

**Letter From Short Term Rental Owners
May 10, 2026**

Short-term rentals (STRs) have long been part of life in Cordwood Point and throughout Northern Michigan's waterfront communities. Seasonal cottages, visiting families, and vacation homes have been part of the Lake Huron tradition for generations. Many current owners purchased their homes with the understanding that STRs are a permitted and accepted use based on the Association's most recent bylaw update. Importantly, when the Board surveyed the membership in September 2025 regarding a potential STR ban, a majority of respondents did not support banning short-term rentals. Despite this feedback from owners, the Association has continued to incur unbudgeted legal expenses related to pursuing a possible ban. At a time when all members share in Association costs, owners may reasonably question whether continuing to pursue a ban despite the survey results reflects the priorities expressed by the membership.

Responsible short-term rentals can benefit both individual property owners and the broader community. Rental income helps many families offset the rising costs of taxes, insurance, maintenance, and repairs, allowing owners to continue maintaining and improving their homes for generations. Because guest experience directly affects reviews and repeat visits, STR owners are highly motivated to maintain attractive, well-kept properties that contribute positively to the neighborhood's appearance. Homes with the option to rent appeal to a larger pool of prospective homebuyers and helps to support property values. Renting also gives owners flexibility during periods of temporary financial hardship.

Visitors who stay in STRs also support the local Northern Michigan economy. They shop at local stores, dine at restaurants, purchase fuel and supplies, use local marinas and services, and support area small businesses. STRs directly create jobs for local cleaners, landscapers, maintenance providers, and contractors. Many visitors return year after year and eventually become long-term property owners and members of the community themselves. Many employees and small businesses in Cheboygan Co. depend in part on visitors who stay in STRs.

Concerns regarding noise, parking, trash, or nuisance behavior are understandable and should be taken seriously. However, those issues are not unique to STRs and can occur with seasonal guests, extended family visitors, long-term renters, or even full-time residents. The Association already has rules and enforcement tools available to address disruptive behavior when it occurs. Rather than adopting a complete ban, the Association could consider reasonable regulations that protect neighborhood quality while preserving owner flexibility and longstanding property rights.

In addition, most STRs today operate through established platforms such as Airbnb and VRBO, which provide reservation records, identity verification measures, review systems, and host accountability standards that did not exist years ago. These systems encourage responsible guest behavior and allow owners to screen bookings, enforce occupancy limits, and address problems quickly if they arise. In many cases, STRs are more actively monitored and managed than properties that sit vacant for extended periods or are occupied by unsupervised guests.

Cordwood Point has always been a place where families, seasonal residents, and visitors come together to enjoy Northern Michigan. Thoughtful regulation — rather than prohibition — offers the best path forward, preserving both the character of the community and the longstanding rights of its property owners.

Exhibit – B

Assessment of Concerns and Opposition to Short Term Rentals

Cordwood Point is a residential association with restrictions on commercial for-profit businesses. When STR's were initially allowed here, 2005, they were rare but the numbers have greatly increased in Cordwood, Cheboygan County, throughout Michigan and the US, including Commercial STR investors with no connection to the community. Many Cities/Townships have restricted STR's or eliminated them altogether. (City of Cheboygan, St. Ignace). Below we address some of the concerns with statements made by those in favor of STR's.

Survey Results show STR support by the members

- The survey of some owners indicated that there should be restrictions and additional fees on STR's.
- Increasing fees to STR owners will increase the budget without burdening the current owners.
- Most Cordwood property owners are invested in their properties as single family homes, not as commercial/for profit ventures.

Short Term Rentals Benefit the Community

- There are no direct benefits to the Cordwood community for the economic benefits of STR's other than the profit for the owners.
- Destination communities, such as, Mackinaw and Petoskey see many tourists, not Cheboygan.

Concerns of Issues and Neighborhood Stability and Security/Safety

- STR's replace neighbors with a revolving door of strangers on a weekly or even daily basis which makes the community feel less like a neighborhood and more like a mini hotel or resort community.
- Strangers regularly access parks, beaches, trespass on neighboring property. and have made many residents uncomfortable, especially neighborhood children walking, riding bikes, or in the playground areas of the parks.
- STR's are commercial/for profit businesses in residential zoned areas, whether the owner is renting it themselves or through a commercial VRBO/Airbnb renting it.
- Full-time residents have indicated reduced trust and weaker community involvement.
- Those renting an STR may have references checked via a rating that the rental agency (Vrbo, Airbnb, property owners) provides but this doesn't include additional individuals participating in the rental. A criminal history is not included in this check.

