

TO: The Members of Presidio Hill School

FROM: The Bylaw Revision Subcommittee of the Trustee Committee

DATE: September 17, 2006

RE: EXECUTIVE SUMMARY OF AMENDED BYLAWS

Background

Approximately 24 months ago, the board of directors formed a subcommittee of the trustee committee to review and amend the school's bylaws. This task was much needed, as the bylaws had not been reviewed or updated for at least 6 years, and certain structures in the school had changed over that time and needed to be reflected in the school's bylaws.

The bylaws have now been reviewed, and circulated to the trustee committee, the staff, and then the full board for comment and suggestions. Those suggestions were reviewed and, where appropriate, incorporated into the revised draft presented to the board for approval in June 2006. Over the summer, the document was sent out for general legal review and approval as to compliance with applicable laws governing non-profit organizations. That version of the amended bylaws was presented to the board for approval at its retreat on September 9, and that version is now being presented to the full membership for approval.

All parents at the school, as well as virtually all staff, are members of the school. As members, each of you is entitled to vote to amend the bylaws. Accordingly, a copy of the amended bylaws is available for review on the school's website. If you have trouble accessing the document on the website, please contact Brian Hollis.

If you would like to see a marked copy of the bylaws that shows exactly what changes have been made to the prior version of the bylaws, redlined copies are available at the front desk; ask Brian Hollis for a copy.

You will be asked to vote on the approval of the bylaws at the Corporation Meeting on September 27, 2006.

What follows is a brief summary of the changes that have been made to the document. If you have any questions about those changes, or about the approval process, please feel free to contact either Catherine Gormley (cgormley@teraokalaw.com) or Bob Scott (rCSRal@aol.com) with your questions.

Summary of Amendments

The goal of the amendment to the bylaws was primarily to reflect the fact that the Teaching Co-Op no longer exists, and to increase the size of the board. In addition, because the bylaws had not been reviewed or amended in approximately six years, it was determined that a general update was appropriate. What follows is a brief summary of each of the changes that have been proposed to the bylaws. A copy of the redlined amended bylaws is attached to this summary for your detailed review.

Generally in keeping with the manual of style adopted by Presidio Hill School, changes have been made to the language in the bylaws to avoid capitalizing terms unless they are specifically defined in the bylaws. Accordingly, the term "Board of Trustees" has been changed throughout to "board of trustees" and so forth. Similarly, wherever the term "director" was used to refer to a member of the board of trustees, that term has been changed to "trustee" so as to avoid confusion with any reference to the school's head as "Director."

Throughout the bylaws, the term "Teaching Co-Op" was revised to be defined as "Staff," which includes all fulltime teachers and administrative staff at the school, and the term "corporation" has also been changed to the defined term of "School."

ARTICLE I, Section 1 (Office)

In the event of an emergency, a temporary change in the principal address of the school can now be made either by the director or, if the director is not available, by the board president.

ARTICLE II (Membership), Section 1.

The definition of the term "Members" has been clarified to include all current parents (the "Parent Members"), all fulltime teachers and administrative staff, other persons employed by the school that may be designated by the staff as members, the school's

director, the school's after-school program director, as well as all non-parent members of the board of trustees.

ARTICLE III (Meetings of Members); Section 7(b) (One vote per member)

To clarify the voting rights of teachers or other staff who have children attending the school, this section provides that Members who are both Staff and Parents of the School will be deemed as parent members for voting purposes.

Section 11 (Record Date for Member Notice, Voting and Giving Consents)

This section has been changed to clarify that the official date for determining who are the voting members for any meeting (the "record date") will be determined by the board of trustees subject to applicable law.

ARTICLE IV (Trustees); Section 1 (Number of Trustees)

The number of the trustees has been expanded to a range between 16 and 28. Previously, the board size was capped at 25.

Section 2 (Qualification of Trustees)

The board of trustees will include the director, two staff members and at least 15 parent members. So long as there is a minimum of 15 parent members, non-parent community members may also serve on the board.

Section 3 (Term and Election of Trustees)

Staff members can serve either for a single meeting or a term as determined by the staff when the staff board member is elected. Parent members serve three-year terms, and those terms are staggered so that not all terms will expire in the same year.

A provision has been added giving the board of trustees the authority to adopt and also to revoke term limits as defined at the board's discretion without requiring the approval of the Members.

Section 4 (Nominations and Solicitations for Votes)

The term "Nominating Committee" has been changed to the correct name used by the School, the "Trustee Committee." This section has been changed to clarify that any Member may submit his or her own name or another's name for consideration for nomination. The old practice of nominating trustee candidates from the floor of a meeting has been deleted. This section also clarifies that candidates for trustee election can be placed in nomination for election by the Members either by the Director, the board president or any person that either the Director or the board president will designate.

Section 5 (Powers of Trustees)

The specific powers of the trustees have been clarified to incorporate a description of the board's fiscal powers.

Fiscal powers have been clarified to confirm that the parties authorized to endorse checks shall be determined from time to time by the director and approved by the board of trustees, and that the board of trustees can authorize officers or agents to enter into contracts, and that without that authority, no officer or employee of the school will have the power or authority to bind the School. This does not apply, however, to employment and other contracts entered into by the School in the ordinary course of its business, which the Director, by virtue of the position, is authorized to sign.

Section (c) (Standard of Care—Conflict of Interest)

These sections clarify the fiduciary standard of care of each trustee, and also enunciate for the first time a clear conflict of interest policy for trustees.

ARTICLE V (Meeting of Trustees); Section 1 (Place of Meetings, Meetings by Telephone, Executive Session)

A provision has been made expressly permitting trustee meetings to go into executive session.

ARTICLE VI (Committees); Section 2 (Meetings and Action of Committee)

Special committee meetings can now be called not only by the entire board, but also by the individual committee.

Section 3 (Executive Committee)

A specific provision for an executive committee has been added.

ARTICLE VII (Board Officers, Director and Teaching Staff); Section 1(Officers)

This section now gives the board the power to create additional offices in addition to the required offices of president, vice president, secretary and treasurer.

Section 2 (Election of Officers)

This clarifies our current practice that the board president serves for a two-year term; all other officers serve for one-year terms.

ARTICLE VII, Section 8 (Staff)

The composition of the "Staff" is clarified in Section 8(a).

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Thank you for putting in the time to read through this, and for reviewing the amended bylaws. Again, please feel free to contact either Catherine Gormley or Bob Scott if you have any questions about these materials. We look forward to seeing you at Corporation Night!