

INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT (this “Agreement”) is entered into as of July ____, 2023, by and between URBAN HOUSING COMMUNITIES, LLC, a California limited liability company (“UHC”), and the CITY OF PALM DESERT, a California municipal corporation (the “City”), with reference to the following facts and circumstances:

RECITALS

WHEREAS, A0357 Palm Desert, L.P., a California Limited Partnership, a partnership of which UHC or a related person to UHC is the general partner, has requested that the California Statewide Communities Development Authority (the “CSCDA”) adopt a plan of financing providing for the issuance of exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Internal Revenue Code of 1986 (the “Code”) in one or more series issued from time to time, including bonds issued to refund such exempt facility bonds in one or more series from time to time, and at no time to exceed Sixty Million Dollars (\$60,000,000.00) in aggregate principal amount (the “Bonds”), to finance or refinance the acquisition, construction and development of a multifamily rental housing project located at the southeast corner of Dick Kelly Drive and Gateway Drive, Palm Desert, California; and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by CSCDA must be approved by the City because the Project is located within the territorial limits of the City; and

WHEREAS, the City Council of the City (the “City Council”) is the elected legislative body of the City and is one of the “applicable elected representatives” required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the CSCDA has requested that the City Council approve the issuance of the Bonds by the CSCDA in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement relating to the CSCDA, dated as of June 1, 1988 (the “Agreement”), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and on July 13, 2023 adopted Resolution No. ____ of the City approving the issuance of the Bonds.

NOW, THEREFORE, in consideration of the foregoing recitals, and the City’s adoption of Resolution No. ____, UHC and the City agree as follows:

1. **Indemnification**. From and after the execution of this Agreement, UHC hereby agrees to indemnify, defend (with counsel reasonably acceptable to City) and hold harmless the City and its officers, employees and council members (collectively, the “City Parties”) from and against all legal actions or proceedings, and any other claims, liabilities, losses, judgments, damages, awards, costs and expenses (including reasonable attorneys’ fees and court costs actually incurred by the City Parties) arising directly or indirectly out of or related to the City’s

approval of the issuance of the Bonds as provided in Resolution No. ____ of the City and adopted on July 13, 2023.

2. Governing Law; Interpretation/Construction of Agreement. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. This Agreement shall be construed according to its fair meaning as if prepared by both parties hereto.

3. Modifications; Waivers. No modifications of this Agreement, shall be effective unless it is in writing and is duly authorized and executed by the parties hereto, and similarly no waiver by either party of any provision of this Agreement shall be effective unless it is in writing and is duly authorized and executed by the waiving party.

4. Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

5. Merger of Prior Agreements and Understandings. This Agreement contains the entire understanding between the parties related to the matters covered by this Agreement and all prior or contemporaneous agreements, understandings, representations and statements, whether oral or written, are merged herein and shall be of no further force or effect.

6. Counterparts; Electronic Delivery. This Agreement may be executed in any number of counterparts which, when taken together, shall constitute a fully-executed original.

[Remainder of this page intentionally left blank]

[Signatures appear on next page]

IN WITNESS WHEREOF, UHC and the City have executed this Agreement as of the date first set forth above.

URBAN HOUSING COMMUNITIES, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CITY OF PALM DESERT,
a California municipal corporation

By: _____
Name: Kathleen Kelly
Title: Mayor

ATTEST:

Anthony J. Mejia, City Clerk