

**DISCOUNT AGREEMENT
DISCOUNTED AIR FARES
NUMBER: PA 2624**

This agreement (the "Discount Agreement") is entered into as of the Effective Date by the State of Oregon, acting by and through the State Procurement Office of the Department of Administrative Services (the "State") and Southwest Airlines ("Contractor"). The State and the Contractor are collectively referred to as the "Parties".

The State issued RFP # 102-1900-12 seeking offers from qualified and responsible vendors to provide discounted air fares as described in this Discount Agreement to Participants.

Contractor submitted an offer in response to the RFP offering to provide the Services described in this Discount Agreement in strict accordance with the terms and conditions set forth in this Discount Agreement.

The State has awarded this Discount Agreement to Contractor for the purchase of discounted air fares by State, State Agencies and ORCPP members, the Western States Contracting Alliance (WSCA/NASPO), and each Participating State and its Participants. This Discount Agreement is the product of a cooperative procurement conducted by the State of Oregon on behalf of WSCA/NASPO. For purposes of the cooperative procurement, this Discount Agreement is the Discount Agreement. Oregon is the Lead State for this Discount Agreement. Each Participating State may negotiate its own unique terms and conditions separately in a Participating Addendum. The discount agreement for a Participating State will be this Discount Agreement and the negotiated Participating Addendum.

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NOW, THEREFORE, In consideration of the foregoing recitals and subject to the covenants, terms and conditions set forth below, the Parties agree as follows:

1.0 DEFINITIONS

Throughout this Discount Agreement, a number of acronyms and terms are used that are specific to this Discount Agreement. Terms and acronyms are defined in this Section 1 and elsewhere in the Discount Agreement.

“Contract” means the entire agreement between the Contractor and a Participant for the Participant’s procurement of a specific amount of discounted air transportation services, comprised of the Participant’s purchase order or other acquisition of air transportation services, the terms of this Discount Agreement and its Exhibits, any applicable Participating Addendum, addenda, and amendments.

“Contract Contact Person” means the individual appointed by DAS Procurement Services to administer this Discount Agreement on behalf of the State, the participating WSCA/NASPO members and other Participants. For purposes of this Discount Agreement, the Contract Contact Person is the WSCA/NASPO Contract Administrator.

“Contracted Travel Agency” means the travel agency or agencies with which Participants contract for statewide travel management services, and their affiliates and subcontractors.

“Contractor’s Representative” means an individual designated by the Contractor to act on behalf of the Contractor concerning the terms and conditions set forth in the Contractor’s proposal and Discount Agreement documents and concerning the Contractor’s performance of its obligations under this Discount Agreement and any Contract formed under this Discount Agreement.

“DAS Procurement Services” means the Oregon Department of Administrative Services, State Procurement Office.

“Discount Agreement” means this indefinite quantity agreement between the Contractor and the State under which the Contractor agrees to hold prices, terms and conditions firm for a specified period of time for the benefit of Participants, and to furnish products or services to those Participants.

“Discounted Airfare” means the fare after applying the discount off of published fares.

“Effective Date” means the date that the Discount Agreement is fully executed by the Parties and all required State of Oregon approvals have been obtained.

“Lead State” means the state that conducted this cooperative solicitation and that will centrally administer this resulting Discount Agreement. Oregon is the Lead State for this Discount Agreement. Lead State also means “Administrator” as defined in OAR 125-246-0400.

“ORCPP” means the Oregon Cooperative Purchasing Program, whose members include but are not limited to: State Agencies not subject to DAS Procurement Services purchasing authority, cities, counties, school districts, special districts, Qualified Rehabilitation Facilities (QRFs),

residential programs under contract with the Oregon Department of Human Services, United States governmental agencies, and American Indian tribes or agencies.

“Participant” means a governmental body that is authorized to procure Services from Contractor based on this Discount Agreement. Participant includes State, State Agencies, and ORCPP members, and Participating States and Political Subdivisions of Participating States properly authorized by a Participating State to enter into a Contract for the purchase of Services described in this Discount Agreement. Participant is used interchangeably with “procuring agency.”

“Participating Addendum” means a written statement of agreement signed by the Contractor and a Participating State (or a non-Oregon Political Subdivision with the consent of its State Chief Procurement Official) that clarifies the operation of this Discount Agreement for the Participating State (*e.g.*, ordering procedures specific to a Participating State) and may add other state-specific language or other requirements. A Participating Addendum evidences the Participant’s willingness to purchase and the Contractor’s willingness to provide Services under the terms and conditions of this Discount Agreement with any and all exceptions noted and agreed upon.

“Participating Entity” means WSCA/NASPO member state, a governmental entity within a WSCA/NASPO member state or other authorized state or governmental entity that chooses to purchase products and services under the terms of this Discount Agreement by executing a Participating Addendum.

“Participating State” means a WSCA/NASPO member state other than the State of Oregon that has indicated its intent to participate in this Discount Agreement by executing a Participating Addendum or by using any other method provided by WSCA/NASPO procedures, or any non-member state authorized by WSCA/NASPO to purchase under this Discount Agreement through execution of a Participating Addendum.

“Political Subdivision” means a county, city, school district, law enforcement authority, special district, or any other kind of municipal, quasi-municipal, or public corporation organized pursuant to law.

“Services” means the provision of air travel and other services to be performed by Contractor in connection with the provision of that air travel, as set forth in this Discount Agreement.

“State” means the State of Oregon.

“State Agency” means each agency, department, commission, bureau or other subdivision of the State government of Oregon whose costs are paid, in whole or in part from funds held in the State Treasury. “State Agency” does not include local governments or other political subdivisions of the State of Oregon.

“State Chief Procurement Official” means the primary individual designated and authorized by law or administrative rule to administer the authority of the state government for procurement of goods and services.

“Travel Management Contractor” or TMC” means the Participating State / Entity contracted travel agency.

“Traveler” means the person authorized by a Participant to use discounted fares under this Discount Agreement.

“UCC” means the Uniform Commercial Code, ORS chapters 71 and 72 as amended from time to time.

“WSCA/NASPO” means the WSCA/NASPO Cooperative Purchasing Organization, a cooperative group contracting consortium for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for the 50 states, the District of Columbia and the organized US territories.

2.0 AGREEMENT TO PROVIDE SERVICES: During the term of the Discount Agreement, Contractor agrees to provide the Services of the kind and quantity requested, at the time and place requested by a Participant, at the prices in Exhibit E on the terms and conditions set forth in this Discount Agreement.

3.0 TERM OF THE DISCOUNT AGREEMENT; ROLES OF PARTICIPANTS; EXTENSION TERM PRICE ADJUSTMENTS.

3.1 TERM OF THE DISCOUNT AGREEMENT

3.1.1 The initial term of this Discount Agreement shall be two (2) years, beginning on the Effective Date and ending on the expiration date unless terminated sooner in accordance with the termination provisions of this Discount Agreement. Upon concurrence of the parties, this Discount Agreement may be extended for additional extension terms ("Extension Terms"). Provided, however, that the maximum duration of this Discount Agreement, including all Extension Terms, shall be five (5) years. This Discount Agreement may be extended only by further written agreement signed by State and Contractor.

Contractor shall provided the discounted fares either thorough a Ticket Designator(s) and Tour Codes or under dedicated pseudo city codes. If using Ticket Designators and Tour Codes, Contractor will use commercially reasonable efforts to provide the Ticket Designator(s) and Tour Code to DAS Procurement Services not later than 15 days after this Discount Agreement has been signed by both Parties. If using a dedicated pseudo city code, Participating State / Entity shall provide its TMC dedicated pseudo city code to Contractor or access the discounts through the WSCA Travel Center. This Discount Agreement will continue in effect for ticketing and travel as shown on Exhibit B.

3.1.2 DAS Procurement Services shall notify Contractor in writing if the State intends to extend the Discount Agreement (“Renewal Notice”) at least thirty (30) days prior to the expiration of the then current term. If Contractor consents to the extension, it shall sign and return the Renewal Notice to DAS Procurement Services within the time period specified therein. If the Contractor does not consent, the Discount Agreement shall expire according to its terms, unless earlier terminated.

3.1.3 Notwithstanding the foregoing, the State reserves the right in its sole discretion to extend the Discount Agreement for a maximum of one (1) calendar month beyond any term. DAS Procurement Services shall notify Contractor in writing of the one-month extension prior to the expiration of the then current term. Consecutive one-month extensions under this Section are not allowed.

3.2 ROLE OF PARTICIPANTS.

3.2.1 This Discount Agreement is the primary agreement relating to the WSCA/NASPO cooperative procurement for discounted air fares. The State of Oregon is the signatory on this Discount Agreement because it issued the solicitation and awarded the Discount Agreement, and is the Lead State for the Agreement.

3.2.2 This Discount Agreement may be used by Participants. WSCA/NASPO discount agreements, including this Discount Agreement, may be used by non-member states with authorization from the WSCA/NASPO directors and subject to approval of the individual State Chief Procurement Official and local statutory provisions. Use of specific WSCA/NASPO cooperative contracts by state agencies, political subdivisions and other entities (including cooperatives) authorized by individual states’ statutes to use state contracts is subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official regardless of whether or not the entity’s purchasing authority is otherwise subject to the control or authority of the Participating State.

3.2.3 Participating States and other non-Oregon Participants will indicate their intent to participate in this Discount Agreement by executing a Participating Addendum with the Contractor or by using any other method provided by WSCA/NASPO procedures. The Participating Addendum clarifies the operation of this Discount Agreement for the Participating State and its Political Subdivisions (such as ordering procedures specific to that Participant) and may provide for laws specific to a state and other additional or modified terms and conditions. An individual Participating Addendum has no effect whatsoever on any other Participating Addendum or the scope of this Discount Agreement. Participating States may choose all or some of the contractors for multiple Discount Agreements under a Participating Addendum. One signed and one electronic copy of each Participating Addendum must be filed with the WSCA/NASPO Contract Administrator within five (5) days after execution. Exhibit H to this Discount Agreement is a sample Participating Addendum.