Noise, Parking, and Nuisance Issues

- Vacation renters are more likely to:
 - host parties
 - open fires
 - outside hot tubs
 - arrive late at night
 - exceed occupancy limit
 - ignore quiet hours (fireworks)
 - disregard pet rules (leash, waste)
 - additional vehicles parked on streets
 - additional recreational vehicles (boats, atv's snowmobiles)
 - trash overflow set out for days

- property trespassing
 - speeding concerns/drag racing
- This can and has already created some conflict between residents and investor owners.

STR's operate through established platforms

- No on-site property manager or direct contact in the area for issues for actions of renters.
- Property owners are not on site and live down state or in other States and are not readily available.
- STR owners are a for profit establishment, and have no direct control over the renter other than the deposit of the renter. They do not vet individuals coming with the renter.

Cordwood Point has always been a place where families, seasonal residents, and visitors come together

- Full time property owners seldom know the renters who come and go on a weekly basis.
- The renters are not involved in the Association when it comes to park maintenance, cleanups or ongoing management of the Association.
- Very few STR owners are involved in the Association as they are a commercial business operating within a residential neighborhood. Their concern is their investment and making a profit.

Higher Costs and Wear on the Association

- Increased use of common areas can accelerate:
 - landscape damage
 - increased traffic issues/road wear and tear.

Property Values and Financing Problems

- Some single-family home buyers avoid communities with many STRs.
- Certain mortgage lenders and insurers view STR-heavy communities as riskier.
- Taxable values of surrounding properties cause taxes to increase.
- STR's pay residential property taxes, not commercial.
- Some STR's are paying over market price, artificially inflating prices and restricting the housing market to families and potentially causing taxes of surrounding homes to increase.
- By U.S. Presidential Directive Commercial/Corporations are restricted from purchasing single family homes in residential zoned areas. (2026)

Additional HOA Challenges

- Enforcing rules against guests is harder than against resident owners, they come and go.
- Associations may face increased legal disputes over rental restrictions.
- Local STR regulations can change quickly, creating compliance headaches.

Keep Cordwood Point a Member Community, not a Resort Community.

Exhibit - C

CORDWOOD POINT ASSOCIATION

May 15, 2026

Dear Homeowner,

Enclosed for your review is a proposed amendment to one of the Association's governing documents, the Declaration of Restrictions. This amendment has been recommended by the Board of Directors and will be presented to the membership for discussion and vote at the Annual Membership Meeting scheduled for June 27, 2026.

The purpose of the proposed change is to address and restrict Short-Term Rentals within our Association inclusive of a five-year grandfather clause for existing Short-Term Rentals followed by a complete ban effective January 1, 2031. The Board strongly encourages all Members to carefully review the enclosed materials and participate in this important vote.

Approval of the proposed amendment to the Declaration of Restrictions requires the affirmative vote of a simple majority of the votes present as represented by eligible members and/or absentee ballot.

- ✓ An "IN FAVOR" vote indicates you wish to limit Short-Term Rentals culminating with a full ban effective January 1, 2031, and agree to the proposed Amendment as written.
- ✓ AN "OPPOSED" vote indicates you do not agree with the proposed Amendment and wish to keep the Declaration of Restrictions as is.

If you are unable to attend the meeting in person, please take advantage of the mail-in ballot option provided in this packet. **To be counted, mail-in ballots must be received by the Association before the meeting is called to order June 27, 2026.**

We appreciate your participation and support in keeping our governing documents up to date and reflective of the needs of our community.

Sincerely,

The Board of Directors
CORDWOOD POINT ASSOCIATION

Exhibit - D

CORDWOOD POINT ASSOCIATION

EXHIBIT D – FULL TEXT OF PROPOSED AMENDMENT

Attached to the Ballot for the Annual Membership Meeting June 27, 2026.

This document shows the proposed changes to the October 30, 2020, Declaration of Restrictions. Deletions are shown in strikethrough. Additions are underlined.

PROPOSAL 1 – Amendment to the Declaration of Restrictions

Proposed Amendment Language:

Section 4 USE OF ANY LOT WITHIN THE SUBDIVISION

(a) – Residential Use Only

~~(a) Any residence erected on any lot in this Subdivision shall be a private residence for use by the owner or occupant and, only one residence may be erected on a single lot.~~

Each Lot shall be limited to a single Residence, which shall be used solely as a private residence by the Owner or lawful occupant for residential purposes. The use of any Lot, Residence, or Subdivision property for business or commercial purposes is prohibited, except as expressly permitted in these Restrictions.

