

Return of Organization Exempt From Income Tax

OMB No 1545 0047

2005

Department of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)Open to Public
Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2005 calendar year, or tax year beginning 7/01, 2005, and ending 6/30, 2006

B Check if applicable

- ☒ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use
IRS label
or print
or type.
See
specific
instruc-
tionsSan Francisco Museum and Historical
Society
P.O. Box 420470
San Francisco, CA 94142-0470

D Employer Identification Number

68-0104888

E Telephone number

415-537-1105

F Accounting
method:☐ Cash ☒ Accrual☐ Other (specify) ▶Section 501(c)(3) organizations and 4947(a)(1) nonexempt
charitable trusts must attach a completed Schedule A
(Form 990 or 990-EZ).

G Web site: ▶ www.sfhistory.org

J Organization type
(check only one)☒ 501(c) 3 (insert no) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization's gross receipts are normally not more than
\$25,000. The organization need not file a return with the IRS, but if the organization
chooses to file a return, be sure to file a complete return. Some states require a
complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 2,444,406.

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? ☐ Yes ☒ No

H (b) If 'Yes,' enter number of affiliates ▶

H (c) Are all affiliates included? ☐ Yes ☐ No

(If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an
organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

M Check ☐ if the organization is not required
to attach Schedule B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

1	Contributions, gifts, grants, and similar amounts received.				
a	Direct public support	1 a	289,692.		
b	Indirect public support	1 b			
c	Government contributions (grants)	1 c	332,758.		
d	Total (add lines 1a through 1c) (cash \$ 622,450. noncash \$)	1 d		622,450.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3	Membership dues and assessments	3		85,501.	
4	Interest on savings and temporary cash investments	4		9,735.	
5	Dividends and interest from securities	5			
6a	Gross rents	6 a	67,884.		
b	Less rental expenses	6 b	41,297.		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6 c		26,587.	
7	Other investment income (describe)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	4,112.	8 a	1,068,018.
b	Less cost or other basis and sales expenses		2,367.	8 b	10,000.
c	Gain or (loss) (attach schedule)		1,745.	8 c	1,058,018.
d	Net gain or (loss) (combine lines 8c, column (A), and (B))			8 d	1,059,763.
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including reported on line 1a) of contributions	9 a	558,297.		
b	Less direct expenses other than fundraising expenses	9 b	353,292.		
c	Net income or (loss) from special events (subtract line 9b from line 9a)			9 c	205,005.
10a	Gross sales of inventory, less returns and allowances	10 a	28,409.		
b	Less cost of goods sold	10 b	8,966.		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10 c	19,443.
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		2,028,484.	
13	Program services (from line 44, column (B))	13		479,214.	
14	Management and general (from line 44, column (C))	14		259,865.	
15	Fundraising (from line 44, column (D))	15		183,174.	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		922,253.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		1,106,231.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		686,348.	
20	Other changes in net assets or fund balances (attach explanation) See Statement 4	20		426,678.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		2,219,257.	

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25	119,615.	58,145.	11,962.	49,508.
26 Other salaries and wages	26	134,621.	55,753.	44,008.	34,860.
27 Pension plan contributions	27				
28 Other employee benefits	28	20,509.	9,187.	4,516.	6,806.
29 Payroll taxes	29	20,443.	9,159.	4,500.	6,784.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	11,654.	8,258.	3,396.	
34 Telephone	34	6,190.		6,190.	
35 Postage and shipping	35	11,403.	9,733.	1,670.	
36 Occupancy	36	6,197.	1,265.	4,932.	
37 Equipment rental and maintenance	37	21,437.	11,609.	9,828.	
38 Printing and publications	38	82,688.	75,795.	6,893.	
39 Travel	39	11,328.	5,588.	5,740.	
40 Conferences, conventions, and meetings	40				
41 Interest	41	27,358.		27,358.	
42 Depreciation, depletion, etc (attach schedule)	42	17,932.		17,932.	
43 Other expenses not covered above (itemize)					
a See Statement 5	43a	430,878.	234,722.	110,940.	85,216.
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	922,253.	479,214.	259,865.	183,174.

Joint Costs. Check ☒ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

Yes ☐ No ☒

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

BAA

Form 990 (2005)

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ See Statement 6

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)

a See Statement 7

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

479,214.

b

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

e Other program services

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

f **Total of Program Service Expenses** (should equal line 44, column (B), Program services)

479,214.

BAA

Form 990 (2005)

Part IV Balance Sheets (See Instructions)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	16,749.	45	
	46 Savings and temporary cash investments	145,075.	46	289,841.
	47 a Accounts receivable	47 a		
	b Less. allowance for doubtful accounts	47 b	47 c	
	48 a Pledges receivable	56,800.	48 a	
	b Less. allowance for doubtful accounts	48 b	48 c	56,800.
	49 Grants receivable	412,414.	49	724,810.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)	51 a		
	b Less. allowance for doubtful accounts	51 b	51 c	
	52 Inventories for sale or use	8,966.	52	
	53 Prepaid expenses and deferred charges	12,309.	53	188,372.
	54 Investments — securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55 a Investments — land, buildings, & equipment basis	55 a		
	b Less. accumulated depreciation (attach schedule)	55 b	55 c	
	56 Investments — other (attach schedule)		56	
	57 a Land, buildings, and equipment. basis	2,311,726.	57 a	
	b Less. accumulated depreciation (attach schedule) Statement 8	55,798.	57 b	
	58 Other assets (describe See Statement 9)	60,712.	58	59,966.
59 Total assets (must equal line 74). Add lines 45 through 58	1,537,223.	59	3,575,717.	
LIABILITIES	60 Accounts payable and accrued expenses	352,350.	60	1,234,269.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule) See Stm 10		63	60,451.
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)	498,525.	64 b	
	65 Other liabilities (describe See Statement 11)		65	61,740.
	66 Total liabilities. Add lines 60 through 65	850,875.	66	1,356,460.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	273,934.	67	2,092,457.
	68 Temporarily restricted	412,414.	68	126,800.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21).	686,348.	73	2,219,257.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,537,223.	74	3,575,717.