3.2.4 Each Participating Addendum may apply only to the purchases of the procuring agencies within the jurisdiction of the Participating Entity signing the Participating Addendum. The terms and conditions contained in any Participating Addendum take precedence over this Discount Agreement as they relate to those purchases. No terms or conditions of any Participating Addendum will take precedence over the terms and conditions of any other Participating Addendum or over this Discount Agreement except as they relate to those purchases.

3.2.5 Participating State obligations under this Discount Agreement are limited to those Participating States who have signed (and not revoked) a Participating Addendum. Contractor acknowledges and agrees that the State shall bear no liability on Contracts entered into for purchases by non-State Participants, which liability the State expressly disclaims. With regard to non-State Participants, Contractor agrees to look solely to the respective contracting Participant for any rights and remedies Contractor may have at law or in equity arising out of the sale and purchase of Contractor's Services and related Goods and the resulting contractual relationship, if any, with each such contracting party.

3.3 EXTENSION TERM PRICE ADJUSTMENTS: This Discount Agreement is enforceable and Exhibit E prices are firm for the initial term of the Discount Agreement. At the time of Discount Agreement renewal, the Contractor may seek a discount adjustment for an Extension Term by submitting a written request to DAS Procurement Services, including all appropriate documentation to substantiate the proposed discount rate adjustment, within the period specified in the Renewal Notice. If approved, the adjusted discount rate shall be firm for the duration of the Extension Term. Provided, however, no more than one discount adjustment shall be allowed during any twelve-month period regardless of the number of Extension Terms entered into during that time.

4.0 PRICING; BILLING OPTIONS, INVOICING AND PAYMENT:

The discounts for the Services are listed in Exhibit E. Billing options, and invoicing and payment terms and conditions are set forth in Exhibit B. The Exhibit E discounts are exclusive of local and state sales and federal excise taxes, airport concession fees, city surcharges or city differential fees applicable in certain cities, and do not include refueling charges, legislative or mandated taxes, bond issues imposed by government bodies or any additional optional charges that a Traveler may purchase. Where a Participant is not exempt from taxes on sales within the Participant's state, the Contractor shall add the sales taxes onto the billing invoice as a separate entry. Contractor agrees to look only to the purchasing Participant for payment of account charges.

5.0 CONTRACTORS REPRESENTATIONS AND WARRANTIES:

5.1: The warranties set forth in this Section and in the UCC, which is incorporated into this Discount Agreement by reference, are in addition to, and not in lieu of, any other warranties provided in the Discount Agreement. All warranties provided are cumulative, and shall be interpreted expansively so as to afford the Participants and the State with the broadest warranty protection available.

5.2: The Contractor represents and warrants as follows:

5.2.1 Contractor has the power and authority to enter into and perform the Discount Agreement and all Contracts formed under this Discount Agreement. The Discount Agreement and each Contract, when executed and delivered, shall be valid and binding obligations of the Contractor enforceable in accordance with their terms.

5.2.2 Contractor shall provide Services that meet or exceed the specifications set forth in Exhibit A.

5.2.3 Contractor shall perform all Services in accordance with the highest applicable professional or industry standards.

6.0 TERMINATION OF THE DISCOUNT AGREEMENT: The Parties may terminate this Discount Agreement as follows:

6.1 The Discount Agreement may be terminated at any time by mutual written agreement of the Parties.

6.2 The Discount Agreement may be terminated by the State at its sole discretion, for its convenience, upon sixty (60) days written notice to the Contractor.

6.3 The State may, at its sole discretion, terminate the Discount Agreement upon thirty (30) days written notice to Contractor for the reasons set forth in ORS 279B.140.

6.4 The State may terminate the Discount Agreement if Contractor is in default of this Discount Agreement or of any Contract issued under this Discount Agreement.

6.5 The Discount Agreement may be terminated by the Contractor at its sole discretion, for its convenience, upon sixty (60) days written notice to the State.

7.0 DEFAULT:

7.1 Contractor shall be in default of this Discount Agreement under the following circumstances:

7.1.1 Contractor institutes or has instituted against it insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis; or

7.1.2 Contractor no longer holds a license or certificate that is required for Contractor to perform its obligations under this Discount Agreement and Contractor has not obtained such license or certificate within ten (10) business days after delivery of a notice of that default by the State or such longer period as the State may specify in such notice; or

7.1.3 Contractor commits any material breach or default of any covenant, warranty, obligation or certification under this Discount Agreement and such breach, default or failure is not cured within ten (10) business days after delivery of a notice of default by the State or such longer period as the State may specify in such notice.

7.2 The State is in default of this Discount Agreement if the State commits any material breach or default of any covenant or obligation under this Discount Agreement and such breach, default or failure is not cured within thirty (30) business days after Contractor's delivery of a notice of default to the State or such longer period as the Contractor may specify in such notice.

8.0 REMEDIES

8.1 If Contractor is in default under Section 7, the State is entitled to the following remedies:

8.1.1 Recovery of any and all damages suffered as the result of Contractor's default, including but not limited to direct, indirect, incidental and consequential damages, damages as provided in ORS 72.7110 to 72.7170, and damages provided by any other applicable Oregon law.

8.1.2 Termination of this Discount Agreement, and termination of any Contract formed under this Discount Agreement, under Section 6.4.

8.1.3 Initiation of an action or proceeding for specific performance or declaratory, injunctive or equitable relief.

8.1.4 Exercise of its right of setoff, and withholding of monies otherwise due and owing.

8.2 These remedies are cumulative to the extent the remedies are not inconsistent, and the State may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever. If it is determined for any reason that Contractor was not in default under Section 7, the rights and obligations of the parties shall be the same as if this Discount Agreement was terminated pursuant to Section 6.2.

9.0 RESERVED

10.0 ACCESS TO RECORDS AND AUDIT RIGHTS

10.1 Contractor shall maintain, retain, and keep accessible all records relevant to this Discount Agreement and Contracts formed under this Discount Agreement (the "Records") for a minimum of six (6) years, or such longer period as may be required by applicable law following expiration or termination of the Discount Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to the Discount Agreement, whichever date is later ("Record Retention Period"). Contractor shall keep financial Records in accordance with generally accepted accounting principles. During the Record Retention Period established in this Section 10, the Contractor shall permit the State, its duly authorized representatives, and the federal government access to the Records at reasonable times and places for purposes of examination and copying.

10.2 During the term of the Discount Agreement and the Record Retention Period, the State, at its own expense (except as provided herein) has the right to audit Contractor's Records and other pertinent data, to determine and verify the figures reported in any Volume Sales Reports furnished by Contractor. Such audits shall take place during regular business hours, at Contractor's premises, and upon reasonable notice, and shall be conducted by an authorized representative of the State.

11.0 SALES TO PARTICIPANTS

11.1 Contractor agrees to sell from this Discount Agreement to State, State Agencies, and ORCPP members, and, under a Participating Addendum, to Participating States and political subdivisions of Participating States properly authorized by a Participating State to purchase under this Discount Agreement.

11.2 Contractor shall verify the authority of a Participant to make purchases under this Discount Agreement. If Contractor is found to have entered into two (2) or more Contracts under this Discount Agreement with an entity other than a Participant, Contractor shall be in material breach of the Discount Agreement.

11.3 The identity of ORCPP Participants can be verified on the DAS Procurement Services website at <http://procurement.oregon.gov> or at Procurement Centers located throughout Oregon. (Call (503) 378-4649 for information or to view list of centers identified on DAS Procurement Services Web page.) The identity of other Participating States' cooperative purchasing members shall be listed in the applicable Participating Addendum.

12.0 COMPLIANCE WITH APPLICABLE LAWS AND STANDARDS:

The State's agreement to maintain this Discount Agreement in effect is conditioned on Contractor's compliance with the obligations of contractors contemplated under ORS 279B.220, 279B.230 and 279B.235, which are incorporated by reference herein.

In addition, Contractor shall comply with all federal, state and local laws, rules, regulations, executive orders and ordinances applicable to the Discount Agreement and any resulting Contract, all of which are incorporated herein by reference to the extent applicable. If the Contractor is found to be out of compliance with these requirements at any time during the life of this Discount Agreement, the Contractor agrees to take appropriate steps to correct these deficiencies.

Contractor shall, to the maximum extent economically feasible in the performance of this Discount Agreement, use recycled paper as defined in ORS 279A.010(1)(gg), recycled PETE products as defined in ORS 279A.010(1)(hh), and other recycled plastic resin products and recycled products as "recycled product" is defined in ORS 279A.010(1)(ii).

13.0 CONFLICT BETWEEN DISCOUNT AGREEMENT AND STATE AND FEDERAL LAW: Federal law applicable to the Discount Agreement or Contracts, or both, takes precedence over any conflicting State law. Notwithstanding the foregoing order of precedence, if the conflict is between minimum standards for quality, safety or similar attributes of the Services, the higher standards shall apply.

14.0 FOREIGN CONTRACTOR: If Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue all information required by that Department relative to this Discount Agreement. Oregon Participants shall be entitled to withhold final payment under any Contract formed under this Discount Agreement until Contractor has met this requirement.

15.0 TIME IS OF THE ESSENCE: Contractor agrees that time is of the essence for Contractor's performance of its obligations under this Discount Agreement and any Contract formed under this Discount Agreement.

16.0 RESERVED

17.0 INSURANCE: Contractor shall obtain prior to the Effective Date of the Discount Agreement, and maintain during the term of the Discount Agreement, the insurance required as provided in Exhibit G, Section 15. With regard to workers' compensation insurance, all employers, including Contractor, that employ subject workers who work under the Discount Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required workers' compensation coverage, unless such employers are exempt under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors, if any, complies with these requirements, or any requirements applicable to any Participating State.

