

**RHODE ISLAND MAYORAL ACADEMYSM
BLACKSTONE VALLEY**

BYLAWS

ARTICLE I

NAME OF CORPORATION

The name of the corporation is Rhode Island Mayoral AcademySM Blackstone Valley (hereinafter “BVP”).

ARTICLE II

PURPOSES AND POWERS

SECTION 1. PURPOSES. BVP is organized exclusively to encourage or foster charitable, educational and scientific purposes or activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), to own and operate or provide for the operation of charter public schools and mayoral academies as defined in Rhode Island General Laws § 16-77-2.1 in the Towns of Cumberland and Lincoln and the Cities of Central Falls and Pawtucket, Rhode Island.

BVP may do any and all lawful acts, and may engage in any and all lawful activities which may be appropriate, necessary or desirable for the accomplishment of the aforesaid purposes, subject to its Articles of Incorporation. BVP may not engage, other than as an insubstantial part of its activities, in activities which in themselves are not in furtherance of its educational and charitable purposes.

No part of BVP’s earnings shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that BVP shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. BVP shall not carry on propaganda or otherwise attempting to influence legislation, and BVP shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision hereof to the contrary, BVP shall not carry on any activities unless such activity is permitted to be carried on by a corporation (a) exempt from federal income tax 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 (b) contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law).

SECTION 2. POWERS. Subject to its Articles of Incorporation, BVP shall have such powers as are now or may be granted by the Rhode Island Nonprofit Corporation Act.

ARTICLE III

OFFICES AND REGISTERED AGENT

SECTION 1. PRINCIPAL OFFICE. BVP shall have and continuously maintain a principal office at such place within the State of Rhode Island as the Board of Directors may, from time to time, designate.

SECTION 2. REGISTERED AGENT. BVP shall, at all times, maintain a registered agent at a registered office within the State of Rhode Island.

SECTION 3. CHANGE OF PRINCIPAL OFFICE OR REGISTERED AGENT. The principal office, the registered agent and the registered office of BVP may from time to time be changed by the Board of Directors.

ARTICLE IV

MEMBERS

BVP shall have no members.

ARTICLE V

BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS.

The affairs of BVP shall be managed by its Board of Directors.

SECTION 2. NUMBER AND QUALIFICATION OF DIRECTORS. The Board of Directors shall consist of at least one mayor or elected town administrator of a town or city served by the mayoral academy and such other individuals who are residents of or otherwise represent the communities served by the mayoral academy as are appointed by the Board of Directors. The Board of Directors may expand or contract the numbers of members on the Board of Directors at any time.

SECTION 3. TERMS OF DIRECTORS.

(a) Expiration. The term of each director shall expire [July 23] provided that the term of a director who was last appointed or reappointed to the Board of Directors within four (4) months before such date in any year shall not expire until such date in the following year

(b) Termination. The term of any director shall terminate if, in the judgment of the Board of Directors, the director has ceased to represent the applicable community.

SECTION 4. QUORUM. The quorum for the transaction of business by the Board of Directors shall be a majority of the directors then in office.

SECTION 5. RESERVED.

SECTION 6. ANNUAL AND REGULAR MEETINGS. The Board of Directors shall establish a schedule of regular meetings, and shall not meet less than three (3) times in each year. The annual meeting shall be held during the period beginning April 15 and ending July 23 each year.

SECTION 7. CHAIR. At each annual meeting, the Board of Directors shall elect a Chair. Only a member who is a mayor or elected town administrator shall be eligible to Chair the Board of Directors. A Chair shall serve until his or her successor elected and qualified, until he or she ceases to serve on the Board of Directors, or until his or her qualification as mayor or elected town administrator ceases.

The Board of Directors may also elect a Vice Chair to serve in the absence of the Chair; the Vice Chair must be a director but need not be a mayor or elected town administrator. The Vice Chair shall have the powers of the Chair in the absence of the chair.

SECTION 8. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chair and shall be called by the Chair upon written request of members representing at least two (2) towns or cities.

SECTION 9. POWERS. The Board of Directors shall have the power to:

- (a) elect a Chair as provided in Section 7 of this Article V;
- (b) adopt rules of procedure that are not inconsistent with law, the Articles of Incorporation, and these Bylaws;
- (c) monitor the activities and performance of its mayoral academy; and
- (d) take such other actions as authorized by law.

SECTION 10. NOTICE.

