

BYLAWS OF
THE GALLOWAY SCHOOL

ARTICLE I

1.01 Name: The name of the corporation shall be THE GALLOWAY SCHOOL.

1.02 Registered Office and Registered Agent: The Corporation will maintain a registered office and registered agent in Texas. The Board may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act. The registered address of the corporation, where the corporation may be served with process is 3200 West Bay Area Blvd., Friendswood, Texas, 77546, and the registered agent is Ms. Bonnie Cerace.

1.03 Other Addresses: The corporation may also have other addresses or offices at such other places both within or without the State of Texas as the Board of Trustees may from time to time determine or the affairs of the corporation may require.

ARTICLE II

2.01 Purpose: The Galloway School is organized exclusively for educational purposes, including but not limited to maintaining a day school that provides a challenging educational program, of the highest quality, in a Christian environment, using a customized academic curriculum, and hereby pledges its assets to fulfilling this purpose. The environment provided for all students shall nurture each child's self-esteem and guide development of moral values and skills needed to excel as students and as citizens in society.

2.02 Tax Status: The Galloway School is a non-profit corporation formed pursuant to the Internal Revenue Code of 1954, Section 501(c)(3).

2.03 Standards: The Galloway School shall strive to maintain the highest academic standards for each level of class instruction. These standards shall be compatible with those of the National Association of Independent School and the National association for the Education of Young Children. Standards for child care shall meet those required by the State of Texas.

ARTICLE III

3.01 Management: The Board of Trustees shall have the exclusive powers, rights and duties for the management and control of the affairs of The Galloway School. The Board of Trustees shall formulate such policies as will enable the school to fulfill its stated purpose, and with the aid of the school staff, shall be responsible for causing said policies to be made effective.

3.02 Number and Qualifications: The Board of Trustees shall consist of not less than four (4) and not more than fifteen (15) Trustees. The Board shall also have two standing ex-officio members, comprised of the Headmistress of the school and Mrs. Marie Galloway. Additional ex-officio members may be added as provided in Paragraph 3.14. Each Trustee shall be a member of the community in good standing and of strong moral character.

3.03. Nominating Trustees. At any meeting at which the election of a Trustee is held, a voting Trustee in good standing may nominate a person with the second of any other voting Trustee in good standing. In addition to nominations made at meetings, a nominating committee may consider possible nominees and make nominations for each election of Trustees. The secretary will include the names nominated by that committee, and any report of the committee, with the notice of the meeting at which the election is to occur.

3.04 Election And Terms: New Trustees shall be elected annually by an affirmative majority of the incumbent Board of Trustees at the annual meeting. Each Trustee elected shall hold a three (3) year term, or until his or her resignation or removal in the manner herein provided. The number of terms of office a Trustee may hold shall not be limited. Terms of office shall be staggered so that no more than one third of the Trustees' terms expire in a given year.

3.05 Change in Number: The number of Trustees may be decreased or increased from time to time by amendment to these By-Laws. However, no decrease shall have the effect of shortening the term of any incumbent Trustee. Any Trustee position to be filled by reason of an increase in the number of Trustees shall be filled by the Board of Trustees.

3.06 Quorum And Majority Vote: At all meetings of the Board of Trustees, a simple majority of the members of the Board shall constitute a quorum for the transaction of business. The act of a majority of the Trustees, present at any meeting at which a quorum is present shall be the act of the Board of Trustees, except as otherwise specifically provided for by statute, by the Articles of Incorporation, or in these By-Laws. At any meeting, no action shall be taken nor be binding unless a quorum is present, and is voted upon in person. Voting by proxy is not permitted.

3.07 Resignation: Any Trustee may resign, at any time, by giving written notice to the President or Secretary. Such resignation shall take effect at the time specified therein and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

3.08 Removal: Any Trustee may be removed for cause by an affirmative vote of the majority of the Trustees at a regular meeting. Cause which would justify such removal includes, but is not limited to, a Trustee not attending three (3) consecutive regularly scheduled Trustee meetings.

3.09 Vacancies: Any vacancy occurring on the Board of Trustees, whether by resignation, removal, death or otherwise, may be filled by an affirmative vote of a majority of the remaining Trustees, even if there remains less than a quorum of the Board of Trustees. Vacated Board positions shall be filled for the remainder of the existing term.

3.10 Annual And Regular Meetings: The annual meeting of the Board of Trustees shall be held on the school premises, in September of each year. The Board of Trustees shall then hold

regular monthly meetings at such time and place as determined by a resolution of the Board. No notice of regular Board meetings is required other than a Board resolution stating the time and place of the meetings.

