

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE ("Agreement") is entered into by Del Webb Communities, Inc., an Arizona corporation ("DEL WEBB") and Sun City Anthem Community Association, Inc. (collectively referred to as "Association") (ASSOCIATION and DEL WEBB are collectively referred to as "The Parties") on this 27th day of April, 2007.

WHEREAS, The Association has advised DEL WEBB that it believes that DEL WEBB has failed to contribute sufficient funds to the neighborhood reserve fund (collectively referred to as the "Neighborhood Reserves") for High Mountain Unit 3, High Mesa Unit 2, Canyon Crest Unit 4, Clubhouse Unit 1 & 6, and Pinnacle Unit 22 (collectively referred to as "Neighborhoods");

WHEREAS, DEL WEBB has agreed to contribute Two Hundred Forty-One Thousand Seven Hundred Eighteen and No/100 Dollars (\$241,718) to the Neighborhood Reserves as well as contract and pay for the landscape rock overlay for each duplex building contained within the Neighborhoods (excluding Pinnacle Unit 22).;

WHEREAS, in making this Agreement, The Parties understand and agree that they rely upon their own judgment, belief and knowledge of the nature, extent and effect of their claims, whether presently asserted or not, and upon the advice of their individual counsel and not upon any representation of the other parties or the other parties' attorneys, representatives or employees. Moreover, The Parties hereto agree that this Agreement was carefully read in its entirety prior to being signed and understand that this document is part of the full and final compromise of all claims, except as otherwise set forth herein; and

WHEREAS, The Parties will have no further obligations to each other in connection with the Neighborhood Reserves for the Neighborhoods. ASSOCIATION will accept the settlement funds (and DEL WEBB'S obligations in Section 4) as complete satisfaction for all claims against DEL WEBB or any related entity in connection with the Neighborhood Reserves for the Neighborhoods.

I.

SETTLEMENT PROVISIONS BETWEEN ASSOCIATION AND DEL WEBB

1. The Parties have agreed to settle this matter and all claims arising from or in connections with the Parties rights, obligations, and liabilities in connection with the Neighborhood Reserves for the Neighborhoods.
2. Settlement will be effective upon signing of this Agreement.
3. DEL WEBB has agreed to pay the ASSOCIATION the sum of Two Hundred Forty-One Thousand Seven Hundred Eighteen and No/100 Dollars (\$241,718). In accordance with

 
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ASSOCIATION's direction, the settlement check will be issued to Sun City Anthem Community Association, Inc.

4. In addition to the payment in Section 3, DEL WEBB has agreed to contract and pay for the landscape rock overlay for each duplex building contained within the Neighborhoods (excluding Pinnacle Unit 22). The current contract proposal for this work is in the sum of Thirty-Nine Thousand Nine Hundred Sixty and No/100 Dollars (\$39,960). In accordance with ASSOCIATION's direction, Del Webb will contract and commence execution of this landscape work.

5. This Agreement and any stipulation for resolution are not, nor is it to be construed in any manner, as an admission or acknowledgment of liability or culpability on the part of ASSOCIATION or DEL WEBB. This Agreement and any stipulation for resolution is a compromise, settlement, accord, and satisfaction and discharge of the known and unknown claims which are each and all uncertain, doubtful, and disputed.

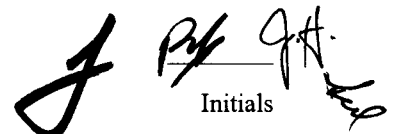
RELEASE

1. In consideration of the payments set forth herein in Section 3 and work to be perform by DEL WEBB in Section 4, the Association and each of its past, present and future successors, and assigns, hereby completely and forever release and discharge DEL WEBB from any and all past, present or future claims, demands, obligations, actions, causes of action, suits, debts, liens, judgments, indebtedness, liabilities, obligations, rights, damages, costs, losses of services, expenses and compensation of any nature whatsoever, whether based on a tort, contract, statutory or other theory of recovery, known or unknown, foreseen or unforeseen, liquidated or unliquidated, potential or actual, which the Association had or now has, or which may hereafter accrue or otherwise be acquired, against Del Webb that may arise from or be related to the Neighborhood Reserves for the Neighborhoods and the work to be performed by DEL WEBB pursuant to Section 4. This release includes, without limitation, any and all claims relating to or arising out of any local, state, federal or foreign statute, ordinance, regulation, order, or common law, which the Association or its representatives may have against Del Webb as a result of any of the matters covered or discussed herein.

2. This release and discharge shall also apply to Del Webb's past, present and future officers, directors, stockholders, shareholders, attorneys, agents, servants, representatives, employees, subsidiaries, affiliates, partners, predecessors and successors in interest, and assigns, and all other persons, firms or corporations with whom any of the former have been, are now, or may hereafter be affiliated.

3 This release, on the part of the Association shall be a fully binding and complete settlement by the Association and its representatives, heirs, assigns and successors.

4 Association acknowledges and agrees that the release and discharge set forth above is a general release. Association expressly waives, and assumes the risk of waiving, any and all


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claims for damages which may exist as of this date, but of which Association does not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect Associations' decision to enter into this Agreement. Association further agree that Association has accepted payment of the sums specified herein as a complete compromise of matters involving disputed issues of law and fact. It is understood and agreed to by the parties to this Agreement that this Agreement is a compromise of a doubtful and disputed claim, and the payments are not to be construed as an admission of liability on the part of Del Webb, by whom liability is expressly denied.