BAA

Form 990 (2005)

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	2,112,107.
b	Amounts included on line a but not on Part I, line 12.			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2	33,360.	
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____ See Stm 12	b4	50,263.	
	Add lines b1 through b4		b	83,623.
c	Subtract line b from line a		c	2,028,484.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	2,028,484.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
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a	Total expenses and losses per audited financial statements	a	1,005,876.
b	Amounts included on line a but not on Part I, line 17.		
	1 Donated services and use of facilities	b1	33,360.
	2 Prior year adjustments reported on Part I, line 20	b2	
	3 Losses reported on Part I, line 20	b3	
	4 Other (specify) _____ See Stmt 13	b4	50,263.
	Add lines b1 through b4	b	83,623.
c	Subtract line b from line a	c	922,253.
d	Amounts included on Part I, line 17, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify) _____ _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	e	922,253.

Part V-A **Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

[illegible]

Yes	No
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75b		X
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75c		X
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75d	X	
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75d	X	
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Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Part VI	Other Information (See the instructions)	Yes	No
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76		X
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77	X	
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78 a	X
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78b	N/A
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79		X
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80 a	X
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and check whether it is ☐ exempt or ☐ nonexempt

81 a		0
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81 b		X
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Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
82 b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	33,360.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
85 b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85 c	Dues, assessments, and similar amounts from members	N/A	
85 d	Section 162(e) lobbying and political expenditures	N/A	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) organizations. Enter. a Initiation fees and capital contributions included on line 12	N/A	
86 b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87	501(c)(12) organizations. Enter. a Gross income from members or shareholders	N/A	
87 b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	X	
89 a	501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under section 4911 ▶ 0., section 4912 ▶ 0., section 4955 ▶ 0.		
89 b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
89 c	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.		
89 d	Enter. Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.		
90 a	List the states with which a copy of this return is filed ▶ CA		
90 b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions)		4
91 a	The books are in care of ▶ Joanna Slavin Telephone number ▶ 415-537-1105 Located at ▶ 785 Market Street, Suite 600, SF, CA, ZIP + 4 ▶ 94103		
91 b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Statements		
91 c	At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country ▶		X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92	N/A	

BAA

Form 990 (2005)

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue.					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					85,501.
95 Interest on savings & temporary cash invmnts			14	9,735.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property			16	26,587.	
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	1,059,763.	
101 Net income or (loss) from special events			1	205,005.	
102 Gross profit or (loss) from sales of inventory					19,443.
103 Other revenue. a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				1,301,090.	104,944.
105 Total (add line 104, columns (B), (D), and (E))					1,406,034.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
1	See Statement 15

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
Old Mint Property LLC	100.000 %	Real Est Leasing	0.	0.
785 Market Street, Suite 600	%			
San Francisco, CA 94103	%			
20-4135656	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions)

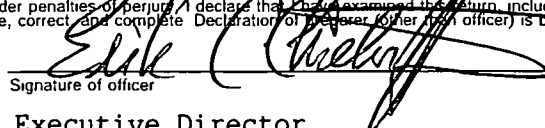
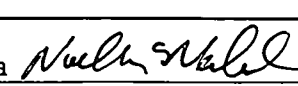
a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

☐ Yes ☒ No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here	Under penalties of perjury, I declare that I prepared this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	Signature of officer 	Date 5/4/07
	Executive Director Type or print name and title	
Paid Preparer's Use Only	Preparer's signature W. Noel McNabola 	Date 5/4/07
	Firm's name (or yours if self-employed), address, and ZIP + 4 Pohl, McNabola, Berg & Company LLP 50 Francisco Street, Suite 120 San Francisco, CA 94133-2108	Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN (See General instruction W) N/A
	EIN 415-399-1330	Phone no 415-399-1330

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Organization Exempt Under**
Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),**
501(n), or 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information — (See separate instructions.)****▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No 1545-0047

2005Name of the organization **San Francisco Museum and Historical
Society**Employer identification number
68-0104888**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See instructions. List each one. If there are none, enter 'None'.)

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
<u>See Statement 16</u>		57,500.	0.	0.

Total number of other employees paid over \$50,000 ▶

0

Part II — A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None'.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>Patri Merker Architects, Inc.</u>		
<u>400 Second St. San Francisco, CA 94107</u>	Architectural Design	1,101,802.
<u>Coblentz, Patch, Duffy & Bass LLP</u>		
<u>One Ferry Building San Francisco, CA 94111-4213</u>	Consulting	69,162.
<u>Sagamore Associates</u>		
<u>3661 Buchanan St. #200 San Francisco, CA 94123</u>	Consulting	140,000.
<u>James L. Lazarus</u>		
<u>65 Fifth Avenue San Francisco, CA 94118</u>	Consulting	60,400.
<u>Nixon Peabody, LLP</u>		
<u>401 Ninth Street-Ste. 900 Washington, DC 20004-2128</u>	Legal	128,225.

Total number of others receiving over \$50,000 for professional services ▶

1

Part II — B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None'. See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>None</u>		

Total number of other contractors receiving over \$50,000 for other services ▶

0

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2005

Part III Statements About Activities (See instructions.)

Yes No

- 1** During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities **► \$** N/A
- (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

- 2** During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)

See Statement 17

- a** Sale, exchange, or leasing of property?

2a X

- b** Lending of money or other extension of credit?

2b X

- c** Furnishing of goods, services, or facilities?

2c X

- d** Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

See Form 990, Part V

- e** Transfer of any part of its income or assets?

2e X

- 3a** Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)

3a X

- b** Do you have a section 403(b) annuity plan for your employees?

3b X

- c** During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?