(a) The Board of Directors shall give written notice of its annual and other regular meetings at the beginning of each calendar year. The notice shall include the date, time, and place of the meeting and shall be provided to members of the public upon request, and to the Secretary of State of Rhode Island (the "Secretary of State") at the beginning of each calendar year in accordance with subsection (e) below.

(b) The Board of Directors shall give supplemental written public notice of any meeting within a minimum of forty-eight (48) hours before the date in accordance with applicable law. The notice shall include the date the notice was posted, the date, time and place of the meeting, and a statement specifying the nature of the business to be discussed. Copies of the notice shall be maintained by the Board of Directors for a minimum of one (1) year. The Board of Directors may add items for informational purposes only, pursuant to a request, submitted in writing, by a member of the public during any public comment

session. Said informational items may not be voted upon unless they have been posted in accordance with the provisions of this section.

(c) Written public notice shall include, but need not be limited to, posting a copy of the notice at the site of each school facility operated by BVP, and electronic filing of the notice with the Secretary of State pursuant to subsection (e) below; however, nothing contained herein shall prevent the Board of Directors from holding an emergency meeting, upon an affirmative vote of the majority of the members of the Board of Directors when the meeting is deemed necessary to address an unexpected occurrence that requires immediate action to protect the public. If an emergency meeting is called, a meeting notice and agenda shall be posted as soon as practicable and shall be electronically filed with the Secretary of State pursuant to subsection (e) below and, upon meeting, the Board of Directors shall state for the record and minutes why the matter must be addressed in less than forty-eight (48) hours and only discuss the issue or issues which created the need for an emergency meeting. Nothing contained herein shall be used in the circumvention of the spirit and requirements of this section.

(d) Nothing within this section shall prohibit the Board of Directors or the members thereof from responding to comments initiated by a member of the public during a properly noticed open forum even if the subject matter of a citizen's comments or discussions were not previously posted, provided such matters shall be for informational purposes only and may not be voted on except where necessary to address an unexpected occurrence that requires immediate action to protect the public or to refer the matter to an appropriate committee or to another body or official. The Board of Directors shall hold at least two (2) open forum sessions annually. Nothing contained in this subsection requires the Board of Directors to entertain or respond to any topic nor does it prohibit the Board of Directors from limiting comment on any topic at such an open forum session. The Board of Directors and its members shall not use this subsection to circumvent the spirit or requirements of this section.

(e) All notices required by this section to be filed with the Secretary of State shall be electronically transmitted to the Secretary of State in accordance with applicable rules and regulations.

(f) In addition to providing notice to the public as provided above, notice of any special meeting of a Board of Directors shall be given at least forty-eight (48) hours previous thereto by written notice to each member of the Board of Directors by mail, facsimile, or e-mail at his or her address or facsimile machine telephone number as shown by the records of BVP. If mailed, such notice shall be deemed to be delivered the day mail is next delivered after the day when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given through the use of a facsimile machine, such notice shall be deemed to be delivered when proof of transmission to the correct facsimile machine is received by the sender of the notice. If notice is given by e-mail, such notice shall be deemed to be delivered when a reply in response thereto or a receipt showing that the e-mail has been delivered is received by the sender of the e-mail. Notice of any special meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting

and such waiver may be delivered to the Board of Directors by any means by which notice may be given. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where the member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 11. MANNER OF ACTING. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by statute, these Bylaws or the Articles of Incorporation.

SECTION 12. REMOVAL. A member of the Board of Directors may be removed with or without cause by a vote of a majority of the directors present and voting at a regular or special meeting of the Board of Directors.

SECTION 13. MINUTES. The Board of Directors shall appoint a secretary, who need not be a member of the Board of Directors, and the secretary shall record the minutes of the meeting. A record of all votes, listing how each member voted on each issue shall be made available to the public at BVP's office within two (2) weeks of the date of the vote. Official minutes, when adopted, and until such adoption, unofficial minutes shall be available at the office of BVP within thirty (30) days after the meeting (except to the extent, if any, the minutes relate to matters considered in executive session and the Board of Directors votes to keep such minutes closed pursuant to R.I.G.L. §§ 42-46-4 and 42-46-5, and except when the Board of Directors votes to extend the time for filing the minutes and publicly states the reason for such extension).

ARTICLE VI

OFFICERS

SECTION 1. OFFICERS. The officers of BVP shall be a Chair, an Executive Director, a Secretary, a Treasurer, and such other officers as may be elected by the Board of Directors. Officers whose authority and duties are not prescribed in these Bylaws shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the Chair may not serve also serve as Executive Director or Secretary.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of BVP shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, the election shall be held as soon thereafter as is convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contractual rights.

