

BY-LAWS OF THE GEORGETOWN DAY SCHOOL, INC.

ARTICLE I. NAME OF CORPORATION.

The name of the corporation shall be the Georgetown Day School, Inc.

ARTICLE II. PRINCIPAL PLACE OF BUSINESS.

The principal place for transacting the business of this corporation shall be in Washington, the District of Columbia.

ARTICLE III. SUBJECT AND PURPOSE OF THE CORPORATION AND THE NATURE OF ITS BUSINESS.

Section 1. The Georgetown Day School shall be an organization of parents for the purpose of educating their children from nursery through high school. In order to do so, the corporation shall be empowered to carry on any activities usually associated with the operation of nursery, elementary, junior high and high schools, and shall do any and all things necessary to achieve the purpose of this organization.

Section 2. The Georgetown Day School shall be a parent owned and operated, non-profit organization, no part of the net income of which may inure to the benefit of any member.

Section 3. All the school's policies and activities shall be devoted to the welfare and education of the children in the school. The school shall operate on the principle of parent-teacher cooperation and mutual concern for the welfare of the children.

Section 4. It shall be a declared principle of the school to develop in its students high standards of attainment in the fundamental skills of reading, writing, mathematics and spelling.

Section 5. The school's educational program shall be individualized so that each child shall be encouraged to make as rapid progress as he/she is able in the attainment of his/her fundamental skills while at the same time working out a social adjustment with other children.

Section 6. The policy of this organization, with respect to students and personnel, shall be nondiscriminatory in all regards. The fundamental criterion for the admission of a child to the school, and of his/her parents or guardian to the corporation, shall be the child's ability to contribute to and benefit from membership in the school.

Section 7. The Georgetown Day School, to the extent practicable, shall disseminate information concerning its educational program so that other educational institutions may benefit from its experience.

Section 8. The corporation shall have as an objective the establishment of a school community composed of persons coming from diverse backgrounds, in the belief that full development of all children requires the absence of discrimination. A conscious effort should be made, in the selection and retention of teachers, staff, children, guest speakers, text books, library books, movies, plays, games and other educational materials, to further this objective.

Section 9. The school shall foster academic freedom for its teachers, staff, students and guest speakers.

ARTICLE IV. MEMBERSHIP.

Section 1. This corporation shall be a membership corporation and shall have only one class of members: the parents or guardians of students registered in the school.

Section 2. One parent or guardian of each student registered in the school shall be entitled to membership when a student is first registered. Only one membership may be issued to any one family. If the parents of a child are separated or divorced, the membership shall be held by that parent who executes the enrollment contract to enroll the child in the school, except when the parents decide otherwise and so notify the school in writing. When all the students registered in the name of a parent or guardian are withdrawn from the school, the parent or guardian shall cease to have membership in the corporation.

Section 3. The holder of each membership shall be entitled to one vote. No member may vote more than once on any specific voting issue.

Section 4. Communication with the membership shall take place by mail, either electronic or postal.

ARTICLE V. MEETINGS OF THE MEMBERSHIP.

Section 1. The regular annual meeting of members shall be held once every academic year, at such day, time and place as shall be determined by the Board of Trustees.

Section 2. The regular annual meeting shall be for the purpose of presenting the budget, considering the state of the school and transacting such other business as may come before it.

Section 3. Special meetings of members may be called by the Chair, by a majority of the Board of Trustees, or by written petition of seventy-five (75) members. The special meeting shall be held within three weeks after the petition is presented.

Section 4. Written notice of all membership meetings, whether regular or special, stating the time, place and purposes thereof, including a full agenda, shall be mailed or delivered by the Board to each member of this corporation no fewer than ten (10) business days before the date of the meeting, except as a different period of notice for any meeting is specified elsewhere in these By-laws. Any matter or issue may be placed on the agenda of any regular or special meeting by a written petition of fifteen (15) members delivered to the Chair of the Board (c/o the Head of School's Office) at least five (5) business days before the meeting. Unless placed on such agenda, no matter or issue may be voted upon at the meeting.

