

**EXHIBIT 1**  
**REGULATORY AGREEMENT TERM SHEET**

### Cadman Towers Term Sheet

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| <b>Term</b>                                   | 99 years.   |
| <b>Tax Exemption</b>                          | A new 35-year Article XI Tax Exemption, which is subject to renewal. The Corporation shall exercise good faith efforts to begin negotiations on a renewal of the Article XI Tax Exemption in Year 33 of the Regulatory Agreement for an additional <del>35-year or longer</del> term, <u>which by law shall not to exceed 6040</u> years.   |
| <b>Owner Occupancy</b>                        | Shareholders and Non-Participating Shareholders will continuously occupy the Apartment as his,her or their sole primary residence, being not less than 183 days in the preceding calendar year. Exceptions only for military duty or hospitalization.   |
| <b>Restrictions on Renting and Subletting</b> | <p>Subletting an Apartment to, or otherwise permitting occupancy of an Apartment by an Ineligible Household is prohibited.</p> <p>No sublet shall take effect for any purpose without the written consent of the Board of Directors, and subject to such conditions as the Board may impose. Notwithstanding, no sublet shall take effect unless and until the following conditions are met:</p> <ul style="list-style-type: none"> <li>(i) the monthly rent charged under such subleases shall not exceed the maintenance charges under the Proprietary Lease;</li> <li>(ii) the sublet agreement in a form approved by the Corporation is executed and acknowledged by the Sublessee and is delivered to the Corporation;</li> <li>(iii) all sublets are restricted to (12) months over any five year period.</li> <li>(iv) the Board has confirmed that the sublet is in compliance with any subletting restrictions in the Certificate of Incorporation.</li> </ul> |
| <b>Transfer to Family Members</b>             | An assignment of the lease and a transfer of the shares to a financially responsible member of the Shareholder's family who has lived in the Apartment with the Shareholder for a two (2) year period (other than the Shareholder's spouse, as to whom no consent is required) as a Primary Resident, who shall have accepted all the terms and conditions of the proprietary lease is permissible.   |

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| <b>Resale Policy and Restriction on Sales</b> | The resale prices for Shares will be set to be affordable for households whose annual income does not exceed 85% of the AMI. Shares may be sold to individuals or households whose incomes are at or below 125% of the AMI. After the first year of HDFC operation, resale prices will increase annually by 3%. HPD reserves the right to limit any annual AMI increase if it would result in a resale price that is unaffordable to an individual or household at or below 125% of the AMI.   |
| <b>Income Restrictions</b>                    | The maximum income of new Shareholders will be 125% AMI at the time of purchase or lease, with the same Mitchell-Lama income deductible rules of \$1000 deductible per person and \$20k deductible for the second wage earner.   |
| <b>Transfers and Insider Waiting List.</b>    | The HDFC Coop may have an Insider Waiting List to accommodate upsizing and downsizing for existing Shareholders. Transfers between existing Shareholders of the Corporation (“ <u>Insider Transfers</u> ”) are also permissible. Shareholders on the Insider Waiting List or Insider Transfers do not need to meet (or re-certify) the aforementioned income requirements.   |
| <b>Outsiders</b>                              | Shareholders may market and sell their Apartments through NYC Housing Connect only.  |
| <b>Transfer Fees and Flip Taxes</b>           | <p>All sales, dispositions, assignments, or other change of ownership shall be subject to a transfer or flip fee. Upon the first sale of shares the selling Shareholder shall pay a Transfer Fee or Flip Tax of 50% of the contract price to the Corporation.</p> <p>Upon all subsequent sales the selling Shareholder shall pay a Flip Tax of 3% of the contract price to the Corporation.</p>  |
| <b>Transfers to immediate family members</b>  | <p>Board approval, Flip fees and income restrictions shall not apply to the following transfers:</p> <ul style="list-style-type: none"> <li>(i) to the spouse, domestic partner, children, or step-children of the Shareholder who are in occupancy as at the date of transfer, and who have occupied the Apartment for two (2) consecutive years prior to the date of transfer,</li> <li>(ii) by the Shareholder or the Shareholder’s executor or administrator for the benefit of the Shareholder or the spouse, domestic partner, children or step-children of the Shareholder, who are in occupancy as at the date of transfer, and who</li> </ul> |

