

3

NOTICE OF VARIATION FROM TERMS AND PROVISIONS OF
COVENANTS, CONDITIONS AND RESTRICTIONS
PREVIOUSLY RECORDED BY SUBDIVIDER

TO WHOM IT MAY CONCERN:

SUNBURST FARMS MUTUAL WATER AND AGRICULTURAL COMPANY, an Arizona non-profit corporation, through its officers undersigned, gives notice that the definitions of and qualifications for membership in this corporation and the rights and duties of members of this corporation have been changed and amplified by appropriate action of the membership from such definitions or provisions as are set forth in the Covenants, Conditions and Restrictions as have been previously executed and recorded by the trustee or trustees for the subdivider developer of the following parcels of real property situated in Maricopa County, Arizona, and the these definitions, qualifications, rights and duties are subject to future change, modification or amplification by appropriate action of the corporation, or its members, or its directors, the real property in question is legally described as:

A. Lots one (1) through Twenty (20) inclusive of Sunburst Farms Three according to the plat of record in the office of the Maricopa County Recorder in Book 113 of Maps, at page 40 thereof;

B. Lots Fifty-three (53) through Ninety-two (92) inclusive of Sunburst Farms Four according to the plat of record in the office of the Maricopa County Recorder in Book 116 of Maps, at page 32 thereof;

C. Lots Ninety-three through One Hundred Thirty-two (132) inclusive of Sunburst Farms Five according to the plat or record in the office of the Maricopa County Recorder in Book of Maps, at page thereof;

D. Lots One Hundred Thirty-three (133) through One Hundred Forty (140) inclusive of Sunburst Farms Six according to the plat of record in the office of the Maricopa County Recorder in Book 120 of Maps, at page 10 thereof;

E. Lots One Hundred Forty-one (141) through Two Hundred Ten (210) inclusive of Sunburst Farms Seven according to the plat of record in the office of the Maricopa County Recorder in Book 121 of Maps, at page 19 thereof;

F. Lots Two Hundred Eleven (211) through Two Hundred Forty-two (242) inclusive of Sunburst Farms Eight according to the plat of record in the office of the Maricopa County Recorder in Book 122 of Maps, at page 27 thereof;

G. Lots Two Hundred Forty-three (243) through Two Hundred Forty-seven (247) inclusive of Sunburst Farms Nine according to the plat of record in the office of the Maricopa County Recorder in Book 123 of Maps, at page 43 thereof;

H. Lots Two Hundred Forty-eight (248) through Two Hundred Fifty-two (252) inclusive of Sunburst Farms Ten according to the plat of record in the office of the Maricopa County Recorder in Book of Maps, at page thereof;

**DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS DECLARATION, made on the date hereinafter set forth by Transamerica Title Insurance Company of Arizona, an Arizona corporation, as Trustee, hereinafter referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, the Declarant is the owner of certain property in the County of Maricopa, State of Arizona, which is more particularly described as:

Lots One (1) through Twenty (20) in SUNBURST FARMS THREE

according to the plat thereof recorded in the Office of the County Recorder of Maricopa County, Arizona, in Book 113 of Maps, page 40 thereof; and

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property, and all of which are hereby declared to be for the benefit of all of the property described herein and the owners thereof, their heirs, successors, grantees and assigns.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to SUNBURST FARMS MUTUAL WATER AND AGRICULTURAL COMPANY, the same being an Arizona corporation, its successors and assigns.

Section 2. "Properties" or "premises" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Lot", "unit" or "parcel" shall be synonymous and shall mean and refer to a separately designated and legally described freehold estate consisting of any plot of land and the improvements thereon shown upon any recorded subdivision map of the properties.

Section 4. "Member" shall mean and refer to every person or entity who holds membership in the Association.

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Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of equitable title (or legal title if equitable title has merged) of any lot which is part of the properties.

Section 6. "Declarant" shall mean and refer to Transamerica Title Insurance Company of Arizona, Trustee, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

ARTICLE II

BUILDING TYPE AND LAND USE

Section 1. The lots subject to these restrictions as enumerated above shall be known and described as single family residential lots.

Section 2. No building except one single family residence, a private garage or carport, and a structure to serve as a stable, livestock shelter, and/or tack room, shall be erected, maintained, placed or permitted on any residential lot or portion of said residential lots in SUNBURST FARMS THREE. Such stable, livestock shelter, and/or tack room shall be of a design harmonious with the other structure or structures upon said lot, and no use of used or inferior materials shall be permitted. Any quarters for servants or guests must be in an integral part of said residence.

