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2010R-07346
STATE OF MICHIGAN
GRAND TRAVERSE COUNTY
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PEGGY HAINES REGISTER OF DEEDS

**FIRST AMENDMENT AND RESTATED
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ARROWHEAD ESTATES
IN GRAND TRAVERSE RESORT VILLAGE**

This First Amendment and Restated Covenants, Conditions, and Restrictions for Arrowhead Estates is made and entered into on this 25th day of MARCH, 2010 by the undersigned Co-owners of Arrowhead Estates (collectively hereinafter referred to as "Owners").

WHEREAS, the Owners represent the majority of the lot owners of parcels within Arrowhead Estates, a subdivision located in Grand Traverse County, Michigan and is shown on the attached "Exhibit A";

WHEREAS, Grand Traverse Condominium Developers, Inc., a Michigan Corporation, caused a certain Covenants, Conditions, and Restrictions for Arrowhead Estates in Grand Traverse Resort Village to be recorded in Grand Traverse County Records at Liber 640, Pages 938 et seq. ("Covenants");

WHEREAS, Article VI, Section 1 contemplates the amendment of the Covenants by the majority of the then Owners of Lots of Arrowhead; and

WHEREAS, the Owners wish to amend the Covenants.

NOW THEREFORE, the majority of lot owners wish to amend and supersede the covenants as follows:

In addition to the Declaration of Covenants and Restrictions affecting all of GRAND TRAVERSE RESORT VILLAGE (formerly known as GRAND TRAVERSE VILLAGE) as recorded in the Grand Traverse County, Michigan Register of Deeds' Office, in Liber 550, Pages 645 through 668, the following restrictions, conditions, and covenants shall be applied to ARROWHEAD ESTATES, a Subdivision within GRAND TRAVERSE RESORT VILLAGE shown on plats recorded in the Grand Traverse County, Michigan Register of Deeds' office.

ARTICLE I

DEFINITIONS

The following words or terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(a) "Company" shall mean GRAND TRAVERSE DEVELOPMENT COMPANY, INC., a Michigan Corporation and its successors and assigns.

(b) "Association" shall mean and refer to the nonprofit ARROWHEAD ASSOCIATION, CORPORATION and its successors and assigns, which is set up to administer and service ARROWHEAD ESTATES.

(c) The "Property" or "Properties" shall mean and refer to the lands in Grand Traverse County, Michigan, which are shown as part of GRAND TRAVERSE RESORT VILLAGE and recorded in the Grand Traverse County Register of Deeds' office.

(d) "Residential Lot" or "Lot" shall mean any subdivided parcel of land located within the Subdivision which is intended for use as a site for a single-family, detached dwelling, as shown upon the recorded final subdivision map. A parcel of land shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties.

(e) "Of Record" shall mean recorded in the office of the Register of Deeds of Grand Traverse County, Michigan.

(f) "Residential Area" shall mean those tracts or blocks of land intended for use as sites designated for the construction of single-family dwellings.

(g) "Covenants" shall mean the Covenants, Conditions, and Restrictions below, as recorded in the office of the Register of Deeds of Grand Traverse County, Michigan.

(h) "Declaration" shall mean the document entitled Declaration of Covenants and Restrictions affecting all of GRAND TRAVERSE RESORT VILLAGE as recorded in the Grand Traverse County, Michigan Register of Deeds at Liber 550, Pages 650 et seq.

(i) "Architectural Control Committee" shall mean those persons so designated and serving at the discretion of the Board of Directors in such capacity as defined in the Declaration.

ARTICLE II

PURPOSE

The primary purpose of these Covenants, Conditions, and Restrictions, and the foremost consideration in the origin of same, has been the creation of a residential and resort community which is aesthetically pleasing and functionally convenient. The establishment of objective standards relating to design and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each lot. For this reason, standards are not established hereby.

ARTICLE III

RESERVATION OF EASEMENTS

The Company reserved a perpetual, alienable, and releasable easement and right on, over, and under the ground to erect, maintain, and use electric, telephone and television poles, wires, cables, conduits, sewers, water mains, and any other suitable equipment for the conveyance and use of electricity, telephone, television, gas, sewer, water, cable television, or other utilities or conveniences servicing any part of GRAND TRAVERSE RESORT VILLAGE on, in, or over the rear ten (10) feet of each Lot and ten (10) feet along one (1) side of each Lot; provided further, that the Company may cut drainways for surface water wherever and whenever such action may appear to the Company to be necessary in order to maintain reasonable standards of health, safety, and appearance. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety, and appearance. The Company further reserves the right to locate wells, pumping stations, and tanks within said easement areas or to locate same upon any Lot with the permission of the Owner of such Lot. Such rights may be exercised by any licensee of the Company, but this reservation shall not be considered an obligation of the Company to provide or maintain any such utility or service.

