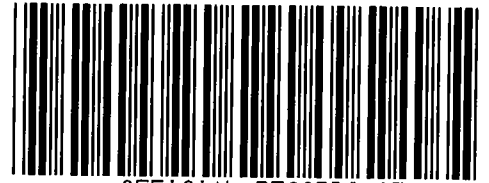


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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SUN CITY GRAND**

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TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>
"A"	Land Initially Submitted
"B"	Intentionally Deleted
"C"	Initial Use Restrictions
"D"	Rules of Arbitration

401419.7

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SUN CITY GRAND

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SUN CITY GRAND ("Declaration") is made this 28th day of ~~August~~^{July}, 2006, by Del Webb Home Construction, Inc., an Arizona corporation (hereinafter referred to as the "Declarant").

WHEREAS, on July 11, 1996 that certain Declaration of Covenants, Conditions and Restrictions for Sun City Grand (the "Declaration") was recorded at Instrument No. 96-0491079 in the offices of the Recorder of Maricopa County, Arizona; and

WHEREAS, on January 31, 1997 that certain First Amendment to the Declaration of Covenants, Conditions and Restrictions for Sun City Grand was recorded at Instrument No. 97-0064711 in the offices of the Recorder of Maricopa County, Arizona (the "First Amendment"); and

WHEREAS, on April 15, 2004, that certain Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Sun City Grand was recorded at Instrument No. 2004-0400244 in the offices of the Recorder of Maricopa County, Arizona (the "Second Amendment"); and

WHEREAS, on February 24, 2005 a Notice of Amendment to Exhibit "C" – Initial Use Restrictions for Declaration of Covenants, Conditions and Restrictions for Sun City Grand was recorded at Instrument No. 2005-225302 in the offices of the Recorder of Maricopa County, Arizona (the "Exhibit C Amendment"); and

WHEREAS, the Declarant deems it to be in the best interest to amend and restate the Declaration in its entirety; and

WHEREAS, pursuant to the terms of the Declaration, the Declaration may be amended by the Declarant; and

WHEREAS, the Declarant has consented to adopt the amendments as set forth below;

NOW THEREFORE, the Declaration, as amended by the First Amendment, the Second Amendment and the Exhibit C Amendment is hereby amended and restated in its entirety as follows:

Declarant is the owner of the real property described in Exhibit "A," which is attached hereto and incorporated herein by this reference. This Declaration imposes upon the Properties (as defined in Article I) mutually beneficial restrictions under a general plan of improvement for

the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Declaration by Supplemental Declaration (as defined in Article I) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the desirability of and which shall run with title to the real property subjected to this Declaration. This Declaration shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in the Properties or any part thereof, their heirs, successors, successors-in-title, and assigns.

ARTICLE I **DEFINITIONS**

The terms in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1. "Activity Card(s)": Those certain cards which are issued by the Association in accordance with the terms and conditions set forth in Section 2.2 and which confer upon the holder rights of access to and use of recreational facilities and other Common Areas within the Properties (subject to the payment of greens fees, admission fees, or other use fees established by the Board from time to time).

1.2. "Age-Qualified Occupant": Any Person (a) 40 years of age or older who owns and occupies a Dwelling Unit and was the original purchaser of the Dwelling Unit from the Declarant; or (b) 55 years of age or older who occupies a Dwelling Unit. An occupant of an Ancillary Unit, unless also an Age-Qualified Occupant of the primary Dwelling Unit on the Lot, shall not be an Age-Qualified Occupant.

1.3. "Ancillary Unit": Any detached structure on a Lot which is intended as a residential dwelling ancillary to the structure on the same Lot which serves as the primary Dwelling Unit for the Lot (e.g., an "in-law" or "guest" suite).

1.4. "Area of Common Responsibility": The Common Area, together with those areas, if any, which the Association does not own but which by the terms of Section 5.1 or other provisions of this Declaration, any Supplemental Declaration, or other applicable covenants, or by contract become the responsibility of the Association.

1.5. "Architectural Review Committee" or "ARC": The committee established by the Board to review all plans and applications for the construction and modification of improvements on the Properties (subject to the rights reserved to Declarant in Section 10.2) and to administer and enforce the architectural controls described in Article X.

1.6. "Articles": The Articles of Incorporation of Sun City Grand Community Association, Inc., as filed with the Arizona Corporation Commission.

1.7. “Association”: Sun City Grand Community Association, Inc., an Arizona nonprofit corporation, its successors or assigns.

