

COPY

SETTLEMENT AGREEMENT

Plaintiff Anne Gannon, in her capacity as Palm Beach County Tax Collector on behalf of Palm Beach County, Florida (the "County" or "Plaintiff") has reached an agreement in principle with each of the following: (1) Defendants Hotwire, Inc. (also referred to in Plaintiff's Complaint and/or Amended Complaint in Case No. 50 2009 CA 025919 XXXX MB as "Delaware Hotwire, Inc. d/b/a Hotwire.com" and "Delaware Hotwire, Inc. d/b/a Hotwire, Inc."), Expedia, Inc., Hotels.com, L.P., Hotels.com GP, LLC, and Travelnow.com, Inc. (the "Expedia Defendants"); (2) Defendants Orbitz, Inc., Trip Network, Inc. (d/b/a Cheaptickets.com) (incorrectly named as "Cheaptickets, Inc."), Internetwork Publishing Corp. (d/b/a Lodging.com) and Orbitz, LLC (the "Orbitz Defendants"); (3) Defendants priceline.com Incorporated, Travelweb LLC and Lowestfare.com LLC (the "Priceline Defendants"); and (4) Defendants Travelocity.com LP and Site59.com, LLC (the "Travelocity Defendants"), (collectively, the "Defendants"); providing for the settlement and release of all claims against the Defendants related to an action pending in the Circuit Court of the 15th Judicial Circuit in and for Palm Beach County, Florida, Case No. 50 2009 CA 025919 XXXX MB (the "Action"). The settlement and release (the "Settlement") is effective as of October [--], 2011 (the Effective Date") on the terms and conditions set forth in this settlement agreement (the "Settlement Agreement").

1. The Defendants agree to pay the following dollar amounts, respectively, to the County ("Settlement Payments") within ten days of the Defendants' receipt of: (a) the executed Settlement Agreement by the County; (b) written evidence of approval of the Settlement Agreement by the Palm Beach County Board of County Commissioners; (c) the wire instructions; and (d) the relevant Form W-9:

A. The Expedia Defendants: \$ 1,345,000;

B. The Orbitz Defendants: \$152,146;

C. The Priceline Defendants: \$259,617; and

D. The Travelocity Defendants: \$210,000.

The County acknowledges that these sums are the only consideration to be paid by the Defendants for the Released Claims (as defined below) and in connection with this Settlement, and that no Defendant shall be liable for any other Defendant's portion of the Settlement Payments (*e.g.*, the Orbitz Defendants shall not be liable for the Priceline Defendants' payment, etc.)

2. Effective upon execution of the Settlement Agreement, the County hereby completely and irrevocably releases and forever discharges Defendants, and their present or former, successor, direct or indirect, parents, subsidiaries, affiliates, agents, legal representatives, insurers, employees, officers, directors and shareholders, of and from any and all past, present or future causes of action, claims, demands, expenses, damages or losses, of whatever kind or nature, known or unknown, that were asserted or could have been asserted in the Action, in law or equity, including (without limitation) by audit or assessment, which existed, accrued or arose prior to and through the Effective Date, or which may exist, accrue or arise during or related to the two years immediately following the Effective Date, relating in any way to Defendants' alleged failure to collect, pay and/or remit Tourist Development Taxes pursuant to Palm Beach County Code Section 17-111 *et seq.* or other substantially similar Ordinances enacted pursuant to the authority granted by § 125.0104 of the Florida Statutes that are at issue in the Action, and any applicable interest, penalties and/or additions to tax ("TDTs") (collectively, the "Released Claims"). Additionally, the Defendants hereby completely and irrevocably release and forever discharge the County, and its agents, legal representatives, insurers and employees from any and all past or present causes of action, claims, demands, expenses, damages or losses, of whatever