A perpetual easement is hereby granted to the Company, its agents, successors and assigns for the benefit of and as a burden to the Lots for the purpose of ingress, egress, pass, and repass by motor vehicles (excluding snowmobiles), cross country skiing, and otherwise (except snowmobiles) in common with others and subject to the Declaration, and such rules and regulations may be imposed by the Company or by the Association over such roads and ways within the subdivision as the Company may from time to time create, reserving to the Company and Association the right to change the locus of such roads and ways, to terminate such portion of any road or way as it may deem necessary, provided, however, that no owner of a Lot within the subdivision shall be denied access to a public way and provide further that such Lot owner shall pay to the Company or Association, when due, any use or maintenance fees and/or assessments.

Furthermore, a perpetual easement is hereby reserved in favor of the Company, its agents, successors and assigns, for the benefit of and as a burden to the Lots for the purpose of cutting

and trimming such trees and undergrowth on the Lots in said areas as, and in such manner, as the Company, in its absolute discretion, may from time to time determine for the purpose of preserving in the Lots such quality of lake and/or golf course views as, in the sole discretion of the Company, shall have existed at the time of the recording of this document, such easement to permit the Company, its agents, successors and assigns, ingress and egress over and upon the Lots, together with such vehicles and equipment as may, at the sole discretion of the Company, be necessary or desirable to accomplish the purpose for which the easement is reserved.

ARTICLE IV

MEMBERSHIP IN ARROWHEAD ASSOCIATION

Owners of each Lot shall maintain membership in the ARROWHEAD ASSOCIATION and shall be bound by and comply with all of the rules, regulations, restrictions, and by-laws from time to time adopted by the Association.

ARTICLE V

COVENANTS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS APPLICABLE TO ALL ARROWHEAD ESTATES LOTS

[NOTE: DISCUSS LANGUAGE PERTAINING TO ARTICLE III, SECTION 2 WITH CLIENT]

1. ARCHITECTURAL: DESIGN REVIEW

(a) Purpose. In order to preserve the natural beauty of Arrowhead Estates and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the community, and to protect and promote the value of property, no building, fence, wall, sign, swimming pool, mail box, tennis court, roof, exterior structure, or other structure shall be erected, placed, added to, or altered until the proposed building plans, specifications (including height, color and composition of roof, siding, or other exterior materials and finish), site plan (showing the proposed location of such building or structure, drives and parking areas), landscape plan, and construction schedule shall have been submitted and approved in writing as hereinafter provided. All plans shall be prepared by a professional and shall be to scale.

(b) Objectives. Architectural and Design review shall be directed towards attaining the following objectives for Arrowhead Estates:

(1) preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms;

(2) ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the Lots, and appurtenant improvements, and with surrounding Lots, appurtenant improvements, and structures, and does not

unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape;

(3) ensuring that the architectural design and structures and their materials and colors are visually harmonious with Arrowhead Estates' overall appearance, with surrounding development, and with natural land form and native vegetation;

(4) ensuring the plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots, and blend harmoniously with the natural landscape;

(5) ensuring that any development, structure, building, or landscaping complies with the provisions of these Covenants.

(c) Architectural Review Board.

(1) The Board of Directors shall establish an Architectural Review Board (hereinafter referred to as the "Review Board") which shall consist of three (3) members. The regular term of office for each member shall be one (1) year, coinciding with the fiscal year of the Board of Directors. Any member appointed by the Board of Directors may be removed with or without cause by the Board of Directors at any time by written notice to such appointee. A successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former members.

(2) The Review Board may adopt, promulgate, amend, revoke, and enforce guidelines, hereafter referred to as the Architectural Review Standards, for the purposes of:

(i) governing the form and content of plans and specifications to be submitted for approval pursuant to the provisions hereof;

(ii) governing the procedure for such submission of plans and specifications;

(iii) establishing policies with respect to the approval and disapproval of all proposed uses and all construction or alteration of any structure on any Lot;

(3) The Review Board shall make a published copy of its current Architectural Review Standards readily available to Members and prospective Members of the Association upon request.

