

# Original v. Suggested Edits

DECLARATION OF RESTRICTIONS

# Transparency & Disclosures

**Our Commitment to Ethics** To ensure the integrity of the board's decision-making process, all members participating in this session are asked to disclose any potential conflicts of interest related to the proposed changes.

## Examples of Types of Disclosures:

- **STR Ownership:** Do you currently own or operate or manage/maintenance a Short-Term Rental within Lake Arrowhead?
- **Business Interests:** Do you own or operate a business (home-based or otherwise) that is impacted by the proposed "Business/Trade" language?
- **Property Ownership:** Do you own multiple lots that may be affected by changes to dues or consolidation rules?
- **Standalone Structures:** Do you currently intend to build, a pole barn or garage on a lot that does not have a primary residence?
- **Speculative Interest:** Are you currently involved in the construction or sale of "storage-only" lots within the Association?

## The Purpose of Disclosure:

- **Transparency:** Identifying a conflict does not necessarily disqualify a board member from discussion, but it ensures that all input is weighed with full context.
- **Public Trust:** Following these ethical standards protects the Board from future claims of "self-serving" governance during the membership vote.

# Why We are Attempting to Update the Deed Restrictions

## The Catalyst for Change

- **Historical Legacy:** Our original restrictions date back to the 1960s. While they served us well for decades, they no longer reflect modern legal standards or community needs.
- **Enforcement Inconsistency:** Growing concerns from membership and the Board highlighted that current restrictions were not being uniformly enforced, leading to confusion and potential liability.
- **The October 2025 Mandate:** A dedicated committee was formed specifically to address these gaps and ensure fairness for all property owners.

## Primary Objectives

- **Modernization:** Replacing vague or outdated language (e.g., regarding "pole barns" or technology) with clear, contemporary definitions.
- **Uniformity & Fairness:** Establishing a clear, legally defensible framework that can be applied consistently across all memberships, regardless of when they joined.
- **Community Alignment:** Updating rules to address current neighborhood priorities, such as Short-Term Rental (STR) regulations and property maintenance standards.

## The "Why Now?"

- To protect property values by ensuring the Association has the legal authority to maintain the character of Lake Arrowhead.
- To move from a "reactive" enforcement posture to a "proactive" governance model that reduces conflict between neighbors.

# Deed Restriction Committee: By the Numbers

## Efficiency & Diligence

- **Strategic Legal Review:** To maximize every dollar of the Association budget, the committee meticulously reviews all legal questions internally before consulting our attorney. This process eliminates redundancies and significantly decreases attorney billable hours.
- **Data-Driven Research:** Beyond general discussion, the committee has spent dozens of hours cross-referencing Otsego County ordinances and Michigan state law to ensure our updates are legally sound and enforceable.

## Engagement Metrics

- **7** Committee Members
- **17** Dedicated Committee Meetings (since October 2025).
- **25+** Live Meeting Hours conducted via Google Meet for transparent collaboration.
- **100+** Total Man-Hours outside of meetings dedicated to:
  - Researching county registration requirements.
  - Drafting the "Amended and Restated Declaration of Restrictions."
  - Reviewing member feedback and FAQ preparation.

## The Result of This Effort

- A professional, vetted, and modernized set of governing documents ready for Board review today

# Our Goal for Today: Collaborative Decision-Making

## What We Are Here to Do

- **A Basis for Discussion:** We are bringing this back to the Board not as a final product, but as a robust foundation for your deliberation.
- **Valuing Board Expertise:** We value your individual backgrounds and input to ensure these deed restrictions protect and work for our entire association.
- **Moving Forward Together:** This is the moment to transition from committee research to collective Board leadership and ownership of the process.

## Our Desired Outcome by End of Meeting

- **Agreement on Principles:** We aim to reach a consensus on the core principles and policy directions for the final document.
- **Finalizing Language:** Our goal is to agree on the final language that will be presented to the wider membership for consideration and public comment.
- **Refining the "Legalese":** If we need to return to the attorney for minor refinements or technical legal phrasing after today's session, that is perfectly acceptable—but we want to leave today with our primary objectives and wording firmly decided.

# Housekeeping: Productive & Professional Collaboration

## Order of Operations :

- **Order of Review:** Please wait to ask questions until I have finished reading each specific revision.
- **Structured Discussion:** We will discuss each section as we go. Everyone will be given a dedicated chance to speak to ensure all perspectives are heard.
- **Total Focus:** No phones during the presentation

## Confidentiality of the Working Draft

- **No Notes/Slides Leaving the Room:** We ask that no recordings, notes, photos, or copies of the presentation leave this executive session. We will be collecting print outs before everyone leaves today.
- **Protecting the Process:** This slideshow represents a *preliminary draft*, not a final document. It has not yet been approved or voted on by the Board.
- **Unified Communication:** To prevent misinformation and confusion within the community, it is vital that members receive only the *final, agreed-upon language* as their first point of contact.

