

TRANSIENT LODGING TAX AGREEMENT (the "Agreement")
BETWEEN AIRBNB, INC. AND THE CITY OF PORTLAND REVENUE BUREAU
(collectively, the "Parties")

I. Recitals

WHEREAS, this Agreement is made between Airbnb, Inc., its affiliates and subsidiaries ("Airbnb") and the City of Portland Revenue Bureau (the "Bureau") charged with the responsibility to collect, among other taxes, the Transient Lodging Tax pursuant to Chapter 6.04 et seq. (the "TLT" or "Tax").

WHEREAS, Airbnb, Inc. ("Airbnb") is a corporation which provides an Internet platform through which third parties desiring to rent out accommodations ("Hosts") and third parties desiring to book accommodations ("Guests") have the opportunity to locate each other, communicate, negotiate and consummate a booking transaction pursuant to a direct agreement between Host and Guest to which Airbnb is not a party;

WHEREAS, Airbnb represents that the legal rights, remedies and obligations of Airbnb, Hosts and Guests are specified in a document titled "Terms of Service" (the "TOS") and other policies and procedures available at www.airbnb.com, including, but not limited to, the TOS provisions to which Hosts and Guests agree that collection and remittance of all applicable taxes are the responsibility of Hosts and the Hosts will comply with applicable local laws;

WHEREAS, Airbnb does not admit to being an operator within the meaning of the Portland City Code (PCC) Chapter 6.04 Transient Lodging Tax Code or Multnomah County Code (MCC) Chapter 11.400 Transient Lodging Tax Code (the "TLT Code") prior to the effective date of this Agreement, but for the limited purpose of this Agreement only, agrees to act as a limited TLT collection and remittance agent of Hosts only to the extent such Hosts offer

to or rent accommodations to transients within Portland and Multnomah County via the Airbnb platform that are subject to TLT, which designation shall not be binding upon any other agency of the City of Portland or the State of Oregon, and shall not be determinative of the relationship between Airbnb and either Hosts or Guests;

WHEREAS, Airbnb shall enter into an agreement with Hosts offering to or renting accommodations on the Airbnb platform within Portland and Multnomah County to appoint Airbnb to act as the Hosts' limited TLT collection and remittance agent to the extent Hosts offer to or rent accommodations on the Airbnb platform;

WHEREAS, Airbnb will, when applicable and as required by law, remit the TLT described in the preceding paragraphs to the Bureau in the manner set forth in this Agreement and as prescribed by law; and

WHEREAS, the Bureau and Airbnb believe that this Agreement is in the best interest of the City of Portland to simplify and make more efficient the prospective administration and collection procedures for TLT imposed by the City of Portland and Multnomah County, per the intergovernmental agreement between the City of Portland and Multnomah County. This Agreement does not cover the area of Multnomah County outside the City of Portland; the Agreement only covers areas within both the City of Portland and Multnomah County.

NOW THEREFORE, IT IS AGREED:

II. Obligations of Airbnb for Hosts Renting Accommodations on Airbnb's Platform

Subject to the TLT Code

1. Airbnb shall assume all responsibilities for the collection and remittance of TLT for applicable transactions on its platform in the City of Portland and Multnomah County pursuant to PCC Chapter 6.04 and MCC Chapter 11.40 ("the TLT Code") to the same extent as if it were

determined to be an "operator" within the meaning of the TLT Code only. By assuming the responsibilities in this Agreement, Airbnb does not admit that it is an "operator" under any existing law.. The Bureau expressly reserves and does not waive any rights to assert that Airbnb is an operator under existing law.

2. Prospective Obligation. As set forth more fully in Appendix A, attached hereto and incorporated by reference, starting on the effective date of this Agreement, Airbnb shall commence collecting TLT from Guests on completed applicable transactions executed by Hosts on the Airbnb platform.

