

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Terms of Loan

- A. Principal Amount: Payments from any single Funding Program shall not exceed the amount set forth for that Funding Program in Section 1 of Exhibit E of this Agreement. The aggregate principal amount of the Loan(s) shall not exceed the amount stated on the first page of this Agreement and 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 applicable Program Requirements.
- B. Interest and Payment: The initial term of each Loan shall commence on the applicable date of recordation of the Program loan documents for such Loan as described in Section 46 of Exhibit D of this Agreement, and shall mature fifty-five (55) years (or at least 50 years for projects located in Indian country) from the date of permanent loan conversion for the project. Principal and accumulated interest is due and payable upon the earlier of (i) the maturity date of the Loan; or (ii) the date of acceleration of the Loan. The Loan(s) shall bear simple interest at the rate of three percent (3%) per annum and be payable as provided in the Department's promissory note(s) to be executed at loan closing. Interest shall accrue from the date that funds are disbursed by the Department to or on behalf of the Sponsor. For the first thirty (30) years of the Loan term for each Funding Program, payments in the amount of 0.42 percent (0.42%) of the original principal loan balance of each such Funding Program Loan shall be payable to the Department with respect to each Funding Program (collectively, the "**Monitoring Fee**"); such payments will commence on the last day of the Initial Operating Year and will continue on each anniversary date thereafter. To the extent there are multiple Funding Programs, the Monitoring Fee shall be payable with respect to each. Commencing on the thirtieth (30th) anniversary of the date of the first Monitoring Fee payment, and continuing annually thereafter, the Borrower must pay annual loan payments with respect to each Funding Program Loan to the Department in an amount equal to the amount determined by the Department to be necessary to cover the costs of continued monitoring of the Development for compliance with Program Requirements for the Funding Programs. The Monitoring Fee shall be fixed in the amount set out above and shall continue to be payable for the full term of the Regulatory Agreement(s), notwithstanding any prepayment, in whole or in part, of the outstanding principal loan amount. The Loan(s) may not be prepaid in whole or in part without the prior written consent of the Department.

2. **Invoicing and Payment**

A. Permanent Financing

- (i) All Loan proceeds to be disbursed at conversion to permanent financing shall be disbursed simultaneously through a single independent escrow/title company. The Department shall prepare and submit instructions to the escrow holder, detailing the requirements for the release of Loan proceeds to the Borrower.
- (ii) The Loan proceeds shall be released through escrow upon the Sponsor's, or its assignee's, submittal of the Request for Funds form and the satisfaction of the terms of the Award Letter and this Agreement and all applicable Program Requirements. The Department reserves the right to retain 10 percent (10%) of the approved loan proceeds pending receipt and acceptance of the cost audit and any remaining Loan closing checklist items.

B. Construction Period Financing

- (i) All Loan proceeds to be disbursed as construction period funding shall be disbursed as set forth in the Development Agreement which shall be executed by Sponsor(s), Borrower, and by such other entities as may be required by the Department, as a condition to the initial disbursement.
- (ii) The Loan proceeds shall be released through the Department upon the Sponsor's, or its assignee's, submittal of the STD 204 (Payee Data Record) and the Request for Funds form, and upon Sponsor's and Borrower's satisfaction of all terms and conditions of this Agreement, the Development Agreement, and applicable Program Requirements. The Department reserves the right to retain 10 percent (10%) of the approved Loan proceeds pending receipt and acceptance of the cost audit and any remaining Loan closing checklist items.

C. The Department shall not authorize payment(s) unless it determines that the Program funds shall be expended in compliance with applicable Program Requirements.

3. **Payees**

The authorized Payee(s) is/are set forth in Section 5 of Exhibit E of this Agreement.

4. **Budget Contingency Clause**

Multifamily Super NOFA
NOFA Date: 03/30/22, as amended 06/10/22
Approved Date: 05/08/2023
Prep. Date: XX/XX/XXXX

It is mutually agreed that if funding is reduced or eliminated by the Budget Act for purposes of the program(s) giving rise to this Agreement, the Department shall have the option to either cancel this Agreement with no liability occurring to the State or offer an agreement amendment to Contractor reflecting a reduced amount.