# Original

## DECLARATION OF RESTRICTIONS

~~Central Realty Company, a Michigan Corporation of Lansing, Michigan are the developers of the following described property:~~

~~Arrow Shores, a subdivision of part of the East ½ of Section 32 and the West ½ of section 33, T 30 N, R 4 W, Hayes Township, Otsego County, Michigan.~~

~~And as developers of the above-described plat, it desires to impose the following restrictions:~~

# Suggested Revision

## **AMENDED AND RESTATED DECLARATION OF RESTRICTIONS**

**This Amended and Restated Declaration of Restrictions is made this \_\_\_\_ day of \_\_\_\_\_ 2026, by the undersigned, constituting a majority of the co-owners of the subdivisions established by the following plats:**

**Arrow Shores, according to the Plat recorded in Liber 2 of Plats, Page 88, Otsego County Records;  
Southern Trails, according to the Plat recorded in Liber 2 of Plats, Page 98, Otsego County Records;  
Indian Hills, according to the Plat recorded in Liber 2 of Plats, Page 90, Otsego County Records;  
Okemos Trails, according to the Plat recorded in Liber 2 of Plats, Page 93, Otsego County Records;  
Tuscola Trails, according to the Plat recorded in Liber 2 of Plats, Page 104, Otsego County Records; and  
Arenac Trails, according to the Plat recorded in Liber 3 of Plats, Page 4, Otsego County Records (Arrow Shores, Southern Shores, Indian Hills, Okemos Trails, Tuscola Trails and Arenac Trails shall hereinafter be referred to collectively as “Subdivisions”).**

# Original

# Suggested Revision

## WITNESSETH:

WHEREAS, American Central Corporation, a Michigan corporation, (“Developer”) caused a certain Declaration of Restrictions for Arrow Shores to be recorded September 5, 1963, in Liber 96, Page 172 et seq., Otsego County Records;

WHEREAS, Developer caused a certain Declaration of Restrictions for Southern Trails to be recorded February 5, 1964, in Liber 97, Page 566 et seq., Otsego County Records;

WHEREAS, Developer caused a certain Declaration of Restrictions for Indian Hills to be recorded February 5, 1964, in Liber 97, Page 569 et seq., Otsego County Records;

WHEREAS, Developer caused a certain Declaration of Restrictions for Okemos Trails to be recorded February 5, 1964, in Liber 97, Page 572 et seq., Otsego County Records

WHEREAS, Developer caused a certain Declaration of Restrictions for Tuscola Trails to be recorded August 22, 1964, in Liber 101, Page 127 et seq., Otsego County Records;

WHEREAS, Developer caused a certain Declaration of Restrictions for Arenac Trails to be recorded August 2, 1965, in Liber 107, Page 164 et seq., Otsego County Records (all of the foregoing Declarations of Restrictions for Southern Trails, Indian Hills, Okemos Trails, Tuscola Trails and Arenac Trails shall hereinafter be referred to collectively as “Declarations of Restrictions”);

WHEREAS, all of the above communities shall be referred to, collectively, as the "Subdivisions."

WHEREAS, Developer assigned its rights under the Declarations of Restrictions to the Lake Arrowhead Property Owner’s Association in an Assignment recorded April 29, 1968, in Liber 121, Page 435 et seq., Otsego County Records;

WHEREAS, Section 15 of the Declaration of Restrictions provides for its amendment by recording an instrument signed by the owners of record of a majority of the lots in the Subdivisions;

WHEREAS, the undersigned represents the owners of record of a majority of the lots in the Subdivisions (“Owners”);

WHEREAS, the Owners wish to amend, restate and join the Declarations of Restrictions as set forth herein.

NOW, THEREFORE, the Declarations of Restrictions are hereby amended and restated as follows:

# Original

1. All lots in ~~this subdivision~~ shall be used exclusively for residential purpose ~~except those designed for camping and building lots by Central Realty Company, lots 163 through 182 which may be used for camping with tent or house trailers. Lot owners of any house trailer being used or setting on lots 163 through 182 beyond a 4-week period during one year must have written consent from Central Realty Company. On all other lots,~~ no structure or building shall be erected, altered, placed or permitted to remain on any lot other than one single family dwelling and private garage.

# Suggested Revision

1. **RESIDENTIAL USE.** All lots in **the Subdivisions** shall be used exclusively for residential purposes. No structure or building shall be erected, altered, placed, or permitted to remain on any lot other than one single-family dwelling and **one** private garage **or pole barn...**

# Original

# Suggested Revision

**...Homeowners may purchase an additional lot or lots in the community to construct one garage and/or pole barn, subject to the following conditions: (a) The homeowner must combine sufficient contiguous lots they own to meet the minimum parcel size required by the applicable county zoning ordinance for the accessory building they wish to construct; (b) The lots must be legally combined into a single parcel before any accessory building—such as a garage or pole barn—may be constructed; and (c) Once combined, all accessory buildings must comply with all applicable township, county, and state zoning ordinances, and with any guidelines addressing accessory buildings set forth in the Association Bylaws. In no event shall any lot or combined parcel contain more than: (i) one single-family dwelling; (ii) two detached permanent structures requiring building permits (garages or pole barns) on combined lots; and (iii) one stand-alone accessory structure on an additional lot. This limitation means a maximum of three detached permanent structures per single-family dwelling. As used herein, the term "Subdivisions" shall refer collectively to Arrow Shores, Southern Trails, Indian Hills, Okemos Trails, Tuscola Trails, and Arenac Trails.**

# Original

2. TYPE, SIZE, CONSTRUCTION: Any dwelling erected, placed or altered n any lot in ~~this subdivision~~ must be approved in writing by the Building Control Committee prior to start of ~~constructions~~. Such approval will be made upon submission of satisfactory plans, including a ~~grid map~~ showing location of ~~structure on the lot~~. Any structure must conform to the following minimum standards:

# Suggested Revision

2. TYPE, SIZE, **AND** CONSTRUCTION. Any dwelling erected, placed, or altered **on** any lot in **the Subdivisions** must be approved in writing by the Building Control Committee prior to **the** start of construction. Such approval will be made upon submission of satisfactory plans, including a **site plan to scale** showing **the** location of **the structure on the lot, all setback distances, elevations with building heights, roof pitch, and proposed materials. The Association reserves the right to require a survey from a licensed professional surveyor if the Board deems necessary. Any structure must conform to the following minimum standards:**

# Original

a. Any residence erected or placed upon any lot in the subdivisions shall have a ground floor area exclusive of one story, open porches, or garages not less than 600 square feet in the case of a one-story building ~~and not less than 600 square feet in the case of a one and one-half story building or not less than 600 square feet in the case of a two-story building.~~

No split-level shall be erected on any lot with less than 1000 square feet of livable space.