(d) Review of Approval of Plans for Additions, Alterations or Changes to Structures and Landscaping. No building, wall, fence, sign, mail box, trash container, swimming pool, tennis court, roof, siding and other exterior materials and finishes, exterior light, landscaping, or other structure or improvement of any kind shall be commenced, erected, or maintained upon any Lot, or upon the exterior of any existing building, or upon the Common Areas, nor shall any landscaping be done or maintained, nor shall any addition to any existing building or structure or

alteration or change therein be made or maintained until the proposed building plans, specifications (including height, shape, type, nature, color and composition of roof, siding or other exterior materials and finish), plot plan (showing the location of such building or structure, and other items listed hereinabove, drives, and parking area), landscape plan, and construction schedule shall have been submitted to and approved by the Review Board. Any alteration of the plans and specifications, changes, or deviations from the approved plans and specifications during construction or of the completed structure must also be submitted to the Review Board reserving the same rights to disapprove alterations as it retains for disapproving the original structures.

(e) Submission, Approval and Refusal of Architecture, Siting, Landscaping, and Other Building Plans. Two (2) copies of all plans and related data shall be furnished to the Review Board. One (1) copy shall be retained in the records of the Review Board. The other copy shall be returned to the Property Owner marked "approved" or "disapproved." The Review Board may establish a fee from time to time sufficient to cover the expense of reviewing plans and related data at the time they are submitted for review. Approvals shall be dated and shall not be effective for construction commenced more than six (6) months after such approval unless a different expiration time is specifically stated in the approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within forty-five (45) days following receipt by the Review Board of all of the required documents with written request for approval, the provisions of this Paragraph shall be thereby waived. Refusal of approval of plans, location, or specification by the Review Board may be based upon any ground which is consistent with the objectives of these Covenants, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious. All plans submitted to the review board shall include without limitations:

(1) A site plan indicating location of the building on the lot created to scale by a professional company acceptable to the Review Board.

(2) A topographic survey showing existing and proposed grades, the location of all trees in excess of three (3") inches in diameter, the proposed location of each building or structure, and the proposed location of drives and parking areas.

(3) Construction plans prepared and designed by a registered, professional architect or designer acceptable to the Review Board, including dimensioned floor plans, typical sections and all elevations sealed by an architect or engineer.

(4) Specifications setting forth the type and quality of all materials and workmanship, and including a detailed finish schedule for all exterior materials, products, and finishes;

(5) A landscaping plan prepared by a professional, registered landscape architect showing finish grading, planting, seeding, lighting and signage details, plant type, size, quality method of planting, as well as any reasonable requirement of architectural control committee. The plan shall also show an irrigation or watering

system which must involve 100% coverage of unbuilt area. Said system shall be operated at such frequency as may be required to show no distinction between Lot line and golf course boundary; and

(6) A construction schedule which shall require execution of only the plan as approved.

(f) Approval Not a Guarantee or Representation of Proper Design or Good Workmanship. No approval of plans, location, or specifications, and no publication or architectural standards bulletins shall ever be construed as representing or implying that such plans, standards, or specifications, will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good and workmanlike manner. Neither the Board of Directors nor the Review Board shall be responsible or liable for any defects in any plans or specifications submitted, revised, or approved under these Covenants, nor for any defects in construction pursuant to such plans and specifications. The Owner shall have sole responsibility for compliance with approved plans and does hereby, by acceptance of title to property subject to these Covenants, agree to hold the Review Board and the Board of Directors harmless for any failure thereof caused by the Owner's architect or builder. The Board of Directors reserves the right to prohibit the Owner's builder and/or general contractor from going to or upon the site in the event it is determined that failure to comply with approved plans is intentional or due to gross negligence under the above-mentioned circumstances. The Owner hereby agrees that the exercise of these rights shall not constitute a denial of Owner's property rights and shall not give rise to a cause of action for damages by the Owner.

2. GENERAL RESTRICTIONS

(a) One-story homes shall not be less than 2,000 square feet of enclosed heated living area, which shall not include decks, porches, basements (including walkouts), terraces, open porches, or garages.

(b) Attached garages shall be finished on the outside in the same manner and with the same materials as the dwelling.

(c) No mobile home, double-wide, or modular home shall be placed, stored, occupied, constructed, or installed upon any Lot. This restriction shall apply to so-called "manufactured" homes.

(d) Not more than one (1) single-family residence shall be constructed upon any Lot.

(e) No fences shall be constructed in common areas. No fences shall be permitted on any Lot except invisible fences.