SECTION 3. REMOVAL. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of BVP would be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

SECTION 4. CHAIR. The Chair shall be a member of the Board of Directors. The Chair shall chair all meetings of the Board of Directors and shall discharge such other duties as may be provided by the Board of Directors. Unless the Board otherwise specifies in the resolution establishing a committee, the Chair shall appoint the members of all committees established by the Board. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of BVP or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws, the Chair may execute for BVP any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors have authorized to be executed, and he or she may accomplish such execution either under or without the seal of BVP and either individually or with the Secretary, any Assistant Secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument. The Chair may vote all securities which BVP is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of BVP by the Board of Directors.

SECTION 5. VICE CHAIR. The Vice Chair, if one is elected, shall be a member of the Board of Directors. The Vice Chair shall assist the Chair in the discharge of his or her duties as the Chair may direct and shall perform such other duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors. In the absence of the Chair or in the event of his or her inability or refusal to act, the Vice Chair, shall perform the duties of the Chair and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of BVP or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws, the Vice Chair, or any of them if there are more than one, may execute for BVP any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, and he or she may accomplish such execution either under or without the seal of BVP and either individually or with the Secretary, any Assistant Secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument. If no Vice Chair is elected, the Secretary shall perform these duties.

SECTION 6. EXECUTIVE DIRECTOR. The Executive Director shall be the principal operational officer of BVP. Subject to the direction and control of the Board of Directors, he or she shall be in charge of the business and affairs of BVP; he or she shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Directors; and, in general he or she shall discharge all duties incident to the office of Executive Director and such other duties as may be prescribed by the Board of Directors.

SECTION 7. SECRETARY. The Secretary shall: (a) record the minutes of the meetings 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 custodian of the corporate records and of the seal of BVP; (d) keep a register of the post office address, telephone facsimile machine number, and e-mail address of each director which shall be furnished to the Secretary by such director; and (e) perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors.

SECTION 8. TREASURER. The Treasurer shall be the principal accounting and financial officer of BVP. The Treasurer shall: (a) have charge of and be responsible for the maintenance of adequate books of account for BVP; (b) have charge and custody of all funds and securities of BVP, and be responsible therefor, and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. If no Treasurer is elected, the Executive Director shall perform these duties.

ARTICLE VII

CONTRACTS, CHECKS, LOANS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents of BVP, 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 BVP and such authority may be general or confined to specific instances.

SECTION 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 BVP, shall be signed by such officer or officers, agent or agents of BVP and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or Executive Director and countersigned by the Chair or Vice-Chair of BVP.

SECTION 3. LOANS. No loans shall be contracted on behalf of BVP and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. Notwithstanding the foregoing, BVP shall be prohibited from making loans to any director, officer or employee of BVP, any person related to any director, officer or employee of BVP, and any entity in which a director, officer or employee of BVP is a director, officer, shareholder, partner or is otherwise affiliated, except if such affiliation is as a member of a tax-exempt organization to which a loan is contemplated.

SECTION 4. DEPOSITS. All funds of BVP not otherwise employed shall be deposited from time to time to the credit of BVP in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VIII

BOOKS AND RECORDS

BVP shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and committees, if any, having any of the authority of the Board of Directors.

ARTICLE IX

FISCAL YEAR

The fiscal year of BVP shall end each June 30.

ARTICLE X

DISSOLUTION

Upon dissolution of BVP, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of BVP return, transfer or convey any assets received on condition that such assets be returned, transferred, or conveyed in the event BVP be dissolved and dispose of all other assets of BVP exclusively for the purposes of BVP in such a manner, or to such organization(s) engaged in activities substantially similar to those engaged in by BVP and organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization(s) under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine.

ARTICLE XI

SEAL

At the discretion of the Board of Directors, BVP may have a corporate seal in such design as the Board of Directors may specify.

ARTICLE XII

AMENDMENTS

The power to alter, amend, or repeal these Bylaws or adopt new Bylaws shall be vested in the Board of Directors.

