EXHIBIT E

SPECIAL CONDITIONS

The following Special Conditions are applicable to this Standard Agreement:

1. **FUNDING PROGRAMS**:

(As referenced in Section 1 of Exhibit A of this Agreement.) Sponsor was awarded funding under the following Funding Programs in the following amounts:

FUNDING PROGRAM	LOAN/GRANT TYPE	TOTAL AMOUNT
Multifamily Housing Program	PERMANENT ONLY	$XXX,XXX
TOTAL		$XXX,XXX

Notwithstanding any other provision of this Agreement, in order to receive any final, undisbursed construction funds from the Department, including the 10 percent retention amount, the Sponsor must satisfy all conditions to close such that the project converts to permanent financing no less than 90 days before the earliest liquidation date of the Funding Programs listed above. As of the date of the execution of this Agreement, the liquidation date is [INSERT LIQUIDATION DATE]. Funding Programs which have not been disbursed by this date shall be disencumbered.

2. **ULTIMATE BORROWER**:

(As referenced in Section 4.C of Exhibit A of this Agreement.) [INSERT NAME OF ULTIMATE BORROWER] ("**Borrower"**) is an affiliate of [INSERT NAME OF SPONSOR] (**"Sponsor"**). Sponsor was awarded the Loan funds identified above in Section 1 of this Exhibit E, pursuant to the Award Letter, dated [INSERT DATE OF AWARD LETTER]. The Department acknowledges Borrower as the Ultimate Borrower of the Loan funds. As such, Borrower will execute the Loan documents described in Section 42 of Exhibit D of this Agreement. Accordingly, Borrower and Sponsor shall be jointly and severally liable for all the obligations of the Sponsor as set forth in this Agreement. Performance satisfactory to the Department by Borrower of any duties and obligations under this Agreement, and under any other agreements required by the Department, will be deemed as performance by the Sponsor.

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3. PAYEES:

(As referenced in Section 3 of Exhibit B of this Agreement.)

[INSERT FULL LEGAL NAME OF ULTIMATE BORROWER]

[INSERT CONTRACT AWARD AMOUNT – PER PAYEE] $X,XXX,XXX

4. SIGNAGE:

(As referenced in Section 31 of Exhibit D of this Agreement.) Signing for this Development shall contain the following information:

[INSERT PROJECT NAME]
THIS PROJECT HAS BEEN MADE POSSIBLE BY FINANCING FROM
MULTIFAMILY HOUSING PROGRAM
THROUGH THE CALIFORNIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

5. UPDATED DOCUMENTS:

Not less than 60 calendar days prior to construction loan closing, the Sponsor must provide updated financial documents including, but not limited to the development budget, development sources and uses, schedule of rents and unit mix, operating budget and 20-year cash-flow analysis, which are acceptable to the Department and demonstrate compliance with all applicable Program Requirements. All proposed changes to the project, including but not limited to project financing, rents and unit mix, scope of work to be performed or Borrower's organizational structure must be submitted to and approved by the Department.

6. SPONSOR CONTROL:

[INSERT FULL LEGAL NAME OF ENTITY] is the Sponsor who garnered the experience points at the application stage, or whose experience and capacity was used to meet the requirements of subdivisions (d) through (g) of the MHP Guidelines section 7303 (for purposes of this section only, the **"Experienced Sponsor"**). The Experienced Sponsor shall submit for the Department's review and approval, at least ninety (90) days prior to closing on any loan identified in Section 1 of this Exhibit E, organizational documents demonstrating that the Experienced Sponsor has control of the Development which meets Program Requirements.

7. Sponsor(s) and Borrower are acknowledging the Affordable Housing Development will

EXHIBIT E

be funded and built as presented to the Department in the approved Project Report upon Internal Loan Committee Award approval. Any bifurcation would make that award null and void, as the Affordable Housing Development is no longer feasible as originally submitted and approved by the Department. Any Department-awarded funds are unable to be assumed or assigned.

8. The Department retains the right and discretion to disencumber awards where awardees have failed to make sufficient progress in meeting applicable milestones and deadlines subject to Administrative Notice (Notice) 2022-02 dated March 30, 2022, and any future amendments. Such determination will be on a case-by-case basis and may use the enumerated criteria set forth in the Notice when making such decisions. The disencumbrance policy is applicable to HCD state funded multifamily housing programs. For awards made prior to July 1, 2022, the 24-month period shall begin on July 1, 2022. For awards made on or after July 1, 2022, the 24-month period will begin as of the date of the initial program funding awarded to the project, unless amended in a subsequent Notice.

9. The Department will assess Negative Points, as applicable, to Sponsor(s)/Applicant(s)/Recipient(s) subject to Administrative Notice 2022-01, dated March 31, 2022, and any future amendments. The Negative Points policy is applicable to all HCD state and federal funding programs – loans and grants, administered by HCD's Divisions of State and Federal Financial Assistance. Negative points will be calculated based on the criteria outlined in the Notice and will be applicable to all Notices of Funding Availability issued on or after the original date of this notice for the previous 5-year period, except when noted or amended. Such determination will be on a case-by-case basis and may use the enumerated criteria set forth in the Notice when making such decisions. In addition, the Department reserves the right, in its sole discretion, to revoke an entity's eligible Sponsor/Applicant/Recipient status at any time based on documented serious issues with the operation, maintenance or implementation of project or program funds.

10. [Project Report Special Conditions (Add here)]