No bi-level shall be erected with less than 1200 square feet.

# Suggested Revision

a. Any residence erected or placed upon any lot in the **Subdivisions** shall have a ground floor area, exclusive of one -story, open porches, or garages, of not less than 600 square feet in the case of a one-story building. No split-level **dwelling** shall be erected on any lot with less than 1,000 square feet of livable space. No bi-level dwelling shall be erected with less than 1,200 square feet of livable space. **Any livable space above a garage is in addition to the minimum square footage requirements. Barndominiums must have a minimum of 600 square feet of living space on the main floor. This 600 square feet is the minimum permitted under Association restrictions; however, if county zoning ordinances require a larger minimum, the county requirements shall control.**

# Original

~~When attached garages having living quarters above, the said garage shall be considered part of the dwelling to the extent of living quarters situated.~~

~~b. Any reasonable change, modification or additional to the within restrictions shall be considered by Central Realty Company and if so approved, they will then be submitted in writing to the abutting lot owners, and if so, consented to in writing, shall be recorded and when recorded shall be binding as the original restrictions.~~

# Suggested Revision

Delete this entire section

# Original

Addition to para a.

# Suggested Revision

**Barns and detached garages must meet the following requirements: gable end soffits must be a minimum of eight (8) inches; overhang soffits on eaves must be a minimum of twelve (12) inches; roof pitch must be a minimum of 4/12; and there must be a break in colors or materials (all exterior materials must not be of the same color or type). All livable spaces must meet applicable state and local building codes for the proposed use. If the use is changed or modified after construction, the space must be brought up to required code standards. BOCA-compliant modular homes with wood-frame construction and a permanent foundation are permitted. Manufactured homes bearing a HUD certification label (commonly known as mobile homes or trailers), regardless of size, date of manufacture, or whether placed on a permanent foundation, are expressly prohibited. For purposes of this Declaration, "manufactured home" means a structure built on a permanent steel chassis, designed to be used as a dwelling with or without a permanent foundation, and which bears a federal HUD certification label.**

# Original

c. All construction materials must be new, ~~no~~ building shall be moved into ~~said subdivision~~. No trailer ~~or~~ mobile home, tent, ~~basement~~, shack, ~~garage~~, ~~barn~~ or other ~~building shall~~ be placed ~~or constructed~~ in the subdivision at any time for use as a temporary or permanent residence or for any other purpose except incident to the construction of a dwelling on the premises. The same restrictions pertain to lots 163 through 182 with the exception of the camping clause cited in Section 1 of these restrictions.

# Suggested Revision

b. All construction materials must be new, **or in like-new condition. No** building shall be moved into **any Subdivision**. No trailer, mobile home, tent, shack, or **any other temporary living space may** be placed **on any lot during** construction. **Shipping containers or storage trailers are permitted during the duration of construction for a period not to exceed twelve (12) months, with the ability to request one renewal from the Building Control Committee.**

# Original

d. All residences must have private inside bathroom facilities.

# Suggested Revision

c. All residences must have private inside bathroom facilities.

# Original

e. ~~Fences, walls, and hedges, if any, shall be open construction not more than five feet in height and shall not extend in front of the dwelling line.~~

# Suggested Revision

d. **No fence or similar enclosure shall be erected or installed on any lot without prior written approval of the Building Control Committee, including submission of a site plan showing the location (with dimensions), height, materials, and color. On lots adjoining a lake, fences are permitted only if they are open-style decorative fences, do not exceed four (4) feet in height, and do not interfere with lake views from neighboring properties. On non-lake lots, fences are permitted provided they do not exceed four (4) feet in height and comply with applicable zoning ordinances. Privacy fences shall not extend beyond the front plane of the dwelling, shall not exceed six (6) feet in height, and shall not obstruct views of lakes or ponds from neighboring properties. Adjacent and adjoining property owners shall receive notification of any privacy fence construction. All fences must comply with applicable township, county, and state regulations and be maintained in good condition. Hedges, shrubs, or other landscaping used as a barrier or screen shall be subject to the same height and location restrictions as fences. All landscaping must be maintained in a neat and safe condition and comply with applicable ordinances.**

# Original

f. All structure shall be completed on the exterior within ~~six (6) months from start of constructions including~~ two (2) ~~coats of paint or varnish on any~~ exterior wood surface, ~~all structures must be completed and site ...~~

# Suggested Revision

e. All structures shall be completed on the exterior within **the timeframes required by applicable township, county, and state ordinances, but in no event more than two (2) years from commencement of construction.** Exterior completion includes application of final exterior finishes, including paint, stain, or other protective coatings on all exterior wood surfaces. During construction, the premises shall be kept and maintained in a sightly and orderly manner, and trash receptacles shall have coverings/lids.

