



AMENDED AND RESTATED BYLAWS OF COVENANT ACADEMY

(adopted as of October 11, 2012)

ARTICLE I: NAMES, PURPOSES, POWERS AND OFFICES

Section 1. Name. The name of the corporation is Covenant Academy.

Section 2. Purposes. the corporation is organized and shall be operated exclusively for charitable, scientific, literary or educational purposes or for the prevention of cruelty to children or animals within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision hereafter in effect (the "Code") as more specifically set forth in the Articles of Incorporation, and any and all amendments thereto (the "Articles"). More specifically, the primary purpose of the corporation is to operate a Christian-based school, "Covenant Academy" (the "School") which shall closely adhere to Statement of Purposes and Statement of Faith, attached hereto as **Exhibit A**.

Section 3. Powers. The corporation is a Texas nonprofit corporation and shall have all the powers, duties, authorizations and responsibilities relating to nonprofit corporations as provided in the Texas Business Organizations Code; provided, however, the corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from federal income tax as an organization described in Code §501(c)(3).

Section 4. Offices. The corporation's registered and principal office shall be at the location of the School, or in such place or places as the Board of Trustees may from time to time determine.

Section 5. Non-discriminatory Policy. Covenant Academy admits students of any race, color, national and ethnic origin to all rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

ARTICLE II: BOARD OF TRUSTEES

Section 1. General Powers. The property and affairs of the corporation shall be managed and controlled by the Board of Trustees, and subject to the restrictions imposed by law, by the Articles, or by these Bylaws, the Trustees shall exercise all of the powers of the corporation.

Section 2. Number and Qualification. The Board of Trustees shall consist of nine (9) Trustees, but the number of Trustees may be increased or decreased (providing such decrease does not have the effect of

shortening the term of any incumbent Trustee) from time to time by unanimous action of the Trustees then in office, provided that the number of Trustees shall never be less than three (3).

Section 3. Term, Election and Removal of Trustees. Trustees shall be elected by the affirmative vote of a majority of the Trustees then in office although less than a quorum. Election shall be affirmed by a majority of ballots returned to the Board, within two (2) weeks of official ballots being available, by Parents in Good Standing. Parents in Good Standing may each cast a ballot (one per family). "Parents in Good Standing" shall be defined as parents with children enrolled in Covenant Academy and with student accounts up to date at the time of election. Each Trustee shall serve a three-year term, and the terms will be "staggered," meaning three Trustees will have a one-year term and three will have a two-year term. A Trustee may be elected for more than one (1) term.

Each Trustee shall serve until the earlier of (a) expiration of his or her term as provided in this Section 3, (b) resignation as provided for in Article VII, Section 13 of these Bylaws, (c) removal as provided for in this Section 3, or (d) death. Any Trustee may be removed from office, with or without cause, by the affirmative vote of a majority of the Trustees of the corporation then in office. Any vacancy occurring in the Board of Trustees shall be filled by the affirmative vote on a majority of the Trustees then in office though less than a quorum of the Board of Trustees.

Section 4. Adherence to Statement of Purpose and Statement of Faith. As a matter of the corporation's policy, all board members must subscribe to the Statement of Purpose and Statement of Faith in a manner and method prescribed by the Board of Trustees either in a written statement or by oral testimony before the board.

ARTICLE III: MEETINGS OF TRUSTEES

Section 1. Meetings of Trustees. The Trustees may hold their meetings and may have an office and keep the books of the corporation at such place or places in the State of Texas, or outside the State of Texas, as the Board of Trustees may from time to time determine, provided, however, in the absence of any such determination, such place shall be the registered office of the corporation in the State of Texas.

Section 2. Annual and Regular Meetings. The Annual Meeting of the Board of Trustees shall be held at a place and time determined by resolution of the Board of Trustees for the purposes of electing officers for the ensuing year and to transact such other business as may be brought before such meeting. At least one additional Regular Meeting of the Board of Trustees shall be held each year at such time and place as shall be designated, from time to time, by resolution of the Board of Trustees.

Section 3. Special Meetings. Special Meetings of the Board of Trustees shall be held whenever called by the President, by the Secretary, by a majority of the Trustees who are serving duly-elected terms of office at the time the meeting is called, or by at least three duly-elected Trustees.