18.0 FUNDS AVAILABLE AND AUTHORIZED; PAYMENTS: Contractor understands and agrees that a Participant's payment of amounts under this Discount Agreement or under any Contract formed under this Discount Agreement is contingent on the Participant receiving funding, appropriations, limitations, allotments or other expenditure authority at levels sufficient to allow Participant, in the exercise of its reasonable administrative discretion, to make payments under this Discount Agreement and under any Contract formed under this Discount Agreement.

19.0 INDEPENDENT CONTRACTOR STATUS; RESPONSIBILITY FOR TAXES AND WITHHOLDING:

19.1 Contractor shall perform all Services as an independent Contractor. Although the State and Participants reserve the right (i) to determine (and modify) the delivery schedule for the Services to be delivered and the Services to be performed and (ii) to evaluate the quality of the completed performance, neither the State nor any Participant can control or will control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing any Services required by this Discount Agreement and any Contract formed under this Discount Agreement.

19.2 If Contractor is currently performing work for the State of Oregon or the federal government, Contractor by signature to this Discount Agreement declares and certifies that: Contractor's Work to be performed under this Discount Agreement creates no potential or actual conflict of interest as defined by ORS chapter 244, and that no State or federal rules or regulations would prohibit Contractor's performance under this Discount Agreement. Contractor also declares and certifies that Contractor is not an "officer," "employee," or "agent" of the State, or of any Participant, as the terms "officer," "employee," or "agent" are used in ORS 30.265.

19.3 Contractor shall be responsible for all federal and state taxes applicable to compensation or payments paid to Contractor under this Discount Agreement and, unless Contractor is subject to backup withholding, neither the State nor any Participant will withhold from such compensation or payments any amounts to cover Contractor's federal or state tax obligations. Contractor is not eligible for any social security, unemployment insurance or workers' compensation benefits from compensation or payments paid to Contractor under this Discount Agreement, except as a self-employed individual.

20.0 INDEMNIFICATION:

20.1 CONTRACTOR SHALL DEFEND, SAVE, HOLD HARMLESS, AND INDEMNIFY THE STATE, WSCA/NASPO, PARTICIPANTS AND THEIR OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, PROCEEDINGS, LOSSES, DAMAGES, LIABILITIES, AWARDS AND COSTS OF EVERY KIND AND DESCRIPTION (INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES AT TRIAL, ON APPEAL AND IN CONNECTION WITH ANY PETITION FOR REVIEW) (COLLECTIVELY, "CLAIM") WHICH MAY BE BROUGHT OR MADE AGAINST THE STATE, WSCA/NASPO, PARTICIPANTS OR THEIR OFFICERS, EMPLOYEES OR AGENTS THAT ARISE OUT OF OR ARE RELATED TO: (I) ANY PERSONAL INJURY, DEATH OR PROPERTY DAMAGE CAUSED BY ANY ALLEGED ACT, OMISSION, ERROR, FAULT, MISTAKE OR NEGLIGENCE OF CONTRACTOR, ITS OFFICERS, EMPLOYEES OR AGENTS, RELATED TO THIS DISCOUNT AGREEMENT; (II) ANY ACT OR OMISSION BY CONTRACTOR THAT CONSTITUTES A MATERIAL BREACH OF THIS DISCOUNT AGREEMENT OR ANY CONTRACT FORMED UNDER THIS DISCOUNT AGREEMENT; INCLUDING WITHOUT LIMITATION ANY BREACH OF WARRANTY; OR (III) THE INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADE SECRET OR OTHER PROPRIETARY RIGHT OF ANY THIRD PARTY BY DELIVERY OR USE OF THE SERVICES. THE STATE AND EACH PARTICIPANT SHALL PROMPTLY NOTIFY CONTRACTOR IN WRITING OF ANY CLAIM OF WHICH THE STATE OR PARTICIPANT BECOMES AWARE. CONTRACTOR'S OBLIGATION UNDER THIS SECTION SHALL NOT EXTEND TO ANY CLAIM PRIMARILY CAUSED BY THE NEGLIGENT OR WILLFUL MISCONDUCT OF THE STATE, WSCA/NASPO, PARTICIPANTS OR THEIR OFFICERS, EMPLOYEES OR AGENTS.

20.2 IT IS PROVIDED, HOWEVER, THE OREGON ATTORNEY GENERAL MUST GIVE WRITTEN AUTHORIZATION TO ANY LEGAL COUNSEL PURPORTING TO ACT IN THE NAME OF, OR REPRESENT THE INTERESTS OF, THE STATE OR ITS OFFICERS, EMPLOYEES OR AGENTS PRIOR TO SUCH ACTION OR REPRESENTATION. FURTHER, THE STATE, ACTING BY AND THROUGH ITS DEPARTMENT OF JUSTICE, MAY ASSUME ITS OWN DEFENSE, INCLUDING THAT OF ITS OFFICERS, EMPLOYEES AND AGENTS, AT ANY TIME WHEN THE STATE, IN ITS SOLE DISCRETION, DETERMINES THAT: (I) PROPOSED COUNSEL IS PROHIBITED FROM THE PARTICULAR REPRESENTATION CONTEMPLATED; (II) COUNSEL IS NOT ADEQUATELY DEFENDING OR ABLE TO DEFEND THE INTERESTS OF THE STATE, ITS OFFICERS, EMPLOYEES OR AGENTS; (III) IMPORTANT GOVERNMENTAL INTERESTS ARE AT STAKE; OR (IV) THE BEST INTERESTS OF THE STATE ARE SERVED THEREBY. CONTRACTOR'S OBLIGATION TO PAY FOR ALL COSTS AND EXPENSES SHALL INCLUDE THOSE INCURRED BY THE STATE IN ASSUMING ITS OWN DEFENSE AND THAT OF ITS OFFICERS, EMPLOYEES, OR AGENTS UNDER (I) AND (II) ABOVE.

20.3 ATTORNEYS' FEES: With the exception of defense costs and expenses under Section 20.2, neither party shall be entitled to recover attorney's fees, court and investigative costs, or any other fees or expenses associated with pursuing a remedy for damages arising out of or relating to the Discount Agreement.

21.0 NOTICES: All notices required under the Discount Agreement shall be in writing and addressed to the Party's authorized representative. DAS Procurement Services Contract Contact Person is named in the State signature block of this Discount Agreement. The DAS Procurement Services Contract Contact Person is the WSCA/NASPO Contract Administrator for purposes of this Discount Agreement. For non-Oregon Participants, each Participant shall identify its authorized representative in the Participating Addendum. Contractor shall identify its Contractor's Representative to the State prior to the Effective Date. Mailed notices shall be deemed received five (5) days after post marked, when deposited, properly addressed and prepaid, into the U.S. postal service. Faxed notices shall be deemed received upon electronic confirmation of successful transmission to the designated fax number. Personal delivery shall be effective upon delivery. Either Party may change its authorized representative or address by written notice to the other in accordance with the terms of this Section 21.

22.0 GOVERNING LAW, VENUE AND CONSENT TO JURISDICTION:

22.1 The Discount Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Oregon, without regard to principles of conflicts of laws. To the extent not modified by the terms of this Discount Agreement, the UCC shall govern this transaction.

22.2 Any claim, action, suit or proceeding (collectively, "Claim") between the State and Contractor that arises from or relates to this Discount Agreement or any Contract formed under this Discount Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought

in a federal forum, then unless otherwise prohibited by law it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. CONTRACTOR HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS AND WAIVES ANY OBJECTION TO VENUE IN SUCH COURTS, AND WAIVES ANY CLAIM THAT SUCH FORUM IS AN INCONVENIENT FORUM. Nothing herein shall be construed as a waiver of the State's sovereign or governmental immunity, whether derived from the Eleventh Amendment to the United States Constitution or otherwise, or of any defenses to Claims or jurisdiction based thereon.

23.0 SURVIVAL: Any terms of this Discount Agreement which by their context or nature are intended to survive termination or expiration, including but not limited to warranty, indemnification, access to records, governing law, venue, and consent to jurisdiction, termination and remedies provisions, shall survive the termination or expiration of this Discount Agreement.

24.0 SEVERABILITY: If any provision of the Discount Agreement is declared by a court of competent jurisdiction to be illegal or otherwise invalid, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Discount Agreement did not contain the particular provision held to be invalid.

25.0 ASSIGNMENT/SUBCONTRACT/SUCCESSORS:

25.1 Contractor shall not assign, sell or transfer any of its rights, or delegate or subcontract obligations under the Discount Agreement, whether by merger, consolidation, dissolution, operation of law or any other manner, without the prior written approval of the State. Any purported assignment of rights or delegation or subcontracting of obligations in violation of this provision is void.

25.2 Further, no such written approval shall relieve Contractor of any obligations under the Discount Agreement, and any assignee, transferee delegate or subcontractor shall be considered the agent of Contractor.

25.3 The provisions of the Discount Agreement shall be binding upon, and shall inure to the benefit of the parties to the Discount Agreement and their respective successors and permitted assigns.

26.0 MERGER CLAUSE; AMENDMENT; WAIVER: This Discount Agreement constitutes the entire agreement between the Parties on the subject matter thereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding the Discount Agreement. No waiver, consent, or amendment of terms of the Discount Agreement shall bind either Party unless in writing and signed by both Parties, and all necessary approvals have been obtained. Waivers and consents shall be effective only in the specific instance and for the specific purpose given. The failure of the State or any Participant to enforce any provision of the Discount Agreement or any Contract formed under the Discount Agreement shall not constitute a waiver by the State or the Participant of that or any other provision.

