

State of Montana /USTRAVEL

SERVICE AGREEMENT

THIS AGREEMENT is effective as of May 24, 2013, by and between USTravel , with its principal place of business at 999 E Tudor Rd, Anchorage, AK (hereinafter called "USTRAVEL "), and State of Montana (hereinafter called "State") with its principal place of business at: PO Box 200135, Helena, MT 59620-0135.

1. APPOINTMENT AND SERVICES. Subject to the terms of this Agreement, the State hereby appoints USTravel as its travel management provider and USTravel hereby accepts such appointment. USTravel shall provide services and consultation to the State relating to all aspects of its travel program including the purchase of airline, rail tickets, and any related services for domestic and international travel. Both the State and USTravel confirm that USTravel will provide services as stated in this Agreement and specified in detail in each program profile. Any services not covered by the scope of this Agreement must be agreed in advance by USTravel.

2. TERM. The initial term of the Agreement is one (1) years beginning on the Effective Date unless terminated sooner in accordance with the provisions of the WSCA-NASPO Master Services Contract ("Initial Term".) The parties may agree to extend the Agreement up ten (10) years from the Effective Date.

3. FINANCIAL ARRANGEMENT/CONSIDERATION. USTravel shall be entitled to receive payment for the services in the amounts indicated, and in the manner set forth, in Addendum A attached hereto.

4. BILLING AND PAYMENT TERMS. The State has designated a major credit card to which USTravel shall charge all State travel related purchases. If the State does not utilize a credit card as form of payment, USTravel will require advance payment before any transactions will be processed.

Ticket cost and USTravel transaction fees will be billed at time of ticketing. According to program requirements, charges may be made to a credit card provided by the State or to that of an individual attendee, as instructed.

5. IMPLEMENTATION. USTravel will conduct a full account implementation process to begin on a mutually agreed upon date.

6. CANCELLATION. Transaction fees will apply to the processing of tickets or ARC documents as issued, cancelled, or reissued, regardless of circumstances. In addition, all en route assistance requiring USTravel intervention will be subject to a transaction fee. In the case of natural disasters or unforeseen worldwide events, including acts of terrorism, political or social unrest, or the outbreak of war, USTravel will do all possible to secure ticket refunds if the airline concerned permits such refunds. The timing of information, as well as the terms and conditions of all ticket refunds or reissues is entirely subject to each airline policy, and is not in any way under the direct influence or control of USTravel. Likewise, in the case of blocked space contracts, or charter flights, the terms and conditions relating to refunds or penalties will be governed by individual airline or company policy and will not be under the control of USTravel.

Upon written notice, either party may be excused from performing this contract due to an act of God, acts of war, terrorism, government advice, natural disaster, strikes, civil disorder, World Health Organization travel advisory or any such emergency making it illegal or inadvisable to hold a meeting or event. However, cancellation policies outlined in this section still apply.

7. **TERMINATION.** If either party shall default in the performance of its obligations specified in this Agreement, the non-defaulting party shall give written notice to the other party, specifying the nature of the default and, if such default is not remedied or substantial efforts are not made to remedy such default within thirty (30) days from date of such notice, then the non-defaulting party shall have the right, at its option, to terminate the Agreement.

Termination of this Agreement for any reason shall not relieve or release either party from any rights, liabilities or obligations which it has accrued prior to the date of such termination and shall be in addition to all other rights and remedies either party shall have available to it under this Agreement or by law or in equity.

The State must terminate this Agreement if funds are not appropriated or otherwise made available to support the State's continuation of performance of this Agreement in a subsequent fiscal period. If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this Agreement (whether at an initial Agreement payment level or any Agreement increases to that initial level) in subsequent fiscal periods, the State shall terminate this Agreement as required by law. The State shall provide USTravel the date the State's termination shall take effect. The State shall not be liable to USTravel for any payment that would have been payable had the Agreement not been terminated under this provision. As stated above, the State shall be liable to USTravel only for the payment, or prorated portion of that payment, owed to Agreement or up to the date the State's termination takes effect. This is USTravel's sole remedy. The State shall not be liable to USTravel for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

8. **CONFIDENTIALITY.** All Confidential Information of a party shall remain the property of that party and will be promptly returned upon request or at the termination of this Agreement. Each party's obligation with respect to the Confidential Information of the other party shall not expire.

