

**CONTRACT WITH INTERSTATE CARRIER
PURSUANT TO NRS 333.395**

A Contract Between the State of Nevada
Acting by and Through its

Agency Name:	Department of Administration, Purchasing Division
Address:	515 East Musser Street, Suite 300
City, State, Zip Code:	Carson City, NV 89701
Contact:	Teri Becker
Phone:	775-684-0178
Fax:	775-684-0188
Email:	tbecker@admin.nv.gov

Contractor Name:	Southwest Airlines Co.
Address:	2702 Love Field Drive
City, State, Zip Code:	Dallas, TX 75235
Contact:	Justin Schiffner
Phone:	972-845-1326
Email:	Justin.Schiffner@wnco.com

WHEREAS, NRS 333.395 authorizes the Administrator of State Purchasing to enter into a contract with a certificated common carrier and Southwest Airlines is a certificated common carrier; and

WHEREAS, the State of Nevada desires to purchase airline tickets from Southwest Airlines at discounted rates.

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

- REQUIRED APPROVAL.** This contract shall not become effective until and unless approved by the Nevada State Board of Examiners.
- INCORPORATED DOCUMENTS.** The parties agree that this contract incorporates all of the terms and conditions set forth in the "Corporate Travel Agreement" attached hereto.
- CONTRACT TERM.** This Contract shall be effective as noted below, unless sooner terminated by either party as specified in the *Corporate Travel Agreement, Section 9*. Contract is subject to Board of Examiners' approval.

Effective from:	October 15, 2018	To:	October 31, 2020
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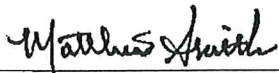
- CONSIDERATION.** The parties agree that Contractor will provide the services specified in "Corporate Travel Agreement" for the payments set forth in the Corporate Travel Agreement.

Total Contract Not to Exceed:	\$16,000,000.00
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The State does not agree to reimburse Contractor for expenses unless otherwise specified. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the result of legislative appropriation may require.

5. **BOYCOTT OF ISRAEL PROHIBITED.** Contractor certifies that it is not currently engaged in and agrees for the duration of this contract not to engage in, a boycott of Israel as defined in NRS 333.338(3)(a).
6. **ENTIRE CONTRACT AND MODIFICATION.** This contract and the attached "Corporate Travel Agreement" constitute the entire agreement of the parties and as such are intended to be the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners. This contract, and any amendments, may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be signed and intend to be legally bound thereby.



Southwest Airlines, Co. Signature

9/11/18

Date

Sr. Dir, Head of Corp Sales

Title



Jeffrey Haag

9-11-2018

Date

Administrator, Purchasing Division

Title



APPROVED BY BOARD OF EXAMINERS

Signature – Board of Examiners

On:

11.13.2018

Date

Approved as to form by:



Deputy Attorney General for Attorney General

On:

11 Sept 18

Date

CORPORATE TRAVEL AGREEMENT

This Corporate Travel Agreement (this "**Agreement**") is made and entered into to be effective as of the day 1 of September, 2018 (the "**Effective Date**") by and between **Southwest Airlines Co.** together with its affiliates (hereinafter referred to as "**Carrier**"), a Texas corporation, having its principal place of business at 2702 Love Field Drive, Dallas, Texas 75235, and State of Nevada (together with its Affiliates, hereinafter referred to as "**Customer**"), having its principal place of business at 515 E Musser Street, Suite 300, Carson City, Nevada, 89701. Carrier and Customer may each be referred to individually as a "**Party**" and collectively as the "**Parties**." "**Affiliate**" means any person or entity controlled by, controlling, or under common control with a Party.

WHEREAS, Carrier is engaged in the business of providing domestic and international commercial passenger air transportation services;

WHEREAS, Customer requires commercial passenger air transportation services to conduct its business; and

WHEREAS, Carrier will provide to Customer, and Customer will use, Carrier's air transportation services in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties hereto agree as follows:

1. **Term**

The discount begins on the Effective Date and is effective for 2 years from the date hereof (the "**Term**").

