

Dear Elizabeth Lofts Owner:

At the 2018 Annual Meeting, the owners who were present expressed interest in amending the Elizabeth Lofts bylaws (Section 7.1) to increase the minimum term for rentals from 30 days (which it is now) to a longer period of time. Within the past 18 months, news articles have detailed problems arising from short-term condo rentals, including damage to units and common areas, excessive partying, noise, and, in some cases, injuries to residents. The Board wants to ensure that these types of incidents do not occur at the Elizabeth and amending the bylaws to preclude short-term rentals is one way to do that.

Survey #1: To assess interest in this proposal, the Board surveyed owners earlier this year to determine if the bylaws should be amended to increase the minimum rental period and, if so, for what length of time. This survey resulted in the following findings: 25% of those responding to the survey preferred leaving the minimum rental term at 30 days; 65% of the respondents preferred increasing the minimum rental term to six months; and 30% preferred a one-year minimum lease. Based on these results, the Board began working with the Association's attorney to draft language for a bylaw amendment that would change the minimum rental term from 30 days to six months.

Survey #2: At the September 2019 Board meeting, an owner requested that the Board consider a 90-day minimum rental term instead of a six-month minimum. Other owners in attendance at this meeting agreed with this suggestion. The Board distributed a second survey, with these results: 86% of the residential units (155 out of 180) responded; 70 units preferred a 90-day term; and 85 units preferred a six-month term. Based on these results, the Board determined that those owners preferring 90 days would be less likely to vote for a six-month term, and those who preferred the six-month term would be more likely to approve the increase from 30 days to 90 days. At the October 2019 Board meeting, the Board voted to proceed with a vote to amend the bylaws to increase the minimum rental term from 30 days to 90 days.

Voting Requirements - 75% must approve: The governing documents for the Elizabeth Lofts require that 75% of the residential owners approve any changes to the bylaws, which means that 135 out of the 180 residential units must vote "yes" in order for the new language to become effective.

Voting Process: In early December, owners will be receiving information by email regarding the voting process from a company called **Vote HOA Now**. The vote on this proposal will be taken electronically. Each residential unit is entitled to one vote. Voting will begin on December 4, 2019, at 12:00 am, and will end at 4:00 pm on December 23, 2019. Owners will be asked to vote "Yes" for the amendment extending the rental term from 30 days to 90 days, or to reject the amendment by voting "No." Failure to vote has the same result as a no vote. If you are unable to vote electronically, please contact the Concierge. Results will be announced at the Board meeting on January 7, 2020.

Proposed Amendments: The proposed new language for Section 7.1 is printed below with the changes highlighted. In order to prevent any confusion, the terms "lease" and "rent" are used in

the proposed version of 7.1 to make it clear that the minimum term applies to both rentals and leases. The only other change is from 30 to 90 days.

Annual Meeting: If you still have questions about this proposal or the process, please plan to attend our Annual Meeting on Tuesday, December 3. The meeting will start at 6:00 PM, with check-in starting at 5:00 PM. You should have received a packet of information about the meeting in the mail within the past two weeks.

Sample Ballot:

Shall the owners of the Elizabeth Lofts Condominiums amend Bylaw Section 7.1 to change the minimum rental term from 30 days to 90 days?

- Yes. I approve the proposed amendment to Section 7.1 of the Bylaws, changing the minimum rental term from 30 days to 90 days.

- No. I do not approve the proposed amendment and prefer that the minimum rental term remain at 30 days.

Proposed Changes to Bylaw 7.1 (changes are highlighted):

- 7.1 Rental. The Leasing or Renting of a Unit by its Owner shall be governed by the provisions of this Section 7.1. "Leasing or Renting" a Unit means the granting of a right to use or occupy a Unit, for a specified term or indefinite term (with rent reserved on a periodic basis), whether or not in exchange for the payment of rent (that is, money, property or other goods or services of value); but shall not mean and include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership. With the exception of a lender in possession of a Unit following a default in a Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of a foreclosure, no Owner shall be permitted to Lease **or Rent** his Unit for hotel or transient purposes, which shall be defined as Leasing or Renting for any period less than **3090** days.