3.11 Special Meetings: Special meetings of the Board of Trustees may be called by the President of the corporation, or by the majority of Trustees, provided there is not less than three days, nor more than thirty days, prior notice to each Trustee. Notice may be by mail, telephone, or personally. The Board of Trustees may meet and take valid action without prior notice if all Board members waive said notice in writing.

3.12 Action Without Meeting: Any action required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting if written consent setting forth the action so taken is signed by all members of the Board. Such consent shall have the same force and effect as a unanimous vote at a meeting. The signed consent shall be placed in the minute book. Alternatively, any action required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting of the Board if (a) consented to in writing (which may be by email) by a two-thirds majority of the voting members of the Board and (b) thereafter ratified by a simple majority vote at its next meeting.

3.13 Compensation: The Trustees shall not be paid a salary not be given any compensation for their time and service as a Trustee. A Trustee may however, be reimbursed for his or her expenses, if any, in connection with the affairs of The Galloway School, provided said reimbursement is requested in writing and is provided for in the annual budget.

3.14 Lifetime Trustees: Upon serving at least one three year term on the Board of Trustees, a Trustee may be elected by the incumbent Board of Trustees to the position of Lifetime Trustee. A Lifetime Trustee shall serve as an ex-officio member of the Board, and serve the important role of insuring continuity and permanence to The Galloway School.

3.15 Duties of Trustees: Trustees will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the corporation's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on Trustees, Trustees may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the corporation or another person that has been prepared or presented by a variety of persons, including officers and employees of the corporation, professional advisors or experts such as accountants or legal counsel. A Trustee is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted. Trustees are not deemed to have the duties of trustees of a trust with respect to the corporation or with respect to any property held or administered by the corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

3.16. Duty To Avoid Improper Distributions: Trustees who vote for or assent to improper distributions are jointly and severally liable to the corporation for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the corporation lacks sufficient assets to pay its debts, obligations, and liabilities. Any distribution made when the corporation is insolvent, other than in payment of corporate debts, or any distribution that would render the corporation insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for payment and discharge of all known debts, obligations, and liabilities is also improper. Trustees present at a Board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the secretary of the corporation before adjournment of the meeting in question or mailed to the secretary by registered mail immediately after adjournment. A Trustee is not liable if, in voting for or assenting to a distribution, the Trustee (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the corporation; legal counsel, public accountants, or other persons as to matters the Trustee reasonably believes are within the person's professional or expert competence; or a committee of the Board of which the Trustee is not a member; (2) while acting in good faith and with ordinary care, considers the corporation's assets to be at least that of their book value; or (3) in determining whether the corporation made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Trustees are protected from liability if, in exercising ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the corporation. Trustees held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

3.17 Interested Trustees: Contracts or transactions between Trustees or officers who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the Trustee or officer is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, every Trustee with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefit and potential conflicts of interest, to the other members of the Board or other group authorizing the transaction. The transaction must be approved by a majority of the uninterested Trustees or other group with the authority to authorize the transaction.

ARTICLE IV

4.01 Executive Officers: The executive officers of The Galloway School shall be a President, a Vice-President, a Secretary, and a Treasurer. Each executive officer will be elected annually by the incumbent Board of Trustees at the annual meeting, and shall serve a one year term until the

following annual meeting. If officers are not elected at this time, they will be elected as soon thereafter as possible. Each officer will hold office until a successor is duly elected and qualifies. Any two (2) or more executive offices may be held by the same person except that the President and the Treasurer may not be the same person or live in the same household.

4.02 Removal: Any executive officer elected by the Board of Trustees may be removed by the Board whenever in its judgment, the best interest of the corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election of an executive officer shall not of itself create contract rights.

4.03 Vacancies: Any executive office vacancy occurring, whether by resignation, removal, death or otherwise, may be filled by an affirmative vote of a majority of the remaining Trustees. Vacated executive officer positions shall be filled for the remainder of the existing term.

4.04 Authority: Executive Officers shall have the power and duties in the management of the corporation as are provided in these By-Laws or as may be determined by resolution of the Board of Trustees, provided they are not inconsistent with these By-Laws.

4.05 President: The President shall be the chief executive officer of the corporation. He or she shall have general and active management of the business affairs of the Galloway School and shall see that all orders and resolutions of the Board of Trustees are carried into effect. He or she shall work closely with Headmaster or Headmistress of the school to ensure continuity and enforcement of the Board's policies. He or she shall be the co-signatory, along with the Headmaster or Headmistress, of all contracts and obligations authorized by the Board of Trustees, unless such signatory authority is expressly given otherwise within these By-Laws. He or she shall perform such other duties and have such other authority and powers as the Board of Trustees may from time to time prescribe.