ARTICLE XIII

RESERVED

ARTICLE XIV

INDEMNIFICATION OF OFFICERS, DIRECTORS,
EMPLOYEES, AND AGENTS

SECTION 1. VOLUNTARY INDEMNIFICATION OF DIRECTORS. BVP may indemnify any person made a party to any proceeding by reason of the fact that that person is or was a director if the director:

(a) acted in good faith,

(b) reasonably believed:

(1) In the case of conduct in his or her official capacity with BVP, that his or her conduct was in its best interests, and

(2) In all other cases, that his or her conduct was not opposed to its best interests, and

(c) in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

BVP may provide indemnification against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the person in connection with the proceeding; except that if the proceeding was by BVP or in its right, indemnification may be made only against the reasonable expenses and shall not be made in respect of any proceeding in which the person has been adjudged to be liable to BVP. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the person did not meet the requisite standard of conduct set forth in this section.

SECTION 2. LIMITATION ON INDEMNIFICATION WHEN DIRECTOR RECEIVED IMPROPER PERSONAL BENEFIT. BVP shall not indemnify a director under Section 1 of this Article XIV in respect of any proceeding charging improper personal benefit to him or her, whether or not involving action in his or her official capacity, in which he or she has been adjudged to be liable on the basis that personal benefit was improperly received by him or her.

SECTION 3. MANDATORY INDEMNIFICATION OF DIRECTORS.

(a) BVP shall indemnify a director who is wholly successful, on the merits or otherwise, in the defense of any proceeding referred to in Section 1 of this Article XIV against reasonable expenses incurred by the director in connection with the proceeding; and

(b) BVP shall indemnify a director when so ordered by a court of appropriate jurisdiction.

SECTION 4. PROCEDURE FOR VOLUNTARY INDEMNIFICATION OF DIRECTORS.

(a) Except as provided in Section 3 of this Article XIV, BVP shall not indemnify a director under Section 1 of this Article XIV unless authorized in the specific case after making a determination that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct described in Section 1 of this Article XIV. The determination shall be made:

(1) By the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding;

(2) If a quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors, duly designated to act in the matter by a majority vote of the full Board of Directors (in which designation directors who are parties may participate), consisting solely of two (2) or more directors not at the time parties to the proceeding; or

(3) By special legal counsel, selected by the Board of Directors or a committee of the Board of Directors by vote as described in subsection (1) or (2) above, or, if the requisite quorum of the full Board of Directors cannot be obtained for the vote and the committee cannot be established, by a majority vote of the full Board of Directors (in which selection directors who are parties may participate).

(b) Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses shall be made in a manner specified in Section 4(a)(3) above for the selection of counsel.

SECTION 5. ADVANCE PAYMENT OF EXPENSES. Reasonable expenses incurred by a director who is a party to a proceeding may be paid or reimbursed by BVP in advance of the final disposition of the proceedings upon receipt by BVP of:

(a) A written affirmation by the director of the director's good faith belief that the director has met the standard of conduct necessary for indemnification by BVP as authorized in this section; and

(b) A written undertaking by or on behalf of the director to repay the amount if it is ultimately determined that the director has not met the standard of conduct, and after a determination that the facts then known to those making the determination would not preclude indemnification under this section. The undertaking required by this subsection is an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment. Determinations and

authorizations of payments under this subsection shall be made in the manner specified in Section 4 of this Article XIV.

SECTION 6. PAYMENT OF EXPENSES OF DIRECTORS NOT PARTY TO A PROCEEDING. Nothing contained in this Article XIV limits BVP's power to pay or reimburse expenses incurred by a director in connection with his or her appearance as a witness in a proceeding at a time when he or she has not been named a defendant or respondent in the proceeding.

SECTION 7. INDEMNIFICATION OF OFFICERS AND EMPLOYEES.

(a) An officer of BVP shall be indemnified to the same extent provided in Section 4 of this Article XIV for a director and is entitled to the same extent as a director to seek indemnification pursuant to the provisions of Section 4.

(b) BVP may indemnify and advance expenses to its officer, employee, or agent of to the same extent that it may indemnify and advance expenses to directors pursuant to this Article XIV.

SECTION 8. INSURANCE. BVP may purchase and maintain insurance on behalf of any person who is or was its director, officer, employee, or agent, or who, while its director, officer, employee, or agent, is or was serving at BVP's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against the director and incurred by the director in any capacity or arising out of the director's status as director, whether or not BVP would have the power to indemnify the director against liability under the provisions of this section.