# Original

...graded, sodded, or seeded and reasonably landscaped within one (1) year ~~from commencement thereof.~~

During the period of construction, the premises shall be kept and maintained in a sightly and orderly manner.

# Suggested Revision

**Upon final inspection, the site shall be** graded, sodded, or seeded, and reasonably landscaped within one (1) year.**of project completion, using materials suitable for sandy soil and small lots. Landscaping should include natural vegetation, grass, or other erosion-control ground cover, and owners are encouraged to use native plants to maintain a neat, safe, and orderly appearance without creating drainage or erosion issues.** During the period of construction, the premises shall be kept and maintained in a sightly and orderly manner.

# Original

The Building Control Committee shall consist of three (3) members appointed by the Central Realty Company. The committee may designate one of its members to act in its behalf. In the event of the resignation or death of a member, the remaining members shall appoint a replacement. The Building Control Committee shall approve plans for all structures erected in the subdivision. The Committee may reject any plan because of too great a similarity to nearby existing structures. The Building Control Committee may reject plans because of the location of proposed structure on the lot.

# Suggested Revision

The Building Control Committee shall consist of three (3) members **who are nominated** by the **Building Control Chair and approved by the Lake Arrowhead Property Owners' Association Board**. In the event of the resignation or death of a member, the **Building Control Chair shall nominate a replacement for Board approval. If the vacancy is the Chair position, the remaining Committee members may nominate one of their own to serve as Chair, subject to Board approval. Once a new Chair is appointed, the Chair shall then nominate an individual to fill the resulting Committee vacancy, also subject to Board approval.** The Building Control Committee shall approve plans for all structures erected in the **Subdivisions**. The Committee may reject any plan **based on these restrictions or any other governing documents. Any other decision to reject a plan must be presented to the entire Lake Arrowhead Property Owners' Association Board for review and may be rejected at the Board's discretion.**

# Original

3. ~~No for sale sign or advertising device of any kind shall be erected on any lot except on a new house previously unoccupied which is offered by the developer or the builder.~~

# Suggested Revision

**3. SIGNS, BANNERS, AND ADVERTISING.** Advertising signs or devices, including but not limited to signs for tree services, roofing, or similar contractor services, may be erected on a lot for the duration of the project for which the services are being performed, and may remain in place for no more than fourteen (14) consecutive days following completion of the project. The temporary removal and reinstallation of a sign for the same project for the purpose of extending this time period is expressly prohibited. Real estate "For Sale" signs may be displayed on a lot for the duration that the lot or dwelling is actively offered for sale and may remain in place for up to fourteen (14) days following the closing of the sale. All such signs shall be free from profanity, vulgarity, or offensive language. Any sign not removed within the permitted time period may be removed by the Association at the expense of the owner.

# Original

4. SETBACK: ~~Any structure erected must set back not less than 30 feet from the front lot line and not less than 30 feet from any side street lot line.~~

# Suggested Revision

4. SETBACKS. **Setback requirements shall comply with applicable township, county, and state ordinances.**

# Original

5. ~~No dock may be erected without approval of the Building Control Committee.~~

# Suggested Revision

5. **DOCKS.** No permanent dock shall be erected without the prior written approval of the Building Control Committee. A "permanent dock" means any dock or structure that is affixed to the shoreline or lakebed, remains in place year-round, or is not readily removable without construction equipment. In addition, all required permits and approvals shall be obtained in accordance with applicable regulations of the Michigan Department of Environment, Great Lakes, and Energy (EGLE) and any applicable township, county, or state zoning ordinances. Existing permanent docks may remain in place; however, a dock shall be deemed unserviceable if it is unsafe, structurally damaged, missing essential components, improperly anchored, obstructs navigation, or otherwise creates a safety hazard. Upon written notice from the Association, the owner shall repair or remove the dock within one (1) year. If the owner fails to do so, the Association may repair or remove the dock, and all costs shall be charged to the owner. A "temporary dock" is a dock that is not permanently attached to the shoreline or lakebed and is designed to be installed and removed seasonally without construction or disturbance of the lake bottom. Temporary docks do not require Building Control Committee approval but must comply with all applicable EGLE regulations.

# Original

6. ~~In order to control the use of Buhl Lake Arrowhead and Lake Little Deer and thereby benefit all residents of the lands around the lakes, the waters of Buhl Lake Arrowhead and Lake Little Deer and the lands flowed and covered by the lakes at their highest level or a level that Central Realty Company may use for the betterment of this area. Shall be owned by Central Realty Company, it's successors and assigns. Lots which abut or border on the waters of the lakes shall not include any riparian rights in and to said waters, or to the lands below said waters.~~

# Suggested Revision

6. **LAKE RIGHTS.** The owners of Lots that abut or border the waters of Buhl Lake Arrowhead or Lake Little Deer shall hold the riparian or littoral rights appurtenant to their respective lots, including rights to reasonable use of the waters, shoreline, and lakebed contiguous to their property, as permitted by law. All riparian or littoral rights shall be subject to reasonable regulation by the Association, including but not limited to rules governing: (a) location, length, and number of docks; (b) boat types, speeds, and launching; (c) protection of water quality, shoreline, and natural habitat; (d) hours of operation for powered vessels; (e) weed control, dredging, and lake-level management activities; and (f) any use impacting the safe and shared enjoyment of the lakes by all members.

## Original

7. Buhl lake Arrowhead and Lake Little Deer are designated as private lakes and as such, the right to usage and control remain with the ~~developer~~ or its authorized agent.