Section 4. Notices. The Secretary shall give notice of each Annual, Regular and Special Meeting in person, by mail, by facsimile or by electronic mail at least two (2) days before the meeting to each Trustee. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the corporation may be considered and acted upon at any Annual, Regular and/or Special Meeting. Any meeting at which every Trustee shall be present, even though without any notice, any matter pertaining to the purposes of the corporation may be considered and acted upon.

Section 5. Quorum. Two-thirds of the duly-elected Trustees shall constitute a quorum for the consideration of matters pertaining to the purposes of the corporation, provided, however, that Trustees present by proxy may not be counted toward a quorum. If at any meeting of the Board of Trustees there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Trustees present in person or by proxy at a meeting at which a quorum is in attendance shall constitute the act of the Board of Trustees, unless the act of a greater number is required by law, by the Articles, or by these Bylaws.

Section 6. Proxies. A Trustee may vote in person or by proxy executed in writing by the Trustee. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 7. Conduct of Business. At the meetings of the Board of Trustees, matters pertaining to the purposes of the corporation shall be considered in such order as from time to time the Board of Trustees may determine. At all meetings of the Board of Trustees, the President shall preside, and in the absence of the President, the Vice-President shall preside, and in the absence of both the President and the Vice-President, the Secretary shall preside. In the absence of all of the President, the Vice- President, and the Secretary, a chairperson shall be chosen by the Board of Trustees from among the Trustees present. The Secretary of the corporation shall act as secretary of all meetings of the Board of Trustees, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 8. Telephone Meetings. Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, members of the Board of Trustees or members of any committee designated by such Board may, unless otherwise restricted by statute, by the Articles of Incorporation or by these Bylaws, participate in and hold a meeting of such Board of Trustees or committee by using conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 8 shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9. Compensation of Trustees. Trustees, as such, shall not receive any salary or compensation for their services as Trustees, provided, that nothing contained herein shall be construed to preclude any

Trustee from receiving compensation which is not excessive for personal services (rendered in other than a "Trustee" capacity) which are reasonable and necessary in carrying out the corporation purposes.

ARTICLE IV: OFFICERS

Section 1. Titles and Term of Office. The officers of the corporation shall be a President, a Vice-President, a Secretary, and a Treasurer, and such other officers as the Board of Trustees may from time to time elect or appoint. The term of office for each officer shall be one (1) year. All officers shall be subject to removal, with or without cause, at any time by affirmative vote of a majority of the Trustees then in office. A vacancy in the office of any officer shall be filled by a vote of a majority of the Trustees.

Section 2. President. The President shall be the chief executive officer of the corporation and, subject to the provisions of these Bylaws, shall have general supervision of the activities and affairs of the corporation and shall have general and active control thereof. The President shall preside when present at meetings of the Board of Trustees and shall serve as an ex-officio member of each committee (if any) having the authority of the Board of Trustees in the management of the corporation. The President, with approval of the board, shall have general authority to execute bonds, deeds and contracts in the name of the corporation and to affix the corporate seal thereto; to cause the employment or appointment of such employees and agents of the corporation as the proper conduct of operations may require and to fix their compensation; to remove or suspend any employee or agent; and in general to exercise all the powers usually appertaining to the office of president of a Corporation, except as otherwise provided by statute, the Articles of Incorporation or these Bylaws. In the absence or disability of the President, the duties of such office shall be performed and the powers may be exercised by the Vice-President, if any, in the order of their seniority, unless otherwise determined by the President or the Board of Trustees.

Section 3. Vice-President. The Vice-President shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such office by the President or the Board of Trustees.

Section 4. Secretary. The Secretary shall see that notice is given of all annual and special meetings of the Board of Trustees and shall keep and attest true records of all proceedings at all meetings of the Board. The Secretary shall have charge of the corporate seal and shall have authority to attest any and all instruments of writing to which the same may be affixed. The Secretary shall keep and account for all books, documents, papers and records of the corporation, except those for which some other officer or agent is properly accountable. The Secretary generally performs all duties usually appertaining to the office of secretary of a Corporation. In the absence or disability of the Secretary, the duties of such office shall be performed and the powers may be exercised by the assistant secretaries, if any, in the order of their seniority, unless otherwise determined by the Secretary, the President or the Board of Trustees.

