

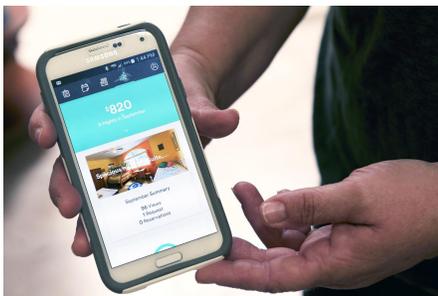
# **EXHIBIT M**

# ORANGE COUNTY REGISTER

## Anaheim won't fine websites like Airbnb for illegal short-term rental listings

By [LILY LEUNG](#)

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ANAHEIM – Anaheim officials have reversed course on requiring short-term rental websites such as Airbnb and HomeAway to remove illegal listings or face hefty fines, the city confirmed Monday.

Those provisions are part of a divisive city ordinance that [will ban short-term rentals in Anaheim](#), the county's largest city. The penalties will remain on the books, but won't be enforced, city spokesman Mike Lyster said.

"After considering federal communications law, we won't be enforcing parts of Anaheim's short-term rental rules covering online hosting sites,"

Lyster said in a statement. "Instead, the city will continue to identify and take action against unpermitted short-term rentals operating in Anaheim."

The crux of the home-listing ordinance, however, remains unchanged: Property owners who have existing city-issued permits to operate as short-term rental landlords will have 18 months to wind down their operations. At that point, more than 360 permits will expire.

The city's about-face came shortly after it was sued by [Airbnb](#) and [HomeAway](#) over the penalties for hosting illegal listings. A group of Anaheim short-term rental owners have filed their own lawsuit, demanding the new ban be overturned.

Airbnb, which dropped its lawsuit Monday, said forcing home-sharing services to pull illegal listings violated the First Amendment and the Communications Decency Act. Airbnb argued the decency act prevents governments from "holding Internet platforms liable for content created by people who use their website."

"No criminal or civil penalties will be issued against hosting platforms under the ordinance," said an Aug. 10 letter from Acting City Attorney Kristin A. Pelletier to Airbnb's lawyers.

Airbnb spokesman Nick Papas said in an email to the Register: "We need new rules for home sharing, and we want to work in a collaborative fashion with city leaders to craft rules that work."

Anaheim's short-term ordinance, which was passed in July, also limits occupancy, extends quiet hours and provides residents a contact to field neighbor complaints.

HomeAway, which also sued Anaheim over its short-term rental penalties, declined to comment.

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