3c X

- 4a** Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4a X

- b** Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

4b X

Part IV Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5** ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)
- 6** ☐ A school. Section 170(b)(1)(A)(ii) (Also complete Part V.)
- 7** ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)
- 8** ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **►** _____
- 10** ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 11a** ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)
- 11b** ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12** ☐ An organization that normally receives, (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions — subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in, (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization **►** ☐ Type 1 ☐ Type 2 ☐ Type 3

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,062,569.	833,731.	332,644.	154,851.	2,383,795.
16 Membership fees received	75,349.	48,181.			123,530.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	240,429.	66,350.	9,312.	7,353.	323,444.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,170.	205.	357.	499.	2,231.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0.
23 Total of lines 15 through 22	1,379,517.	948,467.	342,313.	162,703.	2,833,000.
24 Line 23 minus line 17	1,139,088.	882,117.	333,001.	155,350.	2,509,556.
25 Enter 1% of line 23	13,795.	9,485.	3,423.	1,627.	

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	26a	50,191.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts		26b	299,427.
c Total support for section 509(a)(1) test Enter line 24, column (e)		26c	2,509,556.
d Add: Amounts from column (e) for lines	18 2,231. 19 357. 22 205. 26b 299,427.	26d	301,658.
e Public support (line 26c minus line 26d total)		26e	2,207,898.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f	87.98 %

27 Organizations described on line 12: N/A

a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year.
(2004) _____ (2003) _____ (2002) _____ (2001) _____

b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.
(2004) _____ (2003) _____ (2002) _____ (2001) _____

c Add. Amounts from column (e) for lines 15 _____ 16 _____
17 _____ 20 _____ 21 _____

d Add Line 27a total _____ and line 27b total _____

e Public support (line 27c total minus line 27d total) ➤ 27e _____

f Total support for section 509(a)(2) test Enter amount from line 23, column (e) ➤ 27f _____

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ➤ 27g _____ %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ➤ 27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V**Private School Questionnaire** (See instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain. (If you need more space, attach a separate statement) ----- ----- -----		
32 Does the organization maintain the following.		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement.) ----- -----		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement.) ----- ----- -----		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check ☐ **a** if the organization belongs to an affiliated group. Check ☐ **b** if you checked 'a' and 'limited control' provisions apply.**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table —			
If the amount on line 40 is —	The lobbying nontaxable amount is —		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720**4 -Year Averaging Period Under Section 501(h)**(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of.

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (add lines c through h.)

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Yes	No	Amount

BAA

Schedule A (Form 990 or 990-EZ) 2005

Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Publicly Traded Securities

Gross Sales Price: 4,112.
 Cost or Other Basis: 2,367.

Total Gain (Loss) Publicly Traded Securities \$ 1,745.

Other Assets

Description: Development Rights
 Date Acquired: Various
 How Acquired: Purchase
 Date Sold: 9/19/2005
 To Whom Sold: Continental Development Corporation
 Gross Sales Price: 1,068,018.
 Cost or Other Basis: 10,000.

Gain (Loss) 1,058,018.

Total Gain (Loss) Other Assets \$ 1,058,018.

Total Net Gain (Loss) From Noninventory Sales \$ 1,059,763.

Statement 2
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

<u>Special Events</u>	<u>Gross Receipts</u>	<u>Less Contri- butions</u>	<u>Gross Revenue</u>	<u>Less Direct Expenses</u>	<u>Net Income (Loss)</u>
Earthquake Centennial	472,082.	0.	472,082.	290,640.	181,442.
Groundbreaking Gala	69,688.	0.	69,688.	55,509.	14,179.
Home Tour	16,527.	0.	16,527.	7,143.	9,384.
Total	\$ 558,297.	\$ 0.	\$ 558,297.	\$ 353,292.	\$ 205,005.

Statement 3
Form 990, Part I, Line 10
Gross Profit (Loss) From Sales Of Inventory

ATM	\$ 2,198.
Commissions	3,741.
Electronic Scripts	5,895.
Plaque Sales	12,200.
Programs & Publications	4,375.
Gross Sales	\$ 28,409.
Less Returns & Allowances	0.
Net Sales	\$ 28,409.
Less Cost Of Goods Sold	8,966.

Statement 3 (continued)
Form 990, Part I, Line 10
Gross Profit (Loss) From Sales Of Inventory

Gross Profit From Sales Of Inventory \$ 19,443.

Statement 4
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

HUD Reimbursements in prior year \$ 551,478.
Pledges written off in prior year -124,800.
Total \$ 426,678.

Statement 5
Form 990, Part II, Line 43
Other Expenses

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Advertising	52,982.	25,992.	3,398.	23,592.
Bank Charges	25,095.	8,725.	16,370.	
Dues & Subscription	234.		234.	
Exhibit Cost	1,077.	1,077.		
Insurance	9,352.		9,352.	
Legal & Accounting	57,552.		57,552.	
Other Professional Fees	81,528.		19,904.	61,624.
Prov. for Uncollectible Pledge	188,489.	188,489.		
Utilities	4,130.		4,130.	
Website	10,439.	10,439.		
Total	\$ <u>430,878.</u>	\$ <u>234,722.</u>	\$ <u>110,940.</u>	\$ <u>85,216.</u>

Statement 6
Form 990, Part III
Organization's Primary Exempt Purpose

To provide programs and services to celebrate the history of the San Francisco Bay Area, including the development of a museum in San Francisco.

Statement 7
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
Establish and maintain exhibits for the general public. Exhibits contain information on events and persons of San Francisco of historical interest.		224,413.

Statement 7 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

<u>Description</u>	<u>Grants and Allocations</u>	<u>Program Service Expenses</u>
Includes Foreign Grants: No		
Held monthly program meetings with speakers on historical San Franciscan topics. Meetings are open to all members and the public. Published four quarterly newsletters informing members of society events and items of historical significance in San Francisco. Published in-depth magazine style publication for members. Publications include information on specific historic events and families of San Francisco.		254,801.
Includes Foreign Grants: No		
In addition \$1,379,827 of predevelopment expenses for the Mint Project were capitalized.		
Includes Foreign Grants: No		
	\$ 0.	\$ 479,214.