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|  | <p>have occupied the Apartment for two (2) consecutive years prior to the date of transfer; or</p> <p>(iii)</p>   |
| <b>Transfers to other family members in occupancy</b>              | Transfers to other family members in occupancy of the Apartment as at the date of the transfer shall be subject to Flip Fees, but shall not require prior Board approval nor be required to submit an income affidavit.   |
| <b>Transfers to family members who are <u>not</u> in occupancy</b> | Transfers to other family members who are not in occupancy of the Apartment as at the date of Transfer shall be subject to Flip Fees, prior Board approval and such transferees must follow the Board application process (including meeting income requirements) to become a Shareholder in Corporation.   |
| <b>Maintenance, Increases and Reserves</b>                         | <p>The Corporation shall establish and maintain such reserve accounts as are included and/or required in the development budget and the documents of any loan obtained for the Property. The Corporation shall not withdraw funds from any reserve account without the prior written consent of the HDC.</p> <p>The Board shall meet at least once a year to determine the maintenance and operating expenses of the Corporation, and determine the term and manner of payment of maintenance charges in accordance with the provisions of the Proprietary Lease.</p> <p>A minimum of \$1,000.00 per Apartment, plus annual deposits of \$250.00 per unit shall be contributed towards a Reserve Fund. 100% of the proceeds from the Flip Tax shall be deposited into the Reserve Fund.</p> |
| <b>Management and Training</b>                                     | HDC shall ensure that the Board of Directors are adequately trained in cooperative management.  |
| <b>Monitor and Reporting</b>                                       | HDC shall monitor and enforce the terms of this Regulatory Agreement regarding the Sale of Shares and approve sales contracts, to ensure that Apartments are affordable to and occupied by eligible households.   |
| <b>Enforcement</b>   | HPD shall monitor and enforce the terms of this Regulatory Agreement regarding any uncured or uncorrected default under the Regulatory Agreement.   |
| <b>Expiration of Agreement</b>                                     | <p>The Regulatory Agreement shall be for 99 years and will be effective on the Reconstitution Date.</p> <p>The Corporation shall exercise good faith efforts in Year 33 of the Regulatory Agreement to seek an extension of the</p>   |

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|                    | <p>Article XI Tax Exemption for an additional 35-year or longer term, not to exceed 60 years</p> <p>Notwithstanding said expiration of the Article XI Tax Exemption, the Corporation shall remain subject to all provisions of Article XI of the Private Housing Finance Law and shall continue to operate the Property as a housing project for persons and families of low income until the later of: 1) expiration of the Regulatory Agreement, or 2) dissolution of the Corporation. Dissolution of the Corporation will require HPD and AG consent and must be in furtherance of affordable housing.</p>  |
| <b>Dissolution</b> | <p>No HPD pre-consent to dissolve will be accepted by the Corporation as part of conversion from Article II to Article XI. Therefore, in the event the HDFC Shareholders seek to dissolve and reconstitute at any time in the future, the HDFC will be subject to the dissolution provisions of Article XI of the Private Housing Finance Law.</p> <p>a. The Corporation shall not be dissolved or reconstituted without (i) the prior written approval of the Supervising Agency, which may only be provided if such dissolution is in furtherance of affordable housing (ii) the prior written approval of any governmental entity which holds a mortgage or other lien on any assets of the Corporation or to which any indebtedness of the Corporation is then outstanding or a certification by the board of directors of the Corporation that there is no such mortgage, lien, or indebtedness, and (iii) the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of all Eligible Apartments.</p> <p>b. Such consents or certifications shall be attached to the certificate of dissolution, or any other document seeking to effectuate the dissolution or reconstitution of the Corporation which the Corporation files with the Department of State.</p> |

**EXHIBIT 9**  
**PROPOSED SCHEDULE A**  
**AND**  
**ESTIMATED EQUITY**