1.8. “Base Assessment”: Assessments levied on all Lots subject to assessment under Section 9.9 to fund Common Expenses for the general benefit of all Lots, as more particularly described in Sections 9.1 and 9.3.

1.9. “Benefitted Assessment”: An assessment levied against a particular Lot or Lots for expenses incurred or to be incurred by the Association for the purposes described in Section 9.7.

1.10. “Board of Directors” or “Board”: The body responsible for establishing the operational and corporate policies of the Association and for overseeing their implementation and enforcement. The members of the Board shall be selected as provided in the By-Laws.

1.11. “Builder”: Any Person purchasing one or more Lots to construct Dwelling Units thereon for later sale to Class “A” Members or one or more Lots or parcels of land within the Properties to subdivide, develop, and/or resell in the ordinary course of such Person’s business.

1.12. “By-Laws”: The By-Laws of Sun City Grand Community Association, Inc., as they may be amended from time to time.

1.13. “CARE Fee”: The fee paid by an Owner upon conveyance of a Lot as further discussed in Section 9.13.

1.14. “Class “B” Control Period”: The period during which the Class “B” Member is entitled to appoint a majority of the Board members. The Class “B” Control Period shall expire upon the first to occur of the following:

(a) when 100% of the Maximum Lots have certificates of occupancy issued thereon and have been conveyed to Class “A” Members;

(b) when the Class “B” membership terminates;

(c) December 31, 2045; or

(d) when, in its discretion, the Class “B” Member so determines.

1.15. “Common Area”: All real and personal property which the Association now or hereafter owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, including easements held by the Association for those purposes. The term shall include the Exclusive Common Area, as defined below, and may include, without limitation, recreational facilities, entry features, signage, landscaped medians, rights of way, lakes, ponds, and land operated as a golf course, if any.

1.16. “Common Expenses”: The actual and estimated expenses incurred or anticipated to be incurred by the Association, including, without limitation (a) expenses incurred for the general benefit of all Owners and occupants of Lots, (b) the In Lieu Payments (defined in

Section 4.18 below) to the Maricopa County Municipal Water Conservation District Number One pursuant to the MWD Agreement (defined in Section 4.18 below), and (c) expenses for Board approved capital expenditures and any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles.

1.17. “Community-Wide Standard”: The standard of conduct, maintenance, or other activity required within the Properties. Such standard may contain both objective and subjective elements. For as long as the Declarant owns any portion of the property described in Exhibit “A.” it shall have the authority to establish the subjective elements of the Community-Wide Standard. The objective and subjective elements of the Community-Wide Standard shall be determined by the Board, subject to any specific requirements set forth in the Design Guidelines. After the Declarant no longer owns any of the property described in Exhibit “A.” the Board shall have the authority to establish the subjective elements of the Community-Wide Standard. The Community-Wide Standard may evolve as development progresses and as the needs and demands of the Sun City Grand community change.

After Declarant no longer owns any property described in Exhibit “A.” the Community-Wide Standard shall be the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties at the subject point in time, as determined exclusively by the Board, or by the ARC (defined herein) with the approval of the Board.

1.18. “Covenant to Share Costs”: Any declaration of easements and/or covenant to share costs executed by Declarant or the Association and recorded in the Office of the County Recorder which creates easements for the benefit of the Association and the present and future owners of real property subject to such Covenant to Share Costs and/or which obligates the Association and such owners to share the costs of maintaining certain property described therein.

1.19. “Declarant”: Del Webb Home Construction, Inc., an Arizona corporation, or any successor, successor-in-title, or assign of Del Webb Home Construction, Inc., who has or takes title to any portion of the property described in Exhibit “A” for the purpose of development and/or resale in the ordinary course of business and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

1.20. “Design Guidelines”: The architectural, design, development, landscaping, and other guidelines, standards, controls, and procedures, including but not limited to, application and plan review procedures, adopted pursuant to Article X and applicable to the Properties.

1.21. “Dwelling Unit”: Any building or structure or portion of any building or structure situated upon a Lot which is intended for use and occupancy as an attached or detached residence for a single family, including by way of illustration but not limitation, condominium units, townhome units, cluster homes, patio or zero lot line homes, and single family detached houses, but excluding any rental apartments within any apartment or rental structure or complex. Notwithstanding the above, an Ancillary Unit shall not be a separate Dwelling Unit but, instead, shall be deemed a part of the building or structure serving primarily as the Dwelling Unit on the Lot.

