

## WHEN RECORDED MAIL TO:

Citibank, N.A.  
 Transaction and Asset Management Group/Post Closing  
 Citi Community Capital  
 3800 Citibank Center  
 Tampa, Florida 33610  
 Re: Crossroads Village Deal ID No. 60001602

---

 (Space Above This Line For Recorder's Use)

**SUBORDINATION AGREEMENT**  
 (Regulatory Agreement)

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR RIGHTS UNDER CERTAIN AGREEMENTS RELATING TO CERTAIN REAL PROPERTY BECOMING SUBJECT TO, AND OF LOWER PRIORITY THAN, THE LIEN OF A SECURITY INTEREST.

THIS SUBORDINATION AGREEMENT ("Agreement") is dated for reference purposes as of December 1, 2022, by and among CITIBANK, N.A., a national banking association (together with its successors or assigns, "Senior Lienholder"), and the COUNTY OF FRESNO, a public subdivision of the State of California (the "County" or "Recipient").

**WITNESSETH**

WHEREAS, Crossroads Village Fresno, LP, a California limited partnership ("Borrower"), is the fee owner of certain real property and all improvements thereon (the "Improvements") located in the City of Fresno, Fresno County, California, as more particularly described in Exhibit A attached hereto (collectively, the "Property").

WHEREAS, the Department of Housing and Community Development (the "Department"), the Recipient, UP Holdings California, LLC, an Illinois limited liability company ("UP Holdings"), and RH Community Builders LP, a California limited partners ("RH Builders"), entered into that certain Standard Agreement, dated as of November 10, 2020, as assigned to Borrower pursuant to that certain [Assignment and Assumption Agreement dated as of \_\_\_\_, 2022] (collectively, the "Standard Agreement"), pursuant to which the Department agreed to make a grant (the "Grant") to Recipient in an amount equal to \$14,818,701, to be disbursed in accordance with the Standard Agreement.

WHEREAS, pursuant to the terms of the Standard Agreement, Blackstone Crossroads LP, a California limited partnership, UP Holdings and RH Builders and the County entered into that certain Regulatory Agreement and Declaration of Restrictive Covenants (Use, Income, and Rent Restrictions), dated as of November 18, 2020, recorded in the Official Records of Fresno County, California ("Official Records") on April 14, 2021 under Recorder's Serial Number

2021-0061669, as assigned to Borrower pursuant to that certain [Assignment and Assumption Agreement dated as of \_\_\_\_\_, 2022] to be recorded concurrently herewith in the Official Records (collectively, the "Regulatory Agreement"), which encumbers the Property. The Standard Agreement, and the Regulatory Agreement are sometimes hereinafter collectively referred to as the "Grant Documents".

WHEREAS, Borrower has applied to Senior Lienholder for a loan (the "Senior Loan") for the construction, rehabilitation, development, equipping and/or operation of a 143-unit multifamily residential project located at the Property to be known as Crossroads Village.

WHEREAS, the Senior Loan is evidenced by that certain Multifamily Construction Note, dated as of December [\_\_\_], 2022, in the maximum principal amount of \$[40,000,000] made by Borrower payable to the order of Senior Lienholder (as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented, the "Senior Note") and that certain Construction Loan Agreement, dated as of the date hereof, by and between Borrower and Senior Lienholder (the "Senior Loan Agreement").

WHEREAS, the Senior Loan is secured by, among other things, that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (California), dated as of the date hereof, executed by Borrower for the benefit of Senior Lienholder (as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented, "Senior Deed of Trust"), which Senior Deed of Trust shall be recorded concurrently herewith in the Official Records encumbers the Property.

WHEREAS, as used herein, the term "Senior Loan Documents" means, collectively, the Senior Loan Agreement, the Senior Note, the Senior Deed of Trust and all other documents, agreements and instruments evidencing and/or securing the Senior Loan.

WHEREAS, it is a requirement in the Senior Loan Documents and a condition precedent to the Senior Lienholder making the Senior Loan that the Senior Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property and that the effect of the Senior Deed of Trust shall be deemed to be prior and superior to the Regulatory Agreement and the other Grant Documents.

