

STATE OF GEORGIA

COUNTY OF CLAYTON

RESOLUTION 2012 – 74

A RESOLUTION AUTHORIZING CLAYTON COUNTY TO ENTER INTO A CLASS PARTIAL SETTLEMENT OF THE CLASS ACTION LAWSUIT AGAINST ONLINE TRAVEL COMPANIES IN *CITY OF ROME, ET. AL. v. HOTELS.COM, ET. AL.*; TO AUTHORIZE THE CHAIRMAN TO EXECUTE THE SETTLEMENT AGREEMENT AND OTHERWISE TO PERFORM ALL ACTS NECESSARY TO ACCOMPLISH THE INTENT OF THIS RESOLUTION; TO AUTHORIZE THE FINANCE DIRECTOR TO AMEND THE BUDGET WHERE NECESSARY TO REFLECT AN APPROPRIATE REVENUE SOURCE AND EXPENSE, ALL AS MAY BE REQUIRED; TO PROVIDE AN EFFECTIVE DATE OF THIS RESOLUTION; AND FOR OTHER PURPOSES.

WHEREAS, on November 18, 2005, Plaintiffs City of Rome, Hart County and City of Cartersville, individually and on behalf of a statewide putative class of all cities and counties in the State of Georgia which had enacted hotel excise tax ordinances pursuant to O.C.G.A. § 48-13-50, et. seq. (the “Enabling Act”), filed a Complaint captioned *City of Rome, et. al. v. Hotels.com, et. al.*, Civil Action No. 405-CV-249-HLM, Northern District of Georgia, Rome Division (the “Lawsuit”) against the Defendants; and

WHEREAS, on June 8, 2006, Plaintiffs filed an Amended Complaint, *inter alia*, adding additional named representatives, to-wit: City of Hartwell, Georgia; Cobb County, Georgia; City of Cedartown, Georgia; City of Dalton, Georgia; Gwinnett County, Georgia; Fulton County, Georgia; City of Rockmart, Georgia; City of East Point, Georgia; City of Warner Robins, Georgia; City of Tybee Island, Georgia; DeKalb County, Georgia; City of College Park, Georgia; City of Alpharetta, Georgia; City of Macon, Georgia; Augusta-Richmond County, Georgia; Clayton County, Georgia (collectively, including City of

Rome, Hart County and City of Cartersville, “Plaintiffs” and together with Defendants, the “Parties”); and

WHEREAS, the local governments alleged in the Lawsuit that certain online sellers of hotel rooms, such as Hotels.com, Hotwire, Priceline, Orbitz, Travelocity and Expedia (Online Travel Companies “OTCs”) are, and have been, negotiating discount rates with local hotels, and then selling rooms at marked up rates to consumers by paying excise taxes to local governments based on the discounted rates; and

WHEREAS, the Parties in the Lawsuit desire to compromise and settle certain issues and claims relating to the allegations made in the Lawsuit concerning certain prospective injunctive relief and Defendants’ alleged obligations, rights and duties concerning the payment of Hotel Tax to the Class after May 16, 2011 and going forward as set forth herein, while continuing to litigate all issues regarding: (i) Defendants’ alleged obligation to pay Hotel Tax, damages, interest, penalties and attorneys’ fees to the Class for hotel room transactions that were booked through a Defendant for occupancy of hotel rooms within the Class jurisdiction prior to and including May 16, 2011; (ii) whether the Plaintiffs are entitled to additional recoveries based on Breakage as defined below, cancellation fees and extra person fees; and (ii) whether the Plaintiffs are entitled to additional recoveries based on the taxable amount(s) being different than the Room Rate (as defined herein) after May 16, 2011;

WHEREAS, Clayton County, as one of the Class Representatives in the Lawsuit believe that the terms of the partial settlement set forth in the attached Class Partial Settlement Agreement are fair, reasonable and adequate; and

WHEREAS, the Board of Commissioners deems it in the best interest of Clayton County, and the County will best be served by the Class Partial Settlement Agreement with Hotels.com, et. al.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF
CLAYTON COUNTY, GEORGIA, AND IT IS HEREBY RESOLVED

Section 1. The Board of Commissioners hereby authorizes Clayton County to enter into the Class Partial Settlement Agreement with Hotels.com, et. al. under the terms and conditions set forth in the Agreement. The Board of Commissioners hereby authorizes the Chairman to execute the Agreement and to perform all other acts necessary to accomplish the intent of this Resolution. Further, the Board of Commissioners hereby authorizes the Director of Finance to amend the budget where necessary to reflect an appropriate revenue source and expense, all as may be required under the terms of the Agreement.

Section 2. This Resolution shall be immediately effective upon approval by the Board of Commissioners.

SO RESOLVED, this the 10th day of April, 2012.

CLAYTON COUNTY BOARD OF COMMISSIONERS


ELDRIN BELL, CHAIRMAN


WOLE RALPH, VICE CHAIRMAN


GAIL B. HAMBRICK, COMMISSIONER


SONNA SINGLETON, COMMISSIONER


MICHAEL EDMONDSON, COMMISSIONER

ATTEST:


SHELBY D. HAYWOOD, CLERK