Section 5. The presence of one hundred twenty-five (125) members entitled to vote at any meeting shall constitute a quorum. Mail proxies shall be permitted on any substantive matter or issue to be voted on at a meeting. These proxies will be counted for the purpose of determining whether a quorum exists at the meeting. Any member who has mailed in a proxy may attend the meeting, revoke the proxy, and vote personally at the meeting. A majority of those voting in person or by proxy shall determine the outcome of any substantive matter or issue voted on at a meeting, except that the election of trustees shall be determined pursuant to Section 8 of this Article, and except as otherwise provided by law, or by these By-Laws.

Section 6. Where and in the manner authorized by the Board of Trustees, any action required to be taken at a meeting of the voting members or any action which may be taken at a meeting of the voting members may be conducted by ballot by means of U.S. mail, fax, electronic mail or any other method of voting provided for by the District of Columbia Nonprofit Corporation Act "the Act"). Such voting shall be subject to the same quorum and notice requirements as a meeting held in person based on the number of ballots returned. The Board of Trustees must require all ballots to be received by a date certain, in lieu of seeking a vote at a regular

or special meeting of the corporation. Whenever a quorum is not achieved at a regular or special meeting, precluding a vote on an agenda item, the Board of Trustees thereafter may adjourn the meeting of the membership to a new time or conduct a vote solely by mail or electronic ballot. A majority of those voting shall determine the outcome of the issue voted on. This paragraph is inapplicable to elections for the Board of Trustees covered in Section 8 of this article.

Section 7. Except insofar as the Board of Trustees shall specify otherwise, regular and special meetings of the members shall be conducted to the extent practicable in accordance with the then current edition of Robert's Rules of Order.

Section 8. The nominees for the trustee positions receiving the largest number of shall be elected trustees for those vacancies that exist. Such votes may be cast at the annual meeting at which a quorum is present, or at a special meeting, or mail ballot, or electronic ballot, or other form permissible pursuant to Article V, Section 5 or 6. Elections shall be by secret ballot.

Section 9. As used herein, the term "mail" shall be deemed to include electronic mail.

Section 10. Where and in the manner authorized by the Board of Trustees and to the extent permitted by the Act, any person participating in a meeting of the voting members may participate by means of conference telephone or by any means of communication such as electronic communication by which all persons participating in the meeting are able read or hear proceedings substantially concurrently with their occurrence, vote on matters submitted to the members, pose questions, make comments, and otherwise fully participate in the meeting. Such participation shall constitute presence in person at the meeting.

ARTICLE VI. TRUSTEES.

Section 1. Management of the affairs of the corporation shall be vested in a Board of Trustees. The number of trustees shall be no more than twenty-five (25), except as provided in Article VI, Section 3.

Section 2.

a. A majority of the Board of Trustees shall be parents or guardians of students currently attending the school ("Parent Board Members"). A Parent Board Member may, at his or her option, remain on the Board after his or her child or children graduates or otherwise no longer attends GDS, but shall thereafter not be considered current parents for the purposes of this provision.

b. The Board may include members from the non-parent community in light of their ability to contribute to the well-being of the school.

c. No person shall be eligible to serve as a trustee who is employed by the school, has an immediate family member employed by the school, or who is under the age of twenty-one (21).

Section 3. The trustees shall be elected for a regular term of three (3) years, or until their successors are appointed or elected. Terms for trustees and Board officers shall begin on July 1. No trustee shall serve more than two (2) consecutive terms, full or partial, to a maximum of six (6) consecutive years, except that (i) the Board Chair may extend his/her term of office for two (2) additional years, if so requested by the Board, to fill out a maximum term as Chair of up to three (3) years, and (ii) any officer may extend his/her term of office for one additional year if so requested by the Board of Trustees, in its sole discretion. Any officer who is serving the discretionary additional year shall fill an appointed position, which is to be considered an additional Board position for that one year only. After serving the maximum of two (2) consecutive terms on the Board, a person is eligible for service after a one-year break in service. Elections shall be held each year to fill all vacancies.

Section 4. A majority of the serving trustees shall constitute a quorum for the transaction of any business, except as otherwise provided in these By-laws. Except as elsewhere provided, decisions of the Board of Trustees shall be made by a majority of those attending and voting at a meeting at which a quorum is present.