WHEREAS, it is to the mutual benefit of the parties hereto that Senior Lienholder provide the Senior Loan to the Borrower; and the County is willing that the Senior Deed of Trust shall constitute a lien or charge upon the Property whose effect is unconditionally prior and superior to the lien or charge of the Regulatory Agreement and the other Grant Documents.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Senior Lienholder to approve the Regulatory Agreement, the parties to this Agreement do hereby declare, understand and agree as follows:

1. That the liens, rights, remedies and charges granted pursuant to the Senior Deed of Trust and the Senior Loan Documents, and any amendments, modifications, renewals or extensions thereof, shall unconditionally be and remain at all times a lien, right, remedy or

charge on the Property, effectively prior and superior to the lien, right, remedy or charge of the Regulatory Agreement and the other Grant Documents on the Property. Notwithstanding the foregoing, Senior Lienholder shall not make any amendments to the Senior Loan Documents which increase the loan amount, change the method used to calculate the interest rate, affect the repayment terms thereof, or eliminate any required interest reserve without the prior written consent of the County.

2. That, in the event of a foreclosure of the Senior Loan Documents, the County shall have no right to enforce against the Senior Lienholder, or to require Senior Lienholder to comply with the Regulatory Agreement by reason of the fact that the Regulatory Agreement is an encumbrance upon the fee interest in the Property.

3. Notwithstanding anything to the contrary set forth in the Senior Loan Documents, any and all disbursements made by Senior Lienholder to or for the account or benefit of Borrower or the Property in connection with any sums advanced by Senior Lienholder for the payment of real estate taxes or assessments or insurance premiums, or any other sums advanced or obligations incurred by Senior Lienholder in connection with the protection or preservation of any security given to Senior Lienholder with respect to the Loan (including costs to complete construction and/or rehabilitation of the Improvements), shall be deemed to be, and in all events shall be, secured by the Senior Deed of Trust and, as so secured, and regardless of whether Borrower at the time of any such disbursements may have been in default under the Senior Loan Agreement, the Senior Deed of Trust, or any of the other Senior Loan Documents and regardless of whether Senior Lienholder was obligated to make any such disbursements, shall be and remain a lien or charge against the Property that is unconditionally prior and superior to the effect of the Regulatory Agreement and the other Grant Documents.

4. That Senior Lienholder would not have approved the Regulatory Agreement without this Agreement.

5. That this Agreement shall be the whole and only agreement with regard to the subordination of the lien, right, remedy or charge of the Regulatory Agreement and the other Grant Documents to the lien, right, remedy or charge of the Senior Deed of Trust and the Senior Loan Documents and shall supersede and cancel, but only insofar as would affect the priority between such documents, any prior agreement as to such subordination, which provide for the subordination of the lien or charge of the Regulatory Agreement.

6. The County declares, agrees and acknowledges that:

(a) the County has been offered an opportunity to review the Senior Loan Documents, including (i) all provisions of the note and deed of trust in favor of Senior Lienholder above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Borrower and Senior Lienholder for the disbursement of the proceeds of Senior Lienholder's loan.

(b) Senior Lienholder in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Senior Lienholder represented that it will, see to the application of such proceeds by the person or persons to whom Senior

Lienholder disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part.

(c) The County acknowledges that the Regulatory Agreement encumbers the Property and the Senior Loan Documents encumber or shall encumber the Property. Notwithstanding the foregoing, the County hereby agrees that, in the event of Senior Lienholder's foreclosure under any of the Senior Loan Documents, including exercise of a power of sale, (i) the Regulatory Agreement shall be of no further force and effect and shall in no way be binding on the Property, and (ii) the County intentionally and unconditionally waives enforcement of the Regulatory Agreement against the Senior Lienholder, its successors, assigns and all future owners of the Property, in every respect, including any and all use and affordability restrictions contained therein, and shall have no right to require compliance with the same by reason of the fact that the Regulatory Agreement is an encumbrance upon the fee interest in the Property. The foregoing agreement by the County contained in this Section 5(c) shall be in effect after a foreclosure under the Senior Loan Documents and until such time as the Sublease is terminated and neither Senior Lienholder nor its successors and/or assigns hold any interest in the Property.

