

Exhibit "B"
GRCLA Affordable Holdings, LLC Principal Reduction and Interest Waiver

GRCLA – AFFORDABLE HOLDINGS, LLC

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July 3, 2019

Thomas Morgan
City of Fresno
Development and Resource Management Department
2600 Fresno Street, Room 3064-C
Fresno, California 93721

Re: Tanager Springs 1 (Loan #: HD053); and Tanager Springs 2 (Loan #: HD052) – Buyer’s Justification for Principal Reduction and Waiver of Accrued Interest for City of Fresno Loans.

Dear Mr. Morgan:

GRCLA-Affordable Holdings, LLC (“Buyer”), is requesting a Principal Reduction on the Loan Balance and Waiver of Accrued Interest for Tanager Springs 1 (Loan # HDD053) and Tanager Springs 2 (Loan # HDD052) from the City of Fresno (collectively “Fresno Loans”). The justification for this request is as follows:

At Close of Escrow, Buyer intends to get obtain a Freddie Mac Loan (“Loan”) for Tanager Springs 1, and Tanager Springs 2 (“Properties”). From the Loan proceeds, Buyer intends to pay off the existing First Mortgage, and the City of Fresno Loans. Unfortunately, the Loan can only pay a portion of the amount that is due on the Fresno Loan. Additionally, Freddie Mac (“Lender”) will not allow a Subordinate Debt on the Properties unless the Loan proceeds are reduced.

If the City of Fresno approves Buyer’s request for Principal Reduction on the Loan Balance and Waiver of Accrued Interest, Buyer will do the following:

1. Assume existing Rental and Income Restrictions;
2. Upgrade the Properties with Energy Efficient Lighting and Plumbing Fixtures;
3. Replace Appliances to Energy Efficient Appliances; and
4. Complete Capital Expenditures that are needed at the Properties.

Buyer intends to be part of the City of Fresno Community for many years to come. Therefore, it is Buyer’s intention to make sure that the Properties are well maintained and upgraded. Instead of doing a re-syndication of Tax Credits, Buyer would rather spend the costs of the re-syndication on Capital Expenditures at the Properties.

Thank you in advance for your consideration, and I look forward to meeting you in person to discuss in further detail.

A handwritten signature in blue ink, consisting of several fluid, connected strokes that form a stylized representation of the name 'Young S. Kim'.

Young S. Kim,
Managing Member