Statement 8
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>
Furniture and Fixtures	\$ 5,640.	\$ 4,045.	\$ 1,595.
Buildings	2,194,196.	0.	2,194,196.
Improvements	111,890.	51,753.	60,137.
Total	\$ 2,311,726.	\$ 55,798.	\$ 2,255,928.

Statement 9
Form 990, Part IV, Line 58
Other Assets

Historic Art Collection	\$ 18,550.
Net Intangible Assets	41,416.
Total	\$ 59,966.

Statement 10
Form 990, Part IV, Line 63
Loans from Officers, Directors, Trustees, and Key EmployeesBalance Due

Lender's Name: Jim Lazarus
Lender's Title: Director
Date of Note: 3/01/2006
Maturity Date: 3/10/2008
Interest Rate: 8.75%
Security Provided: Line of Credit
Original Amount: 257,273.
Balance Due:

Total \$ 60,451.
60,451.

Statement 11
Form 990, Part IV, Line 65
Other Liabilities

Contract Advances

Total \$ 61,740.
61,740.

Statement 12
Form 990, Part IV-A, Line b(4)
Other Amounts

Costs of sales
Rental expenses

\$ 8,966.
41,297.
Total \$ 50,263.
50,263.

Statement 13
Form 990, Part IV-B, Line b(4)
Other Amounts

Costs of sales
Rental expenses

\$ 8,966.
41,297.
Total \$ 50,263.
50,263.

Statement 14
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Gilbert H. Castle P.O. Box 420470 San Francisco, CA 94142	Executive Direc 35	\$ 85,000.	\$ 0.	\$ 0.
Daniel Bacon P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Jacque Ducharme P.O. Box 420470 San Francisco, CA 94142	Treasurer 1	0.	0.	0.
Jerome L. Dodson P.O. Box 420470 San Francisco, CA 94142	President 1	0.	0.	0.
Steve R. Drew P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Kyle Everett P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Michael J. Fleming P.O. Box 420470 San Francisco, CA 94142	Vice President 1	0.	0.	0.
Charles A. Fracchia P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Jim Gonzalez P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Richard Johns P.O. Box 420470 San Francisco, CA 94142	President 1	0.	0.	0.
Patrick Banks P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Collen Cassity P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.

Statement 14 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compensation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Jim Lazarus P.O. Box 420470 San Francisco, CA 94142	Director 1	\$ 0.	\$ 0.	\$ 0.
Louis Lipset P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Sanford Livingston, Jr. P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
John Lum P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Arthur Mejia, Ph.D. P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Ink Mendelsohn P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
David Parry P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Edith L. Piness, Ph.D. P.O. Box 420470 San Francisco, CA 94142	Secretary 1	0.	0.	0.
Leslie M. Silverman P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Judge Harry Low, Retired P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Michael Ma P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.
Reginald D. Steer P.O. Box 420470 San Francisco, CA 94142	Director 1	0.	0.	0.

Statement 14 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/Other
Erik C. Christoffersen P.O. Box 420470 San Francisco, CA 94142	Executive Director 35	\$ 34,615.	\$ 0.	\$ 0.
Total \$ 119,615. \$ 0. \$ 0.				

Statement 15
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

Line #	Explanation of Activities
93a	The organization provides traveling exhibits at City Hall, Pier 45, and the publication and sales of historical paraphernalia. SFMHS has shown itself to the public to be a valuable vehicle and a much needed historical resource to and for the City of San Francisco and elsewhere.
94	Membership helps the organization on going programs to show the history of the City of San Francisco. Members receive four newsletters (The Panorama) and during the year and discounts on admissions to Society programs and events. Members also receive reciprocity benefits from other museums throughout the State.

Statement 16
Schedule A, Part I
Compensation of Five Highest Paid Employees

Name and Address	Title & Average Hours Worked	Compensation	Contribution EBP & DC	Expense Account
Danika C. McKenna PO Box 420569 San Francisco, CA 94142	Dep. Director 28	57,500.	0.	0.
Total \$ 57,500. \$ 0. \$ 0.				

Statement 17
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

Lending of money:
A director loaned money to the Society at an arms length interest rate:
Interest rate 8.75%
Maturity 2008
Balance at June 30, 2006 \$60,451

Statement 17 (continued)
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

Payment for services:

A director was paid \$38,400 under an arms-length transaction to provide services as a government relations consultant.

The spouse of a director was paid \$135,000 under an arms-length transaction to provide services as a government relations consultant.

Both of these contracts have been terminated.

BYLAWS
OF THE
SAN FRANCISCO MUSEUM AND HISTORICAL SOCIETY
March 2006

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**BYLAWS
OF THE
SAN FRANCISCO MUSEUM AND HISTORICAL SOCIETY**

Article I.

General

The San Francisco Museum and Historical Society (the "Society"), a California non-profit public benefit Society, is organized exclusively for charitable purposes within the meaning of Federal and State law.

Article II.

Mission

The mission of the Society is to acquire, collect, organize, preserve and exhibit materials relating to the history of the City and County of San Francisco and to preserve, interpret, present and disseminate historical information and knowledge relating to the City and County of San Francisco, so as to enhance the experience of living in or visiting San Francisco.

Article III.

Dedication of Assets

The assets and property of this Society are irrevocably dedicated to charitable purposes and no part of the net income or assets of this Society shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the Society, its assets remaining after paying, or provision for paying, all debts and liabilities of this Society shall be distributed to a nonprofit fund, foundation or Society which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code.

Article IV.

Membership

A. Qualifications: This Society shall have one class of members. Any person dedicated to the purposes of the Society shall be eligible for membership on timely payment of dues as the Board may fix from time to time.

