

BYLAWS OF
FRIENDS OF PALMS JUNIOR HIGH
A CALIFORNIA NONPROFIT
PUBLIC BENEFIT CORPORATION

ARTICLE I
PURPOSES AND OFFICES

Section 1.01. Organic Structure. This corporation is a nonprofit, public benefit corporation and not for the private gain of any person. It has been incorporated for public educational purposes under the California Nonprofit Public Benefit Corporation Law.

Section 1.02. Specific Purposes and Objectives. This corporation has been organized and formed for the specific purpose of raising funds to be used to support the Palms Junior High School which is a public junior high school for grades 9 through 11 in the Los Angeles Unified School District (in Los Angeles, California). The Corporation will coordinate its operations and objectives with the School Administration to identify areas which may be appropriate for the Corporation's assistance. All funds raised by the organization will be used for the benefit of the children attending the School full-time and will be applied towards the costs and expenses of achieving the objectives described above.

Section 1.03. Limitations. No substantial part of the activities of this corporation shall consist of lobbying or

propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, and this corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office except as provided in Section 501(h) of the Internal Revenue Code of 1986.

All corporate property is irrevocably dedicated to the purposes set forth in Section 1.02 of these bylaws. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals.

On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such organization (or organizations) organized and operated exclusively for charitable or educational purposes which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law) and which has established its tax-exempt status under Section 2370d of the California Revenue and Taxation Code (or the corresponding section of any future California revenue and tax law).

The corporation will distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986 or corresponding provisions of any later federal tax laws.

The corporation will not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1986 or corresponding provisions of any later federal tax laws.

The corporation will not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1986 or corresponding provisions of any later federal tax laws.

The corporation will not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1986 or corresponding provisions of any later federal tax laws.

The corporation will not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1986 or corresponding provisions of any later federal tax laws.

Section 1.04. Principal Office. The principal office of the corporation for the transaction of its business shall be fixed and located at such place as the Board of Directors of this corporation shall determine. The Board of Directors is granted full power and authority to change the location of the principal office.

Section 1.05. Other Offices. The corporation may also have offices at such other places, within or without the State of California where it is qualified to do business, as its business may require and as the Board of Directors may from time to time designate.

ARTICLE II

MEMBERSHIP

Section 2.01. Corporations Without Voting Members. This corporation shall have no voting members.

Section 2.02. Other Persons Associated With The Corporation. The corporation may refer to persons or entities associated with it as "honorary members" even though the corporation has no voting members. No such reference shall convey any authority to act on behalf of the corporation or to exercise any rights or privileges, or otherwise constitute anyone a member within the meaning of Section 5056 of the California Corporations Code. Such reference shall be entirely honorary in nature.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board.

Section 3.02. Specific Powers. Without prejudice to the general powers set forth in Section 3.01 of these bylaws, but subject to the same limitations, the directors shall have the power to:

(a) Appoint and remove, at the pleasure of the board, all the corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(b) Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country and conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of the board.

(c) Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

(d) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

Section 3.03. Authorized Number. The board of directors shall consist of at least three (3) but no more than fifteen (15) directors until changed by amendment to these bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the board of directors.

Section 3.04. Restriction of Interested Persons as Directors. Not more than 33 percent of the persons serving on the board may be interested persons. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not

affect the validity or enforceability of any transaction entered into by the corporation.

Section 3.05. Election, Designation, and Term of Office. All directors shall be elected at each annual meeting of the directors, to hold office until the next annual meeting; however, if any such directors are not elected at any annual meeting, they may be elected at any special directors' meeting held for that purpose, by written ballot or by action without a meeting by written consent. Each such director, including a director elected to fill a vacancy or elected at a special directors' meeting or by written ballot, or by action without a meeting by written consent shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. The President, Vice President, Chief Financial Officer, Corresponding Secretary and Recording Secretary elected by the Board of Directors shall also be elected as members of the Board.

Section 3.06. Events Causing Vacancy. A vacancy or vacancies on the board shall exist on the occurrence of the following: (a) the death or resignation of any director; (b) the declaration by resolution of the board of a vacancy in the office of a director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (c) the increase of the authorized

number of directors; or (d) the vote of a majority of all directors to remove any director(s).

