



CARPENTER HAZLEWOOD

Carpenter, Hazlewood, Delgado & Wood, PLC

e-mail: andrea@carpenterhazlewood.com

May 30, 2007

SENT VIA U.S. MAIL

Sun City Grand Community Association, Inc.
Attn: Ed Harrold
19753 North Remington Drive
Surprise, Arizona 85374

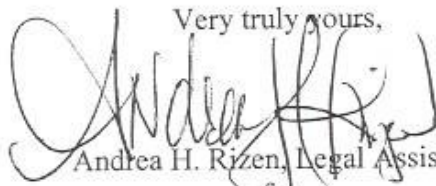
RE: First Amendment

Dear Members of the Board:

Enclosed, please find the original recorded First Amendment to the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Sun City Grand. Please retain this for your records.

If you have any questions, please feel free to contact our office.

Very truly yours,



Andrea H. Rizen, Legal Assistant
for

CARPENTER, HAZLEWOOD, DELGADO & WOOD, PLC

Enclosure

Attorneys

Maura A. Abernethy
Joshua M. Bolen
Scott B. Carpenter
Javier B. Delgado
James H. Hazlewood
Chad P. Miesen

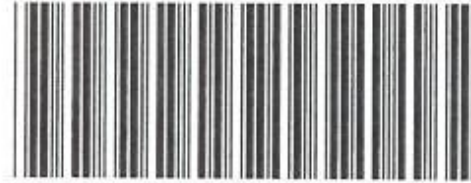
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Hold ready
Jim Beale



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2007-0479766 04/25/07 01:29 PM
1 OF 1

HERMONTES

WHEN RECORDED, MAIL TO:

CARPENTER HAZLEWOOD, PLC
1400 East Southern Avenue, Suite 640
Tempe, Arizona 85282

SUN CITY GRAND COMMUNITY ASSOCIATION, INC.

**FIRST AMENDMENT TO THE AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR SUN CITY GRAND**

This First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Grand is made and entered into this 12th day of APRIL, 2007 by the Sun City Grand Community Association, Inc.

WITNESSETH

Whereas, on July 31, 2006, the Declarant recorded the document known as the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Grand ("CC&Rs") recorded as Instrument Number 2006-021541, as re-recorded on November 16, 2006, by Instrument Number 2006-1505906, Official Records of Maricopa County, Arizona;

Whereas, Article XVII, Section 17.2(b) of the CC&Rs provides that the CC&Rs may be amended "by the affirmative vote or written consent, or any combination thereof, of 67% of the Class "A" votes, and the consent of the Declarant, as long as Declarant owns any of the Property described in Exhibit A."

Whereas, at least 67% of the Owners consented to the following amendments;

Whereas, Declarant has consented to the amendments contained herein and such consent is attached hereto as Exhibit A;

NOW, THEREFORE, the CC&Rs are hereby amended as follows:

1. Article I, Section 1.2 of the CC&Rs is hereby amended as follows:

1.2 "Age-Qualified Occupant." Any Person (a) 45 years of age or older who owns and occupies a Dwelling Unit; 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.

2. Article II, Section 2.3 shall read as follows:

2.3 "Age Restriction." Sun City Grand is intended to provide housing primarily for persons 55 years of age or older. The Properties shall be operated as an age restricted community in compliance with all applicable State and Federal laws. No person under 19 years of age shall stay overnight in any Dwelling Unit for more than 90 days in any calendar year.

Persons 45 through 54 who purchased Lots from the Declarant or from another owner are permitted to occupy Dwelling Units, without a person 55 or older, subject to policies and procedures established by the Board. Otherwise, each Dwelling Unit, if occupied, shall be occupied by at least one Person 55 years of age or older; provided, once a Dwelling Unit is occupied by an Age-Qualified Occupant, other Qualified Occupants of that Dwelling Unit may continue to occupy that Dwelling Unit, regardless of the termination of the Age-Qualified Occupant's occupancy, if at least 85% of the Dwelling Units within the Properties are occupied by at least one Person 55 years of age or older. In any event, at all times, at least 85% of the Dwelling Units within the Properties shall be occupied by at least one Person 55 years of age or older.