27.0 NO THIRD PARTY BENEFICIARIES: The State, Participating States, Participants and Contractor are the only parties to this Discount Agreement and are the only parties entitled to enforce the terms of this Discount Agreement and any Contract formed under it. Nothing in this Discount Agreement gives, is intended to give, or shall be construed to give any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name in this Discount Agreement and expressly described as intended beneficiaries of the terms of this Discount Agreement.

28.0 AMENDMENTS. The Parties recognize that during the term of this Discount Agreement, the parties may need to modify selected terms, conditions, prices and types of work under circumstances related to the following illustrative, although not exhaustive categories of anticipated amendments: (a) amendments required as result of necessary changes in the State's business process that may restructure DAS Procurement Services; (b) amendments to extend the term of the Discount Agreement in accordance with Section 3 and amendments to extend the term of a Contract formed under this Discount Agreement; (c) amendments to change pricing, but only in accordance with Section 3; and (d) amendments to the Exhibit A Scope of Services under this Discount Agreement. All amendments must be in writing and signed by all approving parties before becoming effective. Only DAS Procurement Services has the final authority to execute changes, notices or amendments to this Discount Agreement under OAR 125-246-0560.

29. OREGON FALSE CLAIMS ACT. Contractor acknowledges that the Oregon False Claims Act, ORS 180.750 to 180.785, applies to any action or conduct by Contractor pertaining to this Discount Agreement that constitutes a "claim" (as defined by ORS 180.750(1)). By its execution of this Discount Agreement, Contractor certifies the truthfulness, completeness, and accuracy of any statement or claim it has made, it makes, it may make, or causes to be made that pertains to this Discount Agreement. In addition to other liabilities that may be applicable, Contractor further acknowledges that if it makes, or causes to be made, a false claim or performs a prohibited act under the Oregon False Claims Act, the Oregon Attorney General may enforce the liabilities and penalties provided by the Oregon False Claims Act against Contractor.

29.1.1 Without limiting the generality of the foregoing, Contractor represents and warrants that:

- (a) Contractor's representations, certifications, and other undertakings in this Discount Agreement are not False Claims Act Violations; and
- (b) None of Contractor's performance under this Discount Agreement, including but not limited to any invoices, reports, or other deliverables in connection with its performance of this Discount Agreement, will constitute False Claims Act Violations.

29.2 For purposes of this Section 29, a "False Claims Act Violation" means a false claim as defined by ORS 180.750(2) or anything prohibited by ORS 180.755.

29.3 Contractor must immediately report in writing, to the State's Contract Administrator for this Discount Price Agreement, any credible evidence that a principal, employee, agent, subcontractor, subgrantee, or other person has made a false claim or committed a prohibited act under the Oregon False Claims Act, or has committed a criminal or civil violation of laws pertaining to fraud, bribery, gratuity, conflict of interest, or similar misconduct in connection with this Discount Agreement or any moneys paid under this Discount Agreement.

29.4 Contractor understands and agrees that any remedy that may be available under the Oregon False Claims Act shall be in addition to any other remedy available to the State of Oregon or any Participant under any other provision of law or this Discount Agreement.

CERTIFICATION OF COMPLIANCE WITH TAX LAWS

By my signature on this Discount Agreement, I hereby attest or affirm under penalty of perjury: That I am authorized to act on behalf of the Contractor in this matter, that I have authority and knowledge regarding the payment of taxes, and that Contractor is, to the best of my knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS Chapters 118, 314, 316, 317, 318, 321 and 323; the elderly rental assistance program under ORS 310.630 to 310.706; and any local tax laws administered by the Oregon Department of Revenue under ORS 305.620.

CERTIFICATION OF COMPLIANCE WITH NON-DISCRIMINATION LAWS

By my signature on this Discount Agreement, I hereby attest or affirm under penalty of perjury that I am authorized to act on behalf of Contractor in this matter and that, to the best of my knowledge, the Contractor has not discriminated against minority, women or emerging small business enterprises in obtaining any required subcontracts, and the Contractor is not in violation of any discrimination laws.

SIGNATURE OF CONTRACTOR'S DULY AUTHORIZED REPRESENTATIVE

THIS DISCOUNT AGREEMENT MUST BE SIGNED IN INK BY AN AUTHORIZED REPRESENTATIVE OF THE CONTRACTOR; ANY ALTERATIONS OR ERASURES TO THE OFFER MUST BE INITIALED IN INK BY THE UNDERSIGNED AUTHORIZED REPRESENTATIVE.

The undersigned acknowledges, attests and certifies individually and on behalf of the Contractor that:

(1) He/she is a duly authorized representative of the Contractor, has been authorized by the Contractor to make all representations, attestations, and certifications contained in this Discount Agreement and to execute this Discount Agreement on behalf of Contractor;

(2) The Contractor is bound by and will comply with all requirements, specifications, and terms and conditions contained in this Discount Agreement (including all listed attachments and Addenda);

(3) The Contractor will furnish the designated Services in accordance with the Discount Agreement specifications and requirements, and will comply in all respects with the terms of each resulting Contract upon award; and

Contractor's Name:

Southwest Airlines

Authorized Signature:

[Signature]

Title:

Director of Sales & Distribution

FEIN ID# (required)

74-1563240

Contact Person (Type or Print):

Jeff Haag

Telephone Number:

(866) 569-5793

Fax Number:

(214) 792-3766

STATE SIGNATURE (to be completed by the State of Oregon)

The State of Oregon, acting by and through DAS Procurement Services hereby accepts the Contractor's offer and awards a Discount Agreement to the above Contractor for the item(s) or service(s) or both contained in this Discount Agreement.

Authorized Signature:

[Signature]

Date:

1/29/13

Term of Discount Agreement:

2/1/2013 - 1/31/2015 w/ Renewal Options

Discount Agreement No.: 2624

DAS Procurement Services Contract Contact Person
and WSCA/NASPO Contract Administrator (Type or Print):
Tim Hay

Telephone Number: (503) 378-4650

Fax Number: (503) 373-1626

EXHIBIT A
SCOPE OF SERVICES

1. CONTRACTOR REQUIREMENTS

1.1 Contractor shall provide all contracted Services to all Participants in the same manner as to Oregon state agencies. Any reference to "State" shall also apply to Participants, PROVIDED, HOWEVER, that each Participant shall be exclusively responsible for compensating Contractor for the Services ordered by the Participant (*See* Section 3.2.5 of this Discount Agreement).

1.2 PUBLISHED TARIFF: The Contractor shall enter all Discounted Airfares into its published tariffs or file as public fares dedicated to the pseudo city codes within thirty (30) business days after DAS Procurement Services issues a Notice to Proceed.

1.3 BOUND/IN-CUSTODY PASSENGERS: Certain Participants may require transporting bound or in-custody passengers (prisoners, runaway children, etc). It is understood by the State and Participants that Contractors may have different policies regarding the transportation of bound or in-custody passengers. The State, Participants and the Contractor must resolve and incorporate into their respective Contracts arrangements for the accommodation of bound or in-custody passengers.

1.4 PRICE APPLICABILITY: All Discounted Airfare(s) awarded herein shall be available on all identified fare classes shown in Exhibit E purchased by State agencies and Participants during the initial two year Discount Agreement period. The State requires that all tickets purchased within the Discount Agreement period allow a minimum availability of dates for travel at least 30 days (90 days preferred) after the expiration of the term of the Discount Agreement. Discount Agreement fares established by this Discount Agreement must be made available for the booking of travel, by the State, Participants, and by the Contracted Travel Agencies, that will occur after the expiration this Discount Agreement.

1.5 APPLICABILITY OF FARES: The State and Participants may use the Discounted Airfares in conjunction with any other published or contracted airline fares. The Contractor shall provide through-ticketing and service, except where prohibited by applicable statute, regulation, or interline carrier agreements.

Fares offered must include standard fuel charges, any standard baggage allowance offered by the Contractor, all other applicable taxes, and all fees, commissions, or charges. Contractor's pricing shall NOT include Passenger Facility Charges (PFC's), Segment Fees or Security Fees. (The fare charged **must** be the same as the base fare listed on the Traveler's passenger receipt). Contractor may assess a fuel surcharge per its normal published fuel surcharge rates assessed to the general public.

1.6 SERVICE CHANGES: If the Contractor temporarily ceases all operations or is placed in temporary nonuse status by the U.S. Department of Defense, the State and Participants may use the services of other carriers for the duration the period of temporary nonuse/suspension. Should the Contractor resume operations, the use of services will resume in accordance with the terms of the Discount Agreement. If the Contractor does not resume operations within sixty (60) days from the temporary cease of all operations or from placement of temporary nonuse, the State has the option of awarding replacement discount agreements to Proposers with the next highest total points.

1.7 AIRFARE ARRANGEMENTS: Discounted Airfares shall be issued only by the Contracted Travel Agency or agencies. DAS Procurement Services shall provide a list of Contracted Travel Agencies and their Airline Reporting Corporation (ARC) numbers who are authorized to issue Discounted Airfare tickets upon award of Discount Agreement. DAS Procurement Services reserves the right to amend this list with additions or deletions as needed. Contractor shall not charge any booking, processing or segment fees in relation to Discounted Airfare tickets sold and issued by Contracted Travel Agency or agencies. Contractor shall load discounts in a dedicated ARC or Pseudo Code Environment.

1.8 AIRFARE PAYMENT: DAS Procurement Services and other Participants have contracted on behalf of the State and Participants for travel related charge services which include airfares. The Contracted Travel Agency (or agencies), under contract with the State of Oregon and Participants, charges the fare to the State's or Participant's respective billing number. The forms of payment for this Discount Agreement are MasterCard, Visa and American Express credit cards for State agencies and Participants. The State reserves the right to allow a check form of payment through the State of Oregon or Participant Contracted Travel Agency whenever a credit card becomes unavailable. At the discretion of any State or Participant Contracted Travel Agency, the Contracted Travel Agency may accept a check as the form of payment from the Participating Entity and process the ticket through ARC. Under no circumstances shall checks be written directly to the Contractor.