SECTION 9. DEFINITIONS. As used in this Article XIV:

(a) "Director" means any person who is or was a director of BVP and any person who, while a director of BVP, is or was serving at BVP's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan. For this purpose, BVP is deemed to have requested a director to service an employee benefit plan whenever the performance by the director of the director's duties to BVP also imposes duties on, or otherwise involves services by, the director to the plan or participants or beneficiaries of the plan; and action taken or omitted by the director regarding an employee benefit plan in the performance of the director's duties for a purpose reasonably believed by the director to be in the interest of the participants and beneficiaries of the plan are deemed to be for a purpose which is not opposed to the best interests of BVP.

(b) "Corporation" includes:

(1) any corporation whether foreign or domestic, and whether a nonprofit or a for profit corporation all of the profits of which go to a nonprofit corporation; and

(2) any domestic or foreign predecessor entity of BVP in a merger, consolidation, or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(c) "Expenses" include attorneys' fees.

(d) "Official capacity" means:

(1) When used with respect to a director, the office of director in BVP.

(2) (ii) When used with respect to a person other than a director, as contemplated in subsection (1) above, the elective or appointive office in BVP held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of BVP, but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, other enterprise, or employee benefit plan.

(e) "Party" includes a person who was, is, or is threatened to be made, a named defendant or respondent in a proceeding.

(f) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative.

ARTICLE XV

CONFLICTS OF INTEREST

SECTION 1. PURPOSE. The purpose of the conflicts of interest policy is to protect BVP's interest when it is contemplating entering into a transaction or arrangement that intended to supplement but not replace any applicable Rhode Island laws governing conflicts of interest applicable to BVP.

SECTION 2. DEFINITIONS. For purposes of this Article XV:

(a) "Interested Person" shall mean any director or principal officer who has a direct or indirect financial interest as defined below.

(b) A person has a "financial interest" if the person has, directly or indirectly through business, investment or family:

(1) an ownership or investment interest in an entity with which BVP has a transaction or arrangement, or

(2) a compensation arrangement with BVP or with any entity or individual with which BVP has a transaction or arrangement, or

(3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which BVP is negotiating a transaction or

arrangement; provided, however, that a person's ownership of less than one percent (1%) of the capital or profits interests in any entity shall be disregarded if no compensation arrangement exists or is contemplated with such entity.

(c) "Compensation" means direct or indirect remuneration, as well as gifts or favors that are substantial in nature.

SECTION 3. PROCEDURES.

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board of Directors.

(b) Determining Whether a Conflict Exists. After disclosure of a financial interest, the interested person shall leave the Board of Directors meeting while the financial interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(1) The Chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to proposed transaction or arrangement.

(2) After exercising due diligence, the Board of Directors or committee shall determine whether BVP can obtain a more advantageous transaction or arrangement with reasonable effort from a person or entity that would not give rise to a conflict of interest.

(3) If a more advantageous transaction is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in BVP's best interest or for its own benefit and whether the transaction is fair and reasonable to BVP and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) Violation of the Conflict of Interest Policy.

(1) If the Board of Directors has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member the opportunity to explain the alleged failure to disclose.

(2) If, after hearing the response of the member and making further investigation as may be warranted in the circumstances, the board determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. RECORDS OF PROCEEDINGS. The minutes of the Board of Directors shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' decision as to whether a conflict of interest existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection therewith.

SECTION 5. ANNUAL STATEMENTS. Each director and principal officer shall annually sign a statement, which affirms that such person:

(a) has received a copy of the conflicts of interest policy,

(b) has read and understand the policy,

(c) has agreed to comply with such policy, and

(d) understands that BVP is a charitable organization and that 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 6. PERIODIC REVIEWS. To ensure that BVP operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, consider whether compensation arrangements and benefits, management agreements, and all other similar contractual relationships are reasonable, are a result of arms-length bargaining, reflect reasonable payments for goods and/or services, further BVP's charitable purposes and do not result in inurement or impermissible private benefit.

SECTION 7. USE OF OUTSIDE EXPERTS. In conducting the periodic reviews provided for in Section 6 of this ARTICLE XV, BVP may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

ARTICLE XVI

NON-DISCRIMINATION

BVP shall cause each mayoral academy for which it is responsible to admit students of any race, color, national origin, and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the mayoral academy. Neither BVP nor any mayoral academy for which it is responsible shall

riminate on the basis of race, color, national origin, and ethnic origin in administration of its educational policies, admission policies, scholarship and loan programs, and athletic and other school-administered programs. The requirements of this Article XVI shall be incorporated into each contract BVP enters into with any party for the management or operation of any mayoral academy.