) weeks before the day fixed of the Annual Meeting of members, the Board Governance Committee shall submit to the Board of Directors a report recommending the names of members of the Society to be voted on for Directors by the Members submitting one name for each seat on the Board for which a vacancy exists. It shall also be posted in the principal office of the Society and remain posted until the Annual Meeting of members has been held.
- (c) After the start of the Fiscal Year and before the day nominations close, it shall be the privilege of any forty (40) members of the Society to make one or more nominations for Directors by filing with the Secretary a petition in writing for such nomination(s), signed by all the members making the petition. The consent of a member to be so nominated shall be first secured. All nominations shall also, upon receipt, be posted by the Secretary in the principal office of the Society, to remain posted until the Annual Meeting of members has been held.
- (d) Nominations shall close sixty (60) days before the Annual Meeting of members. The Secretary, within ten (10) days after receipt by the Board of the Board Governance Committee's report shall cause ballots to be printed which shall

contain, in alphabetical order, the names of all nominees. The nominees of the Board Governance Committee shall also be so designated on the ballot.

- (e) The Secretary, within the same ten (10) day period, shall cause an official ballot with return envelope to be mailed to all voting members of the Society as of the date of the mailing, at the addresses appearing on the records of the Society. Only those ballots that are received by the Society at its principal office by 5:00 P.M. on the seventh (7th) day preceding the Annual Meeting shall be counted. A ballot containing more votes than there are Director's terms expiring shall be void.
- (f) The ballots shall be counted by an ad hoc Election Committee appointed by the President, of which the Secretary shall be an ex-officio member. The candidates receiving the highest number of votes shall be elected to succeed the Directors whose terms are expiring. The Secretary shall forthwith issue a report listing the names of the Directors so elected.
- (g) After the election of Directors, the Board Governance Committee shall present for the consideration of and action by the Board of Directors, as its first order of business and prior to the Annual Meeting of the Members, a slate of Officers and members of the Executive Committee. The Director recommended by the Board Governance Committee to be chosen President-Elect should be the one who indicates to the Committee a willingness to serve as President if a vacancy in that office should occur.
- (h) When a vacancy on the Board occurs, the Board may ask the Board Governance Committee to recommend to it the names of a person or persons willing to serve. A slate of nominees, along with biographical information, shall be mailed to the Board not less than twenty days prior to the Board meeting at which the vote will take place.
- (i) The Board Governance Committee shall also be responsible for the orientation of new Board members, conducting, at least once per year, on-going training sessions for all Directors, an annual self-evaluation of current Directors, and the evaluation of adherence by Directors to the Code of Ethics policy of the Society.

Section 7.07 - FINANCE COMMITTEE

The Finance Committee shall consist of the Treasurer as chairperson, at least two (2) other Directors, and others as may be appointed by the President.

This committee shall review the Society's Annual Budget, and recommend its approval to the Board of Directors, provide monthly financial updates, review the long-range financial plan, oversee the application of the budget, make recommendations of the budget to the Board of all Endowment and Special funds of the Society, make reports thereof subject to policies established by the Board, and oversee investments of the Society.

Section 7.08 - FUND DEVELOPMENT COMMITTEE

The Fund Development Committee shall consist of the Vice President - Fund Development as chairperson, at least two (2) other Directors, and others as may be appointed by the President.

This committee shall review the Society's fund development programs, and shall assist in obtaining gifts for current needs, specific and general programs, as well as for endowment and deferred giving.

Section 7.09 - MARKETING COMMITTEE

The Marketing Committee shall consist of the Vice President - Marketing as chairperson, at least two (2) other Directors, and others as may be appointed by the President.

This committee shall review the Society's marketing of its programs, and assist in providing community resources for market research, advertising, public relations, and promotions.

Section 7.10 - MEMBERSHIP COMMITTEE

The Membership Committee shall consist of the Vice President - Membership as chairperson, at least two (2) other Directors, and others as may be appointed by the President.

This committee shall review the Society's membership programs including membership levels and classes, membership dues, and shall recommend policies to assure proper recognition of members. In addition, the committee shall assist Society staff in programs to recruit new members and to determine the needs of the membership at large.

Section 7.11 - PROGRAM COMMITTEE

The Program Committee shall consist of the Vice President - Program as chairperson, at least two (2) other Directors, and others as may be appointed by the President.

This committee shall review the Society's education programs, exhibits, research programs, archives programs, photo collection programs, auxiliary programs, and volunteer programs. It shall assist staff by providing expertise as well as helping to develop broad community support and collaborations.