Section 5. A trustee shall be considered to have a conflict of interest if (a) such trustee has existing or potential financial interests which impair or might reasonably appear to impair such trustee's independent unbiased judgment in the discharge of his/her responsibilities to the school, or (b) such trustee is aware that a member of his/her family (which for purposes of this paragraph shall be a spouse, child, or parent) or any organization in which such trustee (or a member of his/her family) is an officer, director, employee, member, partner, trustee, or controlling stockholder, has such existing or potential financial or other interests. All trustees shall disclose to the Board any possible conflict of interest at the earliest practical time. No trustee shall vote on or participate in discussion of any matter under consideration by the Board or a committee thereof in which such trustee has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the trustee having the conflict of interest abstained from voting.

Any trustee who is uncertain whether he/she has a conflict of interest in any matter may request the Board or any committee to determine whether a conflict of interest exists and the Board or committee shall resolve the question by a majority vote.

Section 6. In the event of the resignation, death, or disqualification of a trustee, or termination from his/her office, the vacancy for the remainder of the departing trustee's term shall be filled by the affirmative vote of a majority of the remaining trustees. Resignations shall be effective when received, without action thereon by the Board.

Section 7. Trustees shall serve without compensation and no trustee shall be personally liable for the debts, liabilities or obligations of the school. A trustee may be removed from the Board by an affirmative vote of at least two-thirds of the trustees, provided that such removal must be for cause, including excessive absenteeism or conduct detrimental to the best interests of the school.

ARTICLE VII. OFFICERS.

Section 1. The officers elected by the Board of Trustees from among its membership shall be a Chair, a Vice Chair, a Secretary and a Treasurer. All officers shall hold office only until their successors have been elected and qualified. No person may serve more than three (3) consecutive years in any one or combination of the offices of Vice Chair, Secretary and Treasurer.

Section 2. Chair.

The Chair shall preside at all meetings of the Board of Trustees and of members, shall have general supervision over the business of the corporation and shall appoint all committees, subject, however, to the control and approval of the Board of Trustees. He/she shall submit to the members of the Board and to the members of the corporation an annual statement which shall be a complete report of the operation and affairs of the organization for the preceding year. The Chair shall serve a one(1) year term but may serve up to two (2) additional consecutive terms, which shall be subject to approval and vote of the Board of Trustees. No person may serve as Chair for more than three (3) consecutive years.

Section 3. Vice Chair.

In the absence of the Chair, the Vice Chair shall perform all the duties of the Chair and, in addition, shall perform all other duties and functions as may be assigned to him/her by the Board. The Vice Chair shall serve a

one (1) year term but may serve up to two (2) additional consecutive terms, which shall be subject to approval and vote of the Board of Trustees

Section 4. Secretary.

The Secretary shall see that a complete record is kept of the proceedings of all Board meetings, as well as all meetings of the members, and shall be responsible for maintaining the Policy Manual of the Board. He/she shall see that a statement of important decisions reached at meetings of the Board of Trustees is mailed to all members of the corporation if the Board of Trustees determines that said decisions shall be disseminated to all members of the corporation. He/she shall have access to the seal of the corporation to be affixed to any document requiring a seal, said seal to be kept for safekeeping by the Head of School. He/she also shall perform such additional duties as may pertain to his/her office or be assigned to him/her by the Board of Trustees. The Secretary shall serve a one (1) year term but may serve up to two (2) additional consecutive terms, which shall be subject to approval and vote of the Board of Trustees.

Section 5. Treasurer.

The Treasurer shall be the custodian of all funds and securities of the school and shall see to it that proper charge is taken of the funds and disbursements of the organization, that all monies are deposited in a designated depository in the name of the organization, and that such funds are disbursed as may be ordered by the Board, with proper vouchers being taken therefore. The Treasurer shall generally supervise the accounting and bookkeeping of the school, shall report regularly to the Board of Trustees as to the financial condition and results of the operation of the school, and shall have such other powers and duties as may be prescribed from time to time by the Chair or the Board. The Board and Head of School may delegate to an administrative salaried employee of the school any of the foregoing duties, including the signing of checks or other orders for payment of money as the Treasurer shall specifically designate. The Treasurer shall serve a one (1) year term but may serve up to two (2) additional consecutive terms, which shall be subject to approval and vote of the Board of Trustees.