3. Registration. Within 15 days of the Effective Date of this Agreement, Airbnb shall register with the Bureau for the limited purpose of facilitating the collection and remittance of taxes as agreed to herein. Any certificate of authority issued to Airbnb pursuant to PCC 6.04.060 and MCC 11.406 shall be in the name of Airbnb, Inc., assuming the duties and responsibilities to the same extent as an operator, and in lieu of the address of each individual Host, shall state the address of Airbnb, Inc. at 888 Brannan Street, 4th Floor, San Francisco, CA 94103.

III. Required Notification to Portland Guests and Hosts.

1. Airbnb agrees, for the purposes of facilitating this Agreement, that it shall notify all Guests and Hosts booking accommodations in the City of Portland of the following:

(1) the provisions of this Agreement; and

(2) the Hosts' responsibility to maintain proper books and records (including, but not limited to, such records as may be necessary to substantiate the adjustments authorized pursuant to the provisions of Section II above).

2. Airbnb, in relying on a representation made to it by the Hosts, shall be held to the same standards of reliance in "good faith" with respect to the representations made to Airbnb by the

Hosts as is generally required with respect to acceptance of documentation of exempt or non-taxable rents.

IV. Terms and Conditions.

1. **No Admission.** This Agreement is solely for the purpose of facilitating the administration and collection of the TLT and, except with respect to the rights and liabilities herein set forth, the execution of this Agreement by the Parties shall not be considered an admission or evidence of any issue of law or fact arising under said articles or any other provisions of the laws of the United States of America or the State of Oregon or City of Portland or Multnomah County and/or whether the Bureau may, apart from this agreement, require Airbnb to perform the duties that Airbnb has agreed to undertake by virtue of this Agreement for time periods occurring prior to the date of this Agreement.

2. **Modification.** This Agreement may be modified only upon mutual written consent of the parties hereto.

3. **Duration/Termination.** This Agreement shall be deemed to have taken effect on July 1, 2014 and shall apply to applicable, consummated accommodation transactions made on or after that date and shall remain in effect indefinitely unless it is terminated in accordance with the provisions below.

(i) This Agreement may be terminated by Airbnb or the Bureau, provided that proper notice is given and that any such termination may only take effect on the close of business of the day immediately preceding one of the following dates: January first, April first, July first or October first. Proper notice for the purposes of this paragraph means at least 90 days' written notification to the other party by certified or registered mail and, in the case where Airbnb is the party seeking to terminate the agreement, at least 90 days' written notice by certified or

registered mail to each Host offering accommodations in the City of Portland through Airbnb's Internet platform that Airbnb will no longer be collecting TLT in regard to the transactions made by the Guests and Hosts in the City of Portland through Airbnb's Internet platform. Any termination under this paragraph shall not affect the duty of Airbnb to remit to the Bureau any tax it actually collected from Guests up through and including the Effective Date of termination of this Agreement.

(ii) Notwithstanding the preceding paragraph the Bureau retains the right to terminate this Agreement upon issuing any guidance document regarding the obligation of a person providing an Internet site in which the person, as agent for or otherwise on behalf of the person required to collect TLT on every occupancy of a room or rooms in a hotel within the City of Portland and/or Multnomah County, and either Party may terminate the Agreement on or after the Effective Date of any change in statutory law that, in the reasonable opinion of the party, is inconsistent with the substantive provisions of this Agreement. For the termination to be effective under this paragraph, (a) the party seeking to terminate the agreement must provide 30 days' notice by certified or registered mail to the other party; and (b) where Airbnb is the party seeking to terminate the agreement, Airbnb must also provide 30 days' written notice by certified or registered mail to each Host offering accommodations in the City of Portland and/or Multnomah County through Airbnb's Internet platform that Airbnb will no longer be collecting TLT. Any termination under this paragraph shall not affect the duty of Airbnb to remit to the Bureau any tax it actually collected from the Guests up through and including the effective date of termination under this paragraph. In the event of any termination under this paragraph or the preceding paragraph, Airbnb will provide the City with a list of those Hosts offering

accommodations within the City of Portland and Multnomah County in order to allow the City to ensure that Hosts are in compliance with all applicable laws.

