EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Terms of Loan

A. Principal Amount. The principal amount of the Loan shall be the lesser of:

1) the principal amount as stated in the Application; or

2) the amount later approved by the Department as consistent with the requirements of the Guidelines.

B. Interest and Payment. The initial term of the Loan shall be at least 55 years, and it shall commence on the date of recordation of the VHHP Program Loan documents. Principal and accumulated interest is due and payable upon completion of the term of the Loan. The Loan shall bear simple interest at the rate of 3 percent per annum on the unpaid principal balance, or at the rate that is in compliance with Section 103(e)(1)(B) of the Guidelines. Interest shall accrue from the date that funds are disbursed by the Department to or on behalf of the Sponsor. The Department shall require annual Loan payments in the minimum amount necessary to cover the costs of project monitoring. For the first 30 years of the Loan term, the amount of the required Loan payments shall not exceed 0.42 percent per annum. The Loan may not be prepaid without the prior written consent of the Department. The amount of any funds expended by the Department for the purposes of curing or averting a default shall be added to the Loan amount secured by the Affordable Housing Development and shall be payable to the Department upon demand.

2. Invoicing and Payment

A. All Loan proceeds shall be disbursed through an independent escrow/title company approved by or otherwise acceptable to the Department. The Department shall prepare and submit instructions to the escrow holder, further detailing the requirements for, and conditions to, the release of Loan proceeds to the Borrower.

B. The Loan proceeds shall be released through escrow upon the Sponsor’s, or its assignee’s, submittal of the STD 204, Payee Data Record, and the HCD 846, Request for Funds, and, in all events, upon the Sponsor’s satisfaction of the terms and conditions of this Agreement and all applicable Program Requirements.