1.9 GROUP TRAVEL: Contractor reserves the right to approve or reject group travel (10 or more travelers) from utilizing the Contract Airline Fares under this Discount Agreement.

1.10 PRICE DISCRIMINATION: Contracted prices must be applicable for all fare classes identified in Exhibit E on a given flight in the coach class section. Contractor shall not discriminate against any State or Authorized Participant Travelers in favor of higher fare tickets paid by other travelers on any given seat or block(s) of seats.

1.11 RESERVATION AND TICKET SALES: The Contractor shall have contract airline fares entered into its electronic reservation system and any other electronic reservation system in which it participates within thirty (30) days from written notification of Discount Agreement award.

Reservations and tickets shall be available to the State and Participants through all of the following sources: direct from the Contractor; through all member airlines of the Airline

Reporting Corporation (ARC) or the International Airlines Travel Agent Network (IATAN)(where allowed by interline agreements); the State's Contracted Travel Agency; on-line booking and reservation systems; and all other travel agencies approved by the airline and the ARC or IATAN. Reservations for State and Participant Travelers shall be confirmed on the same basis that reservations are confirmed for other travelers.

1.12 LICENSING REQUIREMENTS: Contractor shall secure, maintain and pay for any federal, state and local licenses required to provide the Services referenced in this Discount Agreement.

1.13 INVESTIGATIVE ASSISTANCE: The Contractor shall assist any investigative unit of any Participant concerning alleged wrongdoing or suspected fraud or abuse by any Travelers or those entities doing business with the Contractor. Reciprocal assistance from the Participant with regard to investigations shall be provided to the Contractor.

1.14 CODE SHARING: Contractor must indicate both: (i) all flight number series or sequences (and the carriers) where code sharing will be allowed; (ii) and all flight number series or sequences where code sharing will be prohibited; in any resulting contract. With any DAS Procurement Services approved code sharing, it shall be the Contractor's responsibility to seek compensation from its code share partner for tickets booked using the partner's equipment. The Contractor shall not seek reimbursement from or make any charge back against, either the State's travel management provider(s), the State, or any Participant.

1.15 MANDATORY FARE REQUIREMENTS: Contractor fares shall meet all of these mandatory requirements.

1.15.1. The Discounted Airfare(s) offered shall be available on all non-stop, direct and connecting flights.

1.15.2. If international discounted fares are offered, there shall be no more than three (3) connections or stops on flights to or from cities outside North America.

1.15.3. The maximum layover during any connection or stop shall not exceed two (2) hours in North America or four (4) hours outside North America.

1.15.4. Fares shall be from the inventory of select Coach class fares.

1.15.5. No ground transportation segments shall be allowed. All segments (cities) shall have scheduled air service offered by the Contractor or by a partner airline of Contractor.

1.15.6. The Contractor may place no routing restrictions on published connections. Discounted Airfares shall be available on all normal routings and through all hubs of the Contractor's published availability.

1.15.7. All fares shall be published on the Global Distribution System (GDS) through systems such as Galileo, Worldspan, Sabre or equivalent systems that are available to travel agencies.

1.15.8. Discounted Airfares must be treated the same as published fares for any re-accommodations.

1.15.9: If Contractor is providing discounts under a ticket designator and tour code, Contractor shall create a ticket designator code for each Participating Entity and Participating State who executes a Participating Addendum. Ticket designator codes will be forwarded to Participating State / Entity and Participating State / Entity Travel Management Contractor (TMC). Contractor shall also create a ticket designator code for the WSCA travel center booking tool. If Contractor is providing discounts under a pseudo city code, Participating State / Entity shall provide the TMC ticket designator and tour code to the Contractor along with the dedicated pseudo city code.

2. PARTICIPATING ENTITY AND PARTICIPATING STATE REQUIREMENTS:

2.1 Reporting: Participating State or Participant shall provide travel agency reporting data at the request of the Contractor. Reports should include monthly segments and spend by market. Quarterly reports are encouraged.

2.2. Authorized Travel Management Contractor, ARC and IATA numbers.

Participating State and Participating Entity shall provide to the Contractor and WSCA Contract Administrator, a list of contracted TMC's, their ARC, IATA numbers and dedicated Pseudo City Codes as applicable along with a copy of the Participating Addendum. The pseudo city code shall be dedicated for use by the Participating State / Entity only. WSCA Contract Administrator will forward the list of the contracted TMC's to the Contractor(s).

2.3 Quarterly Reviews: Contractor will meet with Participating State or Participant to discuss the performance under the Participating Addendum.

2.4 Preferred Carrier: Even with existing State, Participating State or Participant city-pair or other agreements in effect, the State and Participants shall still name the Contractor(s) a preferred carrier within State, Participating State or Participant travel program or policy and work with the Contractor(s) to establish performance goals to meet a certain percentage of volume. The Contractor agrees that failure to meet a performance goal by the State or Participate will not lead to penalties invoked by the Contractor. State and Contractor will work together to established the most effective method of promoting preferred carrier agreements. It is understood by the Participating State or Participant that failure to meet a performance goal established could lead to a lower discount rate or termination of the Participating Addendum by the Contractor.

EXHIBIT B

INVOICING AND PAYMENT OF ACCOUNT CHARGES

1. PAYMENTS: All payments under this Discount Agreement are subject to the provisions in this Exhibit B. Participant's payment is due at the time of ticketing.

2. METHODS OF PAYMENT: As payment for Services provided to State, State Agencies, ORCPP members and Participants authorized by the DAS Procurement Services Contract Contact Person, Contractor shall accept credit card payments

2.1.1 STATE AUTHORIZED CORPORATE CARD PROGRAM: Contractor shall accept the Participant-sponsored travel charge card for payment for Services. Frequent Travelers identified as such by their agency director may be issued a Participant-sponsored travel charge card for business travel expenses.

2.1.2 MAJOR CREDIT CARDS: Contractor shall accept the five major credit cards, Visa, MasterCard, Discover, American Express and Diners' Club. Contractor shall not assess any additional fees or charges to Travelers or Participants when accepting these cards for payment. Contractor shall only post charges on the cards at the time of ticketing.

2.2. RESOLUTION OF DISPUTES: The Contractor shall provide resolutions of disputed amounts and shall make appropriate adjustments to Participants' accounts. The Contractor shall provide the Participant Contract Administrator with a copy of all Contractor correspondence relating to disputed transactions.

EXHIBIT C - RESERVED

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. AIR FARE DISCOUNT: Pursuant to the terms of this Discount Agreement, Contractor must permit Participants to purchase tickets for air transportation as indicated in Exhibit B attached hereto, for Participant Travelers. The fare reductions indicated on Exhibit B will be applied at time-of-ticketing only to published fares for the ticket and itinerary actually purchased.

2. AGENCY OF RECORD ("AOR"): DAS Procurement Services will provide Contractor with a complete listing of the travel agencies authorized to issue tickets on behalf of Participants. The list must include the following information: agency name, ARC/IATA number(s), associated pseudo city code(s), and GDS ("Global Distribution System"). In the event of changes, DAS Procurement Services will advise Contractor and resubmit updated fare filing information to Contractor.

3. TICKET AND RESERVATION REQUIREMENTS: To be eligible for the Discount: (i) the specific Published Fare Basis and Ticket Designator applicable to the Discount must appear in the fare basis/ticket designator box, and the Tour Code must appear in the tour code box, of each ticket subject to the Discount (Ticket Designator(s) and Tour Code will be assigned by Contractor) or made available under a dedicated pseudo city code(s) provided to Participating State(s) /Entity(s), (ii) tickets must be validated on Contractor ticket stock, (iii) open tickets (i.e., No specific flight for a specific travel date is booked or indicated on the ticket,) are not eligible for the Discount, (iv) tickets issued pursuant to point-to-point fares are only eligible for the Discount applicable to the point-to-point Markets, (v) Negotiated group and meeting rates are not combinable with the Discount and (vi) except as provided above, all ticketing will be performed in accordance with ARC/IATA standards, as modified by Contractor. Tickets that do not comply with the ticketing requirements provided in this section are not eligible for the Discount and will result in the issuance of debit memos to the ticketing travel agency for the difference between the actual fare and the discounted fare if the Discount is applied to the ticket.

4. COMMISSIONS: No commission of any kind will be paid hereunder, including any travel agency time-of-ticketing (base) commission or back-end (override/incentive) commission.

5. FARE RULES: Discounted fares are subject to all rules, terms and conditions of the original fare to which the Discount is applied. Nothing in this Agreement will be construed to permit Contractor or agencies shown in Exhibit B to disregard any restrictions on eligibility for fares, or to write or issue tickets for a fare basis when all seats available for such fare basis on the flight selected have been sold. Tickets that do not comply with this fare rules section are not eligible for the Discount and will result in the issuance of debit

memos to the ticketing travel agency for the difference between the actual fare and the discounted fare if the Discount is applied to the ticket.

6. CONTRACT OF CARRIAGE: All tickets purchased pursuant to this Discount Agreement will be issued subject to Contractor's Contract of Carriage, as applicable.

7. CONFIDENTIALITY: Except as required by the Oregon Public Records Law, ORS 192.410 to 192.505, no party will disclose to a third party, other than the travel agencies shown on Exhibit B, the contents of this Discount Agreement nor any confidential information received by it from the other party without the written consent of the other party.