4. **Choice of Law/Venue.** Any and all disputes arising out of or relating to this Agreement, or arising from alleged extra-contractual facts prior to, during, or subsequent to the Agreement, including, without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of the contract, or any claim or cause of action regardless of theory, shall be determined pursuant to the laws of the State of Oregon, without regard to its conflict of law principles. Any claim, cause of action or other proceeding arising out of or relating to this Agreement or any extra-contractual facts prior to, during or subsequent to this Agreement shall exclusively be brought in the State Courts in Multnomah County, Oregon or the United States District Court for the District of Oregon.

5. **Integration.** This Agreement and the exhibits attached hereto contain the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersede all prior negotiations, agreements and understandings with respect thereto. This Agreement may only be amended by a written document duly executed by all Parties.

6. **Counterparts.** This Agreement may be executed in two or more counterparts, by facsimile or digital signature (e.g., by .pdf signature), all of which shall be considered one and the same Agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

7. **Notices.** Any notices or other communications relating to modifications or cancellation of this Agreement shall be in writing and be considered to have been duly given if sent by registered or certified mail, postage prepaid:

To the Corporation:

Airbnb, Inc.
Attn: Darren Weingard
888 Brannan St
San Francisco, CA 94103
Fax: 800-738-3350
Email: REDACTED

With a copy to:

Airbnb, Inc.
Attn: Beth Adair
888 Brannan St
San Francisco, CA 94103
Fax: 800-738-3350
Email: REDACTED

To the City of Portland:

Revenue Bureau – City of Portland
Office of Management and Finance
Attn: Deputy Director
111 SW Columbia St., #600
Portland, OR 97201
Fax: 503-279-2670

(Signatures follow on next page)

8. **Full Authority.** By executing this Agreement both Airbnb and the Bureau represent and warrant that they have full power and authority to enter into this Agreement.

IN WITNESS WHEREOF, the Corporation and the Office have executed this Agreement effective on the date set forth in the introductory clause.

AIRBNB, INC., a California corporation


By:

 6/9/14

Andrew Swain, Chief Financial Officer

CITY OF PORTLAND, OREGON

By:

 11 JUNE 2014

*Thomas W Lannom, Director
Revenue Bureau – OMF
City of Portland, Oregon*

APPROVED AS TO FORM

By:

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CITY ATTORNEY 6/11/14

*Tracy Reeve, City Attorney
City of Portland, Oregon*

**TRANSIENT LODGING TAX AGREEMENT (the "Agreement")
BETWEEN AIRBNB, INC. AND THE CITY OF PORTLAND, OREGON REVENUE
BUREAU
APPENDIX A**

1. Collection issues

a. Registered Hosts

- i. Airbnb will collect TLT on all taxable transactions on its platform, and will not make exceptions for transactions involving registered hosts. Airbnb will clearly communicate to its hosts that it is taking on their collection responsibility for transactions on its platform, and that the hosts should stop collecting on these transactions once this agreement becomes effective.

b. REDACTED

i. REDACTED

c. Stays over 30 consecutive days

- i. Airbnb will consider only the activity of a host on the Airbnb platform in determining the applicability of the exception.
- ii. Airbnb will consider the number of nights in each individual reservation in determining whether the stay meets the definition of transient occupancy and is taxable.
- iii. Airbnb will apply this exception based solely on the number of nights of a particular stay, and make no attempt to apply the statutory language regarding a person who pays for lodging on a monthly basis.

d. Federal government employees travelling on official Federal government business

- i. If a guest provides Airbnb with appropriate documentation, Airbnb will not collect tax on rents paid by that guest. Upon audit or other request by the Bureau, Airbnb will provide the documentation obtained from the guest to support the tax exemption.
 - ii. If a guest is an official Government employee traveling on official government business and did not provide appropriate documentation to Airbnb and the guest paid the tax, the guest may apply for a refund directly with the Bureau. In this instance, Airbnb will provide audit support to the Bureau proving that the tax was collected and remitted on behalf of the host.
- [REDACTED]

[REDACTED]

g. Foreign Currency

- i. A guest may choose to pay Airbnb in a currency other than USD. The Airbnb platform will translate the guest payment to USD prior to calculating the tax. The tax will be remitted to taxing authorities in USD. The Bureau may request information about these transactions during an audit.