(f) Setbacks. Since the establishment of standard, inflexible building setback lines for the location of dwellings on Lots tends to force construction of dwellings both directly behind and directly to the side of other dwellings with detrimental effects on privacy, views,

preservation of important trees, etc., no specific setback lines are established by these restrictions. In order to assure, however, that location of dwellings will be staggered where practical and appropriate, so that the maximum amount of view and breeze will be available to each dwelling and that the structures will be located with regard to the topography of each individual Lot, taking into consideration the location of large trees and similar considerations, the Review Board reserves the right to control absolutely and to solely decide the precise site and location of any dwelling or structure upon every Lot within ARROWHEAD ESTATES, subject, however, to any minimum setback, sideyard, and rearyard restrictions imposed by the Township of Acme, unless waived in any particular case. Provided, however, that such location shall be determined only after reasonable opportunity is afforded to a Lot owner to recommend a specific site, and provided, further, that in the event an agreed location is stipulated in writing in the contract of purchase, the Company shall approve automatically such location for dwelling.

(g) Residential Use. All Lots in said Residential Areas shall be used for residential purposes exclusively. No structure, except as hereinafter provided, shall be erected, altered, placed, or permitted to remain on any Lot.

(h) Completion of Structures. The exterior of all houses and other structures must be completed within one (1) year after the construction of same has commenced, except where such completion is impossible or would result in great hardship to the owner or building due to strikes, fires, national emergency, or natural calamities. Houses and other dwelling structures may not be temporarily or permanently occupied until the exterior thereof has been completed and an appropriate Certificate of Occupancy is issued. During the continuance of construction, the Lot owner shall require the contractor to maintain the Lot in a reasonably clean and uncluttered condition.

(i) Parking Spaces. Each Lot owner shall provide space for parking two (2) automobiles off the street prior to the occupancy of any dwelling constructed on said Lot in accordance with reasonable standards established by Arrowhead Association.

(j) Miscellaneous Buildings. No utility trailer, boat, boat trailer, camper, recreational vehicle, tent, barn, treehouse, or other similar outbuilding or structure shall be placed on any Lot at any time, either temporarily or permanently.

(k) Lot Subdivision or Combination. No Lot shall be subdivided, or its boundary lines changed, nor shall application for same be made to Grand Traverse County, except with the written consent of the Board of Directors. The provisions of this paragraph shall not prohibit the combining of two (2) or more contiguous Lots into one (1) larger Lot. Following the combining of two (2) or more Lots into one (1) larger Lot, only the exterior boundary lines of the resulting larger Lot shall be considered in the interpretation of these covenants; however, any fees paid "per lot" shall be based upon the number of original lots prior to any such combining of two or more contiguous lots.

(l) Maintenance. It shall be the responsibility of the each Lot owner to prevent the development of any unclean, unsightly, or unkept conditions of buildings or grounds on such Lot which shall tend to substantially decrease the beauty of the neighborhood as a whole, or the

specific area. Each Lot owner shall clear and remove all underbrush, weeds, and other unsightly undergrowth and shall mow and groom all grassed and landscaped areas. No lawn ornaments, sculpture or statue shall be placed or permitted to remain on any Lot without the prior written permission of the Board of Directors. Each Lot owner hereby agrees to maintain any vacant Lot in a manner consistent with the above requirements.

(m) Fences. No fence shall be constructed for functional or decorative purposes unless approved by the Review Board in writing at the Review Board's sole discretion.

(n) Storage of Materials. No materials or equipment shall be present or stored upon a Lot except during the actual construction of the permanent improvements upon said Lot, and then for no longer than six (6) months.

(o) Temporary Structures. No structure of a temporary character shall be placed upon any Lot at any time, provided, however, that this prohibition shall not apply to shelters used by the contractor during the construction of any part of GRAND TRAVERSE RESORT VILLAGE, it being clearly understood that these temporary shelters may not, at any time, be used as a residence or permitted to remain on the Lot after completion of construction.

(p) Trash Burning. No trash shall be burned on any Lot in the Residential Area.

(q) Tree Removal. No large trees measuring three (3) inches or more in diameter at a point two (2) feet above ground level may be removed without the written approval of the Review Board, notwithstanding anything to the contrary in the Declaration. Prior to commencement of construction, each Lot owner shall submit to the Review Board for its written approval a plan for the removal and disposal of trees in connection with the construction process.

(r) Antennae. No satellite dishes shall be placed, constructed, altered, or maintained on any Common Area within ARROWHEAD ESTATES without the prior written consent of the Association. None of the following may be constructed, placed, or installed within ARROWHEAD SUBDIVISION without the prior written consent of the Review Board:

- (a) a dish greater than 39.37 inches in diameter.
- (b) an antenna greater than 1 meter in diameter or diagonal measurement.
- (c) an antenna designed to receive signals other than video.

