

INDEMNITY AGREEMENT

An Agreement entered into this 30 day of April, 1997, by and between Sunridge Homes, Inc., a Utah corporation, "Sunridge," and the Vista del Sol Townhomes Association, a Utah nonprofit corporation, "Homeowners."

Recitals

Whereas, Sunridge constructed the Vista del Sol project consisting of Phases 1, 2, 3, and 4;

Whereas, in constructing the Vista del Sol project underground water was encountered and the City of St. George, as a condition of approval of the Vista del Sol project, required Sunridge to construct facilities to dispose of stormwater collected within the project;

Whereas, Sunridge desires to combine the facilities for disposing of the underground water and those required for storm water;

Whereas, arrangements for disposing of the underground water and stormwater across third-party property owners was not completed prior to the transfer of responsibility for the enforcement of the project's CC&R's from Sunridge to Homeowners; and

Whereas, the parties desire to define the responsibility of Sunridge in the continuing efforts to secure an easement for the disposal of underground and storm waters;

NOW THEREFOR the parties mutually covenant and agree as follows:

1. **Sunridge Obligations.** Sunridge agrees to provide, at no cost to Homeowners, the following:

- A. An easement for the disposal of: (a) underground water originating in the project; and (2) the stormwater runoff within the project.
- B. To pay all expenses and costs of surveying, engineering, legal fees and other expenses that may be required in obtaining the easement and installing and constructing those facilities necessary to comply with the City of St. George requirements for disposal of the groundwater and stormwater, as those regulations existed and were applicable to approval of the Vista del Sol project.

C. To indemnify Homeowners from all costs and expenses associated with the acquisition of easements and construction of facilities required to meet the City of St. George regulations regarding disposal of underground water and storm water existing and required for the approval of the Vista del Sol project or as subsequently revised to diminish the responsibility of Sunridge. However, subsequent regulations that increase the responsibility of Sunridge shall not be the responsibility of Sunridge.

2. **Attorneys Fees.** If any action at law or in equity is brought for any breach of, or to enforce or interpret any of the covenants, terms, or conditions of this Agreement, the prevailing party shall be entitled to recover from the other party as part of the prevailing party's costs, a reasonable attorneys' fee, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.

3. **Complete Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements between the parties. There are no oral agreements which modify or affect this Agreement. This Agreement cannot be changed except by mutual written agreement of the parties.

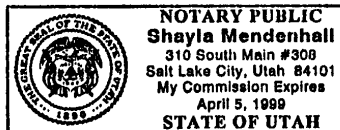
WITNESS the hands of the parties the day and year first written above.

Sunridge Homes, Inc.

Vista del Sol Townhomes Association

by [Signature]
its Vice PRESIDENT

by [Signature]
its President



[Signature] 4/30/97

DESCRIPTION OF PROPERTIES EFFECTED BY THE ATTACHED INDEMNITY

AGREEMENT DATED April 30, 1997, BY AND BETWEEN SUNRIDGE HOMES, INC.,

A UTAH CORPORATION, AND the VISTA DEL SOL TOWNHOMES ACCOCIATION,

A UTAH NONPROFIT CORPORATION.

All of Lots 1 to 105, VISTA del sol Townhomes - PHASES 1, 2, 3, and 4, - according to the Official Plats thereof, on file in the office of the Recorder of Washington County, State of Utah.

Together with the common areas, limited common areas, improvements and appurtenances thereunto belonging, or in which any Homeowners, or the Trustees of the Homeowners' Association have any right, title, claim or interest.

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