Section 5. Treasurer. The Treasurer shall be the chief accounting and financial officer of the corporation and shall have active control of and shall be responsible for all matters pertaining to the accounts and finances of the corporation and shall direct the manner of certifying the same; shall supervise the manner of keeping all vouchers for payments by the corporation and all other documents relating to such payments; shall receive, audit and consolidate all operating and financial statements of the corporation and its various departments; shall have supervision of the books of account of the corporation, their arrangements and classification; shall supervise the accounting and auditing practices of the corporation and shall have charge of all matters relating to taxation. The Treasurer shall have the care and custody of all monies, funds and securities of the corporation; shall deposit or cause to be deposited all such funds in and with such depositories as the Board of Trustees shall from time to time direct or as shall be selected in accordance with procedures established by the Board; shall advise upon all terms of credit granted by the corporation; shall be responsible for the collection of all its accounts and shall cause to be kept full and accurate accounts of all receipts, disbursements and contributions of the corporation. The Treasurer shall have the power to endorse for deposit or collection or otherwise all checks, drafts, notes, bills of exchange or other commercial papers payable to the corporation, and to give proper receipts or discharges for all payments to the corporation. The Treasurer shall generally perform all duties usually appertaining to the office of treasurer of a corporation. In the absence or disability of the Treasurer, the duties of such office shall be performed and the powers may be exercised by the assistant treasurers, if any, in the order of their seniority, unless otherwise determined by the Treasurer, the President or the Board of Trustees.

Section 6. Lead Administrator. The Board of Trustees shall have the power to appoint a Lead Administrator for the school on any terms the Board of Trustees' deem to be in the School's best interest. The Lead Administrator shall have the power manage the School on a day-to-day basis, and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such office by the President or the Board of Trustees. At the request of the Board of Trustees, the Lead Administrator shall sit attend and participate in any meeting of the Board of Trustees or any committee thereof, but the Lead Administrator shall not have a vote. The Board of Trustees, or any proper committee thereof, shall have the power to offer such reasonable compensation and benefits as it deems in the School's best interest to the Lead Administrator.

Section 7. Appointive Officers. The Board of Trustees may also appoint one or more other officers, assistant officers and agents as it shall from time to time deem necessary, who shall exercise such powers and perform such duties as shall be set forth in these Bylaws or determined-from-time to time by the Board.

Section 8. Compensation. Except as otherwise provided in Section 8 hereinafter, officers, as such, shall not receive any salary or compensation for their services as an officer, provided, that nothing contained herein shall be construed to preclude any officer from receiving compensation which is not excessive for

personal services (rendered in other than an officer capacity) which are reasonable and necessary in carrying out the corporation's purposes.

ARTICLE V: COMMITTEES

Section 1. Committees. The Board of Trustees may, from time to time, establish one or more committees, including but not limited to the specific committees described in these bylaws, and appoint one or more persons to each such committee for the purpose of consulting with, and advising the Trustees, from time to time, on matters referred by the Trustees to such body. Appointments of such committees shall be discretionary with the Trustees and the persons appointed thereto shall serve at the pleasure of the Trustees. The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed on the Board or such Trustee by law.

Section 2. Executive Committee. The Executive Committee shall consist of the President, the Vice-President, the Secretary, the Treasurer, and any Trustee(s) selected by the Board of Trustees who shall serve until they are removed as Trustees or until they are removed from the Executive Committee. The Executive Committee shall have full authority between board meetings to carry out the day-to-day activities of the corporation.

Section 3. Committee Quorum. A majority of the members of a committee or advisory board shall constitute a quorum for the transaction of business at any meeting.

Section 4. Rules. Each committee or advisory board created pursuant to this Article V may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Trustees.

ARTICLE VI: CONFLICT OF INTEREST

Section 1. Conflict of Interest Policy.