ARTICLE VIII. COMMITTEES.

Section 1. Committees of the Board.

The Board of Trustees by resolution adopted by a majority of Trustees in office at the time the action is taken, may create a "Committees of the Board" which shall exercise such powers of the Board of Trustees as designated in the resolution, provided that neither the Executive Committee nor other Committee of the Trustees may be delegated the power to: (1) authorize distributions; (2) approve or propose to members actions required by the Act to be approved by members; (3) fill vacancies on the Board of Trustees or any Committee of the Board; or (4) adopt, amend, or repeal By-Laws. The designation of and the delegation of authority to the Executive Committee or a Committee of the Board shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed upon them by law. The Executive Committee and any Committee of the Board, if formed, must consist exclusively of one (1) or more Trustee(s) approved by a majority of the Board of Trustees in office when the Trustee is appointed to such committee.

Section 2. Other Committees.

Other committees not having and exercising the authority of the Board of Trustees in the management of the Corporation may be designated by a resolution adopted by a majority of the Trustees present at a meeting at which a quorum is present. Except as otherwise provided in such resolutions, the Chair of the Board shall appoint the members of such committees. Members of committees not exercising the authority of the Board of Trustees need not be Trustees or members of the Corporation.

Section 3. Special Committees.

There may be such special or ad hoc committees as the Board may from time to time establish for the discharge of particular duties.

Section 4. Standing Committees.

There shall be standing committees as specified in this Article and as the Board may establish from time to time. The stated name of any standing committee so established may be changed from time to time as deemed appropriate by the Board. Members of standing committees (including the chairpersons) shall be appointed annually by the Chair, with approval of the Board and consultation with the Head of School. The Chair and the Head of School shall be ex-officio members of all standing committees without power to vote, and each standing committee shall include at least one additional trustee. Each trustee shall serve on at least one committee. The Chair of each standing committee shall be a trustee. Additional members, including persons who are not on the Board of Trustees, may be appointed from time to time in the manner described above.

Section 5. Discontinued Committees.

The Board of Trustees may discontinue any standing committee from time to time and the duties of any committee so discontinued shall be performed during such discontinuance by the Executive Committee or the Board.

Section 6. Staff Liaison.

The Chair of any committee, with the consent of the Chair, may request the Head of School to appoint a member of the administrative staff to serve as a liaison between the committee and the Administration. Such a liaison person shall be appointed by the Head of School and shall assist the committee in carrying out its duties.

Section 7. Meetings.

Except as provided in this section, all standing committees shall meet at least two (2) times annually, and shall report on all actions and considerations to the Board.

Section 8. Executive Committee.

a. The Board may, but is not required to, establish an Executive Committee. An affirmative vote of two-thirds of the Board is required to establish or dissolve the Executive Committee and determine or re-determine its powers.

b. If established, the Executive Committee shall be composed of five (5) members of the Board. The Chair shall be the Chair of the Executive Committee, with power to vote. The Vice Chair, Treasurer and Secretary of the Board shall serve on the Executive Committee. One additional trustee shall be appointed to the Executive Committee by the Board or the Chair. The Head of School shall serve as a member, without a vote.

c. The Executive Committee shall have only such powers as the Board, by a two-thirds majority vote, may grant. It may not take any action inconsistent with a prior act of the Board of Trustees, or any provision of the By-laws. It may not remove or appoint the Head of School, dispose of any real property, or take any action that has been reserved to the Board by Board action or by these By-laws, or by the Act.

d. The Executive Committee shall meet as needed between regularly scheduled meetings of the whole Board. Meetings may be called by the Chair or by two or more members of the committee. To the extent

practicable, all Board members shall be notified of meetings and may participate in such meetings, but shall not have a right to vote.

e. The majority of the members of the Executive Committee shall constitute a quorum, but the affirmative vote of the majority of the whole committee shall be necessary in every case to take action. The committee may formulate further rules governing the conduct of its business.

f. The minutes of the meetings of the Executive Committee shall be distributed five (5) days after each meeting to all trustees if the Executive Committee took any action at the meeting. In addition, if any action was taken by the Executive Committee, such action will be reported to the Board at the next Board meeting.

