

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 Award(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 portion of the Award provided as a Loan including the terms of each Loan, including, without limitation, the interest rate, the maturity date, and all required interest payments and fees, are specified and described in the promissory note for each Loan, as well as in the relevant Guidelines, as identified below:
- 1) For an MHP Loan, the Loan terms are set forth at Section 7308 of the MHP Guidelines.

For the first 30 years of the Loan term for each Funding Program, annual interest payments in the amount of 0.42 percent of the original principal loan balance of each such Loan shall be payable to the Department with respect to each Funding Program.

The Loan(s) may not be prepaid in whole or in part without the Department's express prior written consent for each such prepayment, which consent may be withheld or conditioned in the Department's sole and absolute discretion. Without limiting the generality of the foregoing, the Department shall, pursuant to applicable Program Requirements, including without limitation Health and Safety Code section 50675.6, subdivision (c), condition any such prepayment on the Borrower's payment of an annual monitoring fee for the full remaining term of the Regulatory Agreement (the "**Monitoring Fee**"). Such Monitoring Fee shall be the amount necessary to cover the Department's costs of monitoring the Development for compliance with Program Requirements.

EXHIBIT B**2. Invoicing and Payment****A. Permanent Financing**

- 1) All Loan proceeds to be disbursed at conversion to permanent financing shall be disbursed simultaneously through a single independent escrow/title company licensed to do business in the State of California and in good standing. The Department shall prepare and submit instructions to the escrow holder, detailing the requirements for the release of Loan proceeds to the Borrower.
- 2) The Loan proceeds shall be released through escrow upon the Sponsor's, or its assignee's, submittal of the Department's Request for Funds (RFF) 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 of the approved Loan proceeds pending receipt and acceptance of the cost audit and any remaining Loan closing checklist items.

B. Construction Period Financing

- 1) 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), by Borrower, and by such other entities as may be required by the Department as a condition to the initial disbursement.
- 2) Disbursements of Loan proceeds during the construction period will be made directly to Borrower and not through an escrow account. Such disbursements may necessarily be delayed as the Department is required to request funds from the California State Controller's Office for each disbursement. As such, Borrower and Sponsor are advised to submit draw requests early to minimize delay in payment.
- 3) The Loan proceeds shall be released by 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 all applicable Program Requirements. The Department reserves the right to retain 10 percent of the approved Loan proceeds pending receipt and acceptance of the cost audit and

Program Name: Multifamily Finance Super NOFA – MHP Gap Funding NOFA

NOFA Date: 04/20/2026, as amended on 05/04/2026 and 06/01/2026

Approved Date: 8/21/2026

Prep. Date: XX/XX/XXXX

EXHIBIT B

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 3 of Exhibit E of this Agreement.