B. Categories: The Board may establish several membership categories.

C. Members' Dues: Each member must pay, within the time and on the conditions set by the Board, dues in amounts to be fixed from time to time by the Board. The Board may, in its discretion, set different dues for each membership category.

D. Members in Good Standing: Members who have paid the required dues in accordance with these bylaws and who are not suspended shall be members in good standing.

E. Termination of Membership: A membership shall terminate on occurrence of any of the following events:

- (i) resignation of the member;
- (ii) expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;
- (iii) the member's failure to pay dues as set by the Board within thirty days after they are due and payable; or,
- (iv) termination of membership based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Society, or has engaged in conduct materially and seriously prejudicial to the Society's purposes and interests.

Article V.

Meetings of Members

A. Annual Meeting: The Annual Meeting of Members shall be held on the second Tuesday in April of each year at 7:00 p.m. or on such other date and at such time as shall be designated by the Board of Directors and stated in the notice of the Annual Meeting. If the scheduled date falls on a legal holiday, the Annual Meeting shall be held on the next full business day. At the Annual Meeting directors shall be elected, and other proper business may be transacted.

B. Place of Meeting: Meetings of the members shall be held at any place within or outside California designated by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Society's principal office. The Board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

C. Special Meeting: The Board or the chairman of the Board, if any, or the president, vice president, or five percent or more of the members, may call a special meeting of the members for any lawful purpose at any time. A special meeting called by any person entitled to call a meeting (other than the Board) shall be called by written request, specifying the general nature of the business proposed to be transacted, and

submitted to the chairman of the Board, if any, or the president or any vice president or the secretary of the Society. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least 35 but no more than 90 days after receipt of the request. If the notice is not given within 20 days after the request is received, the person or person requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board. No business other than the business that was set forth in the notice of the meeting may be transacted at a special meeting.

D. Notice: Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to each member entitled to vote at that meeting. The notice shall specify the place, date and hour of the meeting. For the Annual Meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members, but, except as provided in Section 5512(b), any proper matter may be presented at the meeting for such action. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees for the Board of Directors when notice is given.

E. Notice of Certain Agenda Items: Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (i) Removing a director without cause;
- (ii) Filling vacancies on the Board;
- (iii) Amending the articles of incorporation; or
- (iv) Electing to wind up and dissolve the Society.

F. Manner of Giving Notice: Notice of any meeting of members shall be in writing and shall be given at least 10 but no more than 90 days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member as it appears on the books of the Society or at the address given by the member to the Society for purposes of notice. If no address appears on the Society's books and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail or facsimile or other written communication to the Society's principal office or (ii) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

G. Affidavit of Mailing Notice: An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the Society, and if so executed, shall be filed and maintained in the Society's minute book.

H. Quorum: The attendance of twenty-five (25) members shall constitute a quorum in order for the Society to conduct a meeting of the members. If, however, fewer than one-third of the members are present in person or by proxy at any Annual Meeting, the members may only vote on matters as to which notice of their general nature was given under Article IV, Section D of these Bylaws.

I. Voting: Subject to the California Nonprofit Public Benefit Society Law, each member in good standing on the record date as determined under these bylaws shall be entitled to vote at any meeting of members. Each member entitled to vote may cast one vote on each matter submitted to a vote of the members. Voting may be by voice or by ballot, except that any election of director must be by ballot if demanded before the voting begins by any member at the meeting. The affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Society Law or by the articles of incorporation.

J. Record Date for Notice, Voting, Written Ballots, and Other Board Actions: For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board of directors may, in advance, fix a record date. The record date so fixed for sending notice of a meeting shall be no more than 90 nor less than 10 days before the date of the meeting and for voting at a meeting shall be no more than 60 days before the date of the meeting.

K. Record Date for Actions Not Set by Board. If not otherwise fixed by the Board, the record date for determining members entitled to receive notice of a meeting of members shall be the business day preceding the day on which notice is given or, if notice is waived, the business day preceding the day on which the meeting is held. If not otherwise fixed by the Board, the record date for determining members entitled to vote at the meeting shall be the day on which the meeting is held.

L. Members' Proxy Rights: Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the secretary of the Society. A proxy shall be deemed signed if the member's name is placed on the proxy by the member or the member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission, or otherwise.

Article VI.

Board of Directors

A. Management of Society's Business by Board. Subject to the provisions of applicable law or any limitations in the Articles of Incorporation or these bylaws regarding actions that require approval of the members, the Society's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors of the Society.

B. Number of Directors. The Board of Directors shall consist of at least seventeen (17) but no more than thirty-three (33) directors, unless the number is changed by a duly adopted amendment to these bylaws. The exact number of directors shall be fixed by resolution of the Board within these limits.

C. Qualifications and Responsibilities of Directors. Each director must:

- (i) Be a resident of the State of California and a member in the Society.
- (ii) Attend meetings of the Board on a regular basis and abide by the Board's attendance policies.
- (iii) Serve actively on at least one committee if so requested by the President in accordance with these bylaws.
- (iv) Make financial contributions in addition to payment of membership dues, to the Society according to the director's means.

D. Restriction on Interested Persons as Directors. No more than forty-nine percent (49%) of the persons serving on the Board may be "interested persons". An interested person is (a) any person compensated by the Society for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director for services in his or her capacity as a director of the Society or for reimbursement of out of pocket expenses reasonably incurred by the director in his or her capacity as a director on the Society's behalf.

E. Compensation of Directors. Directors shall receive no compensation for their services as directors, but may receive reimbursement for their reasonable expenses incurred on behalf of the Society, as may be determined to be just and reasonable by the Board. Nothing in this section shall preclude any director from serving the Society in any other capacity and receiving compensation for such other service, subject to the limitations contained in these bylaws including but not limited to the maximum number of interested persons who may serve on the Board and the Society's conflict of interest and ethics policies. Any such compensation must be reasonable at the time it is

authorized, ratified or approved. Any Board member receiving compensation for services other than as a director shall not participate in its authorization, ratification or approval and shall be subject to the terms and conditions of Society's Conflict of Interest Policies and Procedures.