[REDACTED]

2. Room Rent Charges subject to tax

a. Guest fees

- i. Guest Fees are a charge, established by Airbnb, to the guest for the guest's use of the Airbnb platform. Guest fees are not a charge by the operator (Host) for occupancy, are separately stated on any guest receipt and within accounting records and are not considered to be room rent.

b. Foreign Exchange ("FX") fee

- i. In transactions in which a currency other than the currency in the host has chosen to be paid, Airbnb charges the guest a foreign exchange conversion fee. These FX fees are not a charge for occupancy, are separately stated on any guest receipt and within accounting records and are not considered to be room rent.

c. Cleaning fee

- i. Cleaning fees are a mandatory charge with each stay, and are not refundable. These charges are considered a charge by the operator for occupancy, and therefore are included in room rent.

d. Meals

- i. Since Airbnb has no way of verifying whether the guests actually avail themselves of the meals offered by the hosts or if any refund for not eating a meal was given, no reduction in the room rent will be made for meals.

e. Refundable Security Deposit

- i. Hosts may charge guests a refundable security deposit, to be collected in the event of damage to the property during the guest's stay. In the event that no such damage occurs, this refundable security deposit is returned to the guest.

- ii. Refundable security deposits are not charged by the operator for occupancy, and are not considered to be room rent. Refundable security deposits are separately stated on any guest receipt and within accounting records. Refundable security deposits that are retained in order to cover damages are not taxable as rent.
 - iii. Any security deposit that is not refundable will be included in room rent.
 - f. Host Guarantee
 - i. Host guarantee payments made by Airbnb reimburse the Host for damage due to a covered loss as a result of a guest stay. These payments are not considered to be room rent as they are not paid by the guest.
- 3. Airbnb, Inc. is the registered taxpayer, and remits tax on behalf of Airbnb Ireland.**
 - a. Effective May 1, 2014, Airbnb, Inc. will contract with all US Hosts and Guests that use the Airbnb platform, and Airbnb Ireland will contract with all non-US Hosts and Guests
 - b. In situations in which US Guests make reservations at listings in Portland, Oregon and Multnomah County, Oregon, Airbnb, Inc. will be collecting TLT from these Guests.
 - c. In situations in which non-US Guests make reservations at listings in Portland, Oregon and Multnomah County, Oregon, Airbnb Ireland will be collecting the TLT from these Guests.
 - d. In all cases, involving both US Guests and non-US Guests making reservations at Portland, Oregon and Multnomah County, Oregon, listings, Airbnb, Inc. will report and remit the TLT to the Bureau.
 - e. Upon audit, the Bureau will have access to all transaction information discussed below, whether the Guest transaction was with Airbnb, Inc. or Airbnb Ireland.
- 4. Registration:** Airbnb will register with the Bureau effective with the date of this Agreement. The Bureau will generally not pursue hosts for transient tax liabilities for rental activities prior to the date of this Agreement for transactions through the Airbnb platform.
 - a. Hosts do not need to register, collect or remit TLT for reservations or transactions through the Airbnb platform as of the effective date of this Agreement with respect to their activity on the Airbnb platform. If Hosts have reservations or transactions as a result of non Airbnb sites, the Host is responsible for registration, collection and remittance of TLT as a result of those activities and must comply with all other applicable local laws. Airbnb shall have a written agreement with its Hosts informing all applicable Hosts that Airbnb shall collect and remit to the appropriate governmental body the TLT during the term of this Agreement, and that the Hosts are not responsible for collecting and/or remitting TLT for transactions made through the platform. Solely with respect to their activity on the Airbnb Internet

- platform, Hosts shall not be obligated to register as an "operator", shall not be required to collect and/or remit TLT or file tax returns
- b. Airbnb will generally not provide information about hosts to the Bureau, unless required under audit or other applicable legal requirements or upon termination of the Agreement.
 - c. In the specific situation of a complaint or a refund request, where the Host has been identified as an Airbnb Host, Airbnb will provide the Bureau with information regarding taxes paid through the Airbnb platform and any other required information.

