

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 loan funding under the following Funding Programs in the following amounts:

FUNDING PROGRAM	LOAN TYPE	TOTAL AMOUNT
[INSERT PROGRAM NAME]	[INSERT CONSTRUCTION OR PERMANENT ONLY]	\$XXX,XXX.00
[INSERT PROGRAM NAME]		\$XXX,XXX.00
TOTAL		\$XXX,XXX.00

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 45 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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Approved Date: 04/30/2024

Prep. Date: XX/XX/XXXX

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

[INSERT FULL LEGAL NAME OF ULTIMATE BORROWER]

4. **SIGNAGE:** (As referenced in Section 33 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
[INSERT FUNDING PROGRAMS OR OTHER APPROPRIATE INFORMATION]
THROUGH THE CALIFORNIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

5. **UPDATED DOCUMENTS:** Not less than sixty (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 15-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 (h) of the [INSERT AS APPLICABLE: MHP Guidelines section 7303, VHHP Guidelines section 203, FWHG Guidelines section 203] (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.

[SECTIONS 8 AND 9, BELOW, ARE FOR USE ONLY WHERE AN EMERGING DEVELOPER OR COMMUNITY-BASED DEVELOPER RELIES ON THE EXPERIENCE OF A CO-APPLICANT TO QUALIFY FOR FUNDING OUTSIDE OF THE FUNDING TARGET. DELETE IF INAPPLICABLE]

7. [INSERT FULL LEGAL NAME OF ENTITY] (for purposes of this section only, the "Co-Sponsor") applied for Program funding with the Experienced Sponsor and relied upon the Experienced Sponsor at the application stage to qualify as an Eligible

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Applicant under applicable Guidelines. The Experienced Sponsor shall, for at least seven (7) consecutive years from the date of conversion to permanent financing of the Development, maintain a controlling interest in the Development, either directly or through a special purpose entity, and shall be responsible for performing substantial management duties in compliance with [INSERT AS APPLICABLE: MHP Guidelines Section 7303(i), VHHP Guidelines Section 203(i), FWHG Guidelines Section 203(i)]

8. For the duration of the Ultimate Borrower, the partnership agreement or other applicable organizational documents of the Sponsors shall contain provisions ensuring that (1) the Co-Sponsor receives no less than 50 percent of the total Developer fee generated by the Development; and (2) the Co-Sponsor has an option to purchase the Development which option shall not be exercised any earlier than seven (7) year from the date of permanent financing close of escrow. Any such purchase option shall be subordinate to the Department's funding and security documents.
9. [Add Project Report Special Conditions]