2. **Fares and Benefits**

(a) As consideration for Customer flying a minimum number of system-wide flown segments with Carrier during each quarter as outlined in Exhibit A ("**Qualifying Segments**"), and provided that Customer is in compliance with the terms of this Agreement, Customer will be entitled to receive certain air transportation fare discounts and flight benefits as shown in Exhibit A. Under this Agreement, Customer's access is limited to Carrier's published scheduled service to or from the cities, or between the city-pairs, listed on Exhibit A. Discounts must be applied at the time the ticket is purchased, and Customer will not receive any payment or reimbursement for discounts not applied at the time of ticket issuance. It is understood and agreed that in the event the actual Qualifying Segments flown are less than the estimated Qualifying Segment target thresholds on which a discount was based, Carrier reserves the right to modify or adjust the Customer's future fare discounts or Qualifying Segment targets as determined by Carrier in its sole discretion. Carrier will provide Customer with at least thirty (30) days prior written notice of any modifications or adjustments to the Customer's fare discounts or Qualifying Segment targets.

(b) For each ticket purchased by an Eligible Traveler (as hereinafter defined) under this Agreement, Eligible Traveler shall pay Carrier the applicable fare for such ticket, net of the Customer discount shown in Exhibit A. Carrier's fares exclude any applicable transportation tax, excess baggage charges, airport taxes, federal inspection fees, passenger facility charges, departure taxes, GST, sales,

transfer or use taxes, or any similar taxes, levies or charges, or any other ancillary duties and charges, and Eligible Travelers shall pay such taxes, fees, or charges.

3. Eligible Distribution Channels and Eligible Travelers

This Agreement is for Customer's Eligible Travelers who purchase passenger tickets issued via an eligible distribution channel set forth on Exhibit A (each an "Eligible Distribution Channel"). Customer understands and agrees that the Eligible Distribution Channels designated on Exhibit A are the only Eligible Distribution Channels that may ticket a Qualifying Segment under the terms of this Agreement. Tickets booked on Carrier through any distribution channel other than an Eligible Distribution Channel will not be recognized by Carrier as a Qualifying Segment flown or receive a discount. "Eligible Travelers" who may participate in the travel program set forth in this Agreement are those who Customer has provided access to the Eligible Distribution Channels identified on Exhibit A.

4. Manner and Standard of Performance

Carrier agrees to observe all applicable requirements of the Transportation Security Administration ("TSA") and other federal, state or municipal authorities which have jurisdiction over commercial airline services. All purchases will be subject to Carrier's Contract of Carriage set out at <http://www.southwest.com/assets/pdfs/corporate-commitments/contract-of-carriage.pdf> (as amended, restated, or otherwise modified from time to time), and all rules applicable to the general public for the class or category of fare selected (including, without limitation, any charges to Eligible Traveler for changes in travel arrangements that may be applicable to the class or category of fare selected). Carrier does not warrant that flights will have the seating capacity desired or requested by Eligible Travelers. Carrier may discontinue flights, change flight schedules, or terminate or reduce service to any city at any time for any reason without prior notice, liability or obligation to Customer or any Eligible Traveler, and this Agreement will continue in full force and effect as to the cities and service not affected by such termination or reduction.

5. Confidentiality and Use of Marks

(a) Both Parties shall maintain as confidential and shall not disclose, copy, nor use for purposes other than the performance of this Agreement, any information which relates to the other Party's business affairs, trade secrets, technology, research and development, pricing or the terms of this Agreement ("Confidential Information"), and each agrees to protect that Confidential Information with the same degree of care it exercises to protect its own confidential information and to prevent the unauthorized, negligent or inadvertent use, disclosure or publication thereof. Confidential Information shall not include any Personal Data (which is treated in accordance with Section 6 below), nor such information which a receiving Party can establish (a) is or becomes publicly available through no fault of the receiving Party or its representatives, (b) is released by the disclosing Party without restriction, (c) is rightly obtained from a third party, who, to the best of the receiving party's knowledge, is not under obligation of confidentiality, (d) was already in possession of the receiving Party prior to its being furnished pursuant hereto, or (e) was independently developed by the receiving Party without reference to or use of the disclosing Party's Confidential Information. Upon expiration or termination of this Agreement, upon written request, both Parties agree to return respective to each other, all such Confidential Information that has been reduced to writing. In the event that either Party to this Agreement or any of its Affiliates become legally compelled or requested to disclose any of this Confidential Information, such Party may disclose such Confidential Information; provided, however,

that such Party shall as soon as practicable notify the other Party of such legal process, unless providing such notice would violate applicable law or regulation, so that the other Party may seek an appropriate protective order.

