

December 16, 2014

John I. Roberts
Orange County Attorney
200 South Cameron St., PO Box 8181
Hillsborough, NC 27278

Re: *Resolution Agreement*

Dear Mr. Roberts:

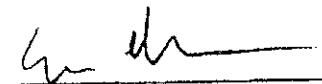
Contemporaneously with this letter, Travelocity.com L.P. ("Travelocity") and County of Orange and towns of Chapel Hill, Hillsborough and Carrboro (collectively "the Taxing Jurisdictions") are entering into a Resolution Agreement. In furtherance of that Resolution Agreement, Travelocity and the Taxing Jurisdictions specifically acknowledge and agree as follows.

1. Travelocity represents that effective August 22, 2013, Travelocity and Expedia entered into a long-term agreement providing that transactions on Travelocity's United States and Canadian websites will be facilitated by Expedia, and Expedia assumed responsibility for any state and local sales tax and hotel occupancy tax due on such transactions. Expedia began facilitating transactions on the Travelocity websites on November 1, 2013 and by January 6, 2014, approximately 99% of all stand-alone and package hotel reservations booked through Travelocity-branded United States websites were facilitated through Expedia's platform.
2. Travelocity represents that effective March 1, 2014, Travelocity sold the assets and contracts of its "Travelocity Partner Network" business to Orbitz Worldwide. The Travelocity Partner Network was a division of Travelocity that provided private-label, online travel booking technology to major airlines, banks and credit card companies, Internet content and service providers, travel agencies, and convention and visitors' bureaus.
3. Travelocity represents that as a result of both events, beginning June 1, 2014, Travelocity is no longer the merchant of record, and will no longer collect any amounts from travelers, for hotel reservations facilitated through any of its U.S. websites.

NOW IT IS HEREBY DETERMINED AND AGREED: Travelocity will have no obligation to report and remit Orange County/City Occupancy Taxes pursuant to the terms of the Resolution Agreement unless, and only to the extent, Travelocity is merchant of record on a traveler's credit card for occupancy of accommodations facilitated pursuant to reservations made on or after June 1, 2014, that are subject to the Orange County/City Occupancy Taxes.

TRAVELOCITY.COM LP

By: General Partner, Travelocity.com LLC

By: 

Scott Roberts, Associate General Counsel

COUNTY OF ORANGE

By: _____

Print name: _____

Title: _____

Date: _____

TOWN OF CHAPEL HILL

By: _____

Print name: _____

Title: _____

Date: _____

TOWN OF HILLSBOROUGH

By: _____

Print name: _____

Title: _____

Date: _____

TOWN OF CARRBORO

By: _____

Print name: _____

Title: _____

Date: _____