## Suggested Revision

... Buhl Lake Arrowhead and Lake Little Deer are designated as private lakes and as such, the right to usage and control remain with the **Lake Arrowhead Property Owners' Association** or its authorized agent.

# Original

8. EASEMENTS for the installation and maintenance of public utilities ~~or~~ drainage facilities are reserved along and within 8 feet of all side lot lines and 10 feet ~~on~~ all rear lines in ~~this subdivision~~. Such ~~other~~ easements are hereby reserved to enter upon premises ~~if~~ necessary to construct, operate ~~and~~ maintain any ~~other~~ public improvements, pipes, poles, wires, ~~etc~~, ~~where~~ under or above ground.

It is understood and agreed that it shall not be considered a violation ~~or~~ the provisions of the easement if wires or cables carried by such pole lines pass over some portion of said lots not within the 8-foot strip, ~~as~~ long as such lines do not hinder the construction of buildings on any lots in the ~~subdivision~~.

# Suggested Revision

7. EASEMENTS. **Easements** for the installation, **operation, repair,** and maintenance of public utilities, drainage facilities, **and similar improvements** are reserved along and within **eight** (8) feet of all side lot lines and **ten** (10) feet **of** all rear **lot** lines in **the Subdivisions, or as otherwise required by applicable township, county, or state ordinances.**

Such easements are hereby reserved to enter upon **the** premises **as** necessary to construct, operate, **repair, or** maintain any public improvements **and utility facilities, including but not limited to** pipes, poles, wires, **cables, and similar facilities, whether located** under or above ground, **in accordance with applicable governmental regulations.** It is understood and agreed that it shall not be considered a violation **of** the provisions of the easement if wires or cables carried by such pole lines pass over some portion of said lots not within the **eight** (8) foot strip, **so** long as such lines do not hinder the construction of buildings **or improvements** on any lots in the **Subdivisions, and otherwise comply with applicable township, county, and state ordinances.**

## Original

9. Any tank for the storage of fuel placed or maintained on ~~any~~ lot outside of any building in this subdivision shall be ~~located below the surface of the ground. Outdoor receptacles for ashes and garbage shall be underground or shall be located at least 50 feet to the rear of the front lot line...~~

## Suggested Revision

8. **FUEL STORAGE TANKS.** Any tank **used** for the storage of fuel that is placed or maintained on any lot outside of **a** building **within the Subdivisions** shall **comply with all applicable township, county, state, and EGLE regulations.**

# Original

... No refuse pile or unsightly or objectionable material ~~or thing~~ shall be allowed or maintained on any lot ~~in the plat~~.

# Suggested Revision

9. **REFUSE.** No refuse pile or unsightly or objectionable material shall be allowed or maintained on any lot.

# Original

10. Owners of ~~unoccupied~~ lots shall at all times keep and maintain their property in ~~this subdivision in an orderly manner causing weeds and other growth to be seasonably cut and prevent accumulation of rubbish and debris on the premises.~~

# Suggested Revision

10. **LOT MAINTENANCE.** Owners of **all** lots shall at all times keep and maintain their property in **the Subdivisions in a clean and orderly condition. No refuse pile(s) or unsightly or objectionable material or condition shall be maintained on any Lot. Natural landscaping is encouraged but should be seasonally controlled to reduce the risk of wildfire and protect neighboring properties.**

## Original

11. No business, trade or ~~enterprises~~ of any kind or nature whatsoever shall be conducted or carried on upon any lot or lots in ~~said subdivision, nor shall any~~ animals, ~~birds, fowl or poultry,~~ except common household pets be kept ~~at any time thereon.~~

## Suggested Revision

11. COMMERCIAL ACTIVITY. No business, trade, or enterprise of any kind or nature whatsoever shall be conducted or carried on upon any lot or lots in **the Subdivisions, except for the specific Authorized Exceptions defined below.**

# Original

# Suggested Revision

**a. Permitted Home Occupations (Non-Traffic Generating).** To support the modern residential needs of owners, "Home Occupations" are permitted provided they are incidental and subordinate to the principal residential use of the dwelling. A Home Occupation is defined as professional work (e.g., remote office work, consulting, online sales) that meets the following strict criteria: (1) **No Exterior Evidence:** There shall be no exterior evidence of the business, including signage, and no outdoor storage of goods or materials. (2) **No Traffic Generation:** The activity must not generate traffic, parking demand, or delivery volume in excess of that normally created by a standard single-family residential use. (3) **No On-Site Employees or Clients:** The business shall be conducted solely by the occupants of the dwelling, with no on-site employees, and no clients or patrons visiting the premises.

# Original

# Suggested Revision

**b. Off-Site Service Businesses (Non-Traffic Generating). To support the modern residential needs of owners, "Off-Site Service Businesses" are permitted provided they are incidental and subordinate to the principal residential use of the dwelling. An Off-Site Service Business is defined as services performed off-site (e.g., snowplowing, landscaping) that meet the following strict criteria: (1) No Exterior Evidence: There shall be no exterior evidence of the business, including signage, and no outdoor storage of goods or materials. (2) No Traffic Generation: The activity must not generate traffic, parking demand, or delivery volume in excess of that normally created by a standard single-family residential use. (3) No On-Site Employees or Clients: The business shall be conducted solely by the occupants of the dwelling, with no on-site employees, and no clients or patrons visiting the premises. (4) Registration: Property owners conducting Off-Site Service Businesses must register with the Board (at no cost) to ensure a record of compliance.**

### **STR #1**

Short-term rentals (less than 28 days) are prohibited as a commercial use, with a limited grandfathering allowed only for qualifying existing owners through January 1, 2031, subject to proof of prior use, non-transferability, registration/fees, and revocation for violations.