Section 3. No garage or any other building whatsoever shall be erected on any of said residential building lots until a dwelling house shall have been erected or until a contract with a reliable and responsible contractor shall have been entered into for the construction of a dwelling which shall comply with the restrictions herein permitted on any such premises. No garage or stable and tack room shall be used for residential purposes.

Section 4. No dwelling house having a ground floor area of less than eleven hundred (1,100) square feet, exclusive of open porches, pergolas, or attached garage, if any, shall be erected, permitted or maintained on any of said residential lots in SUNBURST FARMS THREE.

Section 5. No building shall be erected on any of said residential lots in SUNBURST FARMS THREE, the front walls of which are closer than twenty (20) feet from the front property line, except that a front porch, an attached garage or carport, may project into the front yard not more than five (5) feet, nor shall the side walls of any such building be nearer than fifteen (15) feet from the property line on each side of said lot; provided, further, that this restriction shall apply to the stable, livestock shelter, and/or tack room, which structure may not be located closer than twenty-five (25) feet from the main structure or residence, nor closer than twenty (20) feet to any side property line.

Section 6. No solid wall or fence over five (5) feet in height shall be maintained or erected nearer to the front street line of any of the said residential lots in SUNBURST FARMS THREE than the front walls of the building erected on such lot; and in case of a lot on which no residence has been erected, no solid wall or solid fence over three (3) feet high shall be constructed or maintained closer than twenty (20) feet to the front line of such lot. No side or rear fence, and no side or rear wall, other than the wall of the building constructed on any of said lots shall be more than six (6) feet in height. No hedge more than three (3) feet in height shall be permitted closer than twenty (20) feet to the front property line in any of said lots in said subdivision. Where a corner lot has its rear lot line in common with the side lot line of the adjacent lot, such common lot line shall be used to measure the set back to be observed with regard to the permitted height of solid walls, fences or hedges under this paragraph.

Section 7. Horses, poultry, or livestock may be kept or maintained on any of said lots, which horses, poultry, and/or livestock shall be for the sole and exclusive use and enjoyment of the owners of said lot and their invited guests. The maintenance of such horses, poultry, and/or livestock and the physical facilities for the same shall be maintained by lot owner in a clean, neat, orderly fashion in accordance with the prevailing custom and usage, so that such facilities shall not become a nuisance to the remaining lot owners in said SUNBURST FARMS THREE. Any such physical facilities for the maintenance of poultry, livestock, or horses must be maintained at a minimum distance of seventy (70) feet from the front property line of any of said lots. None of said lots or any portion thereof shall ever be used for commercial animal husbandry.

Section 8. Easements for installation and maintenance of utilities and drainage facilities providing irrigation water and ingress and egress are reserved as shown on the recorded plat. Within all these easements, no structure, planting or other materials shall be placed or permitted to remain which may interfere with the purpose for which these easements have been reserved.

Section 9. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 10. Prior to January 1, 1973, no lot may be divided into smaller parcels apart from original conveyance of land from subdivider. Thereafter there shall be no re-subdivision of any lot or portion of lot within this subdivision, regardless of the number of parcels into which it may be re-subdivided, without prior approval of FHA and other required agencies. Such approval shall be evidenced by the recordation of a subdivision plat setting forth such re-subdivision with the County Recorder, Maricopa County, Arizona. No division of any lot shall result in a parcel containing less than seven thousand (7,000) square feet net area.

Section 11. Upon recordation of said approved subdivision plat, referred to in Paragraph 10 above, Paragraphs 1 through 7, and 9 of the foregoing Declaration of Restrictions shall have

no further force and effect as to those lots which are re-subdivided in accordance with the provisions of Paragraph 10 herein contained, and shall henceforth be governed by the covenants and conditions hereinafter set forth in Paragraphs A through I of Article II, and all of Articles I, III, and IV.

A. The lots subject to these restrictions shall be known and described as single-family residential lots.

B. No building, except one single-family residence and a private garage or carport for not more than two (2) cars shall be erected, maintained, placed, or permitted on any residential lot or portion of a residential lot in a re-subdivision of SUNBURST FARMS THREE.

C. No garage or any other building whatsoever shall be erected on any residential building lot until a dwelling house shall have been erected or until a contract with a reliable and responsible contractor shall have been entered into for the construction of a dwelling which shall comply with the restrictions herein permitted on any such premises. No garage or other out building shall be used for residential purposes.

D. No dwelling house having a ground floor area of less than nine hundred (900) square feet, exclusive of open porches, pergolas or attached garage, if any, shall be erected, permitted or maintained on any of the residential lots in a re-subdivision of SUNBURST FARMS THREE.