5. Adjustments to Tax

- a. The following refunds or credits, subject to all of the applicable provisions of the TLT code (including, but not limited to, all provisions relating to the audit, refund and credit, determination and assessment, statute of limitations, and protests and appeals), may be allowed with regard to all applicable completed booking transactions made through Airbnb's Internet Platform:
 - i. Erroneous or excess collection
 - 1. If Airbnb collects and remits TLT for transactions that are not subject to tax pursuant to the authority of the TLT Code, or if Airbnb collects an amount of TLT that exceeds the amount due,
 - 2. Airbnb may take a credit on a future TLT return. If requested by the Bureau, Airbnb will provide substantiation that the over-collected tax has been refunded to the Guest
 - ii. Erroneous or excess remittance
 - 1. If Airbnb remits TLT, without collecting the tax from the Guest, for transactions that are not subject to tax pursuant to the authority of the TLT code, or if Airbnb remits an amount of TLT that exceeds the amount due, Airbnb may take a credit on a future TLT return. If requested by the Bureau, Airbnb will provide substantiation for any credits taken.

6. Liabilities, Penalties and Interest

- a. Airbnb Liability
 - i. With respect to a TLT audit of completed booking transactions made through Airbnb's Internet platform in the City of Portland and Multnomah County, the Bureau will audit Airbnb on an anonymous numbered account basis and shall not audit any Host on behalf of whom Airbnb was required by the Agreement to collect and remit TLT. The Parties agree that no personally identifiable information will be provided in connection with such an audit without binding legal process served only after completion of an audit of Airbnb with respect to such Host. Airbnb shall be liable for any failure to collect or remit the proper amount of TLT.

b. Guest and Host Liability

- i. During any period in which this Agreement is in effect and during any period in which Airbnb has agreed to collect, is collecting and remitting TLT to the appropriate governmental body, this Agreement applies only to activity on the Airbnb platform. Neither this Agreement, nor any written agreement between Airbnb and its Hosts shall relieve Hosts of any obligations or liabilities under the TLT code for transactions made through any method other than through the Airbnb Internet platform, including both directly or through any other third party, service provider or other platform.
- ii. Nothing in this Agreement shall impair the Bureau's authority to hold such Guests or Hosts responsible for any applicable taxes, penalties and interest for which they may be liable, including, but not limited to, civil and criminal penalties arising from inaccurate, false or misleading representations made to Airbnb by such Guests or Hosts, whether or not such representations were, in fact, relied upon by Airbnb in complying with its responsibilities under this Agreement.

7. Timing – Collection begins July 1, 2014, pending Agreement signing

8. Reporting and Audits

- a. Locations - Street addresses will not be provided on tax returns. The Bureau will test the ongoing accuracy of the mapping methodology on audit. Airbnb will provide listing numbers during audit.
 - i. Room Rents – Reports provided to the City during audit will contain separate fields for each of the types of collections and payouts that Airbnb makes, including room rents, which may contain subtotals for elements of charges in total room rents (such as cleaning fees), in addition to other charges that may have been paid (such as security deposit and host guarantee). Documentation of any exceptions to the TLT, such as some of the items identified above, will be provided on audit.
- b. Generally, no personally identifiable information, with the exception of the items noted above, will be provided about guests, hosts or listings. Airbnb's platform creates unique identifiers for guests, hosts, listings, and reservations, and these will be provided to satisfy document requests upon audit.
- c. Collection allowance – The Multnomah County TLT provides for a collection allowance for hotel operators, which is calculated as 5% of the Multnomah County tax collected. It is to be obtained by the operator as reimbursement for expenses of collecting the tax. As the TLT collection agent, Airbnb will be entitled to retain this allowance.
- d. Airbnb agrees that disclosure by the Bureau of general statistics regarding the aggregate amounts collected Transient Lodging Taxes and deposited to various City funds is not a disclosure of financial

information submitted or disclosed to the Bureau under the terms of
Chapter 6.04, Transient Lodgings Tax.