### **STR #2**

Short-term rentals (under 28 days) are classified as a commercial use but allowed only through a capped permit system, with waitlisting, required registration and fees, revocable permits for violations, and limited grandfathering for qualifying existing rentals subject to proof and non-transferability.

### **STR #3**

Short-term rentals under 28 days are classified as a commercial use and permitted only through an application-based STR permit system, with neighbor notification, required registration and fees, and revocable permits for bylaw violations.

# Option #1 - STR

c. Short-Term Rentals. Short-Term Rentals are expressly prohibited. The rental of any dwelling for a period of less than twenty-eight (28) consecutive days is considered a commercial business enterprise and is prohibited. Notwithstanding the foregoing prohibition, property owners who can demonstrate a history of Short-Term Rental activity for at least one (1) year prior to January 31, 2026, shall be permitted to continue such use ("Grandfathered STRs") until January 1, 2031, subject to the following conditions:

i. Proof of Prior Use: Owners must submit verifiable proof of at least one (1) year of rental history (e.g., booking records, tax returns, or platform statements) occurring prior to January 31, 2026, to the Association Board by October 1, 2026. Failure to provide proof by this deadline constitutes a permanent waiver of grandfathered status.

ii. Non-Transferability: Grandfathered status applies only to the current owner of record. Upon the sale or transfer of the property title, the right to conduct Short-Term Rentals shall cease, and the property must revert to exclusive residential use.

iii. Sunset Provision: No Short-Term Rentals shall be permitted to operate after January 31, 2031, including those previously grandfathered.

iv. Registration and Annual STR Fee: All STR operators must pay a non-refundable Annual Impact Fee in an amount determined by the Board and set forth in the Bylaws. This fee offsets the administrative cost of monitoring compliance and enforcement of rules. In addition to the Annual Impact Fee, operators shall complete an Annual Registration as a condition of maintaining STR eligibility.

v. Revocation: An STR permit is a revocable privilege. Three (3) verified violations of occupancy limits, parking rules, or noise ordinances within a rolling twelve (12) month period shall result in immediate revocation of the permit.

## Option #2 - STR

c. Capped Short-Term Rentals (STRs): The rental of dwelling for less than twenty-eight (28) consecutive days is considered a commercial enterprise. However, to balance property rights with community character, a limited number of “STR Permits” may be issued by the Association subject to the following limitations:

i. Number Cap: The total number of active STR Permits shall not exceed [NUMBER] (“Cap Number”). Existing STRs (as defined below) will automatically receive an STR permit upon the effective date of this Declaration, subject to the terms and conditions in this section. If the number of existing STRs exceed the Cap Number, no new permits will be issued until the total number falls below the Cap Number through attrition. New permits are subject to the application process, which will include written notification to neighboring property owners within 300 feet in all directions.

ii. Waitlist: Once the Cap Number is reached, owners wishing to rent must join a waitlist. Permits are offered in order as they become available.

iii. Registration and Annual STR Fee: All STR Permit holders must pay a non-refundable Annual Impact Fee in an amount determined by the Board and set forth in the Bylaws. This fee offsets the administrative cost of monitoring the Cap and enforcement of rules. Additionally, permit holders must register annually

iv. Revocation: An STR Permit is a revocable privilege and is subject to the requirements set forth in the Bylaws. Any violation of the Bylaws shall give the Association the right to revoke an STR permit effective immediately.

v. Grandfathered Existing STRs: Property owners who can demonstrate a history of Short-Term Rental prior to January 31, 2026, shall be offered a permit to continue such use (“Grandfathered STRs”), subject to the following conditions:

## Option #2 - STR - Continued

1. Proof of Prior Use: Owners must submit verifiable proof of at least one (1) year of rental history (e.g., booking records, tax returns, or platform statements) occurring prior to January 31, 2026, to the Association Board by [INSERT DEADLINE, e.g., June 1, 2026]. Failure to provide proof by this deadline constitutes a permanent waiver of grandfathered status.
2. Non-Transferability: Grandfathered status applies only to the current owner of record. Upon the sale or transfer of the property title, the right to conduct Short-Term Rentals shall be subject to the approval process outlined in Subsection (c) above or as set forth in the Bylaws.
3. Registration and Annual STR Fee: All Grandfathered STR Permit holders must pay a non-refundable Annual Impact Fee in an amount determined by the Board and set forth in the Bylaws. This fee offsets the administrative cost of monitoring the Cap and enforcement of rules. Permit holders (grandfathered or otherwise) must register annually.

# Option #3 - STR

c. Short-Term Rentals (STRs): Short-term rentals are permitted with the following regulations and limitations:

The rental of a dwelling for less than twenty-eight (28) days is considered a commercial enterprise.

However, to balance property rights with community character, “STR Permits” are subject to the application process and will be issued by the Association with the following strict limitations:

i. Issuance of STR Permits: Permits are subject to the application process, which will include written notification by certified mail to the neighboring property owners within 300 feet in all directions.

ii. Registration and Annual STR Fee: All STR Permit holders must pay a non-refundable Annual Impact Fee in an amount determined by the Board and stated in the Bylaws. This fee offsets the administrative cost of monitoring the Cap and enforcement of rules

iii. Revocation: An STR Permit is a revocable privilege and is subject to the requirements set forth in the Bylaws. Violation of the Bylaws shall give the Association the right to revoke a permit effective immediately.