Section 9. Finance Committee.

a. The Finance Committee shall be composed of not fewer than five (5) trustees. Members who are not trustees may be appointed to and serve on subcommittees of the Finance Committee unless as otherwise stated below.

b. The Finance Committee shall review the annual operating and capital budget prepared and presented under the direction of the Head of School, and make recommendations with respect thereto to the Board of Trustees. It shall review major financial or property transactions not provided for in the budget and submit proposed variances, with recommendations, to the Board of Trustees.

c. The Finance Committee shall establish and monitor internal financial controls and shall consult and work with the independent auditors. The Finance Committee receives the audited financial statements and meets with the auditor as needed. The Treasurer reports the audit to the full Board and any recommendations made by the auditor. The Finance Committee shall have charge of the investment of all funds of the school, including the power to affect purchases, sales, and exchanges of securities and other investment assets of the school, except real property. The committee may employ investment counsel and may delegate authority to purchase or sell securities for the account of the school to such investment counsel or any other officer of the school, subject to such financial and other limitations that the committee may impose. The committee shall provide an update on investments to the Board of Trustees on a regular basis, but no less than once per year. The Treasurer of the school shall be Chair of the Finance Committee. A staff liaison shall serve as an ex-officio member of the committee, without the power to vote.

d. The Finance Committee shall study and appraise the financial aid program from the standpoint of the school's stated mission and philosophy. It shall make such reports and recommendations to the Board relative to the foregoing as may be required. Its proceedings shall be closed. The chair of the Finance Committee may, but is not required to, appoint a subcommittee to address issues of financial aid. Any such subcommittee shall be composed exclusively of trustees.

e. The Finance Committee shall serve as a professional resource for the Head of School in personnel matters. It shall advise the Head on recommended salary levels, pensions and other policy concerns relevant to school personnel. Members of the committee, when so requested by the Head of School, shall render advice on specific personnel matters. The chair of the Finance Committee may, but is not required to, appoint a sub-committee to address issues of personnel. Any such subcommittee shall be composed exclusively of trustees.

f. The majority of the members of the Finance Committee shall constitute a quorum, but the affirmative vote of the majority of the whole committee shall be necessary in every case for any action. The committee may formulate further rules and regulations governing the conduct of its business.

g. The Finance Committee shall establish an Investment Advisory Committee to oversee the investments of the School. The Investment Advisory Committee shall include not less than three (3) members, at least one (1) of whom shall be a trustee.

Section 10. Audit Committee.

The GDS Board of Trustees shall establish an Audit Committee which shall serve as an advisory committee to the Board. The Audit Committee shall monitor internal financial controls and shall consult and work with the independent auditors. The Audit Committee receives and reviews the audited financial statements and meets with the auditor as the Committee determines is necessary. The Chair of the Audit Committee presents to the full Board for approval the auditor's report and any recommendations made by the auditor.

Section 11. Governance Committee.

a. The Governance Committee shall review the school's strategic goals and plans to identify the skills, experiences, and relationships required by the Board in the present and in the future. The Governance Committee also shall advise the Board on issues of governance and recommend policies and practices to strengthen the good work of the Board.

b. The chair of the Governance Committee with the approval of the Chair shall appoint from among its members a Nominating Subcommittee to select the slate of trustees to be voted on by the members of the corporation. The Nominating Subcommittee, or its designee, shall receive, count, and report to the Board the results of votes cast for trustees. The Nominating Subcommittee shall be composed of the three (3) members of the Board, together with six (6) non-Board members of the GDS community, drawn from current parents representing a range of grades, alumni, parents of alumni and former Board trustees. At least three (3) of the non-Board members shall be parents or guardians of current students. Membership of the nominating subcommittee shall reflect the diverse perspectives of the GDS community. These nine (9) members shall be the voting members of the Committee.