Section 7.12 STANDING OR AD HOC COMMITTEES

In the event that the Board determines that the management of the Society would benefit by the establishment of one or more standing committees other than those mentioned in these Bylaws or any ad hoc committee, they may from time to time establish one or more such committees.

The establishment of a standing or ad hoc committee shall be effected by action of the Board approved by the vote of the majority of the Directors then in office, which specifically sets forth the powers and duties delegated to such committees. Each such committee shall consist of two or more Directors and others as shall be appointed by the President and shall be chaired by a Director selected by the Board President.

Section 7.13 OTHER COMMITTEES

The President, subject to the limitations imposed by the Board, or the Board itself may create other committees, either standing or special, to serve the Board which do not have the powers of the Board. The President, with the approval of the Board, shall appoint members to serve on such committees. One of the members appointed shall be designated chair, either by appointment of the President or by vote of the committee. If a Director is on a committee, she or he will be the chair. Each member of the committee shall continue as such until the next annual election of officers and until her or his successor is appointed, unless the member shall sooner resign or be removed from the committee.

Meetings of a committee may be called by the President, chair of the committee, or a majority of the committee's voting members. Each committee shall meet as often as is necessary to perform

its duties. Notice of a meeting of a committee may be given at any time and in any manner reasonably designed to inform the committee members of the time and place of the meeting. A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any meeting of a committee. Each committee may keep minutes of its proceedings and shall report periodically to the Board. A committee may take action by majority vote.

Any member of a committee may resign at any time by giving written notice to the chair of the committee or to the President. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect upon the date of receipt or at any later time specified in the notice. The President may, with prior approval of the Board, remove any appointed member of a committee.

A vacancy in any committee or any increase in the membership thereof shall be filled for the unexpired portion of the term by the President with approval of the Board.

ARTICLE 8 - EXECUTIVE DIRECTOR

Section 8.01 - GENERAL

The Board of Directors shall select and appoint an Executive Director who shall hold office at the pleasure of the Board and whose compensation, rights, powers, and duties shall be fixed by the Board. The Executive Director is the general manager and Chief Executive Officer of the Society. He/she shall have the necessary authority and responsibility to operate the Society in all its activities and departments, subject only to the policies as may be issued by the Board and any of its committees to which it has delegated power for such action. The Executive Director shall be accountable to the Board through the President, who shall be responsible for providing his/her annual performance review.

ARTICLE 9 - INDEMNIFICATION

Section 9.01 - DEFINITIONS

For the purpose of this Article, the following definitions apply:

(a) "agent" means any person who is or was a Director, Officer, employee, or other agent of the Society, or is or was serving at the request of the Society as a Director, Officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, Officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Society or of another enterprise at the request of such predecessor corporation.

(b) "proceeding" means any threatened, pending, or completed action or proceedings, whether civil, criminal, administrative, or investigative.

(c) "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification.

Section 9.02 - INDEMNIFICATION

The Society shall, to the maximum extent permitted by Section 5238 of the California Nonprofit Public Benefit Corporation Law, indemnify any person who was or is a party or is threatened to be made a party to any proceedings by reason of the fact that such person is or was an agent of the Society, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceedings.

Section 9.03 - INSURANCE

Pursuant to Section 5238 (i) of the California Non Profit Public Benefit Corporation Law, the Society shall have the power to purchase and maintain insurance on behalf of any agent of the Society against any liability asserted against or incurred by the agent in such a capacity or arising out of the agent's status as such, whether or not the Society would have the power to indemnify the agent against such liability under the provisions of this Article, provided, however, that the Society shall have no power to purchase and maintain insurance to indemnify any agent of the Society for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 9.04 - NONAPPLICABILITY OF FIDUCIARIES OF EMPLOYEE BENEFIT PLANS

This Article does not apply to any proceedings against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Society as defined in Section 8.01. The Society shall have the power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivisions (1) of Section 207 of the California General Corporation Law.

ARTICLE 10 - OTHER PROVISIONS

Section 10.01 - FISCAL YEAR

The fiscal year of the Society shall be from July 1 through June 30, inclusive. The fiscal year may be changed at the discretion of the Board and in accordance with IRS rules and regulations.

Section 10.02- ANNUAL REPORT

The Board shall cause an annual report to be furnished to the members not later than 120 days after the close of the Society's fiscal year. The annual report shall be accompanied by the report thereon of independent accountants. The annual report shall contain in appropriate detail the following:

- (a) The assets and liabilities, including the trust funds, of the Society as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (c) The revenue or receipts of the Society, both unrestricted and restricted to particular purposes, during the fiscal year.
- (d) The expenses or disbursements of the Society, for both general and restricted purposes, during the fiscal year.
- (e) Any information required by Section 9.03 of these Bylaws.