8. CONTRACT FORMATION: A Contract under this Discount Agreement is effective when a Participant requests one or more published airfares, whether that request is made by telephone or by facsimile or through electronic communication (e-mail or on-line booking) and when the Contractor confirms the purchased ticket or tickets to Participant. Each Contract consists of the terms and conditions shown in the Discount Agreement (including Exhibits) and any applicable Participating Addendum. Each such Contract is separate between the parties, enforceable in accordance with the terms thereof and independent of all such other contracts.

9. ORDER OF PRECEDENCE: In the event of any conflict or inconsistencies among Contract documents, the following order of precedence shall apply:

- A. the terms and condition of the Discount Agreement;
- B. exhibits to the Discount Agreement;
- C. Contractor's Contract of Carriage.

Note: Exhibit G contains terms and conditions published by WSCA/NASPO. In the event of inconsistencies or contradictions between the WSCA/NASPO terms and conditions and those of the Discount Agreement or any individual Participating Addendum, the terms and conditions of the Discount Agreement and the Participating Addendum control over those contained in Exhibit G, regardless of any statement to the contrary in Exhibit G.

10. AUTHORIZED DISCOUNT AGREEMENT USERS

10.1.1 The Oregon Cooperative Purchasing Program recognizes the following agencies and organizations as other authorized Discount Agreement users: State of Oregon Agencies, registered members/Authorized Purchasers of ORCPP. Exhibit G, Section 20, identifies government entities outside the State of Oregon that may be authorized to use this Discount Agreement.

Contractor, by executing this Discount Agreement, acknowledges and agrees that the State shall be liable only for purchases made by State Agencies under this Discount Agreement, and that each ORCPP member and Participant shall be responsible for any purchases it makes under this Discount Agreement. DAS State Procurement Office expressly disclaims any liability for purchases made under this Discount Agreement by non-State of Oregon ORCPP members and

Participants, whether or not authorized. Further, Contractor acknowledges and agrees that authorized ORCPP members and Participants shall be entitled to the same warranties, rights, remedies and benefits as the State has under this Discount Agreement for any purchases made by such members or Participants under this Discount Agreement.

10.1.2 ORDERING PROCEDURES: State of Oregon Agencies and ORCPP authorized members shall utilize the State's travel management contractor to order tickets under this Discount Agreement.

10.1.3 ORCPP: Authorized ORCPP agencies can be verified on-line on the State Procurement Office website at <http://procurement.oregon.gov>

11. Performance measures: Participating state or Participants will work with Contractor to achieve performance measures at the Participating State or Participant level. Performance measures are negotiable. Participating State or Participant, through a contracted TMC or WSCA Travel Center, will provide Contractor quarterly reporting to evaluate performance measures. If performance levels are not met, Contractor and Participating State or Participant shall negotiate more obtainable performance measures. If Performance measures cannot be met, Contractor and Participating State or Participant may negotiate a lower discount to retain Participating Addendum or negotiate with Participating State or Participant to terminate the Participating Addendum. It is understood by the Participating State or Participant that failure to meet a performance goal established could lead to a lower discount rate or termination of the Participating Addendum by the Contractor.

Exhibit E - Pricing Sheet

Tour Code	Ticket Designator	Market(s) and Carrier Combinations	Discount(s)*	1st Ticketing/1st Travel Date	Last Ticketing Date**	Last Travel Date**
		USA and International to Systemwide Valid on any FL, WN marketed and operated flights.	5% off the following fares: K, Y	2/01/2013	1/31/2015	3/30/2015
		USA and International to Systemwide Valid on any FL, WN marketed and operated flights. Travel must occur 0 to 7 days from ticketing.	3% off the following fares: B,H,L,M,N, O,Q,R,S,T, W	2/01/2013	1/31/2015	3/30/2015

WN= Southwest Airlines FL = AirTran Airlines

Discounted fares are subject to all rules, terms and conditions of the original fare to which the Discount is applied, unless otherwise indicated above.

Tickets issued or traveled after the above noted dates will result in debit memos issued to the ticketing travel agency location for the difference between the actual fare and the discounted fare if the Discount is applied to such ticket.

DEFINITIONS:

Net of Any Agency Compensation: Tickets issued pursuant to a corporate airfare discount agreement where said agreement provides said discount net of all travel agency time-of-ticketing (base) compensation and back-end (override/incentive) compensation.

Point-to-point Discount: Example: If the passenger's Trip is SYR/BNA connecting at CLE, but the itinerary is priced based upon the point-to-point fares of SYR/CLE and CLE/BNA, then the SYR/BNA discount will not apply. The SYR/CLE and CLE/BNA Discounts (if any) will apply respectively.

EXHIBIT F. AUTHORIZED ARC/IATA* TICKETING LOCATIONS

ARC/IATA	Country	Agency Name	GDS	PCC	Acct. Code/ Corp ID	Redistribution/ Branch Access Yes/No**?	Begin Date	End Date
2656695	USA	US Travel	Sabre					

* Unless otherwise specified, ARC's/IATA's are valid for Travel Validity outlined above.

****Redistribution/Branch Access (Home Office Location "HOL")** is used in instances where an agency prices and/or views a discount under one Pseudo City Code (PCC) and actually issues the ticket under another PCC (HOL). Typically, when an agency has multiple PCC's for the same ARC/IATA location, they will need "Redistribution" (Apollo/Galileo) or for Sabre "Branch Access" users this is **ONLY** for the "Home Office Location" PCC.

Exhibit G
WSCA/NASPO Discount Agreement Terms and
Conditions

1. AGREEMENT ORDER OF PRECEDENCE:

The contract shall consist of the following documents:

1. A Participating Entity's Participating Addendum ("PA");
2. The Discount Agreement Terms and Conditions;
3. WSCA/NASPO Discount Agreement Terms and Conditions;
4. The Statement of Work;
5. The Solicitation; and
6. Contractor's response to the Solicitation.

These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Discount Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to this Discount Agreement as an Exhibit or Attachment. No other terms and conditions shall apply, including terms and conditions listed in the Contractor's response to the Solicitation, or terms listed or referenced on the Contractor's website, in the Contractor quotation/sales order or in similar documents subsequently provided by the Contractor.

2. AMENDMENTS The terms of this Discount Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the WSCA/NASPO Contract Administrator.

3. ASSIGNMENT/SUBCONTRACT Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Discount Agreement, in whole or in part, without the prior written approval of the WSCA/NASPO Contract Administrator.

4. CANCELLATION Unless otherwise stated in the special terms and conditions, any agreement or other contract entered into may be canceled by either party upon 60 days notice, in writing, prior to the effective date of the cancellation. Further, any Participating State may cancel its participation upon 30 days written notice, unless otherwise limited or stated in the special terms and conditions of this solicitation. Cancellation may be in whole or in part. Any cancellation under this provision shall not affect the rights and obligations attending orders outstanding at the time of cancellation, including any right of any Purchasing Entity to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, and rights attending any warranty or default in performance in association with any order. Cancellation of the contract due to Contractor default may be immediate.

5. CONFIDENTIALITY, NON-DISCLOSURE AND INJUNCTIVE RELIEF

5.1 Confidentiality. Contractor acknowledges that it and its employees or agents may, in the course of providing the Services under this Discount Agreement, be exposed to or acquire information that is confidential to Participating Entity or Participating Entity's clients. Any and all information of any form that is marked as confidential or would by its nature be deemed confidential obtained by Contractor or its employees or agents in the performance of this Discount Agreement, including, but not necessarily limited to (a) any

Participating Entity records, (b) personnel records, and (c) information concerning individuals, is confidential information of Participating Entity ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated in the same manner as the Confidential Information. Confidential Information does not include information that (a) is or becomes (other than by disclosure by Contractor) publicly known; (b) is furnished by Participating Entity to others without restrictions similar to those imposed by this Discount Agreement; (c) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Discount Agreement; (d) is obtained from a source other than Participating Entity without the obligation of confidentiality, (e) is disclosed with the written consent of Participating Entity or; (f) is independently developed by employees, agents or subcontractors of Contractor who can be shown to have had no access to the Confidential Information.

5.2 Non-Disclosure. Contractor shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and must not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than the performance of this Discount Agreement for the Participating Entity hereunder, must advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use commercially reasonable efforts to assist Participating Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Contractor shall advise Participating Entity immediately if Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Discount Agreement and Contractor shall at its expense cooperate with Participating Entity in seeking injunctive or other equitable relief in the name of Participating Entity or Contractor against any such person. Except as directed by Participating Entity, Contractor may not at any time during or after the term of this Discount Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Discount Agreement and, upon termination of this Discount Agreement or at Participating Entity's request, Contractor shall turn over to Participating Entity all documents, papers, and other matter in Contractor's possession that embody Confidential Information. Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits and evidence of the performance of this Discount Agreement.

5.3 Injunctive Relief. Contractor acknowledges that breach of this Section, including disclosure of any Confidential Information, will cause irreparable injury to Participating Entity that is inadequately compensable in damages. Accordingly, Participating Entity may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Participating Entity and are reasonable in scope and content.

6. DEBARMENT Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by WSCA/NASPO.

7. DEFAULTS & REMEDIES

a. The occurrence of any of the following events shall be an event of default under this Discount Agreement:

- i. Nonperformance of contractual requirements; or
- ii. A material breach of any term or condition of this Discount Agreement; or
- iii. Any representation or warranty by Contractor in response to the solicitation or in this Discount Agreement proves to be untrue or materially misleading; or
- iv. Institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or
- v. Any default specified in another section of this Discount Agreement.

b. Upon the occurrence of an event of default, Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of 15 calendar days in which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Discount Agreement in whole or in part if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure shall not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Discount Agreement.

c. If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Discount Agreement and Lead State shall have the right to exercise any or all of the following remedies:

- i. Exercise any remedy provided by law; and
- ii. Terminate this Discount Agreement and any related Contracts or portions thereof; and
- iii. Impose liquidated damages as provided in this Discount Agreement; and
- iv. Suspend Contractor from receiving future bid solicitations; and
- v. Suspend Contractor's performance; and
- vi. Withhold payment until the default is remedied.

d. In the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and have all of the rights and remedies under this paragraph regarding its participation in the Discount Agreement, in addition to those set forth in its Participating Addendum.

