

INDEMNITY AGREEMENT

This Indemnity Agreement (“Agreement”) is entered into this 8th day of January, 2026, by and between the CITY OF PALM DESERT, a municipal corporation organized and existing under the laws of the State of California (the “City”), and SINATRA FAMILY HOUSING, LP, a California limited partnership (the “Borrower”).

RECITALS

A. WHEREAS, the Borrower has requested that the City conduct a public hearing and adopt a resolution approving the issuance by the California Municipal Finance Authority (“CMFA”) of tax-exempt revenue bonds in a principal amount not to exceed Fifty Million Dollars (\$50,000,000) to finance the Palm Desert Family Housing Project (the “Project”), a 298-unit affordable multifamily rental housing development located at the northwest corner of Cook Street and Frank Sinatra Drive, Palm Desert, California (APN 694-200-021); and

B. WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 6500 et seq. of the California Government Code, the City Council of the City of Palm Desert conducted a duly noticed public hearing on January 8, 2026, and adopted Resolution No. 2026-____, approving the issuance of the Bonds by CMFA for purposes of satisfying federal and state requirements; and WHEREAS, the City Council adopted Resolution No. 2025-035 on June 12, 2025, establishing the City’s Records Retention Schedule; and

C. WHEREAS, as a condition of adopting the Resolution, the City requires that the Borrower indemnify, defend, and hold harmless the City and its officers, officials, employees, and agents from and against any and all claims, damages, and liabilities arising from or related to the City’s consideration or approval of the Resolution or CMFA’s issuance of the Bonds.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual covenants set forth below, the parties agree as follows:

1. Term. This Agreement shall become effective upon execution and shall remain in effect with respect to any Claims arising from or relating to the Resolution, the Bonds, or the Project, notwithstanding any completion, defeasance, redemption, or other termination of the Bonds.

2. Indemnification. From and after the execution of this Agreement, the Borrower hereby agrees to indemnify, defend upon written tender by the City (with counsel reasonably acceptable to the City), and hold harmless the City and its officers, officials, employees, and agents (collectively, the “City Parties”) from and against any and all legal actions, proceedings, claims, demands, liabilities, losses, judgments, damages, awards, costs, and expenses (including reasonable attorneys’ fees and court costs) (collectively, “Claims”) arising directly or indirectly out of or related to the City’s consideration of, hearing on, or approval of the issuance of the Bonds as provided in Resolution No. 2026-____ adopted on January 8, 2026 or the CMFA’s consideration, approval, structuring, sale, issuance, validation, remarketing, or administration of the Bonds or the Project, including,

without limitation, any Claims alleging violation of federal, state, or local law, including the California Public Records Act (“CPRA”), environmental review requirements, or other challenges to the City’s proceedings or approvals.

This obligation shall survive the adoption of the Resolution, the issuance of the Bonds, and any termination of this Agreement. The obligations under this Section 1 are in addition to, and not in lieu of, any indemnity, defense, or reimbursement obligations in any other agreement between Borrower, CMFA, or the City. Nothing herein shall be construed to require indemnification to the extent caused by the sole active negligence or willful misconduct of the City.

3. No City Obligation. The Borrower acknowledges and agrees that the Bonds shall not constitute an indebtedness, obligation, or liability of the City. The City shall have no financial, legal, or moral responsibility for the repayment of the Bonds or any obligation of CMFA or the Borrower related thereto). Borrower acknowledges that the City is not an issuer, underwriter, or obligated person with respect to the Bonds, has no continuing disclosure obligations, and is not a party to the financing documents. Borrower shall not state or imply otherwise in any offering or disclosure materials. The City expressly reserves all immunities and defenses available under applicable law, including without limitation Government Code §§ 818.4 and 818.8.

4. Governing Law; Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of execution. This Agreement shall be interpreted according to its fair meaning as if prepared jointly by both parties. Venue for any action arising out of or relating to this Agreement shall lie exclusively in the state courts located in Riverside County, California.

5. Modification; Waivers. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless made in writing and duly authorized and executed by both parties. No waiver of any breach shall be deemed a waiver of any other or subsequent breach.

6. Severability. If any term or provision of this Agreement, or the application thereof to any party or circumstance, shall be held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such term or provision to other parties or circumstances shall not be affected and shall remain enforceable to the fullest extent permitted by law.

7. Entire Agreement. This Agreement contains the entire understanding between the parties with respect to the matters covered herein and supersedes all prior agreements, understandings, and representations, whether oral or written. The recitals are incorporated into and made a part of this Agreement.

8. Counterparts; Electronic Delivery. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Execution and delivery by electronic means shall be valid and binding for all purposes. Electronic signatures shall be deemed original signatures to the fullest extent permitted by law.

9. Notices. All notices, tenders of defense, and other communications under this Agreement shall be in writing and deemed given when (a) delivered personally, (b) sent by

nationally recognized overnight courier, or (c) deposited in the U.S. mail, certified, return-receipt requested, postage prepaid, addressed to the parties at the addresses on file with the City Clerk (or such other address as a party may designate by notice).

10. Further Assurances; Cooperation. Borrower shall execute and deliver such further documents and take such further actions as may be reasonably necessary to carry out the purposes of this Agreement, including cooperating with the City in responding to any CPRA requests, subpoenas, or audits relating to the Resolution, the Bonds, or the Project.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns; provided, however, Borrower shall not assign this Agreement without the City's prior written consent, which may be withheld in the City's sole discretion.

12. Independent Obligations; No Third-Party Beneficiaries. Borrower's obligations hereunder are independent of any obligations of CMFA or any other person. This Agreement is for the benefit of the City only and shall not create any rights in favor of any third party, except as expressly provided herein.

13. No Agency; Partnership. Nothing herein shall create any agency, partnership, joint venture, or employment relationship between Borrower and the City.

**[Remainder of this page intentionally left blank]
[Signatures appear on next page]**

IN WITNESS WHEREOF, the Borrower and the City have executed this Agreement as of the date first written above.

SINATRA FAMILY HOUSING, LP
a California Limited Partnership

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

CITY OF PALM DESERT
a California Municipal Corporation

By: _____

Evan Trubee
Mayor

ATTEST:

By: _____

Anthony J. Mejia
City Clerk