*Before we discuss further, we want gather some initial preferences to help focus the conversation. We'll do a quick, anonymous straw poll. Please be respectful of everyone in the room, as we know this may be a sensitive topic. This is not anything personal—our goal is to consider what is in the best interest of the community as a whole. Rather than selecting your personal preference, please keep in mind which option you believe could reasonably achieve the 51% support needed from the community.*

### **STR #1**

Short-term rentals (less than 28 days) are prohibited as a commercial use, with a limited grandfathering allowed only for qualifying existing owners through January 1, 2031, subject to proof of prior use, non-transferability, registration/fees, and revocation for violations.

### **STR #2**

Short-term rentals (under 28 days) are classified as a commercial use but allowed only through a capped permit system, with waitlisting, required registration and fees, revocable permits for violations, and limited grandfathering for qualifying existing rentals subject to proof and non-transferability.

### **STR #3**

Short-term rentals under 28 days are classified as a commercial use and permitted only through an application-based STR permit system, with neighbor notification, required registration and fees, and revocable permits for bylaw violations.

## [Rental Rules & Regs and Application Draft](#)

# Option #2 & #3 Alternate language for Section 1.

## Suggested Current

1. RESIDENTIAL USE. All lots in the Subdivisions shall be used exclusively for residential purposes. No structure or building shall be erected, altered, placed, or permitted to remain on any lot other than one single-family dwelling and one private garage or pole barn. Homeowners may purchase an additional lot or lots in the community to construct one garage and/or pole barn, subject to the following conditions: (a) The homeowner must combine sufficient contiguous lots they own to meet the minimum parcel size required by the applicable county zoning ordinance for the accessory building they wish to construct; (b) The lots must be legally combined into a single parcel before any accessory building—such as a garage or pole barn—may be constructed; and (c) Once combined, all accessory buildings must comply with all applicable township, county, and state zoning ordinances, and with any guidelines addressing accessory buildings set forth in the Association Bylaws...

## Suggest revision

1. RESIDENTIAL USE. All lots in the Subdivisions shall be used exclusively for residential purposes, **except for those purposes expressly provided for in Article 11.** No structure or building shall be erected, altered, placed, or permitted to remain on any lot other than one single-family dwelling and one private garage or pole barn. Homeowners may purchase an additional lot or lots in the community to construct one garage and/or pole barn, subject to the following conditions: (a) The homeowner must combine sufficient contiguous lots they own to meet the minimum parcel size required by the applicable county zoning ordinance for the accessory building they wish to construct; (b) The lots must be legally combined into a single parcel before any accessory building—such as a garage or pole barn—may be constructed; and (c) Once combined, all accessory buildings must comply with all applicable township, county, and state zoning ordinances, and with any guidelines addressing accessory buildings set forth in the Association Bylaws...

# Original

...~~nor shall any~~ animals, ~~birds, fowl or poultry,~~  
except common household pets be kept at ~~any time~~  
~~thereon.~~

# Suggested Revision

**12. ANIMALS.** No animals except common household pets, shall be kept **on any lot.** "Common household pets" means dogs, cats, and similar small domesticated animals typically kept indoors or in a residential setting, but expressly excludes livestock, poultry, and exotic animals. Notwithstanding, poultry (chickens, ducks, geese, or quail) may be permitted as an exception provided all requirements in this section are fully met. All property owners must comply with all applicable township and county ordinances regarding animals. Poultry may be kept within Lake Arrowhead only if no more than five poultry birds are maintained on a single lot at any time, regardless of lot size. Roosters are strictly prohibited and all poultry must be housed in a fully enclosed coop and fence. Poultry may not be kept on lots bordering a lake. Any owner wishing to keep poultry must submit an application to the Lake Arrowhead Board and obtain approval before acquiring any birds. The applicant must also provide confirmation that all property owners within 300 feet have been notified of the request and given the opportunity to respond and provide an impact statement to the association, and must include a satisfactory plan for proper waste disposal. The application must be reviewed by the Environmental and Zoning Chair, or by another individual designated by the Board.

# Original

12. Any Dwelling and garage on any lot in ~~this subdivision which may~~ in whole or in part be ~~destroyed~~ by fire, windstorm or ~~for any other reason~~, must be rebuilt or ~~all debris~~ removed, and the lot restored to a ~~sightly~~ condition ~~with~~ reasonable ~~promptness~~.

# Suggested Revision

13. **DAMAGE OR DESTRUCTION.** Any dwelling and garage on any lot in **the Subdivisions that is damaged or destroyed**, in whole or in part, by fire, windstorm, or any other **cause**, must be rebuilt or **repaired in compliance with these restrictions and all applicable township, county, and state building and safety codes, or all debris must be** removed and the lot restored to a **clean and safe** condition **within a** reasonable **time**. **The Building Control Committee shall oversee this process to ensure compliance with governing documents and applicable regulations.**

## Original

13. The Central Realty Company shall have the option to repurchase any property offered for sale in the subdivision. Any owner contemplating a sale of property in this subdivision shall present to Central Realty Company a bona fide purchase agreement executed by his prospective purchaser, The Central Realty Company shall have the option for 30 days to purchase subject property for an equivalent price.

## Suggested Revision

Delete entire section.

# Original

This is a new paragraph.