E. No building shall be erected on any residential lots in a re-subdivision of SUNBURST FARMS THREE the front walls of which are closer than twenty (20) feet to the front property line, except that a front porch, an attached garage or carport may project into the front yard not more than five (5) feet; nor shall the side walls of any such building be nearer than five (5) feet to one side property line, nor nearer than nine (9) feet to the other side property line, as may be decided by the builder provided further that this restriction shall not apply to any garage erected on the rear one-third (1/3) of any of said lots.

F. No solid wall or fence over three (3) feet in height shall be maintained or erected nearer to the front street line of any of the residential lots in a re-subdivision of SUNBURST FARMS THREE than the front walls of the building erected on such lot; and in case of a lot on which no residence has been erected, no solid wall or fence over three (3) feet high shall be constructed or maintained closer than twenty (20) feet to the front line of such lot. No side or rear fence, and no side or rear wall, other than the wall of the building constructed on any of said lots shall be more than six (6) feet in height. No hedge more than three (3) feet in height shall be permitted closer than twenty (20) feet to the front property line of any of said rear lots in said subdivision. Where a corner lot has its rear lot line in common with the side lot line of the adjacent lot, such common lot line shall be used to measure the set back to be observed with regard to the permitted height of solid walls, fences or hedges under this paragraph.

G. None of said lots, nor any portion thereof, shall ever be used for commercial animal husbandry, nor shall any horses, poultry, and/or livestock be maintained on any of said lots containing an area of less than one acre, it being the intent herein that horses, poultry, and/or livestock may be maintained only on lots containing an area of one acre or more.

H. Easements for installation and maintenance of utilities, irrigation, and drainage facilities are reserved as shown on the recorded plat, and in Item 8 of the restrictions of SUNBURST FARMS THREE. Within these easements no structure, planting or other materials shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities.

I. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

ARTICLE III

ASSOCIATION MEMBERSHIP

The record owner of equitable title (or legal title if equitable title has merged) or lessee of a parcel of real property comprised in the SUNBURST FARMS' project shall automatically, upon becoming the owner or lessee of the property heretofore described, be a member of the Association, and shall remain a member of the Association until such time as his ownership or leasehold interest ceases for any reason, at which time his membership in said Association shall automatically cease. Ownership or lease of a parcel shall be the sole qualification and criteria for membership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

A membership in the Association shall not be transferred, pledged or alienated in any way. Upon the sale, lease or other transfer of a parcel, the owner's or lessee's membership in the Association shall automatically be cancelled and new membership certificates shall be issued to subsequent owners or lessees pursuant to the Articles and By-Laws of the Association. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

The record owner of equitable title (or legal title if equitable title has merged) of each unit shall be entitled to one membership in the Association, for himself and his family residing in the unit, which membership shall be subject to all of the provisions of the Association's Articles of Incorporation, By-Laws, Resolutions, and these Restrictions, as now in effect or duly adopted and amended.

Membership in this Association is for the purpose of supplying irrigation water and agricultural tillage service to its members at the most economical rates. Membership further is for the purpose of each member maintaining his property in such a manner as to not depreciate the value of the overall project. Therefore, each member agrees to be bound by the Articles and By-laws of the corporation and acknowledges that the Board of Directors may fix such rates for the delivery of irrigation water and such rates for the tillage of the project lands as to properly maintain this service. In the event any member fails or refuses to maintain his property used in conjunction with the transportation and delivery of irrigation water, to the standard as required by the Board of Directors of this Association, then the Board may have the absolute right to improve the member's property used in conjunction with the transportation and delivery of irrigation water, in such a way as to maintain the Association's standards. The cost of such improvements shall be charged on the regular rates against such member.

No member may exempt himself from liability or charges fixed by the Board of Directors for the delivery of irrigation water or for charges for the tillage of the project lands or for other charges in connection therewith which the Board of Directors may fix by his waiver of the use or enjoyment of irrigation or other service or services provided by the Association or by the member's abandonment of his unit.

Each member further agrees that the above-mentioned charges, if not paid within the time fixed for payment by the Board of Directors, shall be delinquent and shall become a lien upon said member's lot and shall continue to be such lien until fully paid. Said charges shall bear interest from the date of delinquency at the rate of five per cent (5%) per annum. The lien referred to in this Article III shall be subordinate to the lien of any first mortgagee. The amount of principal and interest owed by each member to the Association shall be a debt, and shall be collectible by any lawful procedure allowed by the laws of the State of Arizona.

Each member, by his acceptance of a deed to a lot, or by his lease of a lot, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such member for the collection of such charges and to enforce the aforesaid lien by all methods available for the enforcement of such liens and such member hereby expressly grants to the Association the power of sale in connection with said lien.