F. Term. Directors shall be elected for a term of three years. Beginning on the date of ratification of these Bylaws, a director shall not serve more than three consecutive three-year terms. Following three consecutive three-year terms, a one-year period must pass before the director will again be eligible for appointment or election to the Board.

The term of office of each newly elected director shall commence at the Annual Meeting. Terms of office shall be staggered, with no more than one-third plus one of the terms of office of elected directors expiring in any one year.

G. Nominations. The Nominating Committee shall nominate qualified candidates for election to the Board at least forty-five (45) days before the date of any election of directors. When a meeting is held for the election of directors, any member present at the meeting in person or by proxy may place names in nomination.

H. Removal of Director. The Board may declare vacant the office of a director who has been declared of unsound mind by a final court order, convicted of a felony, found by a final order or judgment of any court to have breached a duty under Sections 5230-5339 of the California Nonprofit Public Benefit Society law, or failed to attend three (3) consecutive Board meetings without just cause. Notice shall be given to the Board preceding the date on which the office of such director is proposed to be declared vacant. A director may be removed without cause (a) upon approval of a majority of all members, if the Society has fewer than 50 members, or (b) by the affirmative vote of a majority of the votes represented and voting at a duly held meeting, if the Society has 50 or more members.

I. Resignation of Director. Any director may resign effective upon giving written notice to the Chairman of the Board, the President, or the Secretary or the Board of directors, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective. Except upon notice to the Attorney General of the State of California, no director may resign if his or her resignation would result in the Society being left without a duly elected director or directors in charge of its affairs.

J. Filling Vacancies on the Board. A vacancy on the Board shall exist when any authorized position of director is not filled by a duly elected or chosen director, whether caused by death, resignation, removal, increase in the authorized number of directors, or otherwise. Unless otherwise provided in the Articles of Incorporation or these Bylaws, and except for a vacancy created by the removal of a director, vacancies on the Board may be filled by approval of the Board, or if the number of directors then in office is less than a quorum, by (a) the unanimous written consent of the directors then in

office, (b) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to a notice or waiver of notice, or (c) a sole remaining director. Unless the articles or a bylaw approved by the affirmative vote of a majority of the votes represented and voting at a duly held meeting of members provide that the Board may fill vacancies occurring in the Board by reason of the removal of directors, or unless the Society has no members pursuant to Section 5310, such vacancies may be filled only if approved by the affirmative vote of a majority of the votes represented and voting at a duly held meeting of the members.

K. Place of Board Meetings: Meetings of the Board shall be held at the principal office of the Society or at such other places within or outside of California that has been designated by resolution of the Board or in the notice of the meeting.

L. Meetings by Telephone or other Equipment: Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply: each member participating in the meeting can communicate concurrently with all other members.

- (ii) each member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken.

M. Regular Meetings: The Board shall hold at least four (4) regular meetings during the fiscal year. After each annual meeting of members, the Board shall hold a general meeting for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is not required. Regular meetings of the Board may be held without notice if the time and place of the meetings are fixed by the Board.

N. Special Meetings: Special meetings of the Board for any purpose may be called at any time by the chairman of the Board, if any, the president or any vice president, the secretary or any two directors. Notice of the time and place of special meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director (d) facsimile; (e) electronic mail; or (f) other electronic means. Notices sent by first class mail shall be deposited in the United States mails at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic mail shall be delivered, telephoned, or sent, at least 48 hours before the time set for the meeting. The notice shall state the time of the meeting and the place, if the place is other than the Society's principal office. Such notice shall specify the purpose of the meeting.

O. Quorum: A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a

quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Society Law, including without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of directors.

P. Waiver of Notice: Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice or a written consent to holding the meeting. A director who votes to approve the minutes of a meeting of which he or she was not notified thereby waives notice. A director who attends a meeting and does not protest the lack of notice to him or her at the start of the meeting thereby waives notice.

Q. Adjourned Meetings: A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

R. Action Without a Meeting: Any action that the Board is required or permitted to take may be taken without a meeting if all Board members consent in writing to the action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board.

Article VII.

Officers

A. Election of Directors: Unless provided otherwise in these bylaws, upon expiration of their three-year term, one-third of the directors shall be elected to the Board annually at the annual meeting of the members. However if the directors are not elected at an annual meeting, they may be elected at any special meeting of the members held for that purpose or by written ballot to the extent provided in these bylaws. Each director including any director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office until expiration of the term for which elected and until a successor is elected and qualified."

B. Officers of the Society. The officers of the Society shall be a President, Vice President, Secretary, Treasurer and Executive Director. All officers, except the Executive Director, shall be Board members.

C. Election. Officers shall be chosen by the Board, and serve at the pleasure of the Board. The term of office for each officer shall be one year or until a successor is elected. The Executive Director shall not be elected, nor serve a term in office, but shall

be selected by the Executive Committee of the Board and serve at the pleasure of the Board.

D. Removal from Office. An officer may be removed with or without cause by the Board.

E. Vacancies in Offices. A vacancy in any elected office, because of death, resignation, removal, disqualification, or any other cause shall be filled by the Executive Committee subject to confirmation by the Board at its next meeting.

F. Responsibilities of Officers.

(i) President. Subject to the control of the Board, the President shall preside at meetings of the Executive Committee, of the Members and of the Board, and exercise and perform such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

(ii) Vice President. If the President is absent or disabled, the Vice President shall perform all duties of the President. When so acting, a vice president shall have all powers of and be subject to all restrictions on the President.

(iii) Secretary. The Secretary shall: (a) give, or cause to be given, notice of all meetings of the members, of the Board, and of committees of the Board that these bylaws require to be given; (b) keep, or cause to be kept, a book of minutes of all meetings, proceedings and actions of the Board or committees of the Board, and of members' meetings; (c) keep, or cause to be kept, the Articles of Incorporation, Bylaws and policies of this Society; and (d) have other powers or duties as Board or Bylaws prescribe.