(d) The County understands that in reliance upon, and in consideration of, the foregoing subordination and acknowledgement that the Regulatory Agreement will be of no force and effect upon a foreclosure under the Senior Loan Documents, the Senior Loan is being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this subordination.

7. Senior Lienholder hereby agrees, but only as a separate and independent covenant of such Senior Lienholder and not as a condition to the continued effectiveness of the covenants or agreement of the Borrower and the County as set forth herein, as follows:

(a) Following notice from such Senior Lienholder to the Borrower that a default or breach exists under the terms of the applicable Senior Loan Documents, such Senior Lienholder shall promptly (but in no event later than three (3) business days following the delivery of such notice to Borrower) send a copy of such notice to the County and the County shall have the right, but not the obligation, to cure the default as follows:

(i) If the default is reasonably capable of being cured within forty-five (45) days from the date of delivery of notice to County, as determined by the applicable Senior Lienholder in its sole, but reasonable, discretion, the County shall have such period to effect a cure prior to completion of a foreclosure by such Senior Lienholder under the applicable Senior Loan Documents.

(ii) If the default is such that it is not reasonably capable of being cured within forty-five (45) days from the date of delivery of notice to the County as determined by the applicable Senior Lienholder in its sole, but reasonable,

discretion, and if the County (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then the County shall have such additional time, not to exceed ninety (90) days, as is determined by such Senior Lienholder, in its sole discretion, to be reasonably necessary to cure the default prior to completion of a foreclosure by such Senior Lienholder under the applicable Senior Loan Documents.

(iii) In no event shall such Senior Lienholder be precluded from completion of a foreclosure if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given, or such longer period of time as may be specified in the applicable Senior Loan Documents.

(iv) Nothing in this subparagraph (a) is intended to modify any covenant, term or condition contained in the Senior Loan Documents, including, without limitation, the covenant against creating or recording any liens or encumbrances against the Property without the prior written approval of Senior Lienholder.

(b) The provisions of this paragraph 6 are intended to supplement, and not to limit, waive, modify or replace, those provisions of law pertaining to notice and cure rights of junior encumbrancers including, without limitation, those set forth in California Civil Code Sections 2924b and 2924c (if applicable).

(c) Senior Lienholder shall give the County notice at the address set forth below or such other address as the County may instruct Senior Lienholder in writing from time to time:

County of Fresno  
205 W. Pontiac Way, #2  
Clovis, California 93612  
Attn.: Director of Department of Social Services

8. This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the parties.

9. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

10. In the event that any party to this Agreement brings an action to interpret or enforce its rights under this Agreement, the prevailing party in such action shall be entitled to recover its costs and reasonable attorneys' fees as awarded by the court in such action.

11. This Agreement may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this agreement.

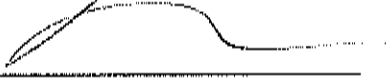
NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH  
ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO  
OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES  
THAN IMPROVEMENT OF THE PROPERTY.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

**FUNDING LENDER:**

**CITIBANK, N.A.**

By:   
Name: Michael Hemmens  
Title: Vice President  
Deal ID No. 60001602

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

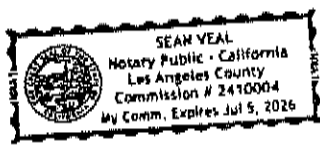
STATE OF CALIFORNIA

COUNTY OF Ventura

On March 20 before me, Seam Veal, Notary Public (here insert name and title of the officer), personally appeared Michael Hammer who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.  
Signature [Handwritten Signature] (Seal)





**COUNTY:**

**COUNTY OF FRESNO,**  
a public subdivision of the State of California

By: Sal Quintero  
Name: Sal Quintero  
Title: Chairman of the Board of Supervisors of the  
County of Fresno

ATTEST:  
BERNICE E. SEIDEL  
Clerk of the Board of Supervisors  
County of Fresno, State of California  
By: Alexandria Vieira Deputy