# Suggested Revision

**14. MANDATORY MEMBERSHIP.** Every record owner of a fee interest in any Lot within the Subdivisions shall automatically be a member of the Lake Arrowhead Property Owners' Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and obligations of members shall be as set forth in this Declaration, the Articles of Incorporation, Bylaws, and any rules and regulations adopted by the Board. No owner may disclaim or avoid the obligations of membership, including the obligation to pay assessments, by non-use of common areas or facilities, or by abandonment of the Lot.

## Original

14. ~~In order~~ to maintain and improve the Buhl Lake Arrowhead and Lake Little Deer area, ~~commencing March 1 of each year thereafter, the purchaser of each lot (or titleholder, if title has been conveyed) shall pay \$18.00 to Central Realty Company, its designated successors or assigns, at least half of such fund to be used in the years of collections for park maintenance, lake level regulation and such other purpose that will maintain or improve Arrow Shores area, Annual payments shall be a lien n each lot and it not paid by June 15<sup>th</sup> of each year, may be denoted by an affidavit recorded with the register of deeds and this lien may be enforced as are real estate mortgages by foreclosure by advertisement or in circuit court.~~

## Suggested Revision

15. **ASSESSMENTS.** To maintain and improve the Buhl Lake Arrowhead and Lake Little Deer areas, **each lot owner shall pay annual assessments as set forth in the current Association Bylaws. These assessments apply to all properties, whether improved or unimproved, and include any assessments in effect for that year—including annual, special, reserve, or other applicable charges—determined according to the governing documents in effect for that year. All assessments constitute a lien on each lot and, if unpaid, may be enforced in accordance with the procedures provided in the governing documents and applicable Michigan law, including but not limited to recording of the lien with the Register of Deeds and foreclosure in accordance with applicable statutes. A minimum of two percent (2%) of all assessments collected in any given year shall be used for park maintenance, lake level regulation, and other purposes that maintain or improve the Association's common areas. These designated funds shall not be used for salaries, wages, employee benefits, or any form of personal compensation to Board members or officers.**

# Original

15. These covenants shall run with the land and shall be binding on all parties ~~claiming under them for a period of 20 years and shall be extended for successive periods of 10 years unless and prior to the expirations of such 10-year period;~~ an instrument signed by the owners of record of a majority of lots in the subdivision ~~has been recorded changing or modifying said covenants in whole or in part....~~

# Suggested Revision

16. **DURATION AND AMENDMENT.** These restrictions shall run with the land and shall be binding on all parties **and their successors and assigns in perpetuity. Any amendment to these restrictions, in whole or in part, shall require** an instrument signed by the owners of record of a majority of the lots in the **Subdivisions, which instrument shall be** recorded **with the Otsego County Register of Deeds. In addition, the Lake Arrowhead Property Owners' Association Board of Directors shall form a committee at least once every five (5) years to review these restrictions and determine whether amendments or updates should be recommended for consideration in accordance with the procedures set forth in the governing documents and applicable law.**

# Original

~~...Invalidation of any one of these covenants by judgement or decree shall in no way effect any of the other provisions hereof which shall remain in full force and effect.~~

# Suggested Revision

**17. SEVERABILITY. Invalidation of any one of these restrictions by judgment or decree of a court of competent jurisdiction shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.**

# Original

This is a new paragraph.

# Suggested Revision

**18. ENFORCEMENT.** Enforcement of these restrictions may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any restriction, either to restrain the violation or to recover damages, or both. The Association, any member of the Board of Directors, or any lot owner shall have the right to enforce these restrictions. In any action to enforce these restrictions, the prevailing party shall be entitled to recover reasonable attorney fees and costs from the non-prevailing party.

# Original

This is a new paragraph.

# Suggested Revision

**19. NOTICE. Any notice required or permitted under these restrictions shall be in writing and shall be deemed delivered when personally delivered, or three (3) business days after being sent by certified mail, return receipt requested, or one (1) business day after being sent by overnight courier, to the address of the lot owner as shown on the records of the Association, or to such other address as the owner may designate in writing to the Association.**

# Original

This is a new paragraph.

# Suggested Revision

**20. GOVERNING LAW. These restrictions shall be governed by and construed in accordance with the laws of the State of Michigan.**

# Next Steps: The Path to Community Approval

## Phase 1: Transparency & Review

- **Public Release:** Once we have finalized today's language, the refined document and this presentation will be posted to the **LAPOA Website** and **Facebook page**.
- **Member Review Period:** We will provide the community with ample time to review the proposed changes. This process is for their benefit, and informed feedback from the membership is our priority.

## Phase 2: The Special Membership Meeting

- **A Dedicated Forum:** A special meeting will be scheduled (at least 2 weeks after the documents are posted) to discuss the updates. **Need to nail this down before we leave the room.**
- **Submission of Feedback:** Members can submit feedback in writing ahead of time or prepare to speak in person.
- **Board Deliberation:** The Board is **not** required to vote at this meeting. If member feedback is strong and consistent, we have the flexibility to refine the document further and present it again.
- **Mailing** - need to decide whether this will be a special mailing or attempt to go out in the June newsletter.

## The "Do Nothing" Alternative

- **The 1964 Reality:** If we do not pass a modernized document, we remain bound by the 1964 Deed Restrictions.
- **Legal & Financial Risk:** Our legal counsel has advised that enforcing 60-year-old language could be a high-risk path. Litigation could likely be:
  - **Lengthy:** Years of court dates and uncertainty.
  - **Costly:** Estimated at **\$20,000–\$50,000 per case**, significantly impacting Association reserves.