Section 10.03 - ANNUAL STATEMENT OF CERTAIN TRANSACTION AND INDEMNIFICATIONS

Pursuant to Section 6322 of the California Nonprofit Public Benefit Corporation Law, the Society shall furnish annually to its Members and Directors a statement of any covered transaction or indemnification described below, if such covered transaction or indemnification took place. Such annual statement may be affixed and sent with the Annual Report described in Section 10.02 of these Bylaws, provided that it is furnished within 120 days of the close of the Society's Fiscal Year. A covered transaction under this Section 10.03 is a transaction in which the Society was a party, and in which any Director or Officer had a direct or indirect material financial interest (excluding a mere common directorship)

The statement required by this Section 10.03 shall describe briefly:

- (a) Any covered transaction during the previous fiscal year involving more than \$50,000, or which was one of a number of covered transactions in which the same Directors or Officers had a direct or indirect material financial interest and which transactions in the aggregate involve more than \$50,000.
- (b) The names of Directors and Officers involved in such transactions, stating such person's relationship to the Society, the nature of such person's interest in the transaction, and, where practicable, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.
- (c) The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director of the Society pursuant to Article 9 of these Bylaws.

Section 10.04 ENDORSEMENTS OF DOCUMENTS AND CONTRACTS

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement therefore executed or entered into between the Society and any other person, when signed by the President or Vice President and the Secretary or Treasurer of the Society shall be valid and binding on the Society in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person(s) in such manner as from time to time shall be determined by the Board and, unless so authorized by the Board, no Officer, agent, or employee shall have any power or authority to bind the Society by any contract or engagement or to pledge its credit or to render it liable for any amount or purpose.

Section 10.05 - CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Words in these Bylaws shall be read as the masculine or feminine gender and as the singular or plural, as the context allows. The captions and headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision.

Section 10.06 - AUTHORITY TO VOTE SECURITIES

The President or any other Officer(s) authorized by the Board are each authorized to vote, represent, and exercise on behalf of the Society all rights incident to any and all voting securities of any other Society(ies) standing in the name of this Society. The authority granted herein may be exercised either in person or by any person authorized to do so by proxy or by power of attorney executed by the President or authorized Officer.

Section 10.07 - MAINTENANCE OF CERTAIN RECORDS

The Society shall keep at its principal office or at such place as the Board may order a book of minutes, written or typed, of all meetings of the Board with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, and the names of those present at the Board meeting. The Society shall keep and maintain adequate and correct accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

Section 10.08 - CORPORATE SEAL

The seal of the Society is circular in form, containing within the circle "San Diego Historical Society, Incorporated December 14, 1928".

ARTICLE 11 - FLORENCE CHAMBERS NEWKIRK ENDOWMENT FUND

Section 11.01 - BACKGROUND

On August 6, 1987, the Society's Board of Directors approved the sale of certain real property on Mission Beach that had earlier been donated to it by Florence Chambers Newkirk, and directed that the net proceeds of the sale "shall be put into an inviolate endowment. The income from said endowment may be used for the Society's operating purposes as approved by the Board". To carry out that mandate, on November 29, 1989, the Board approved an amendment to these Bylaws, which added this Article.

Section 11.02 - ESTABLISHMENT OF ENDOWMENT FUND

By this Article, the Board establishes the Florence Chambers Newkirk Endowment Fund (hereinafter named "the Endowment Fund"), to commemorate the generosity of Mrs. Newkirk in making this gift to the Society, and records that long and careful deliberations were held by the Board prior to its decision to sell the property and to put the proceeds in an inviolate trust.

Section 11.03 - LIMITATION ON USE OF PRINCIPAL

During any period in which the principal of this Endowment Fund has a value of less than \$2,500,000, principal of this Endowment Fund shall not be expended for any purpose. Otherwise, distributions shall be made in accordance with the Society's Board-approved spending policy.

ARTICLE 12 - AMENDMENT OF BYLAWS

Section 12.01 - AMENDMENT BY MEMBERSHIP

Except for Article 11, these Bylaws may be amended by a two-thirds (2/3) vote of the members present at any Annual Meeting of the members, or at any special meeting of the members called for that purpose, provided that the proposed amendment is submitted with the notice of the meeting, and that a quorum of the membership is present.