(b) Neither Party will utilize the name, logo, tradename and/or service marks ("Marks") of the other Party or any of its subsidiaries or affiliates in any advertisement, or otherwise identify the other Party or any of its subsidiaries or affiliates as supplier or customer of the other Party without the other Party's consent, and except as otherwise expressly provided in this Agreement. Carrier grants to Customer a limited, non-transferable right to use Carrier's Marks (in the United States) for Customer's internal promotion of Carrier's services under this Agreement, participation in Customer's travel program, including without limitation, promotion of Carrier as a preferred travel provider, and for Customer's communications to travel agents regarding Carrier's preferred status and agreements. Use of Carrier Marks in any manner other than as set forth herein is expressly prohibited and shall constitute an infringement of Carrier's intellectual property. Carrier Marks shall remain the exclusive property of Carrier.

(c) Each Party reserves the right to immediately terminate this Agreement if this Section is violated. The provisions of this Section shall survive the expiration or termination of this Agreement.

6. Data Protection

As used in this Agreement, "**Personal Data**" means any information that can be used directly or indirectly, alone or in combination with other information, to identify an individual. Carrier will process all Personal Data for Eligible Travelers in accordance with Carrier's privacy policy (currently located at http://www.swabiz.com/html/about-southwest/terms-and-conditions/privacy-policy-pol.html?int=SWABIZ_POLICY) as modified from time to time, and applicable data protection or privacy laws.

7. Independent Contractors

The relationship of the Parties is solely that of independent contractors. The employees of Carrier shall at all times and for all purposes be considered employees of Carrier, and under no circumstances shall be deemed employees of Customer.

8. Notices

All notices required or sent pursuant to this Agreement shall be in writing and shall be deemed to have been duly given if hand-delivered, sent by express courier service, or sent by United States certified or registered mail, addressed as follows:

If to CARRIER:

Southwest Airlines Co.

2702 Love Field Drive

Dallas, Texas 75335

Attention: Matthew Smith, Corporate Sales, with a copy to General Counsel

If to CUSTOMER:

State of Nevada

515 E Musser Street

Suite 300

Carson City, Nevada 89701
United States
Attention: Jeff Haag, Administrator

9. Termination

(a) Either Party may terminate this Agreement during the Term, without cause and for its own convenience, by providing at least thirty (30) days prior written notice to the other Party.

(b) Either Party may terminate this Agreement with immediate effect by written notice to the other Party if that other Party (i) makes a general assignment for the benefit of creditors or becomes insolvent, or (ii) files a voluntary petition in bankruptcy, or (iii) petitions for or acquiesces in the appointment of any receiver, trustee or similar office to liquidate or conserve its business or any substantial part of its assets, or (iv) commences under the laws of any jurisdiction proceedings relating to insolvency, bankruptcy, reorganization, readjustment of debt, dissolution, liquidation or any other similar proceedings.

(c) Any termination of this Agreement shall be without prejudice to the rights and obligations of the Parties accruing prior to such termination. Customer and its Eligible Travelers will not be entitled to receive any fare discount and/or credit on any tickets issued for travel on or after the effective date of termination or expiration of this Agreement.

(d) If Customer or any Eligible Traveler engages in any abusive or speculative booking practices, Carrier may terminate this Agreement immediately upon written notice to Customer, and any benefits earned but not used by the Customer or any Eligible Traveler under the terms and conditions of this Agreement will be forfeited.

10. Assignment

Neither this Agreement nor the obligations set forth herein may be assigned by either Party without the prior written consent of the other Party.

11. Limitation of Liability

Neither Party shall be liable to the other Party for any indirect, incidental, special or consequential damages (including, without limitation, any damages arising from loss of use or lost business, revenue, profits, data or goodwill) arising in connection with this Agreement, whether in an action in contract, tort, strict liability, or negligence, even if advised of the possibility of such damages.

12. Force Majeure

Neither Party shall be liable for delays or failure to perform if such delay or failure is caused by an act of God or of a public enemy, fire, flood, fuel shortages, or any other cause beyond its reasonable control.

13. Governing Law

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES. THE PARTIES HEREBY EXPRESSLY CONSENT TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF THE STATE AND FEDERAL

COURTS LOCATED IN NEVADA FOR ALL DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT.

