

**EXHIBIT B****BUDGET DETAIL AND PAYMENT PROVISIONS****1. Budget Detail**

For the purpose of performing the Work described in Exhibit A to this Agreement, the Department agrees to provide Program funds in the form of a grant for the uses identified in the Project Budget referenced below. The aggregate amount of the Grant funds disbursed shall not exceed the amount stated on page one, Section 3, of this Agreement (STD 213) and shall be the lesser of:

- A. The amount requested in the Application, or,
- B. The amount later approved by the Department as consistent with the applicable Program Requirements.

In no instance shall the Department be liable for any costs of Work in excess of this amount, or for any unauthorized or ineligible costs.

**2. Project Budget**

- A. The preliminary projected budget (“**Budget**”) as referenced in this Exhibit B contains the cost items for the design, development and construction of the approved Capital Improvement Project, including the sources and uses of funds to pay for all required Work (“**Sources and Uses**”). The financial information for the foregoing Budget is set forth in Section 1, Provision B-1 of Exhibit E to this Agreement in a table entitled “PROJECT BUDGET.” Recipient agrees that any cost overruns or increases resulting in total cost for the Capital Improvement Project exceeding that set forth in the Budget shall be the responsibility of Recipient.
- B. The Department may, in its sole and absolute discretion, approve a written request from the Recipient to reallocate funds between authorized activities and itemized amounts stated in the Budget. Changes in the aggregate of ten percent (10%) or less of the total grant amount between activity categories during the term of this Agreement, and expenditures pursuant thereto, are subject to the prior express written approval of the Department, but do not require a written amendment to this Agreement.

**3. Other Funding Sources**

Program Name: Multifamily Finance Super NOFA, Round 3 [OR] Multifamily Finance Super NOFA – Los Angeles Disaster - IIG  
NOFA Date: 02/13/2025 [OR] 07/07/2025  
Approved Date: 10/09/2025  
Prep. Date: XX/XX/XXXX

## EXHIBIT B

- A. Where the Sources and Uses set forth in the Project Report and this Agreement identify funds other than Program funds, those funds must be expended and applied to Project costs as provided in the Budget. Recipient agrees that it will make best efforts to ensure that the other funds specified in the Budget are available for disbursement as provided in the Project Report and this Agreement, and approved for the use specified in the Budget, except to the extent the Budget and the Sources and Uses may be updated and modified by the Disbursement Agreement. The Recipient must provide evidence and assurance of the commitment and availability of such other sources of funding identified in the Sources and Uses as provided in the Disbursement Agreement. The terms and conditions of all construction financing to be used in conjunction with the Program funds shall be subject to the Department's review and approval.
- B. Where Recipient represents in its submissions to the Department that the Enforceable Funding Commitments related to the Work include owner equity contributions or developer funds, the Department may require Recipient to provide an estoppel letter, acceptable to the Department, evidencing that the amount of owner equity or developer funds proposed by the Recipient at application stage, and relied upon by the Department in reviewing the financial feasibility of the project, continues to be committed to the project.

### 4. Completion Dates

- A. All Program funds must be disbursed no later than the Disbursement Deadline defined in Section 1, Provision B-2 of Exhibit E to this Agreement. The deadline for submitting the final request for disbursement is set forth in Section 1, Provision B-2 of Exhibit E to this Agreement. As of the Disbursement Deadline, any funds which have not been disbursed in accordance with the Disbursement Agreement will no longer be available to pay for the cost of the Work. All invoices for payment must be submitted to the Department no later than three (3) months prior to the Disbursement Deadline to ensure payment processing.
- B. This Agreement shall expire on the date set forth on page one, Section 2, of this Agreement.

### 5. Method of Payment

- A. Payment shall be made as progress payments as set forth in the Disbursement Agreement. Recipient must request payment for Work completed on forms

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## EXHIBIT B

provided by the Department and subject to such documentation as the Department may require.

- B. The Department shall have no obligation to authorize payment unless it determines that the Program funds shall be expended in compliance with the terms and provisions of the Program Requirements, this Agreement and the Disbursement Agreement.
- C. The Department shall have no obligation to authorize payment(s) for pre-development and/or soft costs until the Department has received from the Recipient:
  - 1) An executed construction contract; and,
  - 2) Evidence, acceptable to the Department, demonstrating that construction period funding sources have been secured, or have been, or will be converted to permanent funding sources.

### 6. Disbursement Agreement

- A. The Recipient, the Department and such other parties as may be reasonably required by the Department, shall enter into a Disbursement Agreement in a form provided by the Department. The Disbursement Agreement shall contain a specific description of the Capital Improvement Project and an updated Budget, including without limitation, an updated table of Sources and Uses, a disbursement schedule, and the specific terms and conditions for the disbursement of Program funds.
- B. The Disbursement Agreement must be executed prior to any disbursement of Program funds.

### 7. Budget Contingency Clause

It is mutually agreed that if funding for purposes of the Program is reduced or eliminated by legislative act, the Department shall have the option to either cancel this Agreement with no liability occurring to the State or offer an agreement amendment to Recipient reflecting a reduced amount.

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