kind or nature, known or unknown, relating in any way to the filing or prosecution of the Action, *provided*, however, that Defendants reserve all rights, both legal and equitable, to challenge the applicability of the TDTs to the Defendants, their services, or the amounts charged by the Defendants for their services, including such challenges to any former or current statute, ordinance, resolution, or provision and any amended ordinance, resolution, or provision that may be enacted and that Defendants reserve all claims, issues, or defenses that Defendants might raise in response to any future causes of action, claims, demands, expenses, damages, or losses, of whatever kind or nature, known or unknown, that may exist, accrue, arise, or be brought against the Defendants, including (without limitation) by audit or assessment, including based on any current or amended Ordinance, following the Two Year Period defined in paragraph 4. After the two-year period expires, nothing in this Agreement prohibits the Plaintiff from asserting against Defendants, for transactions occurring after the expiration of the Two Year Period, that the Defendants have a responsibility to pay, collect, or remit the TDTs, or other substantially similar taxes imposed by the Plaintiff pursuant to the authority granted by § 125.0104 of the Florida Statutes, on the amounts charged and retained by Defendants in consideration for their services (i.e., the difference between the total amounts paid by consumers to the Defendants and the total amounts paid by the Defendants to Hotels), whether such taxes are imposed under the ordinance in effect at the time of the Action, or any amended or different ordinance that may be enacted.

3. Upon receipt of the payments referenced in paragraph 1, but no later than 7 days thereafter, the County shall cause the dismissal with prejudice of all claims in the Action against the Defendants named in this Settlement Agreement by filing a Notice of Dismissal in the form

attached hereto as Exhibit A. The dismissal with prejudice shall not be and is not a judgment on the merits of any claim brought, but is in furtherance of settlement only.

4. The County has adopted an ordinance by which it has elected, pursuant to Florida Statutes § 125.0104, to collect and administer its TDTs on a local basis, including the assessment, auditing, and enforcement of the TDTs. Plaintiff acknowledges, following sufficient discovery and investigation by counsel, and in consideration of the payments referenced in paragraph 1, that for a period of two years following the Effective Date (the "Two Year Period"), Defendants shall have no responsibility to pay, collect or remit TDTs, or other substantially similar taxes imposed by the Plaintiff pursuant to the authority granted by § 125.0104 of the Florida Statutes, on the amounts charged and retained by Defendants in consideration for their services (i.e., the difference between the total amounts paid by consumers to the Defendants and the total amounts paid by the Defendants to Hotels), whether such taxes are imposed under the ordinance in effect at the time of the Action, or any amended or different ordinance that may be enacted. Furthermore, Plaintiff shall not attempt to collect or claim any such tax amounts relating in any way to the Two Year Period in any future assessment or proceeding. Plaintiff agrees that it will not circumvent the release by seeking to enforce or apply any new tax or amended Ordinance that is, in form or substance, a TDT or a functional equivalent of a TDT. Plaintiff shall not bring suit or otherwise attempt to collect, assess or offset any such TDTs during or relating to such Two Year Period. Defendants shall have no obligation to register as a dealer or otherwise with any taxing authority in the County for the payment of TDTs for such Two Year Period or to submit any reports relating to TDS with any taxing authority in the County or otherwise to comply with any obligations regarding TDTs during or relating to the Two Year Period. Consistent with the above, pursuant to this Settlement, Defendants will not

pay any TDTs or other substantially similar taxes (as described in this paragraph) during or relating to the Two-Year Period, and Defendants' lack of payment will not be used or invoked by Plaintiff in any future proceedings or otherwise used or invoked by Plaintiff against Defendants. The execution and existence of this Settlement Agreement is not, and shall not be used as evidence that a nexus exists between the County and Defendants. Plaintiff represents that this release of claims and this covenant not to sue Defendants relating to the Two Year Period from the Effective Date is and will be enforceable as against Plaintiff and Plaintiff's successor County governmental entities and representatives. After the two-year period expires, nothing in this Agreement prohibits the Plaintiff from asserting against Defendants, for transactions occurring after the expiration of the Two Year Period, that the Defendants have a responsibility to pay, collect, or remit the TDTs, or other substantially similar taxes imposed by the Plaintiff pursuant to the authority granted by § 125.0104 of the Florida Statutes, on the amounts charged and retained by Defendants in consideration for their services (i.e., the difference between the total amounts paid by consumers to the Defendants and the total amounts paid by the Defendants to Hotels), whether such taxes are imposed under the ordinance in effect at the time of the Action, or any amended or different ordinance that may be enacted.