4.06 Vice-President: In the absence of the President, or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President. The Vice-President shall work closely with any Committees created pursuant to these By-Laws, ensuring that the Committees are performing the responsibilities given to them. In addition, he or she shall perform such duties as from time to time may be assigned by the President.

4.07 Secretary: The Secretary shall attend all meetings of the Board of Trustees and record all votes and minutes of all proceedings, and give all notices required under these By-Laws. All records and minutes shall be kept in the corporate minutes and a second set of records and minutes shall be maintained in a permanent file, along with a list of the correct names and addresses of all Board members. The Secretary shall also maintain in the permanent file, for the purpose of preserving vital records, copies of the By-Laws, committee reports, financial statements and other documents and materials of permanent value. He or she shall give, or cause to be given, proper notice of all meetings of the Board of Trustees, whether annual, regular or special. He or she shall be under the supervision of the President and shall perform such other

duties and have such other authority and powers as the Board of Trustees may from time to time delegate.

4.08 Treasurer:

A. The Treasurer shall have custody of the corporate funds and securities, and shall keep full and accurate account of receipts and disbursements of the corporation. The Treasurer shall deposit, or cause to be deposited, all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Trustees.

Board of Trustees. Upon affirmative action by the Board of Trustees, the Treasurer may establish a separate operations account for the purpose of paying the day to day operating expenses of The Galloway School. The Treasurer shall remain a signatory on said account, but may designate a second individual to have signature authority and act as an agent of the Board of Trustees. Said agent does not necessarily have to be a voting member of the Board of Trustees. However, the Treasurer shall supervise his or her agent through monthly financial reports and shall remain responsible for the agent's actions.

C. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Trustees, taking proper vouchers of such disbursements, and shall render to the Board of Trustees a report of all financial transactions at each regular meeting. An annual accounting shall be presented at the annual meeting.

D. The treasurer shall establish any other accounts so required by the Board of Trustees. Every trust, endowment, or savings account opened in the name of the corporation shall require two signatures.

E. If required by the Board of Trustees, the Treasurer shall give the corporation a bond in such form, in such sum, and with such sureties, as shall be satisfactory to the Board of the faithful performance of the duties of his or her office, and for the restoration to the corporation, in the case of his or her death, resignation, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation.

F. The treasure shall perform such other duties and have such other authority and powers as the Board of Trustees may from time to time prescribe.

4.08 Compensation: Executive Officers shall not be entitled to receiver a salary or any other form of compensation for personal services and time rendered to the corporation.

ARTICLE V

5.01 Committees: The Board of Trustees may, by resolution and with the approval of the majority of members, create and/or designate one or more committees to conduct some of the

business and affairs of The Galloway School, to the extent authorized by the resolution. The Board of Trustees, by majority vote, shall have the power to change, at any time, the powers and members of the committees, to fill vacancies, and to dispose of any committee. The designation of authority to a committee shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed by these By-Laws of the laws of the State of Texas.

5.02 Committee Membership: Members of any committee authorized by the Board of Trustees shall serve at the discretion of the Board . Each committee shall appoint a chairperson. At least one member of the Board of Trustees shall serve on each committee, in either an active or ex-officio capacity. Said Trustee shall be responsible for seeing that the committee reports to the Vice-President and assist in assuring that the committee fulfills the purpose and obligations for which the committee was created. The Trustee on the committee may delegate his or her reporting responsibility to the Chairperson of the committee.

5.03 Term of Committee: The term of office for any committee member is one year, if not terminated sooner in accordance with these By-Laws.

5.04 Limitations of Committee Authority: Any committee created by and referred to in these By-Laws, shall function within the authority of the Board of Trustees. However, all committees are strictly prohibited from and are expressly without authority to:

- A. Amend, alter or repeal the By-Laws, or adopt new By-Laws;
- B. Alter or repeal any resolution of the Board of Trustees, including any resolutions creating or pertaining to the committee; or
- C. Conduct activities prohibited by Article 2.36 B and C of the Texas Business Corporation Act.

ARTICLE VI

6.01 Headmaster/Headmistress: The Board of Trustees shall insure that at all times there is a Headmaster or Headmistress of The Galloway School. The Headmaster or Headmistress shall be chosen by The Galloway School. The Headmaster or Headmistress shall function as the academic and administrative head of the school, supervising other administrative personnel, staff an faculty. The Headmaster or Headmistress shall be empowered to operate the school on a daily basis and shall take all actions necessary and proper to run the day-to-day operations of The Galloway School.

ARTICLE VII

7.01 Contracts: The Board of Trustees may authorize any executive officer(s) or agent(s), in addition to the executive officers so authorized by these By-Laws, to enter into any contract or

execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

7.02 Ownership: All property, whether real or personal, of The Galloway School, shall be owned by and vested in the corporation. The Board of Trustees shall have the responsibility and authority over all corporate property.