Further, a Qualified Occupant is eligible to purchase a Dwelling Unit within Sun City Grand if the Qualified Occupant wishes to relocate to a different Dwelling Unit after his/her legal separation or divorce from, or the death of, the Age-Qualified Occupant. If a Qualified Occupant wishes to relocate to a different Dwelling Unit under such circumstances, he or she must provide to the office of the Association, a copy of the purchase contract for the new Dwelling Unit within Sun City Grand no later than 90 days after (i) the original Dwelling Unit is sold or (ii) if the original Dwelling Unit is not sold, the date the divorce degree is final or the legal separation is granted, whichever is applicable. If a Qualified Occupant does not provide a purchase contract or lease within such 90-day period, he or she shall lose his/her status as a Qualified Occupant.

The Board may establish policies and procedures from time to time as necessary to maintain its status as an age restricted community under State and Federal law. The Association shall provide, or contract for the provision of, those facilities and services designed to meet the physical and social needs of older Persons as may be required under such laws. The Board shall have the power and authority to enforce this Section 2.3 by any legal or equitable means available, as the Board deems appropriate.

3. Article XIV, Section 14.10 of the CC&Rs is deleted in its entirety.

4. Article IX, Section 9.13 is amended to read:

CARE FEE. Except as set forth below, all Owners of Lots who acquire their Lots from an Owner shall pay a Community and Resident Enhancement Fee ("CARE Fee") at the time of voluntary conveyance of ownership rights in the Lot. The CARE Fee shall be secured by the lien for assessments as set forth in Section 9.10 and shall burden the Lot after conveyance of ownership rights in the Lot. The Owner of the Lot after the conveyance of ownership rights

in the Lot shall also be personally obligated to pay the CARE Fee. Unless otherwise directed by the transferor [the seller] and transferee [the buyer] of a Lot, the Association shall collect the CARE Fee owed by the transferee through the close of escrow if the Association is notified of the conveyance and if a title company is used to facilitate a particular conveyance of a Lot. The transferor and transferee may allocate the payment of the CARE Fee through the escrow process between the transferor and transferee in any manner. The failure of the Association to be notified of a conveyance shall not affect the obligation of the new Owner to pay the entire CARE Fee and shall not impact the lien against the Lot for the CARE Fee.

No CARE Fee shall be payable with respect to: (a) the transfer or conveyance of a Lot by devise or intestate succession; (b) a transfer or conveyance of a Lot for estate planning purposes; or (c) a transfer or conveyance to a corporation, partnership or other entity in which the grantor owns a majority interest unless the Board determines, in its sole discretion, that a material purpose of the transfer or conveyance was to avoid payment for the CARE Fee, in which event a CARE Fee shall be payable with respect to such transfer or conveyance.

Each Member of the Association who owns a Lot on January 1, 2008, qualifies for a one-time exemption should the Member obtain ownership of another Lot in Sun City Grand and if an exemption has not been previously exercised. A Member may exercise this one-time exemption if evidence of a purchase contract for another Lot within Sun City Grand is provided to the Association's office within 90 days of the closing date of their Dwelling Unit.

Any and all CARE Fees collected shall not be used to pay for operating expenses. Rather, the CARE Fees shall be used only for funding community development and enhancements, developing new community facilities, and enhancing and expanding existing community facilities and programs.

Effective January 1, 2008, the CARE Fee shall be an amount equal to the Base Assessment in effect at the time of closing of escrow or conveyance. (Clarification – Base Assessment is legal term for annual dues)

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the Sun City Grand Community Association, Inc., an Arizona non-profit corporation, has executed this First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Grand as of the day and year written above.

The SUN CITY GRAND COMMUNITY ASSOCIATION, INC.,
an Arizona non-profit corporation

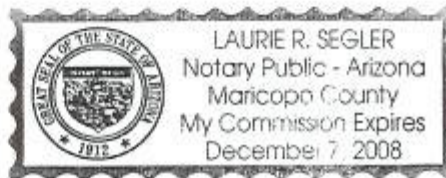
By: HARVEY L. NOTEBORN
[Signature]
President

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 12th day of April, 2007 by Harvey Noteborn, President of Sun City Grand Community Association., an Arizona nonprofit corporation, for an on behalf of the corporation.