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

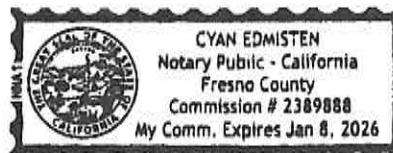
COUNTY OF FRESNO

On 04/11/2023 before me Cyan Edmisten, Notary Public (here insert name and title of the officer), personally appeared Salvador Quintero who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Cyan Edmisten (Seal)



**CONSENT OF BORROWER**

Borrower acknowledges receipt of a copy of the foregoing Subordination Agreement, by and among CITIBANK, N.A., and COUNTY OF FRESNO and consents to the agreement of the parties set forth in this Agreement.

**BORROWER:**

**CROSSROADS VILLAGE FRESNO, LP,**  
a California limited partnership

By: HOM XXXI LLC, a Delaware limited liability company, its Managing General Partner

By: Housing on Merit, a California nonprofit public benefit corporation, its Sole Member

By:   
Name: Jennifer Litywak  
Title: Executive Director

By: Crossroads Village Fresno LLC, a California limited liability company, its Administrative General Partner

By: UP Holdings, LLC, an Illinois limited liability company, dba UP Holdings California, LLC, its Managing Member

By: \_\_\_\_\_  
Name: Jessica Hoff Berzac  
Title: President

By: RHC Crossroads LLC, a California limited liability company, its Member

By: RH Community Builders LP, a California limited partnership, its Sole Member

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

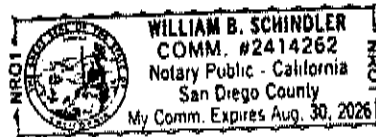
COUNTY OF San Diego

On April 10, 2023 before me, William B. Schindler (here insert name and title of the officer), personally appeared Jennifer Litwak who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature William B. Schindler (Seal)



**CONSENT OF BORROWER**

Borrower acknowledges receipt of a copy of the foregoing Subordination Agreement, by and among CITIBANK, N.A., and COUNTY OF FRESNO and consents to the agreement of the parties set forth in this Agreement.

**BORROWER:**

**CROSSROADS VILLAGE FRESNO, LP,**  
a California limited partnership

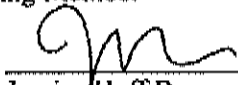
By: HOM XXXI LLC, a Delaware limited liability company, its Managing General Partner

By: Housing on Merit, a California nonprofit public benefit corporation, its Sole Member

By: \_\_\_\_\_  
Name: Jennifer Litwak  
Title: Executive Director

By: Crossroads Village Fresno LLC, a California limited liability company, its Administrative General Partner

By: UP Holdings, LLC, an Illinois limited liability company, dba UP Holdings California, LLC, its Managing Member

By:  \_\_\_\_\_  
Name: Jessica Hoff Berzac  
Title: President

By: RHCB Crossroads LLC, a California limited liability company, its Member

By: RH Community Builders LP, a California limited partnership, its Sole Member

Illinois  
~~CALIFORNIA~~ ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Illinois  
STATE OF ~~CALIFORNIA~~

COUNTY OF Cook

On 4/10/2023 before me, Sarah Marie Ritten, Notary Public (here insert name and title of the officer), personally appeared Jessica Hoff Berzac who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Illinois

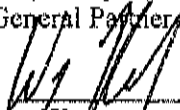
I certify under PENALTY OF PERJURY under the laws of the State of ~~California~~ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sarah Marie Ritten (Seal)



By: WRBH LLC, a  
California limited  
liability company,  
its General Partner

By:   
Name: Wayne  
Rutledge  
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

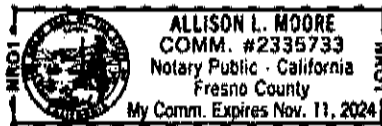
COUNTY OF Fresno

On 4-10-23 before me, Allison L. Moore (here insert name and title of the officer), personally appeared Wayne Rutledge who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature] (Seal)





**EXHIBIT A**  
**Legal Description of the Property**

Real property in the County of Fresno, City of Fresno, State of California, and is described as follows:

[To be inserted]