5. The parties hereby agree to indemnify and hold each other harmless from any loss, claim, expense, lien demand or cause of action, of any kind or character asserted by a stranger hereto related directly or indirectly to the falsity or inaccuracy of any representation or acknowledgement made in this Agreement by the parties.

III. CONFIDENTIALITY

As of the date of this Agreement, The Parties, including affiliates, agents, employees, consultants, contractors, experts, attorneys, and accountants, shall not, directly or indirectly, generally, or specifically, disseminate, disclose, or otherwise communicate in any way to any party: (i) the terms or subject matter of this Agreement, (ii) the amount of any sums of money discussed by attorneys and other representatives of The Parties pursuant to the terms of this Agreement except that the parties may disclose the foregoing information if such disclosure is made in response to any order in an arbitration, an order of a court of competent jurisdiction, or required by law in connection with the operation and management of the Association.

IV. ADDITIONAL MATTERS PERTAINING TO ALL PARTIES TO THIS SETTLEMENT AGREEMENT AND RELEASE

1. Entire Agreement. The terms and conditions contained herein constitute the entire agreement between the parties and supercede all previous communications, either oral or written, between the parties with respect to the subject matter of this Agreement, and no agreement or understanding during or extending the terms of this Agreement shall be binding upon either party unless in writing signed by or on behalf of such party.
2. Laws. This Agreement shall be subject to and governed by the laws of the State of Nevada. Any action brought to enforce or interpret the provisions of this Agreement shall be brought in Las Vegas, Clark County, State of Nevada.
3. Terms. The terms and provisions of this Agreement are contractual and not mere recitals.
4. Counterparts. This Agreement may be executed in several counterparts, which, taken together, shall constitute a single Agreement.


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5. Authority. Each of the parties represents and warrants that the execution and delivery of this Agreement and the consummation of the settlement contemplated hereby has been duly authorized by all necessary and appropriate corporate action. Each of the persons signing this Agreement represents and warrants that he or she has the right and full authority to sign on behalf of the party designated immediately above his or her signed name.

6. No Waiver. No action or want of action on the part of any party hereto at any time to execute any rights or remedies conferred upon it under this Agreement shall be, or shall be asserted to be, a waiver on the part of any party hereto of its rights or remedies hereunder.

7. Attorneys' Fees. Should any action (at law or in equity, including but not limited to an action for declaratory relief) or proceeding be brought arising out of, relating to or seeking the interpretation or enforcement of the terms of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with the terms of this Agreement, the prevailing party thereto, as decided by the Court, shall be entitled to reasonable attorneys' fees and costs incurred in addition to any other relief or damages which may be awarded. Furthermore, each of the parties hereto agree to assume their own costs and attorney's fees related to the matters set forth in this Agreement and hold the other parties harmless therefrom.

8. No Third Party Beneficiary. This Agreement is for the benefit of the parties and confers no rights, benefits or causes of action in favor of any other third parties or entities.

9. Severance. Should any term, party, portion or provision of this Agreement be decided or declared by the Courts to be, or otherwise found to be, illegal or in conflict with any law of the State of Nevada or the United States, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions and provisions shall be deemed severable and shall not be affected thereby, provided such remaining parts, terms, portions or provisions can be construed in the substance to constitute the Agreement that the parties intended to enter into in the first instance.

10. Pronouns, Headings. All pronouns and variations thereof shall be deemed to refer to the masculine, feminine, or neuter, and to the singular or plural, as the identity of the person may require. Paragraph titles or captions are used in this Agreement for convenience or reference, and in no way define, limit, extend or describe the scope or intent of this Agreement or any of its provisions.

11. Successors and Assigns. This Agreement shall be binding and inure to the benefit of the parties hereto, their predecessors, parents, subsidiaries and affiliated corporations, all officers, directors, shareholders, agents, employees, attorneys, assigns, successors, heirs, executors, administrators, and legal representatives of whatsoever kind or character in privity therewith.

12. Time for Performance. The parties understand that time is of the essence with respect to each and every act required by this Agreement. Failure to perform any provision hereof in strict


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accordance with the Agreement shall be deemed a material breach of the Agreement.

13. THE UNDERSIGNED HAVE READ THE FOREGOING SETTLEMENT


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AGREEMENT AND RELEASE OF CLAIMS IN ITS ENTIRETY AND FULLY UNDERSTAND AND ACCEPT THE TERMS AND CONDITIONS CONTAINED HEREIN.

DATED this 27th day of April, 2007. By <u><i>M. Paul West</i></u> For ASSOCIATION <i>Kay G. Dwyer</i> Treasurer	DATED this 27th day of April, 2007. By <u><i>Jay Hammond</i></u> For DEL WEBB
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[Signature]
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the Communities of
Del Webb™

June, 20, 2007

VIA FACSIMILE @ 614-5813

Sun City Anthem Community Association
2450 Hampton Road
Henderson, Nevada 89052
Attention: Mike Dixon, President

RE: Settlement Agreement and Release, dated April 27, 2007, ("Settlement Agreement")
between Del Webb Communities, Inc. ("Del Webb") and Sun City Anthem
Community Association ("Association")

Dear Mr. Dixon:

Pursuant to your request, Del Webb agrees to release the Association from the confidentiality obligations under the Settlement Agreement with respect to the distribution of the Settlement Agreement to residents who are a member of the Association.

Except for the release of the confidentiality obligations in accordance with the terms of this letter, the Settlement Agreement shall remain in full force and effect.

Sincerely,

A handwritten signature in black ink, appearing to read "John F. Cahlan".

John F. Cahlan
Area Counsel

Cc Jay Haunschild