Laurie R. Segler
Notary Public

My Commission Expires:
December 7, 2008



I, MAURICE N. BLAKE being the duly elected Secretary of Sun City Grand Community Association, Inc., hereby attest that the foregoing First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Grand was assented to by the written consent of at least 67% of the Sun City Grand Community Association Owners and the Declarant.

By: Maurice N. Blake
Secretary,
Sun City Grand Community Association, Inc.

State of Arizona)
) ss.
County of Maricopa)

12th SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this April, 2007, by Maurice Blake, the Secretary of Sun City Grand Community Association, Inc., an Arizona nonprofit corporation, for an on behalf of the corporation.

Laurie R. Segler
Notary Public

My Commission Expires:
December 7, 2008

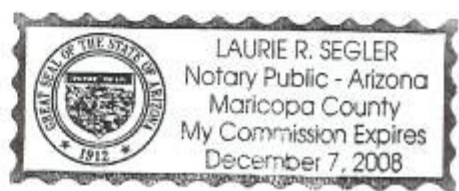


EXHIBIT A

SUN CITY GRAND COMMUNITY ASSOCIATION, INC.

DECLARANT'S CONSENT TO:

**FIRST AMENDMENT TO THE AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR SUN CITY GRAND**

This Declarant's Consent to the First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Grand ("Consent") is made and entered into this 4th day of APRIL, 2007 by Del Webb Home Construction, Inc., ("Declarant").

WITNESSETH

Whereas, on July 31, 2006, the Declarant recorded the document known as the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Grand ("CC&Rs") recorded as Instrument Number 2006-021541, as re-recorded on November 16, 2006, by Instrument Number 2006-1505906, Official Records of Maricopa County, Arizona;

Whereas, Article XVII, Section 17.2(b) of the CC&Rs provides that the CC&Rs may be amended "by the affirmative vote or written consent, or any combination thereof, of 67% of the Class "A" votes, and the consent of the Declarant, as long as Declarant owns any of the Property described in Exhibit A."

Whereas, the Sun City Grand Community Association, Inc. (the "Association") has advised Declarant that at least 67% of the Owners consented to the amendments described on Exhibit 1 to this consent (the "Amendments"); and

Whereas, the Association has requested that Declarant consent to the Amendments.

NOW, THEREFORE, Declarant hereby consents to the Amendments. However, Declarant makes no representation as to whether (i) such Amendments received the requisite 67% vote of the Owners or (ii) such Amendments comply with applicable laws, including, but not limited to the requirements for housing for older persons under the federal Fair Housing Act.

IN WITNESS WHEREOF, the undersigned has executed this Declarant's Consent to the First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Grand as of this 4th day of APRIL, 2007.

DEL WEBB HOME CONSTRUCTION,
INC., an Arizona corporation

By: [Signature]
Name: SAMUEL C COLGAN
Title: AUTHORIZED AGENT

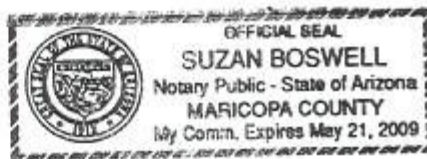
State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 4th day of April, 2007 by Samuel C. Colgan the Authorized Agent of DEL WEBB HOME CONSTRUCTION, INC., an Arizona corporation.

[Signature]
NOTARY PUBLIC

My Commission Expires:

May 21, 2009



ARTICLE I

1. Article I, Section 1.2 of the CC&Rs is hereby amended as follows:

1.2 "Age-Qualified Occupant." Any Person (a) 45 years of age or older who owns and occupies a Dwelling Unit; 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.

2. Article II, Section 2.3 shall read as follows:

2.3 "Age Restriction." Sun City Grand is intended to provide housing primarily for persons 55 years of age or older. The Properties shall be operated as an age restricted community in compliance with all applicable State and Federal laws. No person under 19 years of age shall stay overnight in any Dwelling Unit for more than 90 days in any calendar year.

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Any and all CARE Fees collected shall not be used to pay for operating expenses. Rather, the CARE Fees shall be used only for funding community development and enhancements, developing new community facilities, and enhancing and expanding existing community facilities and programs.

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