c. The Board annually shall advise the Nominating Subcommittee of the number of trustees to be elected by the members of the corporation, and the Committee shall meet and select a number of nominees equal to that number. The Nominating Subcommittee shall transmit by mail its nominees for Board of Trustees to all members of the corporation not later than 45 days before the meeting at which they are to be elected. Such mailing shall include the notice of the meeting and shall inform members fully as to how they may make additional nominations by petition.

d. Any 15 members of the corporation may submit, in writing, additional nominees to the Chair of the Nominating Subcommittee at least 21 days prior to the election meeting, and nominees shall be placed on the ballot.

e. At least 14 days before the meeting, the members shall be mailed a list of all nominees, both those nominated by the Nominating Subcommittee and those selected by petition, arranged alphabetically with similar descriptive material as to each candidate. In addition, this mailing shall include a proxy ballot which shall permit a member to vote by mail so long as the proxy ballot is received at Georgetown Day School by the date of the meeting. No further nominations shall be considered at the meeting.

Section 12. Retirement and Benefit Plan Committee.

The Executive Committee shall authorize a Retirement and Benefit Plan Committee which shall serve as an advisory committee to the Executive Committee. The Retirement and Benefit Plan Committee will have

delegated authority to oversee and administer the retirement program for School employees, and to make recommendations to the Executive Committee with respect to amendments to such program. The Chair of the Retirement and Benefit Plan Committee reports to the Executive Committee at least annually. The Retirement and Benefit Plan Committee shall include not less than three (3) members, at least one (1) of whom shall be a trustee.

Section 13. The Head of School Review Committee.

The Head of School Review Committee is responsible for undertaking an annual Head of School Review and evaluation of the Board's accomplishments and procedures. The Head of School Review Subcommittee is to consist of the Chair and two other Board members who have been in a position to know and assess the Head of School. Its duties are set forth in Article XI, Section 5.

Section 14. Diversity Committee

The Diversity Committee supports the Head of School and GDS Administration in their efforts to promote, develop and maintain a diverse student body, faculty, and Administration. The work of the Committee shall be in furtherance of the goals and actions of the Administration in support of GDS's institutional commitment to diversity. Committee membership, structure, duties and responsibilities shall be set forth in its charter.

ARTICLE IX. MEETINGS OF THE BOARD.

Section 1. Regular Meetings.

Regular meetings of the Board shall be held at least six (6) times annually at such time and place as the Chair or a majority of the Board may from time to time prescribe. A yearly calendar of all regular meetings of the Board and, if applicable, of the Executive Committee shall be prepared by the Head of School and the Chair, for approval by the full Board. This calendar shall be delivered to all Board members and shall serve as legal notice of the time and place of such meetings. The character of these meetings shall be announced by agendas and relative supporting data delivered to Board members at least five (5) days but not more than twenty (20) days prior to each meeting. Any or all Board members may participate in regular meeting by teleconference.

Section 2. Special Meetings.

Special meetings of the Board for any purpose or purposes may be held on the call of the Chair or any three (3) trustees. Notice of each special meeting, setting forth the time, date, and place of the meeting and the specific nature of the business to be transacted thereat, shall be delivered not less than five (5) days in advance of the meeting to each trustee at the address last shown on the records of the school. Business transacted at a special meeting shall be limited to the matter stated in the notice of the meeting. With the concurrence of the majority of the Trustees, special meetings may be held by teleconference.

Section 3. Waiver or Consent.

The transaction of business at any meeting of the Board of Trustees, however called and noticed and wherever held, shall be as valid as though held at a meeting after regular call and notice, if a quorum is present and if either before or after the meeting, each of the trustees not present signs a written waiver of notice or consent to the holding of the meeting or an approval of the minutes. All such waivers, consents, or approvals shall be expressed in writing and filed with the corporate records or made a part of the minutes of the meeting.

Section 4. Quorum.

A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the trustees then serving. An act of the majority of trustees present and voting at a duly called meeting shall be the act of the Board except as may be provided elsewhere by these By-laws. Trustees participating by teleconference shall be considered to be present.