14. Entire Agreement

This Agreement, including all exhibits attached hereto, are the complete, final, and exclusive statement of the agreement regarding the subject matter hereof between Customer and Carrier as of the Effective Date. Any prior or contemporaneous agreements, understandings, and representations between the parties hereto covering similar subject matter, whether oral or written, are merged herein. In entering into this Agreement, neither Party has relied upon any statement, estimated, forecast, projection, representation, warranty, action, or agreement of the other Party except for those expressly contained in this Agreement.

15. Amendments

No modifications to this Agreement shall be binding upon either Party unless in writing and signed by an authorized representative of such Party.

16. No Waiver

The failure of either Party at any time to require performance by the other of any provision of this Agreement shall in no way affect that Party's right to enforce such provision, nor shall the waiver of either Party of any breach of any provision of this Agreement be taken or held to be a waiver of any other breach of the same provision or any other provision. All waivers must be in writing.

17. Counterparts

This Agreement may be executed in any number of counterparts (sent via mail, facsimile, PDF, or similar means), each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

EXHIBIT A

Customer to Receive:

- Point of sale discounts:
 - Discount amounts as defined in CHART 1
 - Point of sale discounts applicable to base fare before taxes and fees
- Carrier Fare Classes as of the Effective Date:
 - Fare Class – K (currently known as “Business Select Fare”) and any subsequent Fare Class with essentially the same characteristics regarding refundability and reusability
 - Fare Class – Y (currently known as “Anytime Fare”) and any subsequent Fare Class with essentially the same characteristics regarding refundability and reusability
 - Select – Public Fare Classes (currently known as “Wanna Get Away Fare”) – L, B, Q, H, B, W, R, O, M, S, N, T, I, C, P, U, G, E, Z, F, A, J, or D with minimum Advance Purchase AP) requirements of 0-day AP, 1-day AP, 3-day AP, 7-day AP and any subsequent Fare Classes with essentially the same characteristics regarding refundability, reusability, and AP requirements. Excludes Private Fares and minimum advance purchase requirements exceeding 7 days (i.e. 10-day AP, 14-day AP, 90-day AP, 21-day AP).
 - Carrier reserves the right to modify or eliminate any Fare Class or any of the characteristics associated with a Fare Class. Carrier will provide Customer with at least thirty (30) days’ prior written notice of the elimination of or modification to any Fare Class or modification to any of the characteristics noted above associated with a Fare Class. For the avoidance of doubt, any such modifications or eliminations may also result in modifications or deletions in Chart 1 below.
- Eligible Distribution Channels

SWABIZ--99570273--Dedicated

SGS--99570273--Dedicated

SWABIZ (domestic only)

Southwest Gateway Services (domestic and/or international)
- Training, marketing, and communication support to Jeff Haag
- Within thirty (30) days following the end of each quarter, Customer agrees to provide a report to Carrier that includes Qualifying Segments and booking data for Eligible Travelers on Carrier’s flights. Representatives of Customer and Carrier agree to meet or otherwise confer quarterly following the submission of Customer’s quarterly report to assess Customer’s performance under this Agreement.

Carrier to Receive:

- Designation of Southwest Airlines as a Preferred Carrier within Customer's travel program and policy
- Customer will encourage its Eligible Travelers to book travel and fly Carrier's air transportation services for the routes identified on Exhibit A.
 - Segment Requirements:
 - Flown segment requirements as defined in CHART 1A
 - Flown segments are verified via Carrier internal data reporting
- Communication to Customer's travelers and travel agents regarding Carrier preferred status and agreements
 - Company intranet travel site, online booking tool, etc.
 - Copies of communication due to Carrier within 30 days of **Effective Date**
 - **CHART 1**

Market	Discounts for Unrestricted Fares		Discounts for Select Public Wanna Get Away Fares with Minimum Advance Purchase of:			
	Business Select	Anytime	0 Day	1 Day	3 Days	7 Days
To/From: Reno Tahoe Intl (RNO)	15%	15%	3%	3%	3%	3%
To/From: Mc Carran Intl (LAS)	15%	15%	3%	3%	3%	3%

CHART 1A

Year 1 Minimum Annual Flown Segments	31,263
Year 1 Minimum Quarterly Flown Segments	7,815
Year 2 Minimum Annual Flown Segments	38,370
Year 2 Minimum Quarterly Flown Segments	9,592