(a) Definitions. A conflict of interest exists when a Trustee has a personal, financial or business interest in a transaction or potential transaction in which the interests of the corporation are also involved. A conflict of interest might arise out of a Trustee's relationships, positions or circumstances in which he or she is involved, including a family relationship or other relationship involving a fiduciary capacity owed to the other party to the contract or transaction under consideration. Such relationships, positions or circumstances might include ownership of a business that might provide goods or services to the

corporation (or have other unique relationships with the corporation) or service as a trustee, Trustee, or consultant to a nonprofit organization.

(b) Disclosure of Conflict of Interest. Prior to a Board action on a contract or transaction (e.g., charitable contributions, contract approval, sale of stock including but not limited to donated stock), Trustees shall disclose any potential interest (e.g., personal, financial or business) of the Trustee or family that would be affected by any action being considered for a vote by the Board of Trustees (a "conflict of interest"). Such disclosure must be of record in the minutes.

(c) Consideration of Transaction or Contract. A Trustee who has a conflict of interest may not participate in or be present for discussion of the matter, except that the Trustee who has a conflict of interest may meet with the Board of Trustees to disclose material facts and to respond to questions. A Trustee who has a conflict of interest may not attempt to exert his or her personal influence either at or outside the meeting.

(d) Voting by Disinterested Trustees. The Trustee with the conflict of interest may not vote or be present for voting on the matter. The Board of Trustees shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(e) Violations of Conflict of Interest Policy. If the Board of Trustees has reasonable cause to believe a Trustee has failed to disclose actual or possible conflicts of interest, it shall inform the Trustee of the basis for such belief and afford the Trustee an opportunity to explain the alleged failure to disclose. If, after hearing the Trustee's response and after making further investigation as warranted by the circumstances, the Board of Trustees determines the Trustee has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(f) Annual Statements. Each Trustee shall annually sign a statement which affirms such person:

(i) has received a copy of the Bylaws containing the Conflict of Interest Policy,

(ii) has read and understands the Policy,

(iii) has agreed to comply with the Policy, and

(iv) understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 2. Periodic Reviews. To ensure the corporation operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted of the corporation's governing documents, material contracts, compensation arrangements and partnerships, joint ventures, and arrangements with other

organizations (if any) to ensure that the corporation is working to further its exempt purposes and that the foregoing do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VII: MISCELLANEOUS

Section 1. Dividends Prohibited. No part of the net income of the corporation shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the corporation shall be distributed to its Trustees or officers. Notwithstanding the foregoing, the corporation may pay compensation in a reasonable amount to its Secretary-Treasurer and to its Trustees for services rendered in a non-Trustee capacity, as otherwise provided in these bylaws.

Section 2. Loans to Officers and Trustees Prohibited. No loans shall be made by the corporation to its officers or to its Trustees. Any Trustees voting for or assenting to the making of any loan to a Trustee or officer which is prohibited by the Texas Business Organizations Code, and any officer participating in the making thereof, shall be jointly and severally liable to the corporation for the amount of such loan until repayment thereof.

Section 3. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Trustees.

Section 4. Contracts. The Board of Trustees may authorize any officer or officers, or agent or agents, of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 5. Loans. No loans shall be contracted on behalf of the school without the approval of at least two-thirds of the Trustees then in office, and for loans in an amount greater than \$50,000.00, a minimum of seven (7) days advance written notice to the Parents in Good Standing (as defined in Section 3 of Article II). Loans over \$250,000 must also receive the approval of two-thirds of the Parents in Good Standing (one vote per family).

Section 6. Checks, Drafts or Orders for Payment. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, or agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees. In the absence of such determination, such instruments shall be signed by the President and the Treasurer of the corporation.

Section 7. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Trustees may select or as may be selected in accordance with procedures established by the Board.

Section 8. Seal. the corporation's seal, if any, shall be in such form as shall be adopted and approved from time to time by the Board of Trustees. The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed, imprinted or in any manner reproduced.

Section 9. Gender. Words of either gender used in these Bylaws shall be construed to include the other gender, unless the context requires otherwise.

Section 10. Invalid Provisions. If any part of these Bylaws shall be held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

Section 11. Headings. The headings used in these Bylaws are for convenience only and do not constitute matter to be construed in the interpretation of these Bylaws.