5. The County acknowledges that: (a) it has consulted with its legal counsel about the Settlement and Settlement Agreement; (b) it is entering into the Settlement and Settlement Agreement voluntarily and with an understanding that it is releasing the Released Claims; (c) it has the authority to enter into the Settlement and Settlement Agreement; (d) no other persons or entities have or have had any interest in the claims that are now being released; and (e) it has not sold, transferred or assigned its claims to any other person or entity prior to entering the Settlement.

6. The parties acknowledge that each side takes a different view of the facts and law related to this case. The parties agree that this Settlement is based on the parties' stated desire to compromise this dispute and is not an indication that either side has expressed agreement with the other side's view of the facts or law.

7. The parties have agreed to enter into this Settlement in order to put to rest the uncertainty and expense of continued litigation. The parties acknowledge, following sufficient discovery and investigation by counsel, that this Settlement resolves by compromise disputed claims and that the Settlement of such claims is not an admission of liability or responsibility by any party. In any communication or statement regarding the Settlement or this Settlement Agreement, the parties each agree not to characterize the Settlement and the Settlement Agreement to anyone as any kind of admission that tax is owed, or that the Settlement Payments were made for the payment of past or future taxes or to satisfy any asserted liability. Rather, the parties agree to describe the Settlement Payments by Defendants as consideration for the compromise and release of disputed claims. The parties agree that a portion of the Settlement Payments represents consideration for a release of claims and a covenant not to sue for TDTs relating to the Two Year Period. Plaintiff, and its counsel, will not use this Settlement Agreement or the Settlement to interfere with, impede, or prejudice Defendants' position in other hotel tax litigation.

Plaintiff, and the attorneys for Plaintiff, further agree not to voluntarily provide, show a copy of the Settlement Agreement, or disclose the terms of this Settlement or Settlement Agreement to any person for the purpose of inducing or discussing potential litigation, or to defend litigation based thereon, unless required by law, subpoena, or court order to do so. In the event the Settlement Agreement is requested pursuant to Florida public records laws, the County agrees to

notify James Karen, attorney at Jones Day (for the Expedia parties), Elizabeth B. Herrington or Steve Siff, attorneys at McDermott Will & Emery LLP (for the Orbitz parties), Darrel J. Hieber, attorney at Skadden, Arps, Slate, Meagher & Flom LLP (for the Priceline parties) and Brian S. Stagner, attorney at Kelly Hart & Hallman LLP (for the Travelocity parties), of the request to produce/disclose information and not to object to any filings made by Defendants opposing such production/disclosure. Upon execution of this Agreement, it shall be the responsibility of the above-mentioned attorneys to supply Plaintiff's counsel with their current mailing and e-mail addresses. Further, it shall be the responsibility of the Defendants to notify the Plaintiffs of any changes in representation or changes to any mailing or email address. If Plaintiff's counsel notifies the Defendants as set forth in this paragraph, Defendants shall respond to Plaintiff's counsel within ten business days, and, to the extent Defendants elect to take legal action to prevent the disclosure of the Settlement or Settlement Agreement. Defendants shall do so during this ten business day period. Plaintiff agrees to refrain from voluntarily providing, showing a copy of the Settlement Agreement, or disclosing the terms of this Settlement or Settlement Agreement to any person, from the period of Plaintiff's notification to Defendants (as set forth in this paragraph) until the conclusion of ten business days.

8. This Settlement Agreement, as well as the terms or conditions thereof, or any draft thereof, or discussion, negotiation, documentation, or other part or aspect of the parties' settlement discussions, shall not be admissible in evidence except to enforce the Settlement Agreement's terms.

9. The parties agree that each party shall be solely responsible for payment of its own attorneys' fees and expenses and that neither party shall bear any responsibility for any other party's fees and expenses.

