

the same proportion which the said current market value bears to the current market value of all the land included in the project, and (ii) that part of the principal balance and accrued interest equal to the proportion which the current market value of the land sold bears to the current market value of all the land included in the project. The Secretary may, with the approval of the Board of Public Works, waive the minimum or maximum price requirements of this section upon a showing of good cause by the subdivision.

(3) Any lease of the land shall provide for annual rental payments in amounts at least equal to the amortization payments required to be made by the subdivision. A lease may contain an option on the part of the lessee to purchase the land, provided that (i) the option price is not less than the minimum price at which the land could be sold, as set forth in subsection (d) (2) hereof, excluding any rental payments made or required under the lease, and (ii) upon the exercise of any such option and payment of the option price, the required prepayment of the loan shall be made].

(2) EACH LOAN AGREEMENT SHALL INCLUDE:

(I) A PROVISION FOR PAYMENTS OF INTEREST ONLY FOR A 5-YEAR PERIOD FROM THE DATE OF THE LOAN;

(II) A PROVISION FOR PAYMENTS OF PRINCIPAL AND INTEREST, IN ACCORDANCE WITH AN AMORTIZATION SCHEDULE THAT THE SECRETARY APPROVES, FOR NOT MORE THAN A 40-YEAR PERIOD FROM THE END OF THE 5-YEAR PERIOD;

(III) A PROVISION FOR AN INTEREST RATE THAT EQUALS THE NET INTEREST COSTS OF THE MOST RECENT SALE OF STATE GENERAL OBLIGATION BONDS BEFORE THE DATE OF THE LOAN PLUS 1/8 OF 1 PERCENT;

(IV) A PROVISION THAT REQUIRES THE BORROWING SUBDIVISION TO GIVE THE SECRETARY AT LEAST 30 DAYS' PRIOR WRITTEN NOTICE OF ANY PROPOSED SALE, LEASE, OR CONVEYANCE AND THAT REQUIRES THAT PRIOR WRITTEN APPROVAL OF THE SECRETARY BEFORE THE SALE, LEASE, OR CONVEYANCE, WHICH APPROVAL THE SECRETARY SHALL GRANT UNLESS THE SALE, LEASE, OR CONVEYANCE VIOLATES A PROVISION OF THE LOAN AGREEMENT OR IS CLEARLY INCONSISTENT WITH THE PURPOSES OF THIS SUBTITLE; AND

(V) A PROVISION THAT REQUIRES, ON SALE OF ANY PORTION OF THE LAND, PREPAYMENT OF THE PRINCIPAL OF THE LOAN FROM THE SALE PROCEEDS IN AN AMOUNT THAT EQUALS THE AMOUNT OF THE ORIGINAL LOAN MULTIPLIED BY THE PROPORTION OF THE LAND SOLD TO THE TOTAL LAND FOR WHICH THE LOAN WAS MADE ORIGINALLY AND A PROVISION FOR REDUCING THE AMORTIZATION PAYMENTS ACCORDINGLY.

(3) THE LOAN AGREEMENT MAY CONTAIN REGULATORY AND SECURITY PROVISIONS.