

October 31, 2022

[INSERT ADDRESS]

*Re: Little Bear Lake Subdivision
Short-Term Rentals*

To Whom It May Concern:

This letter is being sent as a courtesy as it has come to our attention that local real estate agencies, as well as sellers, have represented to potential buyers that properties can be purchased in the Little Bear Lake Subdivision for the purpose of short-term renting – often booked through internet sites such as VRBO, AirBnB, and others. This is simply incorrect.

In May 2021, Judge Mertz of the Otsego County Circuit Court ruled in case numbers 20-18280-NO, 20-18296-NO, 20-18308-NO, and 20-18379-NO that pursuant to the language of the platted and recorded subdivision deed restrictions, short-term rentals are prohibited in the Little Bear Lake Subdivision. The subdivision deed restrictions strictly forbid any use of subdivision property other than “residential purpose only”. As the term “residential” has been defined by the Michigan Supreme Court, short-term rentals of “residential” properties are “far more expansive than an incidental, casual, or infrequent use of and therefore violates the deed restrictions as a matter of law.” (*See* May 26, 2021 Opinion and Order on Cross Motions for Partial Summary Disposition, p. 9).

Additionally, the Little Bear Lake Association bylaws – which are specifically authorized by the subdivision deed restrictions - allow “private residence only” use of all subdivision property and strictly prohibit any “commercial” activity (*See Article VII of the LBLA bylaws*). Plans are underway to amend the bylaws to more specifically address the significant financial penalty at the association level for any short-term rental activity within the subdivision. Finally, the Otsego County Zoning Ordinance prohibits any resort from operating in a platted subdivision such as ours (*See OCZO, Article 21, Section 21.32.3*).

We have enclosed a copy of the May 26, 2021 Opinion and Order for your reference. Please be aware that there is currently litigation pending in the Otsego County Circuit Court due to short-term rentals in the Little Bear Lake Subdivision. The members of the Association have expressed concern over short-term rentals and have indicated that they will continue to take legal action against any homeowner who engages in short-term rentals.

Please do not hesitate to contact me with any questions or concerns that you may have.

Sincerely,

Scott Johnston
President, Little Bear Lake Association
Scottjlbl@gmail.com

Encl.: May 26, 2021 Opinion and Order on Cross Motions for Partial Summary Disposition