Section 12. Unanimous Consent. Any action required or permitted to be taken at any meeting of the Trustees or the members of a committee may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by all of the Trustees or all of the committee members, as the case may be. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document.

Section 13. Notice and Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same in post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his post office address, as it appears on the books of the corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 14. Resignations. Any Trustee or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary-Treasurer. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE VIII: INDEMNIFICATION OF TRUSTEES AND OFFICERS

Each Trustee and each Officer or former Trustee or Officer of the corporation shall be indemnified by the corporation against liabilities imposed upon him or her and expenses reasonably incurred by him or her in connection with any claim against him or her, or any action, suit or proceeding to which he or she may be a party by reason of his or her being, or having been, such Trustee or Officer, and against such

sum as independent counsel selected by the Trustees shall deem reasonable payment made in settlement of any such claim, action, suit or proceeding primarily with the view of avoiding expenses of litigation; provided, however, that no Trustee or Officer shall be indemnified (a) with respect to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of duty, (b) with respect to any matters which shall be settled by the payment of sums which independent counsel selected by the Trustees shall not deem reasonable payment made primarily with a view to avoiding expense of litigation, or (c) with respect to matters for which such indemnification would be against public policy. Such right of indemnification shall be in addition to any other rights to which Trustees or Officers may be entitled.

ARTICLE IX: AMENDMENTS

These Bylaws may be altered, amended, or repealed by the affirmative vote of at least two-thirds of the Trustees then in office at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting.

CERTIFICATE

I, name, hereby certify that I am the Secretary of Covenant Academy, a Texas nonprofit corporation, and that attached hereto is a true and correct copy of the original Amended and Restated Bylaws of the corporation, which bylaws have not been amended, modified, or revoked, and are in full force and effect on the date hereof.

_____ name, Secretary

Date: _____

EXHIBIT A

Statement of Purposes and Statement of Faith

Statement of Purpose

The purpose of Covenant Academy is to train students to be thinking, articulate, and devoted followers of Jesus Christ who desire to glorify God with their lives. To accomplish such purposes, we are committed to:

- A. Integrate biblical truth in all subjects and pursue academic excellence that is defined and measurable.
- B. Cultivate thinking, articulate students who are able to accumulate facts, reason to sound conclusions, and persuasively convey those conclusions.
- C. Equip students to stand firm in their belief of a Christian world-view when confronted with other world-views.
- D. Maximize each child's spiritual, academic and social potential.
- E. Promote an atmosphere of open communication between the school and parents concerning the development of each student and in all other school-related areas.
- F. Model a Christian life in our board and staff.

Statement of Faith

- A. We believe the Bible alone to be the Word of God, the ultimate and infallible authority for faith and practice.
- B. We believe that there is one God, eternally existent in three Persons: Father, Son, and Holy Spirit. He is omnipotent; that is, He can do all things. He is omnipresent; that is He is present to all creation and has under His immediate authority all things, which are in Heaven, in the earth, and under the earth. He is omniscient; that is, He knows all things. He readily exercises His power which is present everywhere, and to Him there is nothing that is impossible or unknown, that is He knows what has been from eternity, what now takes place everywhere, and what will be to all eternity.
- C. We believe that the Lord Jesus Christ, the eternal Son of God, became man without ceasing to be God. He was conceived of the Holy Spirit and born of the virgin Mary. We believe in His sinless life, in His miracles, in His vicarious and atoning death through His shed blood, in His bodily resurrection, in His ascension to the right hand of the Father, and in His personal return in power and glory.

D. We believe that the Holy Spirit convicts people of sin, righteousness and judgment. He regenerates those who receive Christ as and indwells them permanently, seals them unto the day of redemption. He also gives to them spiritual gifts and empowers those yielded to Him.

E. We believe that all have sinned and fall short of the glory of God. We believe that salvation is by grace through faith alone. We believe in the eternal assurance of salvation.

F. We believe that our faith will result in sanctification, which is a setting apart of an individual unto God, and is positional, progressive and ultimate.

G. We believe in the resurrection of both the saved and the lost; they that are saved to the resurrection of life and they that are lost to the resurrection of damnation and eternal separation from the presence of the Lord.

H. We believe that the Church, the Body and Bride of Christ, is made up of all born-again persons.