8. DELIVERY Unless otherwise indicated in the Discount Agreement, the prices are the delivered price to any Participating State agency or political subdivision. All deliveries shall be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage shall remain with the Contractor until final inspection and acceptance when responsibility shall pass to the Buyer except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered shall be shipped without charge.

9. FORCE MAJEURE Neither party to this Discount Agreement shall be held responsible for delay or default caused by fire, riot, acts of God or war which is beyond that party's reasonable control. Contractor shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue the performance of its obligations under this Discount Agreement. The Lead State, acting on behalf of WSCA/NASPO, may terminate this Discount Agreement upon written notice after determining that such delay or default likely will prevent successful performance of this Discount Agreement

10. GOVERNING LAW The Discount Agreement shall be governed by and construed in accordance with the laws of the state sponsoring and administering the procurement. The construction and effect of any Participating Addendum or order against the Discount Agreement (s) shall be governed by and construed in accordance with the laws of the Participating Entity's State. Venue for any claim, dispute or action concerning an order placed against the Discount Agreement (s) or the effect of a Participating Addendum shall be in the Purchasing Entity's State.

11. INDEMNIFICATION The Contractor shall defend, indemnify and hold harmless WSCA/NASPO, the Lead State and Participating Entities along with their officers, agencies, and employees as well as any person or entity for which they may be liable from and against claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to property arising from act(s), error(s), or omission(s) of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to the performance under the Discount Agreement. This section is not subject to any limitations of liability in this Discount Agreement or in any other document executed in conjunction with this Discount Agreement

12. INDEMNIFICATION - INTELLECTUAL PROPERTY The Contractor shall defend, indemnify and hold harmless WSCA/NASPO, the Lead State and Participating Entities along with their officers, agencies, and employees as well as any person or entity for which they may be liable ("Indemnified Party") from and against claims, damages or causes of action including reasonable attorneys' fees and related costs arising out of the claim that the Product or its use, infringes Intellectual Property rights ("Intellectual Property Claim"). The Contractor's obligations under this section shall not extend to any combination of the Product with any other product, system or method, unless:

- (1) the Product, system or method is:
 - (a) provided by the Contractor or the Contractor's subsidiaries or affiliates;
 - (b) specified by the Contractor to work with the Product; or
 - (c) reasonably required, in order to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or
- (2) it would be reasonably expected to use the Product in combination with such product, system or method.

The Indemnified Party shall notify the Contractor within a reasonable time after receiving notice of an Intellectual Property Claim. Even if the Indemnified Party fails to provide reasonable notice, the Contractor shall not be relieved from its obligations unless the Contractor can demonstrate that it was prejudiced in defending the Intellectual Property Claim resulting in increased expenses or loss to the Contractor. If the Contractor promptly and reasonably investigates and defends any Intellectual Property Claim, it shall have control over the defense and settlement of it. However, the Indemnified Party must consent in writing for any money damages or obligations for which it may be responsible. The Indemnified Party shall furnish, at the Contractor's reasonable request and expense, information and assistance necessary for such defense. If the Contractor fails to

vigorously pursue the defense or settlement of the Intellectual Property Claim, the Indemnified Party may assume the defense or settlement of it and the Contractor shall be liable for all costs and expenses, including reasonable attorneys' fees and related costs, incurred by the Indemnified Party in the pursuit of the Intellectual Property Claim. This section is not subject to any limitations of liability in this Discount Agreement or in any other document executed in conjunction with this Discount Agreement.

13. INDEPENDENT CONTRACTOR The Contractor shall be an independent contractor, and as such shall have no authorization, express or implied, to bind WSCA/NASPO or the respective states to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for WSCA/NASPO or the states, except as expressly set forth herein.

14. INDIVIDUAL CUSTOMER Except to the extent modified by a Participating Addendum, each Participating Entity shall follow the terms and conditions of the Discount Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Discount Agreement, including but not limited to, any indemnity or to recover any costs allowed in the Discount Agreement and applicable Participating Addendum for their purchases. Each Participating Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Participating Entity individually.

15. INSURANCE Contractor shall, during the term of this Discount Agreement, maintain in full force and effect the insurance described in this section. Contractor shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in the Participating Entity's state and having a rating of A-, Class VII or better, in the most recently published edition of Best's Reports. Failure to buy and maintain the required insurance may result in this Discount Agreement's termination or at a Participating Entity's option, result in termination of its Participating Addendum.

Coverage shall be written on an occurrence basis. The minimum acceptable limits shall be as indicated below, with no deductible for each of the following categories:

- a) Commercial General Liability covering the risks of bodily injury (including death), property damage and personal injury, including coverage for contractual liability, with a limit of not less than \$1 million per occurrence/\$2 million general aggregate;
- b) Aircraft Liability: Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this Discount Agreement, Aircraft Liability Insurance. Combined single limit shall not be less than \$5,000,000, or the equivalent and no less than \$100,000 per seat for passenger liability.
- c) Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements. If a Contractor is located in North Dakota, Ohio, Washington or Wyoming, the Contractor must purchase stop gap coverage for employer liability.

Contractor shall pay premiums on all insurance policies. Such policies shall also reference this Discount Agreement. Contractor shall immediately notify the State of any change in insurance coverage.

Prior to commencement of the work, Contractor shall provide to the Participating Entity a written endorsement to the Contractor's general liability insurance policy that (i) names the Participating Entity as an additional insured and (ii) provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of the Participating Entity as secondary and noncontributory.

Contractor shall furnish to Participating Entity copies of certificates of all required insurance within thirty (30) calendar days of the Participating Addendum's effective date and prior to performing any work. Copies of renewal certificates of all required insurance shall be furnished within thirty (30) days after renewal date. These certificates of insurance must expressly indicate compliance with each and every insurance requirement specified in this section. Failure to provide evidence of coverage may, at State's sole option, result in this Discount Agreement's termination.

Coverage and limits shall not limit Contractor's liability and obligations under this Discount Agreement.

16. LAWS AND REGULATIONS Any and all supplies, services and equipment offered and furnished shall comply fully with all applicable Federal and State laws and regulations.

17. LICENSE OF PRE-EXISTING INTELLECTUAL PROPERTY Contractor grants to the Participating Entity a nonexclusive, perpetual, royalty-free, irrevocable, unlimited license to publish, translate, reproduce, modify, deliver, perform, display, and dispose of the Intellectual Property, and its derivatives, used or delivered under this Discount Agreement, but not created under it ("Pre-existing Intellectual Property"). The license shall be subject to any third party rights in the Pre-existing Intellectual Property. Contractor shall obtain, at its own expense, on behalf of the Participating Entity, written consent of the owner for the licensed Pre-existing Intellectual Property.

18. NO WAIVER OF SOVEREIGN IMMUNITY In no event shall this Discount Agreement, any Participating Addendum or any contract or any purchase order issued thereunder, or any act of a Lead State or a Participating Entity, be a waiver by the Participating Entity of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

a) If a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the Participating State. This subsection 18.a) applies to a claim brought against the Participating State only to the extent Congress has appropriately abrogated the Participating State's sovereign immunity and is not consent by the Participating State to be sued in federal court. This subsection is also not a waiver by the Participating State of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

19. ORDER NUMBERS Contract order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

20. PARTICIPANTS The WSCA/NASPO Cooperative Purchasing Organization (herein WSCA/NASPO) is a cooperative group contracting consortium for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.,) for the 50 states, the District of Columbia and the organized US territories. Obligations under this Discount Agreement are limited to those Participating States who have signed a Participating Addendum where contemplated by the solicitation. Financial obligations of Participating States are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating States incur no financial obligations on behalf of political subdivisions. Unless otherwise specified in the solicitation, the resulting award(s) will be permissive.

21. ENTITY PARTICIPATION Use of specific WSCA/NASPO cooperative contracts by state agencies, political subdivisions and other entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

22. PAYMENT Payment for completion of a contract is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month (under ORS 293.462(3), two-thirds of one percent for Oregon state agencies) on the outstanding balance. Payments will be remitted by mail. Payments may be made via a State or political subdivision "Purchasing Card" with no additional charge.

23. PUBLIC INFORMATION This Discount Agreement and all related documents are subject to disclosure pursuant to the Participating Entity's public information laws.

24. RECORDS ADMINISTRATION AND AUDIT The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this Discount Agreement. These records will be retained by the Contractor for at least six years after the Discount Agreement terminates, or until all audits initiated within the six years have been completed, whichever is later. The Contractor agrees to allow WSCA/NASPO, State and Federal auditors, and state agency staff access to all the records of this Discount Agreement and any order placed under this Discount Agreement, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

25. REPORTS The Contractor shall submit quarterly reports to the WSCA/NASPO Contract Administrator showing the quantities and dollar volume of purchases by each participating entity.

26. STANDARD OF PERFORMANCE AND ACCEPTANCE The Standard of Performance applies to all Product(s) purchased under this Discount Agreement, including any additional, replacement, or substitute Product(s) and any Product(s) which are modified by or with the written approval of Contractor after Acceptance by the Participating Entity. The Acceptance Testing period shall be thirty (30) calendar days or other time period identified in the solicitation or the Participating Addendum, starting from the day after the Product is installed and Contractor certifies that the Product is ready for Acceptance Testing. If the Product does not meet the Standard of Performance during the initial period of Acceptance Testing, Participating Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the Standard of Performance is met. Upon rejection, the Contractor will have fifteen (15) calendar days to cure the Standard of Performance issue(s). If after the cure period, the Product still has not met the Standard of Performance Participating Entity may, at its option: (1) declare Contractor to be in breach and terminate the Order; (2) demand replacement Product from Contractor at no additional cost to Participating Entity; or, (3) continue the cure period for an additional time period agreed upon by the Participating Entity and the Contractor. Contractor shall pay all costs related to the preparation and shipping of Product returned pursuant to the section. No Product shall be accepted and no charges shall be paid until the Standard of Performance is met. The warranty period will begin upon Acceptance.