~~(b) – Rentals~~

~~(b) No residence shall be used for any commercial or manufacturing purposes, except that rental/lease of properties as a permanent residence or for short term vacation purposes is permitted. In such instances, the property owner remains responsible for all provisions of these Restrictions, to include payment of annual dues and any assessments that may be in force. Once paid, all rights and privileges of Association membership transfer to the tenant except for Association voting rights, with the understanding that willful or negligent acts of the tenant in violation of these restrictions may incur liability to the property owner for redress or correction.~~

i. **Short-Term Rentals Prohibition.** Short-Term Rentals, defined as the rental or license of any Residence for less than thirty (30) consecutive days, are deemed a commercial use and are prohibited, subject only to the grandfathering rights in subsection ii. This prohibition applies only to Short-Term Rentals. Long-term leases (more than 30 consecutive days) remain permitted and are governed by the general leasing provisions of these Restrictions. The provisions of this Section 4(b) shall control over any provisions stated elsewhere in the Restrictions or in the Association’s Bylaws in the event of any conflicts or discrepancies.

ii. **Grandfathering – Eligibility Requirements.** To qualify for registration as a grandfathered Short-Term Rental, a Residence shall have been used for Short-Term Rental purposes at least once within the six (6) months immediately preceding the Owner’s written request for registration, supported by proper documentation. No Residence that fails to meet this requirement shall be eligible, either initially or in the future. Any Residence properly registered with the Association as a Short-Term Rental on or before September 30, 2026, and renewed annually thereafter, may continue such use until the earlier of (a) midnight on December 31, 2030, or (b) the date on which record title to the Residence is sold or otherwise conveyed to a new Owner. Grandfathering status shall not run with the land and is non-assignable and nontransferable.

(a) For avoidance of doubt, the mere act of conveying title to a Lot into an entity or trust owned and controlled by the same Lot Owner who timely registered the Lot for Short-Term Rental use pursuant to Section 4(b) shall not terminate grandfathered rights.

(b) Grandfathered rights shall terminate only upon (i) a sale or conveyance of the Lot to a new owner, (ii)

a change in ownership or voting control of such entity exceeding fifty percent (50%), or (iii) a change in the trustee or present beneficiary of a trust that alters control of the trust.

As of January 1, 2031, all Short-Term Rentals of units shall be prohibited in the Subdivision, including but not limited to any and all Units whose Owners may have timely registered their unit for and been granted "grandfathering" status under the exception formerly afforded to their unit per the preceding provision.

iii. **Registration.** All rental properties, whether short-term or long-term, must be initially registered with the Association no later than September 30, 2026, followed by an annual renewal requirement with a July 1 deadline each year thereafter as part of the annual dues.

iv. **Fees.** The Board may, by majority vote, approve the imposition, alteration, increase, decrease, and/or removal of annual rental registration fees and amounts of fees on any and all Residences rented or leased in the Subdivision regardless of the length of a lease; Board approval shall be formalized in a written resolution executed by the Board and distributed to all members of the Association by regular mail no less than 30 days prior to the date on which the fee or fee amounts in the resolution are to take effect. Such fees and fee amounts shall be determined by Board resolution and may be amended by the Board from time to time as specified above.

v. **Fines.** The Board may, by majority vote, approve a fine schedule, the amounts of fines, and the escalation of fines which shall apply solely to violations of Section 4(b) and any related rules. The Board may, by majority vote, impose, remove, alter, increase, or decrease fine schedules, fine amounts, and the escalation of fines by Board resolution, and may amend same from time to time. Any such action shall be formalized by written resolution of the Board in the same manner set forth in Section 4(b) (iv) above for Board approval of fees.

vi. **Rules & Regulations.** The Board may adopt operational rules for rental properties, including but not limited to occupancy limits, parking, quiet hours, trash removal, pets, and property maintenance. Such rules may be amended by Board resolution in the same fashion set forth in Section 4(b) (iv) above regarding Board approval for fees.

vii. **Property Management.** The Board may require Short-Term Rental Owners to designate a 24/7 responsible agent or property manager who is authorized to respond to the Association on the Owner's behalf promptly to all complaints and issues that may arise resulting from or relating to the Short-Term Rental of their Residence. The agent or manager so designated shall serve as the primary point of contact for the Board and/or a Board appointed Association Short-Term Coordinator. Failure of the agent or property manager to maintain current contact information and/or respond in a timely manner applicable to the severity are, alongside the Owner, subject to the enforcement remedies outlined in 4(b) subsection x below.