(iv) Treasurer. The Treasurer shall keep, or cause to be kept, correct accounts of the Society's properties and transactions. The Treasurer shall give financial reports as are required to be given by law, by these bylaws, or by the Board. Accounts shall be open to inspection by any director at all reasonable times. The Treasurer may have other duties as the Board or Bylaws prescribe.

(v) Executive Director. The Executive Director shall be the chief executive officer of the Society. The Executive Director shall be an ex-officio member of all committees unless otherwise directed by the Board or the Executive Committee, but shall not be a member of the Board nor have any power to vote in a committee. The Executive Director shall be the active administrator of the Society and, under the direction of the Board of Directors, shall be in charge of the functions of the Society and have such other powers and duties as may be prescribed by the Board, the Executive Committee or the Bylaws.

Article VIII.

Committees of the Board

A. Creation and Powers of Board Committees: Unless provided otherwise by these bylaws or laws applicable to the Society, the Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors to serve at the pleasure of the Board. Appointments to Committees of the Board shall be by a majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any such committees, who may replace any absent member at any meeting. Persons who are not directors of the Board may serve on Board Committees only in an advisory corporation and may not vote on any action by any Board Committee. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution or as required by applicable law, except that no committee may:

- (1) Take any final action on any matter that, under the California Public Benefit Law also requires approval of the members or approval of a majority of the members of the Society; or
- (2) Fill vacancies on the Board or any committee of the Board; or
- (3) Fix compensation of the directors serving on the Board or on any committee of the Board; or
- (4) Amend or repeal bylaws or adopt new bylaws; or
- (5) Amend or repeal any resolution of the Board that by its terms is not so amenable or repealable; or
- (6) Create any other committees of the Board or appoint the members of the committees of the Board; or
- (7) Expend corporate funds to support a nominee for director if more people have been nominated for director than can be elected; or
- (8) Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest or conflict of interest except to the extent special approval is provided for in California Corporations Code section 5233(d)(3).

B. Meetings and Actions of Board Committees: Meetings and actions of Committees of the Board shall be governed by, held and taken under the provision of these bylaws concerning meetings and other Board action, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate

records. The Board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws and all applicable laws and regulations. If the Board has no adopted rules, the committee may do such provided that such rules comply with these bylaws and all applicable laws and regulations.

C. Standing Committees. Each committee shall be composed of, but not limited to, two or more directors. The President shall designate the Chair and Vice Chair and members of each committee, other than the Audit Committee. The majority of the membership of the Finance, Audit and Nominating Committees shall be directors. Each member shall be appointed to serve a term of one year and may be re-appointed. The President shall notify the Board of the appointments at the regularly scheduled Board meeting immediately following the appointments. The Board may reject any such appointment by vote of a majority of the directors present at a duly held meeting at which a quorum was present.

The Standing Committees shall be:

(i) Executive Committee, which shall be comprised of seven directors (7), four (4) of whom shall be the President, Vice President, Secretary and Treasurer; the remaining three (3) members shall be members of the Board, appointed by the President. The Executive Director shall be a non-voting member. The Executive Committee shall be vested with all the powers of the Board when the Board is not in session, other than those powers enumerated in California Corporations Code Section 5212(a)(1)-(8).

(ii) Finance Committee, which shall be comprised of not less than three (3) members appointed by the President. The Finance Committee shall review and recommend to the Board fiscal plans, budgets, investment guidelines and financial proposals. Annual financial statements shall be prepared using generally accepted accounting principles.

(iii) Nominating Committee, which shall be comprised of not less than three (3) members appointed by the President at the Board meeting immediately following the meeting at which officers are elected. In addition to any other duties which may be assigned to it by the Board, at least ninety (90) days prior to the Annual Meeting, the Nominating Committee shall file with the Secretary its recommendations for new directors and for members of the Council of Advisors. The Committee shall recommend officers to be elected by the Board.

(iv) Audit Committee shall be comprised of not less than three members appointed by the Board. The Audit Committee shall not include any members of the staff, including the President or Chief Executive Officer and the Treasurer or Chief Financial Officer. Members of the Audit Committee may not receive compensation for services, other than reimbursement of expenses reasonably incurred on behalf of the Society, and may not have any material financial interest in any entity doing business with the Society. A majority of Audit Committee members may not be members of the Finance Committee. The

Chair of the Audit Committee may not serve on the Finance Committee. The Audit Committee shall oversee the integrity and adequacy of financial reports, controls and procedures, recommend to the Board the retention and termination of the independent auditor and shall confer with the auditor to ensure the financial affairs of the Society are in order, review and determine whether to accept the audit, assure that any non-audit services performed by the auditing firm conform to standards for auditor independence and approve performance of non-audit services by the auditing firm.

D. Council of Advisors. The Council of Advisors shall be comprised of members appointed by the Board to a term of three (3) years. The Council shall annually evaluate the activities, effectiveness and structure of the Society and shall present its findings in an annual written report to the Board. The Board may assign such other duties and powers as it deems appropriate. The Council's officers shall be a Chair and Vice Chair elected annually from and by the Board. The President shall be an ex officio member. It shall meet at least once a year.

Article IX.

Indemnification and Insurance

A. Indemnification: To the fullest extent permitted by law, the Society shall indemnify its directors, officers, employees, and other persons described in California Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Society, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the California Corporations Code.

On written request to the Board by any person seeking indemnification under California Corporations Code section 5238(b) or 5238(c), the Board shall promptly decide under California Corporations Code section 5238(e) whether the applicable standard of conduct set forth in the California Corporations Code section 5238(b) or section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification, because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevent the formation of a quorum of directors who are not parties to that proceeding, the Board shall promptly call a meeting of members. At that meeting, the members shall determine under California Corporations Code section 5238(e) whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the Society before final disposition of the proceeding, on receipt by the

Society of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Society for those expenses.