27. SYSTEM FAILURE OR DAMAGE In the event of system failure or damage caused by the Contractor or its Product, the Contractor agrees to use its best efforts to restore or assist in restoring the system to operational capacity.

28. TITLE OF PRODUCT Upon Acceptance by the Participating Entity, Contractor shall convey to Participating Entity title to the Product free and clear of all liens, encumbrances, or other security interests. Transfer of title to the Product shall include an irrevocable and perpetual license to use the Embedded Software in the Product. If Participating Entity subsequently transfers title of the Product to another entity, Participating Entity shall have the right to transfer the license to use the Embedded Software with the transfer of Product title. A subsequent transfer of this software license shall be at no additional cost or charge to either Participating Entity or Participating Entity's transferee.

29. WAIVER OF BREACH Failure of Lead State or Participating Entity to declare a default or enforce any rights and remedies shall not operate as a waiver under this Discount Agreement or Participating Addendum. Any waiver by the Lead State or Participating Entity must be in writing. Waiver by the Lead State or Participating Entity of any default, right or remedy under this Discount Agreement or Participating Addendum, or breach of any terms or requirements shall not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Discount Agreement or Participating Addendum.

30. WARRANTY The Contractor warrants for a period of one year from the date of Acceptance that: (a) the Product performs according to all specific claims that the Contractor made in its response to the solicitation, (b) the Product is suitable for the ordinary purposes for which such Product is used, (c) the Product is suitable for any special purposes identified in the solicitation or for which the Participating Entity has relied on the Contractor's skill or judgment, (d) the Product is designed and manufactured in a commercially reasonable manner, and (e) the Product is free of defects. Upon breach of the warranty, the Contractor will repair or replace (at no charge to the Participating Entity) the Product whose nonconformance is discovered and made known to the Contractor. If the repaired and/or replaced Product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

31. ASSIGNMENT OF ANTITRUST RIGHTS Contractor irrevocably assigns to a Participating Entity any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided to the Contractor for the purpose of carrying out the Contractor's obligations under this Discount Agreement or Participating Addendum, including, at a Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

Contractor shall require any subcontractors hired to perform any of Contractor's obligations, under this Discount Agreement or Participating Addendum, to irrevocably assign to a Participating Entity, as third party beneficiary, any right, title or interest that has accrued or which may accrue in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided to the subcontractor for the purpose of carrying out

the subcontractor's obligations to the Contractor in pursuance of this Discount Agreement or Participating Addendum, including, at a Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

32. WSCA/NASPO eMARKET CENTER Awarded responders are required to participate in the WSCA/NASPO eMarket Center and, working through WSCA/NASPO's contractor (SciQuest), connect with the eMarket Center. The ideal situation would be to use either a hosted (by SciQuest) or Punchout Level 2 catalog configurations, but actual requirements will be determined by the Lead State Contract Administrator, WSCA/NASPO, WSCA/NASPO's contractor (SciQuest) and the awarded contractor, after award. Participation does not require an awarded responder to have any special level of technology or technological understanding.

Definitions

Acceptance - means a written notice from a purchasing entity to contractor advising Contractor that the Product has passed its Acceptance Testing. Acceptance of a product for which acceptance testing is not required shall occur following the completion of delivery, installation, if required, and a reasonable time for inspection of the product, unless the Purchasing Entity provides a written notice of rejection to contractor.

Acceptance Testing - means the process for ascertaining that the Product meets the standards set forth in the section titled Standard of Performance and Acceptance, prior to Acceptance by the Purchasing Entity.

Contractor - means the person or entity delivering Products or performing services under the terms and conditions set forth in this Discount Agreement.

Intellectual Property - means any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.

Lead State - means the State conducting this cooperative solicitation and centrally administering any resulting Discount Agreement with the permission of the Signatory States.

Discount Agreement - means the underlying agreement executed by and between the Lead State, as WSCA/NASPO contract manager, acting on behalf of WSCA/NASPO, and the Contractor, as now or hereafter amended.

Order - means any purchase order, sales order, or other document used by a Participating Entity to order the Products.

Participating Addendum - means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Discount Agreement and any other additional Participating Entity specific language or other requirements, e.g. ordering procedures specific to the Participating Entity, other terms and conditions.

Participating Entity - means a state, or other legal entity, properly authorized by a state to enter into the Discount Agreement or Participating Addendum or who is authorized to order under the Discount Agreement or Participating Addendum.

Product - Any equipment, software (including embedded software), documentation, or deliverable supplied or created by the Contractor pursuant to this Discount Agreement.

WSCA/NASPO -means the WSCA/NASPO Cooperative Purchasing Organization, a cooperative group contracting consortium for state procurement officials, representing departments, institutions, agencies, and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) for the 50 states, the District of Columbia and the organized US territories. WSCA/NASPO is a cooperative purchasing arm of the National Association of State Procurement Officials (NASPO).

Exhibit H

1. Scope: This addendum covers the WSCA/NASPO Discounted Air Fare contract lead by the State of Oregon for use by state agencies and other authorized entities located in the Participating **State/Entity** authorized by that state's statutes to utilize **state/entity** contracts with the prior approval of the state's chief procurement official.

2. Participation: Use of specific WSCA/NASPO cooperative contracts by agencies, political subdivisions and other entities (including cooperatives) authorized by an individual state's statutes to use **state/entity** contracts are subject to the prior approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

INDIVIDUAL CUSTOMER: Each State agency and political subdivision, as a Participating Entity, that purchases products/services will be treated as if they were Individual Customers. Except to the extent modified by this Participating Addendum, each agency and political subdivision will be responsible to follow the terms and conditions of the Discount Agreement; and they will have the same rights and responsibilities for their purchases as the Lead State has in the Discount Agreement. Each agency and political subdivision will be responsible for their own charges, fees, and liabilities. Each agency and political subdivision will have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases. The Contractor will apply the charges to each Participating Entity individually.

3. Participating State Modifications or Additions to Discount Agreement:

(These modifications or additions apply only to actions and relationships within the Participating Entity.)

[Replace this with specific changes or a statement that No Changes Are Required]

4. [Purposely left blank]

5. Primary Contacts: The primary contact individuals for this participating addendum are as follows (or their named successors):

Lead State

Name	Tim A. Hay, Oregon Department of Administration, State Procurement Office
Address	1225 Ferry St SE U140 Salem, OR 97301-4285
Telephone	503-378-4650
Fax	503-373-1626
E-mail	tim.hay@state.or.us

Contractor

Name	Jeff Haag, Southwest Airlines
Address	PO Box 36611, HDQ-5MD

	2702 Love Field Drive Dallas, TX 75235
Telephone	866-569-5793
Fax	
E-mail	jeffrey.haag@wnco.com

Participating Entity

Name	
Address	
Telephone	
Fax	
E-mail	

6. **Authorized Travel Management Contractor:** To access the discounts under this Participating Addendum, Participating State / Entity **MUST** have an existing Travel Management Contractor (Travel Agency) or **MUST** use the WSCA/NASPO Travel Center. Participating State / Entity must indicate this below.

Must select one:

☐ **WSCA / NASPO Travel Center.** Participating State / Entity will access the discounts using the WSCA / NASPO Travel Center. Participating State / Entity has executed a separate Participating Addendum with the US Travel to access the airfares in the WSCA / NASPO Travel Center Booking Tool. Contractor already has valid ARC and Psuedo City Code on file.

☐ **Existing Contracted Travel Agency.** Participating State / Entity will access the discounts using an existing contracted Travel Management Contractor. Participating State / Entity shall enter the valid ARC and dedicated Psuedo City Code in Exhibit H.1 (below). The pseudo city code shall be dedicated for use by the Participating State / Entity only.

7. [Purposely left blank]

8. Discount Agreement Number:

All purchase orders issued by purchasing entities within the jurisdiction of this participating addendum must include the Participating State contract number: **[insert appropriate number]** and the Lead State discount agreement number: PA-2624.

THE DISCOUNT AGREEMENT NUMBER PA-2624 MUST BE SHOWN ON ALL ORDER DOCUMENTS ISSUED AGAINST THIS PARTICIPATING ADDENDUM

This Participating Addendum and the Discount Agreement number MA-2624 (administered by the State of Oregon) together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous

communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Discount Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Discount Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Discount Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State.

Purposely Left Blank

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating State\Entity:	Contractor:
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

[Additional signatures as required by Participating State\Entity]

EXHIBIT H.1

AUTHORIZED ARC/IATA* TICKETING LOCATIONS

Participating State/ Entity shall provide the following information to the Contractor. Participating State/Entity shall provide a valid ARC and dedicated pseudo city code. The pseudo city code shall be dedicated for use by the Participating State / Entity only.

ARC/IATA	Country	Agency Name	GDS	Dedicated PCC	Acct. Code/ Corp ID	Redistribution/ Branch Access Yes/No**?	Begin Date	End Date

* Unless otherwise specified, ARC's/IATA's are valid for Travel Validity outlined above.

****Redistribution/Branch Access (Home Office Location "HOL")** is used in instances where an agency prices and/or views a discount under one Pseudo City Code (PCC) and actually issues the ticket under another PCC (HOL). Typically, when an agency has multiple PCC's for the same ARC/IATA location, they will need "Redistribution" (Apollo/Galileo) or for Sabre "Branch Access" users this is **ONLY** for the **"Home Office Location"** PCC.