3. Utility Leads. All utility leads to residences, including but not limited to, electrical service, telephone service, and television and radio aerial services, shall be constructed underground. Each owner of a Residential Lot shall have the right to connect to and use, conditioned upon payment of any applicable connection and use fees, any of said underground utility conduits, including but not limited to sewer, telephone, television, water, natural gas, and electricity, which may be located within ARROWHEAD ESTATES in which the Residential Lot is located, subject to such rules and regulations as may be imposed by the Board of Directors or any other entity or body, public or private, which supplies such service.

4. **Roads.** The roads in ARROWHEAD ESTATES shall be private roads owned by GRAND TRAVERSE VILLAGE COMMUNITY ASSOCIATION, a Michigan nonprofit corporation, and the Lot owners shall not file a petition or otherwise apply directly or indirectly to the Grand Traverse County Road Commission or other authority to accept and maintain all or any portion of the roads within a Class A Limited Residential Area as county roads. Notwithstanding this, if the Review Board and GRAND TRAVERSE VILLAGE COMMUNITY ASSOCIATION, as well as the appropriate required number of Lot owners agree in writing to make such a petition, the Lot owners within ARROWHEAD ESTATES shall be required by the Commission or other authority to bear on a pro-rated basis the costs of improving such roads or such portion thereof to meet the then-current applicable standards as promulgated by the Commission or other authority. All Lot owners shall be deemed to have agreed to the abandonment of Lautner Road and to have appointed the Review Board as their exclusive agent, when and if, in the sole discretion of the Review Board, such abandonment petition shall be presented to the appropriate local authority.

ARTICLE VI

ADDITIONS, LIMITATIONS, DURATION, AND VIOLATION OF COVENANTS TOGETHER WITH AFTERWORD

1. All covenants, restrictions, and affirmative obligations set forth in these Covenants shall run with the land and shall be binding on all parties and persons claiming under them, to specifically include, but not be limited to, the successors and assigns, if any, of the Company for a period of forty-five (45) years from the execution date of these Covenants, after which time, all said covenants shall be automatically extended for successive periods of ten (10) years, unless changed in whole or in part by an instrument signed by a majority of the then-owners of Lots substantially affected by such change in these Covenants has been placed of record. Unless the contrary shall be determined by a court of equity jurisdiction, "substantially affected" shall mean those Lots shown on: (a) the plat showing the Lots to be modified in permitted use by the change; and (b) the plats which subdivided the Property immediately abutting the plat described in (a).

2. In the event of a violation or breach of any of the terms of these Covenants by any Lot owner or agent of such owner, the owners of Lots in the subdivision, or any three (3) of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof, or to prevent the violation or breach. In addition to the foregoing, the Company and/or the Association shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach. In addition to the foregoing, the Company and/or the Association shall have the right, whenever there shall have been built on any Lot in the subdivision any structure which is in violation of these restrictions, to enter upon such Property where such violation exists and summarily abate or remove the same at the expense of the owner, if, after thirty (30) days written notice of such violation, it shall not have been corrected by the owner. Any person entitled to file a legal action for the violation of these covenants shall be entitled to recover actual attorneys' fees as a part of such action. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any rights, reservations, restrictions, or conditions contained in these Covenants, however long continued,

shall not be deemed a waiver of this right to do so hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto, and shall not bar or affect its enforcement.

Furthermore, should a Lot owner fail to maintain his Lot as required in ARTICLE V herein, the Association shall have the right to maintain said Lot and charge the Lot owner with the actual costs thereof, if said condition is not resolved within thirty (30) days after written notice to the Lot owner. The determination as to whether a Lot owner has maintained the Lot Property shall be made solely by the Company and/or the Association.

3. Should any covenant or restriction herein contained, or any article, section, subsection, sentence, clause, phrase, or term of these Covenants be declared to be void, invalid, illegal, or unenforceable by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof, which are hereby declared to be severable and which shall remain in full force and effect.

4. These Covenants shall be governed by Michigan law in all respects.

5. Every attempt shall be made to reconcile these Covenants with the Declaration. However, where there is absolute conflict, the Association reserves the right to select which document shall control at its absolute, unfettered discretion, and its decision shall be binding on all parties, notwithstanding that it shall benefit from its selection.

IN WITNESS WHEREOF, ARROWHEAD ASSOCIATION, INC. has caused these presents to be executed by its duly authorized officers this 25th day of MARCH, 2010.

Prepared in the Law Office of:

When Recorded Return to:

David H. Rowe, Esq.

Brandt, Fisher, Alward, & Roy, P.C.

1241 E. Eighth St., P.O. Box 5817

Traverse City, MI 49686

(231)941-9660



[Signatures continued on following pages]