10. This Settlement Agreement (including each of the rights and obligations set forth herein) shall be binding upon, and inure to the benefit of the respective present or former, successor, direct or indirect family members, parents, subsidiaries, affiliates, agents, representatives, officials, insurers, employees, officers, directors and shareholders of the undersigned parties, including (without limitation) the County's successor governmental entities and representatives. Additionally, any reference in this Settlement Agreement to the Defendants or the County (as those terms are defined herein) shall be a reference to the present or former, successor, direct or indirect, family members, parents, subsidiaries, affiliates, agents, legal representatives, insurers, employees, officers, directors and shareholders of those entities, including (without limitation) the County's successor governmental entities and representatives.

11. Each party has cooperated in the drafting and preparation of this Settlement Agreement, and it shall be construed according to the plain meaning of its language and not for or against any party.

12. This Settlement Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. A signature page to this Settlement Agreement delivered by email or facsimile shall be considered an original signature page. This Settlement Agreement shall not be amended or revised except in a writing signed by all of the parties to the Settlement Agreement.

Date:

10th day of November, 2011

The County of Palm Beach, Florida

By: Anne Gannon
Title TAX COLLECTOR

Palm Beach County, Florida

By: _____

Title: [---]

As approved by the Board on _____, 2011

Date:

15th day of Nov, 2011

Priceline.com Incorporated

By: [Signature]
Title: CEO North American Travel
Chris Soder

Date:

15th day of Nov, 2011

Lowestfare.com, Inc.

By: [Signature]
Title: Chris Soder
CEO N. American Travel

Date:

15th day of Nov, 2011

Travelweb LLC

By: [Signature]
Title: Chris Soder
CEO N. American Travel

Date:

___ day of ___, 2011

Travelocity.com LP

By: _____
Title: _____

Date:

___ day of ___, 2011

Site59.com LLC

By: _____
Title: _____

Date:

___ day of ___, 2011

Orbitz, LLC

Date:

___ day of _____, 2011

Priceline.com Incorporated

By: _____
Title: _____

Date:

___ day of _____, 2011

Lowestfare.com, Inc.

By: _____
Title: _____

Date:

___ day of _____, 2011

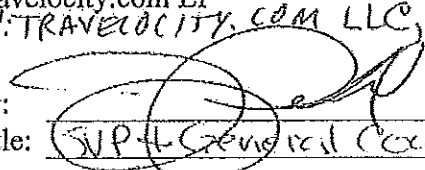
Travelweb LLC

By: _____
Title: _____

Date:

14th day of November, 2011


Travelocity.com LP
By: TRAVELCITY.COM LLC, its General Partner

By: 
Title: SVP of General Counsel

Date:

16th day of November, 2011

Site59.com LLC

By: 
Title: SVP of General Counsel

Date:

___ day of _____, 2011

Orbitz, LLC

By: _____
Title: _____

Date:
____ day of _____, 2011

Trip Network, Inc. d/b/a
Cheaptickets.com

By: _____
Title: _____

Date:
____ day of _____, 2011

Internetnetwork Publishing Corp. d/b/a
Lodging.com

By: _____
Title: _____

Date:
____ day of _____, 2011

Orbitz, Inc.

By: _____
Title: _____

Date:
14 day of November, 2011

Expedia, Inc.

By: [Signature]
Title: SVP/AGC

Date:
14 day of November, 2011

Hotels.com, L.P.

By: [Signature]
Title: SVP/AGC

By: Craig Somershein
Title: Assistant General Counsel

Date:
16th day of November, 2011

Trip Network, Inc. d/b/a
Cheaptickets.com

By: Craig Somershein
Title: Assistant General Counsel

Date:
16th day of November, 2011

Internetwork Publishing Corp. d/b/a
Lodging.com

By: Craig Somershein
Title: Assistant General Counsel

Date:
16th day of November, 2011

Orbitz, Inc.

By: Craig Somershein
Title: Assistant General Counsel

Date:
____ day of _____, 2011

Expedia, Inc.

By: _____
Title: _____

Date:
____ day of _____, 2011

Hotels.com, L.P.

By: _____
Title: _____

Date:

14th day of November, 2011

Hotwire, Inc.

By: [Signature]
Title: SVP/Asst

Date:

14 day of November, 2011

Hotels.com GP, LLC

By: [Signature]
Title: SVP/Asst

Date:

14 day of November, 2011

TravelNow.com, Inc.

By: [Signature]
Title: SVP/Asst