Section 3.07. Resignations.

(a) Except as provided below, any director may resign by giving written notice to the chairman of the board, if any, or to the president or the secretary of the corporation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if the corporation would be left without a duly designated director or directors.

(b) Filling Vacancies. Vacancies on the board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director.

(c) No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 3.08. Meetings of the Directors.

(a) Place of Meetings. Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice

of the meeting or, if not so designated, at the principal office of the corporation.

(b) Meetings by Telephone. Any meeting may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such a meeting.

(c) Annual Meeting. The board shall hold a regular meeting for purposes of organization, election of officers and directors, and transaction of other business. Notice of this meeting is not required.

(d) Other Regular Meetings. Other regular meetings of the board may be held without notice at such time and place as the board may fix from time to time.

Section 3.09. Special Meetings.

(a) Authority to Call. Special meetings of the board for any purpose may be called at any time by the chairman of the board, if any, the president, or any two directors.

(b) Notice.

(i) Manner of Giving Notice. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid, (c) by telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be

given or sent to the director's address or telephone number as shown on the records of the corporation.

(ii) Time Requirements. Notices sent by first-class mail shall be deposited in the United States mail at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

(iii) Notice Contents. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the corporation. It need not specify the purpose of the meeting.

Section 3.10. Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action

taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 3.11. Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 3.12. Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 3.13. Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

Section 3.14. Action Without a Meeting. Any action that the board is required or permitted to take may be taken without a meeting if all members of the board consent in

writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the corporation is a party and who is an "interested director" as defined in Section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board.

Section 3.15. Compensation and Reimbursement.

Directors and members of committees may receive such compensation, if any, for their services as directors or officers, and such reimbursement of expenses, as the board may determine by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

Section 3.16. Committees.

(a) Committees of the Board. The board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more directors and no persons who are not directors, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the directors then in office. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the board

resolution, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

(i) Fix all vacancies on the board or on any committee that has the authority of the board;

(ii) Fix compensation of the directors for serving on the board or on any committee;

(iii) Amend or repeal bylaws or adopt new bylaws;

(iv) Amend or repeal any resolution of the board that by its express terms is not so amendable or repealable;

(v) Create any other committees of the board or appoint the members of committees of the board;

(vi) Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected; or

(vii) Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.

(b) Meetings and Action of Committees.

Meetings and actions of committees of the board shall be governed by, held, and taken in accordance with the provisions of these bylaws concerning meetings and other board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be

determined either by board resolution or, if there is none, by resolution of the committee of the board. Minutes of each meeting of any committee of the board shall be kept and shall be filed with the corporate records. The board may adopt rules for the government of any committee, provided they are consistent with these bylaws or, in the absence of rules adopted by the board, the committee may adopt such rules.

ARTICLE IV

OFFICERS

Section 4.01. Officers. The officers of this corporation shall be a Chairman of the Board, a President, a Secretary and a Chief Financial Officer. The corporation may also have, at the discretion of the Board, one or more Vice-Chairmen of the Board, Vice-Presidents, one or more Assistant Secretaries, including Corresponding and/or Recording Secretaries, one or more Assistant Treasurers and such other officers as may be elected in accordance with Section 4.02. The Board may elect one or more persons to share an office. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the Chairman of the Board or the President.

Section 4.02. Election. Officers shall be chosen annually by the Board of Directors and serve at the pleasure of the Board, and shall hold their respective offices until their

resignation, removal or other disqualification from service or until their respective successors shall be elected.

Section 4.03. Removal and Resignation. Any officer may be removed, with or without cause, by the Board of Directors at any time, without prejudice to the rights, if any, the officer may have under any contract of employment.

Any officer may resign at any time by giving written notice to the corporation, but without prejudice to the rights, if any, the corporation may have under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.04. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by the Board of Directors.

Section 4.05. Chairman of the Board. The Chairman of the Board shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned by the Board of Directors or prescribed by these Bylaws.