(a) **Association Short-Term Coordinator.** Pursuant to the Association Bylaws Section 3, the Board may appoint and compensate a CPA Member to serve as Short-Term Coordinator to carry out the duties related to Short-Term Rental registration and management.

viii. **Vacant Lots.** Vacant lots may not be rented or used for occupancy in any event, including use by recreational vehicles, campers, tents, or temporary structures.

ix. **Long-Term Rentals.** Long-Term Rentals (leases of thirty (30) days or more) shall continue to be permitted, provided that: (i) each lease shall be for an initial minimum term of not less than six (6) months; (ii) each lease shall be in writing, signed by the Owner and tenant; (iii) a copy of the proposed lease shall be submitted to the Board of Directors prior to execution, to confirm its provisions comply with this Declaration, the Association's Bylaws, and any duly adopted Rules and Regulations issued thereunder; (iv) a copy of the fully executed lease shall be provided to the Association within ten (10) days after execution.

(a) **No Assignment or Subletting.** Neither the Owner nor the Tenant shall assign or transfer any Lease, or leasing rights, or sublet.

x. **Enforcement.** Violations of Section 4(b) are enforceable under Section 4(p) of these Restrictions, including the imposition of fines, suspension of privileges, injunctive relief, recovery of costs and attorney fees, and liens for unpaid amounts. The provisions of this Section 4(b) (i) - (x) shall control over any provisions stated in the Declaration of Restrictions or the Association's Bylaws in the event of any conflicts or discrepancies in such provisions.

By-Laws and Restrictions
Proposed Changes – Short-Term Rentals
May 15, 2026

Cordwood Point was platted in the 1960's as a Member Association. According to the original Restrictions short-term rentals were not a part of the Association. Short term rentals have been allowed within the Cordwood Point Association since the By-Laws were changed in 2004. This was done by the Association Board of Directors at that time to reflect the reality of a very few property owners that were allowing friends and relative to use their homes for vacations.

Today that has changed significantly. VRBO's and Airbnb's, as well as members, are listing properties for short term rental in Cordwood Point. Several Limited Liability Corporations, LLC's, several developers and many property owners have started for profit businesses within Cordwood Point as short-term rentals. Several LLC's and new owners are from out of state and use the property as a business only. Currently, to our knowledge, there are at least 10 confirmed short-term rentals in Cordwood Point. There are several properties for sale, one by a company that specializes in short-term rentals. A developer has most recently purchased several lots to build additional short term rental properties.

Short-term rentals bring many issues to our quiet and tranquil Cordwood neighborhood. Increased traffic, drag racing, vehicles and trailers parked on the streets, loud neighbors, noise from wave runners, four wheelers, snowmobiles, unattended fires, animals running loose, trash setting out for days before pick up, fireworks in the wee hours.

This is an issue that is proliferating within the State of Michigan, as well as Cheboygan County and Cordwood Point, as well as many other residential subdivisions in Cheboygan County along the lakes. It is a very lucrative commercial/for profit venture for these property owners along the lake side residential communities.

A requirement of the Cordwood Point By-Laws and Restrictions is a review to occur every five years. The review committee recommended changes to the Board of Director in regards to short-term rentals. The Board of Directors has approved sending these changes to the members for a vote by June 27, 2026. These changes have been reviewed by legal counsel.

The Board of Directors has resolved to ask the members to approve eliminating short-term rentals within Cordwood Point within five years, December 31, 2030, to control the increase in the short-term rental proliferation. This will allow these for-profit businesses to plan and transition out of our residential neighborhood.

It is important that every member cast a vote on this issue that will affect every property owner in Cordwood Point.

A vote to **Approve** the proposed changes and your Board of Directors will move forward with making the changes.

A vote to **Oppose** the proposed change will leave the current language in place and bring this issue back to the Board of Directors for further review.

Included in this newsletter:

- A letter from the Short Term Rental owners with their points as to how these properties benefit Cordwood Point **Exhibit - A**
- A bullet point letter showing the issues with Short Term Rentals in Cordwood Point **Exhibit - B**
- Letter from the Board **Exhibit - C**
- The language changes to the Restrictions within the By-Laws for Cordwood Point **Exhibit - D**
- The Ballot

If you have any questions. Please contact a Cordwood Point Association Board of Directors Member.