7.03 Gifts: The Board of Trustees may accept on behalf of the corporation any contribution, gift bequest, or devise for the general purpose or for any special purpose of the corporation.

ARTICLE VIII

8.01 Non-Discrimination Policy: The Galloway School, its Board of Trustees, the administration and employees shall follow and be bound by strict policy of non-discrimination on grounds of race, color religion, national or ethnic origin or sex, in their employment, admissions, retention an disciplinary actions.

ARTICLE IX

9.01 Books and Records: The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Trustees, and committees having any authority of the Board of Trustees, and shall keep at the registered of principle office a record of the names and addresses of all Trustees. All books and records of the corporation may be inspected by any member or his or her agent or attorney, for any purpose, at any reasonable time.

9.02 Fiscal Year: The fiscal year of the corporation shall begin on the first day of July and end on the last day of June each year.

9.03 Seal: The Board of Trustees shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and words“Corporate Seal of The Galloway School.”

9.04 Waiver of Notice: Whenever any notice is to be given under the provisions of the Texas Non-Profit Corporation Act, or under the provisions of the Articles of Incorporation or the By-Laws of the corporation, a waiver thereof, in writing and signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.05 ‘Roberts Rules of Order’: Roberts Rules of Order shall govern all meetings of the corporation except when they conflict with these By-Laws or with the laws of the State of Texas.

ARTICLE X

10.01. When Indemnification Is Required, Permitted, and Prohibited.

(a) The corporation will indemnify a Trustee, officer, committee member, employee, or agent of the corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the corporation. For the purposes of this article, an agent includes one who is or was serving at the corporation's request as a Trustee, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other enterprise.

(b) The corporation will indemnify a person only if he or she acted in good faith and reasonably believed that his or her conduct was in the corporation's best interests. In case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The corporation will not indemnify a person who is found liable to the corporation or is found liable to another on the basis of improperly receiving a personal benefit from the corporation. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted. Termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the corporation.

(c) The corporation will pay or reimburse expenses incurred by a Trustee, officer, committee member, employee, or agent of the corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the corporation may indemnify a Trustee, officer, committee member, employee, or agent of the corporation to the extent permitted by law. However, the corporation will not indemnify any person in any situation in which indemnification is prohibited by paragraph 10.01(a), above.

(e) The corporation may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might be eventually be entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in paragraph 10.03(c), below, have been satisfied. Furthermore, the corporation will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the corporation or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

10.02. Extent and Nature of Indemnity. The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the

proceeding. If the proceeding was brought by or on behalf of the corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

10.03. Procedures Relating to Indemnification Payments.

(a) Before the corporation may pay any indemnification expenses (including attorney's fees), the corporation must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c), below. The corporation may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of Trustees who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all Trustees, consisting solely of two or more Trustees who at the time of the vote are not named defendants or respondents in the proceeding.

(iii) Determination by special legal counsel selected by the Board by the same vote as provided in subparagraphs (i) or (ii), above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Trustees.

(b) The corporation will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (a)(iii), above, governing selection of special legal counsel. A provision contained in the articles of incorporation, or a resolution of the Board that requires the indemnification permitted by paragraph 10.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The corporation will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a), above. In addition to this determination, the corporation may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the

amounts advanced by the corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

ARTICLE XI

11.01 Amendment to By-Laws: These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted by a two-thirds majority of the Board of Trustees after said amendments have been endorsed by a majority of the Trustees. Any amendments, alterations, revisions, or proposed new By-Laws shall be submitted to the Board of Trustees ten (10) days prior to the meeting at which they will be voted upon, unless notice is waived as provided for within these By-Laws.

ARTICLE XII

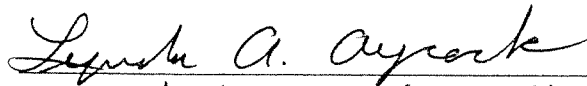
12.01 Dissolution: This corporation may be dissolved by an affirmative vote of two-thirds of all members of the Board of Trustees, at a meeting specifically for that purpose.

12.02 Remaining Assets: In the event of dissolution of the corporation, in any manner or for any cause, any assets of the corporation remaining after the timely payment of all debts and obligations of the corporation, shall be given to an educational institution and /or non-profit organization devoted to the education of children.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of The Galloway School and that these Bylaws constitute the corporation's Bylaws. These Bylaws, as amended, were duly passed, approved and adopted by the requisite number of trustees by unanimous written consent effective April 12, 1999. These By-Laws supersede any prior By-Laws and are intended to be the only By-Laws in effect governing The Galloway School.

Dated: 9-24-08



Printed Name: LINDA A. AYCOCK
Secretary of the Corporation