Section 4.06. President. Subject to such powers, if any, as may be given by the Board of Directors to the Chairman of the Board, the President shall be the general manager and chief executive officer of the corporation with general supervision, direction and control of the business and officers

of the corporation, subject to the control of the Board. In the absence of the Chairman of the Board, the President shall preside at all meetings of the Board of Directors. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 4.07. Vice President. In the absence or disability of the President, the Vice-President, if any, shall perform all the duties of the President and when so acting shall have all the powers of the President. The Vice-President shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 4.08. Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a full and complete record of all meetings of the Board and its committees. The Secretary shall keep or cause to be kept at the principal office in the State of California the original or a copy of the corporation's Articles of Incorporation and Bylaws, as amended to date. The Secretary shall keep the seal of the corporation in safe custody and affix it to such papers and instruments as may be required in the regular course of business. The Secretary shall give, or cause to be given, notice of all meetings of the Board and its committees, or annual and/or special meetings of the members, required by these Bylaws or by law to be given.

The Secretary shall supervise the keeping of the records of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors, or these Bylaws.

Section 4.09. Chief Financial Officer. The Chief Financial Officer shall receive and safely keep all funds of the corporation and deposit them in the bank or banks that may be designated by the Board of Directors. Those funds shall be paid out only on checks of the corporation and signed by the President, Vice-President, Chief Financial Officer or Secretary or by such officers as may be designated by the Board of Directors as authorized to sign them. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation. The Chief Financial Officer shall supervise the activities of the Assistant Treasurers, if any, and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

ARTICLE V

AMENDMENT OF BYLAWS

These Bylaws may be amended or repealed and new Bylaws adopted by the vote of a majority of the Board of Directors, at the annual meeting or any special meeting called for that purpose.

ARTICLE VI
INDEMNIFICATION

Section 6.01. Statutory Indemnity. The corporation shall indemnify its Directors, officers and employees to the fullest extent permitted by the California Nonprofit Corporation Law.

Section 6.02. Indemnity of Fiduciaries. The corporation shall have the power to indemnify any trustee, investment manager or other fiduciary of an employee benefit plan to the extent permitted by Section 207(f) of the California General Corporation Law.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.01. Authority to Bind the Corporation. Subject to the provision of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof, executed or entered into between the corporation and any other person, when signed by the Chairman of the Board, the President, the Vice-President, the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer, shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officer lacked authority to execute such

instrument. Any such instrument may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 7.02. Representation. The President, or such other officers as the Board of Directors may authorize for that purpose, are each authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority granted in these Bylaws to any officer to vote or represent this corporation arising from any shares held by this corporation in any other corporation or corporations may be exercised either by the officer in person or by any person authorized so to do by proxy or power of attorney duly executed by such officer.

Section 7.03. Records and Reports.

(a) Maintenance of Corporate Records. The corporation shall keep:

(1) Adequate and correct books and records of account; and

(2) Written minutes of the proceedings of its board, and committees of the board.

b. Maintenance of Articles and Bylaws. The corporation shall keep at its principal office, or if its

principal office is not in California, at its principal business office in this state, the original or a copy of the articles of incorporation and bylaws, as amended to date.

c. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries, if any. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

d. Annual Report. The board shall cause an annual report to be sent to the directors within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

(1) The assets and liabilities, including trust funds, of the corporation as of the end of the fiscal year.

(2) The principal changes in assets and liabilities, including trust funds.

(3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes.

(4) The expenses or disbursements of the corporation for both general and restricted purposes.

(5) Any information required by Section 7.03 of these bylaws.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such

report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

This requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors.

e. Annual Statements of Certain Transactions and Indemnifications. As part of the annual report, or as a separate document if no annual report is issued, the corporation shall annually prepare and furnish to each director's statement of any transaction or indemnification of the following kind within 120 days after the end of the corporation's fiscal year:

(1) Any transaction (i) in which the corporation, its parent, or its subsidiary was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either of the following:

(a) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or

(b) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

(2) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Sections 6.01 or 6.02 of these bylaws.

Section 7.04. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

Section 7.05. Amendments.

(a) Amendments by Board.

(a) Limitations. Subject to the limitations set forth below, the board may adopt, amend, or repeal any bylaw except that the board may not extend the term of a

director beyond that for which the director was designated, may not change the manner in which directors are designated, or the identity of the person authorized to so designate directors without the consent of such person.

(b) High Vote Requirement. If any provision of these bylaws requires the vote of a larger proportion of the board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

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