The foregoing right of indemnification shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaws, agreement, vote of disinterested directors or otherwise, shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

B. Insurance. The Society shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liabilities asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from such officer's, director's, employee's, or agent's status as such.

Article X.

Conflict of Interest

A. Conflict of Interest Policy. The Board shall adopt and implement a conflict of interest policy and procedure for the Officers and Directors of the Society that complies with all the requirements of all applicable State and Federal laws and regulations and these bylaws, including this Article and Article VI.D. concerning restrictions on interested persons serving as directors of the Society.

B. Limitation of Material Financial Interest. A director of the Society is permitted to have a material financial interest in a transaction with the Society only if the following conditions are met:

- (1) The Society enters into the transaction for its own benefit;
- (2) The transaction is fair and reasonable as to the Society at the time the Society enters into the transaction;
- (3) Prior to consummating the transaction or any part thereof, the Board authorizes or approves the transaction in good faith by vote of a majority of the directors then in office without counting the vote of the interested director or directors, and with knowledge of the material facts concerning the transaction and the director's interest in the transaction; and,
- (4) Prior to authorizing or approving the transaction the Board considers and in good faith determines after reasonable investigation under the circumstances that the Society could not obtain a more advantageous arrangement with reasonable effort under the circumstances.

C. Loans to Directors and Officers. This Society shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General; provided, however, that the Society may advance money to a director or officer of the Society for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses by the Society.

Article XI.

Miscellaneous Provisions

A. Non-Discrimination. The Society is committed to a policy and practice of non-discrimination on the basis of race, color, sex, marital status, sexual orientation, age, creed, religion, ancestry or national origin.

B. Political Activity. No substantial part of the activities of the Society shall consist of attempting to influence legislation, nor shall the Society participate in, or intervene in (including publishing or distributing statements), any political campaign on behalf of any candidate for political office.

C. Interpretation of Bylaws. Unless defined differently herein or unless the context requires a different meaning, terms used in these Bylaws shall have the same meaning as may be given to them in the California Nonprofit Public Benefit Society Law, as amended from time to time.

To the extent possible, these Bylaws shall be construed as supplemental to all laws applicable to the same subject matter and shall be fully complied with unless such compliance shall be illegal. Any provision of these Bylaws which is inconsistent with any applicable law shall not be complied with, but such inconsistency shall not affect the validity of any other provision of these Bylaws.

D. Notice. Unless otherwise expressly provided herein, any notice required or permitted to be given under these Bylaws shall be deemed effectively given when: (1) deposited in the United States mail, addressed to the recipient at his or her last address, if any, appearing on the Society's books and with first-class postage thereon prepaid; (2) personally delivered in writing to the recipient; (3) delivered in writing to a common carrier or (4) communicated orally, in person or by telephone or other electronic means, to the recipient or to a person at the recipient's office who the person giving notice has reason to believe will promptly communicate it to the recipient.

E. Fiscal Year. The fiscal year of the Society shall begin July 1 of each year and end on June 30 of the following year.

F. Instruments in Writing. All checks, drafts, demands for money and notes of the Society, and all written contracts of the Society shall be signed by such officers, agent or agents, as the Board may from time to time designate. No officer, agent or employee of the Society shall have power to bind the Society by contract or otherwise unless authorized to do so by these Bylaws or by the Board.

G. Maintenance of Corporate Records. The Society shall keep the following:

- (1) Adequate and correct books and records of account;
- (2) Written minutes of the proceedings of its members, Board and committees of the Board; and
- (3) A record of each member's name, address and class of membership; and
- (4) A record of all fundraising activities and related financial reports that are required by applicable California and Federal law.

H. Required Reports. The Board shall cause an annual report to be sent to the members and directors within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- (1) The assets and liabilities, including trust funds, of the Society as of the end of the fiscal year;
- (2) The principal changes in assets and liabilities, including trust funds;
- (3) The Society's revenue or receipts, to unrestricted and restricted to particular purposes;
- (4) The Society's expenses or disbursements for both general and restricted purposes;
- (5) Any information required by any provision of these Bylaws;
- (6) An independent accountant's report or, if none, the certificate of an authorized officer of the Society that such statement were prepared without audit from the Society's books and records; and
- (7) Other information as may be required by applicable California or Federal law.

Article XII.

Adoption, Amendment or Repeal of Bylaws

Subject to the members' rights under these Bylaws and the limitations set forth below, the Board may adopt, amend, or repeal bylaws unless doing so would materially and adversely affect the members' rights as to voting or transfer. No amendment of these

Bylaws may extend the term of a director beyond that for which the director was elected. Any reduction in the number of directors authorized in the Articles or these Bylaws does not remove any director prior to the expiration of such director's term of office.

Without the approval of the members, the Board may not adopt, amend, or repeal any bylaw that would:

- (i) Fix or change the authorized number of directors, fix or change the minimum or maximum number of directors or change from a variable number of directors to a fixed number of vice versa;
- (ii) increase or extend the terms of directors;
- (iii) allow any director to hold office by designation or selection rather than by election by the members;
- (iv) increase the quorum for members' meetings;
- (v) repeal, restrict, create, expand, or otherwise change proxy rights;
or
- (vi) authorize cumulative voting.

CERTIFICATION OF THE CORPORATE SECRETARY

I certify that I am the duly elected and acting Secretary of The San Francisco Museum and Historical Society, a California nonprofit corporation; that these Bylaws consisting of sixteen (16) pages, are the Bylaws of this corporation as adopted by the Board of Directors on March 23, 2006; and that these bylaws have not been amended or modified since that date.

Executed this 23rd day of March 2006 in San Francisco, California.

By Dr. Edith L. Piness
Dr. Edith L. Piness, Ph.D., Secretary
San Francisco Museum and Historical Society