

CONFLICT OF INTEREST AGREEMENT

PARTIES

This Agreement dated _____ 2006 is between Island House Tenants Association, Inc., a New York Not-For-Profit Corporation (hereafter "CORPORATION"), and one of its directors _____ (hereafter "DIRECTOR").

POTENTIAL CONFLICTS

A potential conflict is created when there is an interest, as defined by Section 715 of the Not-for-Profit Corporation Law, directly or indirectly with one of the following entities or their successors (hereafter the "ENTITIES"):

1. Northtown Phase 2
2. The Sheldrake Organization
3. Blackwell Management
4. Division of Housing and Community Renewal
5. Roosevelt Island Operating Corporation
6. Any New York State governmental agency
7. Other entities, as determined and amended, by the Board of Directors in the Directors

Conflict of Interest Policy

REQUIREMENTS

The DIRECTOR shall complete a quarterly questionnaire (the "QUESTIONNAIRE"), to be provided by the IHTA Secretary, as approved by the Board of Directors, which will provide complete information on any interests concerning the ENTITIES.

REVIEW AND ENFORCEMENT

The Board of Directors and IHTA's attorney will review responses to QUESTIONNAIRES. In the event that at least 2 directors (as per the number in Article 4, Section 3 of the By-Laws, i.e., the number of directors required to call a board meeting) believe there is a significant conflict, then these directors can raise the issue by calling a special Board Meeting in Executive Session to discuss the issue formally. In that Executive Session, if a majority of directors in attendance believe there to be a significant conflict and there is no agreement upon the resolution of the conflict, the director removal procedures shall commence, as per Article 3, Section 8 of the By-Laws.

NPL§715. Interested directors and officers.

- (a) No contract or other transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, firm, association or other entity in which one or more of its directors or officers are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such director or directors or officer or officers are present at the meeting of the board, or of a committee thereof, which authorizes such contract or transaction, or that his or their votes are counted for such purpose:

- (1) If the material facts as to such director's or officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the board or committee, and the board or committee authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested director or officer; or
 - (2) If the material facts as to such director's or officer's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the members entitled to vote thereon, if any, and such contract or transaction is authorized by vote of such members.
- (b) If such good faith disclosure of the material facts as to the director's or officer's interest in the contract or transaction and as to any such common directorship, officership or financial interest, is made to the directors or members, or known to the board or committee or members authorizing such contract or transaction, as provided in paragraph (a), the contract or transaction may not be avoided by the corporation for the reasons set forth in paragraph (a). If there was no such disclosure or knowledge, or if the vote of such interested director or officer was necessary for the authorization of such contract or transaction at a meeting of the board or committee at which it was authorized, the corporation may avoid the contract or transaction unless the party or parties thereto shall establish affirmatively that the contract or transaction was fair and reasonable as to the corporation at the time it was authorized by the board, a committee or the members.
 - (c) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board or of a committee which authorizes such contract or transaction.
 - (d) The certificate of incorporation may contain additional restrictions on contracts or transactions between a corporation and its directors or officers or other persons and may provide that contracts or transactions in violation of such restrictions shall be void or voidable.
 - (e) Unless otherwise provided in the certificate of incorporation or the by-laws, the board shall have authority to fix the compensation of directors for services in any capacity.
 - (f) The fixing of salaries of officers, if not done in or pursuant to the by-laws, shall require the affirmative vote of a majority of the entire board unless a higher proportion is set by the certificate of incorporation or by-laws.

ISLAND HOUSE TENANTS ASSOCIATES, INC.

By: _____
