

BYLAWS
OF
IOWA LUTHERAN SCHOOL TUITION ORGANIZATION, INC.

ARTICLE I
OFFICES

The principal office of the Iowa Lutheran School Tuition Organization, Inc. (the "Corporation") in the State of Iowa shall be located in the City of Fort Dodge, Webster County. The Corporation may have such other offices, within or without the State of Iowa, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

The registered offices of the Corporation required by the Revised Iowa Nonprofit Corporation Act to be maintained in the State of Iowa may, but need not, be identical with the principal office in the State of Iowa, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II
BOARD OF DIRECTORS

2.1 General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

2.2 Number, Tenure and Qualifications. The number of the Directors of the Corporation shall be no less than seven (7) or no more than nineteen (19).

Except for the initial Directors as indicated in the Articles of Incorporation, each of whom may serve for staggered initial terms of up to five (5) years as determined by an affirmative vote of the initial Board of Directors, each Director shall hold office for a term of three (3) years.

Directors need not be residents of the State of Iowa. Directors must be individuals. A person may serve up to two (2) consecutive terms.

2.3 Regular and Annual Meeting. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Iowa, for the holding of regular meetings without other notice than such resolution.

The Annual Meeting of the Directors shall be held on the 2nd Monday in May of each year commencing in 2007 at which time the election of new Directors shall take place to replace those whose term has, or will next be, expired.

2.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special of the Board of Directors called by them.

2.5 Notice. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally or mailed or emailed to each Director at the business address of same, or sent by facsimile. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transactions of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

2.6 Quorum. A majority of the members of the Board of Directors then in office and present at any meeting of the Board shall constitute a quorum. The Board of Directors, in its sole discretion, may permit one or more Directors to participate in any meeting of the Board through the use of any means of communication by which all Directors participating may simultaneously clearly hear each other during the meeting. A Director permitted by the Board to participate in a meeting by this means shall be deemed to be present at the meeting. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than an announcement at the meeting of the next meeting date, until a quorum shall be present.

2.7 Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

2.8 Vacancies. Any vacancy occurring in the Board of Directors due to expiration of term of office, resignation, removal, or otherwise, and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the vote of two-thirds (2/3) of the Directors then in office.

A Director so elected shall be elected for the unexpired term of the predecessor in office or the full term of such new directorship.

2.9 Resignation. A director may resign at any time by delivering written notice to the Board, its presiding officer or to the Chairman, President, or Secretary. A resignation is effective when the notice is delivered unless the notice specifies a later date. If resignation is made effective at a later date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

2.10 Removal of Directors. Any Director may be removed at any time with or without cause by a vote of at least two-thirds (2/3) of the Directors then in office. Any vacancy created by the removal of any Director shall be filled in the manner provided for in Section 2.8 of these Bylaws.

2.11 Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be

presumed to have assented to the action taken unless dissent shall be entered in the minutes of the meeting or unless such Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

2.12 Informal Action by Directors. Any action required to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors or of a committee of Directors, may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more written consents.

2.13 Committees. The Board of Directors from time to time by Resolution adopted by a majority of the full Board of Directors may appoint from its members a committee or committees, temporary or permanent, and, to the extent permitted by law and these Bylaws, may designate the duties, powers and authorities of such committee.

2.14 Compensation. Directors shall serve without compensation, except reasonable expenses may be paid.

ARTICLE III OFFICERS

3.1 Number. The officers of the Corporation shall be a Chairman of the Board, a President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers, as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more may be held by the same person.

3.2 Election and Term of Office. The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until a successor shall have been duly elected and shall have qualified or until death, resignation or removal in the manner hereinafter provided.

3.3 Removal. Any officer may be removed by the Board of Directors, with or without cause, by vote of the majority of the Directors present at a regular or special meeting. Election or appointment of an officer shall not of itself create contract rights. An officer may resign at any time by delivering notice to the Corporation.

3.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, must be filled for the unexpired portion of the term by vote of the majority of the Directors present at a regular or special meeting,

3.5 Chairman of the Board. The Chairman of the Board shall preside at meetings of the Board of Directors and shall perform such other duties as shall be assigned, from

time to time, by the Board.

3.6 President. The President shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The President may sign, with the Secretary or any other proper officer of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

3.7 Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be the custodian of all corporate records; (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

3.8 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and (b) in general perform all of the duties incident to the officer of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

3.9 Compensation. The officers shall serve without compensation except reasonable expenses shall be paid.

ARTICLE IV SCHOOLS SERVED BY THE CORPORATION

4.1 Eligibility. The Board of Directors shall determine eligibility for Membership by schools to be served by the Corporation, subject to the following minimum requirement:

The school must be a "Qualified School" as determined under Iowa Code Section 422.11M and Iowa Administrative Code Section 701-42.30(422), and shall provide proof of same to the Board.

4.2 Membership. The initial schools served by the Corporation are (a) Trinity Lutheran School, Boone; (b) Trinity Lutheran School, Cedar Rapids; (c) Clarinda Lutheran School, Clarinda; (d) Clemons Lutheran School, Clemons; (e) Trinity Lutheran School, Council Bluffs; (f) Trinity Lutheran School, Davenport; (g) Zion Lutheran School, Denison; (h) Dubuque

Lutheran School, Dubuque; (i) St. Paul Lutheran School, Fort Dodge; (j) St. Paul Lutheran School, Latimer; (k) Central Lutheran School, Newhall; (l) Zion-St. John Lutheran School, Paullina; (m) Community Lutheran School, Readlyn; (n) St. Paul Lutheran School, Sioux City; (o) Iowa Great Lakes Lutheran School, Spencer; (p) Concordia Lutheran School, Storm Lake; (q) Immanuel Lutheran School, Waterloo; (r) Lutheran Interparish School, Williamsburg; and (s) Zion Lutheran School, Wilton, subject to each providing proof it is a Qualified School as set forth above.

Once a school has been accepted by the Board as a Qualified School, the Corporation shall serve, it shall not be removed from the Corporation as a school the Corporation serves except upon the vote of two-thirds (2/3) of the Board of Directors, with or without cause, or upon the school requesting it no longer be served by the Corporation.

ARTICLE V CONTRACTS, LOANS, CHECKS AND DEPOSITS

5.1 Contracts. The Board of Directors may authorize any officer or officers, agents or agents, 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.

5.2 Checks, Drafts, Etc. All checks, drafts, or other 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 and officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

5.3 Deposits. All funds of the Corporation not otherwise employed 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 Directors may select.

ARTICLE VI ALTERATION, AMENDMENT OR REPEAL

These Bylaws may be altered, amended or repealed and new bylaws may be adopted by a vote of two-thirds (2/3) of the Board of Directors at any regular or special meeting.