ARTICLE X. ACTION WITHOUT FORMAL MEETING.

Any action required or permitted to be taken by the Board or by any committee thereof may be taken without a formal meeting. However, a written consent setting forth the actions so taken and signed by all members of the Board or of a committee, as the case may be, must be filed with the minutes of the proceedings of the Board or the committee.

ARTICLE XI. HEAD OF SCHOOL.

Section 1. Executive Functions.

The Head of School shall be the chief executive officer and official advisor and executive agent of the Board and its Executive Committee. The Head of School shall exercise the general superintendence over all the affairs of the school and bring such other matters to the attention of the Board as are appropriate to keep the Board fully informed to meet its responsibilities. The Head of School shall have the power, on behalf of the trustees, to sign any and all contracts for which funds have been allocated and authorized by the Board in the approved operating budget, or in any capital budget or emergency expenditure authorized and approved by the Board.

Section 2. Appointment.

In the event of a permanent vacancy in the office of the Head of School, the Board shall elect a replacement from among candidates submitted for consideration by a special Search Committee appointed by the Board. An affirmative vote of at least two-thirds of the trustees is required for appointment.

Section 3. Administrative Responsibilities.

Within the policy guidelines established by the Board, the Head of School shall develop the institutional program, provide administrative and educational leadership, employ and discharge personnel, enroll and dismiss students, prepare the annual budget, and have responsibility for the day-to-day operation of the school.

Section 4. Assistance to the Board.

The Head of School shall work in close conjunction with the Board and guide it in preparation of agendas for its meetings and the long range plan development of the school.

Section 5. Annual Review of Performance and Compensation.

An annual review of the performance of the Head of School shall be carried out by a subcommittee appointed by the Chair, comprised as set forth in Article VIII, Section 11-~~ea~~a. The review shall incorporate opinions solicited from every member of the Board, and it shall be conducted in a private meeting of the committee and the Head of School. This review shall be completed by the end of the first ten (10) months of the

Head of School's service, and will be conducted annually thereafter. The review shall be based on the criteria set forth in the employment contract and a memorandum of understanding to be mutually agreed upon by the Board and the Head of School. The memorandum of understanding shall be revised annually following the performance review and shall specify the nature of the Head of School's responsibilities and identify, in order of priority, the areas in which the Head of School is to provide special leadership during the succeeding year, with goals expressed in a measurable fashion.

Section 6. Dismissal of the Head of School.

A decision to not renew the Head of School's contract or to terminate the services of the Head of School can be undertaken only at a special meeting of the Board, subject to all the conditions of a special meeting.

ARTICLE XII. CORPORATE OBLIGATIONS.

Section 1. The Board of Trustees shall have the sole power to make or direct the making of obligations involving the payment of monies or establishing a credit liability of the corporation.

Section 2. Notes or certificates of indebtedness given by the corporation shall be valid only when signed by the Chair and countersigned by another officer or such person as the Board may designate.

Section 3. An independent certified public accounting firm shall audit the books at the end of each fiscal year and report the results to the Board.

Section 4. The Board of Trustees shall secure approval of the corporation through a mail ballot or a special meeting of the voting members of the corporation before purchasing, selling, or improving real estate at an amount exceeding 20% of the corporation's net assets, with the exception of a designated gift, or before increasing the debt of the corporation by more than 20% of its total net assets.

Section 5. Fiscal Year. The fiscal year of the school shall commence on the first day of July in each year.

Section 6. Indemnification.

The School shall indemnify and hold harmless any Trustee or Officer of the School to the fullest extent permitted by law from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits, or proceedings, whether civil, criminal, administrative or investigative, in which the Trustee may be involved, or threatened to be involved as a party or otherwise (other than any such claim, demand, action, suit, or proceedings initiated by such Trustee against the School or any other Trustee), arising out of the activities of the School, regardless of whether the Trustee continues to be a Trustee, at the time any such liability or expense is paid or incurred; provided, however, that no Trustee shall be entitled to indemnification hereunder (i) for any breach of the Trustee's fiduciary duties to the School, to the extent such breach is of a kind that is not entitled to exculpation under the law applicable to District of Columbia non-profit corporations, (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law, (iii), approval of or assent to an unlawful distribution, or (iv) for any activity for which the Trustee received any improper personal benefit.

