



January 15, 2026

VIA EMAIL

Alden Meadows Condominium Association
c/o Steve Dell, Treasurer
P.O. Box 394
Alden, MI 49612

delphonso@charter.net

Re: Restriction on Property Use Prohibits Rentals

Dear Board of Directors,

I have been asked by Mr. Dell to provide a legal opinion to the Alden Meadows Condominium Association (“AMCA”) Board of Directors regarding the legality of long-term and short-term rentals within the AMCA. I understand that the AMCA membership voted to disallow all rentals for any duration during the annual AMCA meeting, which raised the question of whether the current language of AMCA’s governing documents prohibits rentals. It is my professional opinion that short-term rental of AMCA units would be in violation of Michigan law and Alden Meadows Condominium Bylaws, attached as Exhibit “A” to the Master Deed for Alden Meadows, recorded at Liber 471, Page 1290 et seq., in Kalkaska County Records (“Bylaws”). However, the current language of the Bylaws likely would not prohibit long-term rental and an amendment to the Bylaws should be made to prohibit or limit rentals over thirty (30) days.

Article VII, Section 1 of the Bylaws states that “no unit in the Condominium shall be used for other than single-family residential purposes and the common elements shall be used only for purposes consistent with the use of single-family residences.” Renting a home on a transient basis/short term basis, by its nature, constitutes a commercial use that is inconsistent with the residential restriction put in place by the Bylaws. Further, Article VII, Section 2 of the Bylaws establishes that no unlawful activity shall be carried on in any unit, nor shall anything be done which constitutes a nuisance. Short term rental activities would violate established Michigan law upholding restrictions, as discussed below, and disrupt co-owners’ quiet enjoyment of their property that the Bylaws intended to secure.

Michigan courts have consistently ruled that short-term rentals are prohibited where property is restricted to residential use. The Michigan Supreme Court spoke directly to the issue at hand, holding that use of property as a short-term rental is inconsistent with the single-family residential purposes dictated by the governing documents of a neighborhood. *Melvin R. Berlin Revocable Trust v. Rubin*, 2025 Mich. LEXIS 1249; 22 N.W.3d 532. An association’s restrictive language does not have to explicitly address short-term rentals or commercial use, but rather the covenant as a whole and the intent of the developer should be examined. *Aldrich*, 345 Mich. App.

David H. Rowe
E: drowe@nmichlaw.com
P: (231) 346-5407

412 S. UNION STREET
TRAVERSE CITY, MI 49684
P: (231) 346-5400
F: (231) 941-9679

NMICHLAW.COM



at 194.

Previous case law establishes that the act of renting property for short-term use is a commercial use, even if the activity is residential in nature. *Eager v. Peasley*, 322 Mich. 174, 190 (2017). Determining whether a property is being used for residential purposes hinges on the permanence and continuity of presence within the home. *O'Connor v. Resort Custom Builders*, 459 Mich. 335, 345 (1999). Owners using their houses primarily to host short-term renters who are members of the public at large with no lasting or long-term ties to the homes contravene the degree of permanency that defines residential use. *Rubin*, No. 166228 at *9. Those using the property for short-term rental have no right to leave their belongings on the property, and such use is not limited to one single family but is far more expansive. *Aldrich*, 345 Mich. App. at 191-92.

A covenant constitutes a contract created with the intent to enhance the value of property, the effectiveness of which is destroyed if lot owners are permitted to subvert the unambiguous language of the restrictions. *Cherry Home Ass'n v. Baker*, 2021 Mich. App. LEXIS 6004, at *8-9 (Oct. 21, 2021). Similarly, restrictive covenants allow landowners to preserve the neighborhood's character. *Thiel v. Goyings*, 504 Mich. 484, 496 (2019). Applying legal precedent, it is clear that any short-term rental of a unit is in violation of the Bylaws' explicit preservation of units for residential purposes, which necessarily does not include transient commercial rental to the public at large.

A Michigan Appellate Court recently ruled that the act of renting property to a third-party for any length of time involves a commercial use because the property owner is likely to yield a profit from the activity. *Timber Lake Drive Prop. Owners' Ass'n v. Gribi*, 2025 Mich. App. LEXIS 7614 at * 13 (September 18, 2025) (quoting *Bauckham Trust v. Petter*, 2017 Mich. App. LEXIS 1494 at * 9 (September 19, 2017)). Commercial use is inherently at odds with the prescribed restriction to residential purposes at issue here. However, *Gribi* is an unpublished case which is not binding on subsequent courts, and its decision that long-term rental was in violation of the association's restrictions was based on a covenant that both restricted use of homes to residential and specifically barred business or commercial use of the property. Because the case is unpublished and relied on language that is not included in AMCA's Bylaws, it is recommended that an amendment to the Bylaws be made to specifically prohibit or limit rentals if AMCA wishes to restrict rentals beyond a term of thirty (30) days.

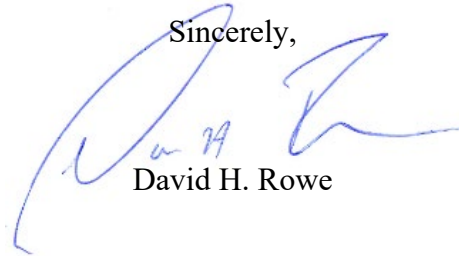
A specific vote to modify the rental rights for units within AMCA will be required to properly amend the Bylaws. According to the Michigan Condominium Act (the "Act"), the consent of not less than two-thirds of the co-owners and mortgagees must be obtained by affirmative vote for the Bylaws to be amended in circumstances where the amendment will materially alter or change the rights of the co-owners or mortgagees. §90(2). Section 90a of the Act limits the circumstances mortgagees are entitled to vote on amendments to the Condominium Documents; however, a change in the rights to rent or lease a unit in the project is one of the circumstances that requires the vote of the mortgagees. The mortgagee vote is primarily a procedural process, as any failure of a mortgagee to return a ballot within ninety (90) days shall be deemed a vote for



approval by the mortgagee. In my experience, mortgagees rarely return ballots submitted to them.

Taken altogether, it is my professional opinion that Michigan law and the Bylaws prohibit short-term rental activity within an AMCA unit, but more prohibitive restrictions on rental rights, including limitation on all rentals or those that extend beyond thirty (30) days, would require an amendment to the Bylaws in accordance with the Section 90(2) and 90a of the Act. Should you have any questions regarding this matter, please contact me directly.

Sincerely,



David H. Rowe

DHR/amn