In the event the Association employs an attorney or attorneys to enforce said lien or the collection of any amounts due pursuant to this article the member, members and parties against whom the action is brought shall pay all attorneys' fees and costs thereby incurred by the Association in the event the Association prevails in any such action.

ARTICLE IV

MISCELLANEOUS

Section 1. Deeds of conveyance for said property, or any portion thereof, may contain the above covenants, conditions, stipulations and restrictions by reference to this document, but whether or not such reference is made in such deeds, each and all of these covenants, conditions, stipulations and restrictions

Section 2. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the major builder and developer of the "properties" to maintain during the period of construction and sale of said "premises", upon such portion of the premises as such builder may choose, such facilities as in the sole opinion of said builder may be reasonably required, convenient or incidental to the construction and sale of said premises, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Section 3. The foregoing restrictions and covenants run with the land and shall be binding on all parties and all persons claiming under them until January 1, 1998, at which time said covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless by vote of a majority of the then owners of lots in SUNBURST FARMS THREE and re-subdivisions thereof it is agreed to change the said covenants and restrictions in whole or in part.

Section 4. If there shall be a violation or threatened or attempted violation of any of said covenants, conditions, stipulations or restrictions, it shall be lawful for the Association or any person or persons owning real property situated in SUNBURST FARMS THREE and re-subdivisions thereof to prosecute proceedings at law or in equity against all persons violating or attempting to violate or threatening to violate any such restrictions, covenants, conditions or stipulations and such violators shall reimburse the Association or any person or persons owning real property situated in SUNBURST FARMS THREE and re-subdivisions thereof for attorneys fees and expenses incurred in prosecution of such proceedings. However, a violation of these restrictive covenants, or any one or more of them, shall not effect the lien of any mortgage now on record, or which may hereafter be placed of record upon said lots or any part thereof.

Section 5. Invalidation of any one or more of these covenants, conditions, restrictions, and stipulations shall in no wise affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, Transamerica Title Insurance Company of Arizona, an Arizona corporation, as Trustee, has hereunto caused its corporate seal to be affixed and the name to be attested by the signature of its duly authorized officers, this 1st day of August, 19 88.

TRANSAMERICA TITLE INSURANCE COMPANY
OF ARIZONA, TRUSTEE

By [Signature]
Trust Officer

These restrictions are hereby ratified, affirmed and approved.

THE ARIZONA BANK

By [Signature]

GREATER ARIZONA SAVINGS
& LOAN ASSOCIATION

COUNTRYWIDE INVESTMENTS COMPANY

BY: [Signature]

By John H. Maclean

TRANSAMERICA TITLE INSURANCE COMPANY
OF ARIZONA

By [Signature]
Olga German

STATE OF ARIZONA }
County of Maricopa } ss.

On this 1st day of August, 1968, before
me, the undersigned Notary Public, personally appeared
E. D. Harrison, who acknowledged himself to be a Trust
Officer of TRANSAMERICA TITLE INSURANCE COMPANY OF ARIZONA, an Ari-
zona corporation, and that he, as such officer, being authorized so
to do, executed the within instrument for the purposes therein con-
tained by signing the name of said corporation by himself as such
officer.

WITNESS my hand and official seal.

May H. Ernst
Notary Public

My commission expires: My Commission Expires May 14, 1972

STATE OF ARIZONA }
County of Maricopa } ss.

On this 7th day of August, 1968, before
me, the undersigned Notary Public, personally appeared
and Charles A. Moricle,
who acknowledged themselves to be the Assistant Vice President
and himself, respectively, of THE ARIZONA
BANK, and that being authorized so to do, they executed the fore-
going instrument for the purposes therein contained by signing the
name of the corporation by themselves, as such officers.

WITNESS my hand and official seal.

Corinne Berg
Notary Public

My commission expires:

5-31-71

DET 7254 PAGE 310

55.

WITNESS my hand and official seal.

Notary Public

55.

On this 5th day of September, before me, the undersigned Notary Public, personally appeared Dick Matteson and Olga Jensen who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of TRANSAMERICA TITLE INSURANCE COMPANY OF ARIZONA, and that being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of said corporation by themselves as such officers.

WITNESS my hand and official seal.

Notary Public

On this, the 29th day of August, 1968, before me, Margaret Faubert, the undersigned, Notary Public in and for the County of Maricopa, State of Arizona, personally appeared Robert E. Lass, who acknowledged to me to be the Vice President of Greater Arizona Savings and Loan Association, a Arizona corporation, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

In witness whereof, I hereunto set my hand and official seal.

NY CORRESPONDENCE DATED: 11/19/71

Notary Public