Section 12.02 - AMENDMENT BY THE BOARD OF DIRECTORS

Except for Article 11, and as limited in (a) of this Section 12.02, these bylaws may also be amended by any regular meeting of the Board of Directors, or at any special meeting of the Board called for that purpose, provided that the subject of such amendment is stated in the notice of the meeting sent to each Director by mail, and that a quorum of the Board is present. Other than pursuant to Section 12.03, no amendment to the Bylaws by the Board of Directors shall be effective unless it is approved by a majority affirmative vote of all Directors in office at the time the vote was taken.

(a) Amendments pursuant to Section 12.02 shall not be made which:

- (1) Materially or adversely affect the voting rights of members.
- (2) Change the maximum or minimum number of Directors.
- (3) Provide for the selection of Directors other than by vote of the members, except as is provided in Sections 4.01 and 4.05.
- (4) Set a quorum for a meeting of members higher than a majority of the voting power of members.
- (5) Create proxy rights.
- (6) Authorize cumulative voting.

Section 12.03 - AMENDMENT OF ARTICLE 11

Article 11 shall not be amended or repealed unless the action is approved by:

- (a) A unanimous affirmative vote of all the membership present, at a meeting arranged as set forth in Section 12.01, or
- (b) A unanimous affirmative vote of the Directors then in office, at a meeting called as set forth in Section 12.02; provided, however, that written concurrence shall be accepted as votes if they are signed, dated, and received by the Secretary from Directors absent from the meeting within thirty (30) days after the meeting.

Section 12.04 - REVIEW OF BYLAWS AND NOTICE

These Bylaws shall be reviewed not less than once every four (4) years and documented as to date of review. New Bylaws may be adopted or these Bylaws may be amended or repealed by vote a majority of the Directors then in office, provided notice of such proposed amendment has been given to the Board at least seventy-two (72) hours in advance of the vote.

ARTICLE 13 - SELF-DEALING TRANSACTIONS

Section 13.01 - DEFINITION

As defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law, self-dealing transaction means a transaction to which the Society is a party and in which one or more of the Directors has a material financial interest (interested Directors), except that the following will not be deemed a self-dealing transaction, but are subject to the general standard of care by the Board:

- (a) an action by the Board in fixing compensation of a Director as a Director or Officer;
- (b) a transaction which is part of a public or charitable program of the Society if the transaction (1) is approved or authorized by the Board in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Directors or their families because they are in a class of persons intended to be benefited by the program;
- (c) a transaction of which the interested Director(s) has no actual knowledge, and which does not exceed the lesser of one percent (1%) of the gross receipts of the Society for the preceding fiscal year or one hundred thousand dollars (\$100,000).

Section 13.02 - ACTION OF THE BOARD

The Society shall not be a party to any self-dealing transactions, unless:

- (a) The Board authorized or approved the transaction in good faith by a vote of the majority of the Directors then in office without counting the vote of the interested Director(s) and with knowledge of the material facts concerning the transaction and the Director's interest in it. Except as provided in Section 12.04, action by a committee of the Board will not satisfy this requirement.
- (b) The Board considered and in good faith determined after reasonable investigation under the circumstances that the Society could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.
- (c) The transaction is for the Society's benefit.
- (d) The transaction is fair and reasonable for the Society.

Section 13.03 - INTERESTED DIRECTOR'S VOTE

In determining whether the Board has validly met to authorize or approve a self-dealing transaction, the interested Director(s) may be counted in determining the presence of the quorum, but an interested Director(s)'s vote cannot count toward determining the required majority for such authorization, approval, or ratification.

Section 13.04 - COMMITTEE APPROVAL

A Board committee may approve a self-dealing transaction in a manner consistent with the standards prescribed for approval by the Board prior to entering into the transaction providing that the Board determines in good faith that the committee met the same requirements the Board would have had to meet in approving the transaction and the Board ratifies the transaction at its

next meeting by vote of a majority of the Directors then in office without counting the vote of the interested Director(s).

Section 13.05 - PERSONS LIABLE AND EXTENT OF LIABILITY

If a self-dealing transaction has not been approved as provided above, the interested Directors(s) may be required to do such things and pay such damages as in the discretion of a court will provide an equitable and fair remedy to the Society, taking into account any benefit received by it and whether the interested Director(s) acted in good faith and with the intent to further the best interest of the Society.

Section 13.06 - CORPORATE LOANS AND ADVANCES

The Society shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the California Attorney General; provided, however, that the Society may advance money to a Director or Officer of the Society or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or Officer, provided that in the absence of such advance, such Director or Officer would be entitled to be reimbursed for such expenses by the Society or any subsidiary.