Expenses incurred by a Trustee in defending any claim, demand, action, suit, or proceeding subject to this Section shall, from time to time, upon request by the Trustee, be advanced by the School upon approval of the Board, prior to the final disposition of such claim, demand, action, suit, or proceeding upon receipt by the School of an undertaking by or on behalf of the Trustee to repay such amount, if it shall be determined in a

judicial proceeding or a binding arbitration that such Trustee is not entitled to be indemnified as authorized in this Section.

The indemnification provided by this Section shall be in addition to any other rights to which a Trustee may be entitled under any agreement, as a matter of law or equity, or otherwise, as to an action in the Trustee's capacity as a Trustee.

The School may purchase and maintain insurance on behalf of the Board of Trustees, officers and such other persons as the Board of Trustees shall determine, against any liability that may be asserted against or expense that may be incurred by such persons in connection with the activities of the School, regardless of whether the School would have the power to indemnify such persons against such liability under the provisions of these By-Laws.

The provisions of this Section are for the benefit of the Trustees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other persons.

Section 7. Execution of Contracts.

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of this school, and such authority may be general or confined to specific instances.

ARTICLE XIII. DISSOLUTION.

In the event of the dissolution of this corporation, its assets, after the payment of all liabilities and obligations, shall be distributed by the Board of Trustees, in its discretion, to educational organizations and institutions of the same type as the Georgetown Day School and of the same general character and purpose. None of such property shall inure to the benefit of any individual.

ARTICLE XIV. BANKING.

Section 1. The Board of Trustees shall approve the depositories in which the funds of the corporation shall be deposited.

Section 2. Checks drawn on the corporation account shall bear two (2) signatures, as determined by the Board of Trustees.

ARTICLE XV. AMENDMENTS.

Section 1. These By-laws may be amended by a majority vote at the annual meeting, or at a special meeting called for that purpose, or as set forth in Section 5 of Article V, or alternatively by mail or electronic ballot as set forth in Section 6 of Article V of these By-laws.

Section 2. Amendments to the By-laws may be proposed by petition signed by seventy-five (75) members of the corporation stating in writing the amendments to the By-laws proposed, presented at least fifteen (15) business days before a meeting at which such By-laws amendments shall be acted upon. Amendments to the By-laws also may be proposed by the Chair or the Board of Trustees or by any committee established by the Board of Trustees to consider revisions of the By-laws. No matter how proposed, written copies of the proposed amendments shall be mailed to the members at least ten (10) business days before a meeting at which said By-laws will be considered, and no vote will be taken on proposed amendments to the By-laws unless

there shall have been an opportunity for discussion of the proposed amendments by the members at the meeting.

Section 3. Amendments to Article VIII, Committees, and Article IX, Section 1, Regular Meetings of the Board, may be taken by Board action in accord with Article IX or Article X. If the Board amends the By-laws, the membership shall be notified.

ARTICLE XVI. GOVERNING LAW.

Section 1. These By-laws are adopted pursuant to the District of Columbia Nonprofit Corporation Act ("the Act").

Section 2. At no time shall the corporation engage in any activities that are unlawful under the laws of the United States, the District of Columbia, or any other jurisdiction where any of its activities are carried on.

Section 3. The corporation shall not possess or exercise any power of authority, whether expressly, by interpretation, or by operation of law, that would pose a substantial risk of preventing it at any time from qualifying and continuing to qualify as a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as "The Code"), contributions to which are deductible for federal income tax purposes, nor shall the corporation engage directly or indirectly in any activity that would pose a substantial risk of causing the loss of such qualification under section 501(c)(3) of the Code.

ARTICLE XVII. EFFECTIVE DATES AND TRANSITION RULES.

Section 1. These By-laws generally shall be effective on the date of approval by the membership.

Section 2. If one or more provisions of these by-laws are found to be invalid, the remaining provisions shall remain intact.