9. **INDEMNIFICATION.** Each party shall defend, hold harmless, and indemnify the other and their respective successors, assigns, officers, directors, agents, and employees from and against any liabilities, losses, damages, costs and expenses, including reasonable attorneys' fees, which the other party may suffer by reason of any claims, demands, actions, or suits arising from the other party's failure to comply with the terms of this Agreement, or by reason of any negligent acts or willful misconduct of the parties, its agents, servants, or employees in connection with this Agreement. The provisions of this Section shall survive the termination of this Agreement.

10. **RELATIONSHIP OF PARTIES.** The State and USTravel are independent contractors for purposes of this Agreement and shall not be deemed to be any other relationship, including without limitation, joint ventures, partners or joint employers. Neither one shall be construed as the other's agent and neither one is implicitly authorized to commit the other to any obligations to third parties except as may be otherwise expressly agreed or as may arise out of travel arrangements made in the ordinary course of USTravel providing services to the State pursuant to this Agreement.

11. **PERSONNEL.** USTravel employees, in connection herewith, shall remain under the exclusive direction and control of USTravel, and shall receive such salaries, compensation, and benefits as USTravel may determine.

12. **DISCLAIMER OF LIABILITY.** USTravel, in providing services pursuant to this Agreement, shall not be responsible or liable for any acts, errors, omissions, losses, injuries, deaths, property damage, accidents, delays, non-performance, or any other irregularities, or any indirect or consequential damages resulting there from, which may be occasioned by the neglect, defaults, bankruptcies or any other actions of the airlines, or third party suppliers or other persons engaged in the furnishing of travel services hereunder. USTravel does not guarantee or ensure the services to be provided by any supplier, the financial position of suppliers or the reimbursement for any loss experienced as a result of the financial

condition of suppliers. In the event a supplier defaults prior to providing the service to the State for which payment has been made, the State's sole recourse for refund shall be the defaulting supplier or from insurance covering such default.

13. FORCE MAJEURE. USTravel shall not be liable for any default, loss, damage, delay, nonperformance or other irregularities, or any indirect or consequential damages resulting there from, due to any act of God, weather, or other phenomenon of nature, mechanical difficulties, war, civil disobedience, strikes or an act of governmental authority that are beyond its control and that are not due to its acts or omissions.

14. ENTIRE AGREEMENT. This Agreement together with Addendum A attached hereto, and including the WSCA Master Service Contract No. 2579 and all amendments, sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes any and all prior oral and written understandings, quotations, communications, and Agreements in regard to the matters discussed herein. This Agreement may be modified only by written instrument signed by an authorized representative of each party.

15. SEVERABILITY. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

16. ASSIGNMENT. Neither party shall assign any of its rights or obligations under this Agreement or enter into any subcontracts hereunder without the prior written consent of the other party. Subject to the foregoing, the provisions of this Agreement shall be binding upon the parties to this Agreement and their respective heirs, executors, administrators and assigns.

USTravel is responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by USTravel. No contractual relationships exist between any subcontractor and the State under this contract.

Any attempted assignment in violation of this Section shall be of no force or effect.

17. APPLICABLE LAW. USTravel and State shall perform this Agreement in compliance with all applicable rules and regulations of all regulatory bodies and with all laws, ordinances, orders, rules and regulations of all local, state, federal and all other jurisdictions having authority over the performance hereof. Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

USTravel shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by USTravel subjects subcontractors to the same provision. USTravel agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing this contract.

18. DISPUTES. USTravel shall investigate State airline ticket inquiries or other inquiries to industry suppliers for as long as the supplier provides such data. USTravel agrees at all times to use its best efforts to resolve such inquiries for the benefit of the State. Notwithstanding anything herein to the contrary for a period of two years after expiration of this Agreement,

The State shall be responsible for payment of any and all airline debit memos issued to USTravel that are the responsibility of the State.

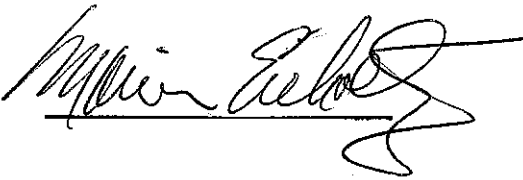
19. ACCESS AND RETENTION OF RECORDS. USTravel shall provide the State, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. USTravel shall create and retain all records supporting the State's online travel tool for a period of eight years after either the completion date of this contract or termination of the contract.

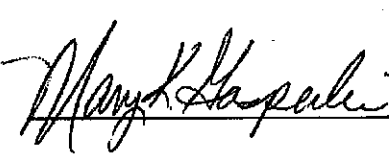
20. TECHNOLOGY ACCESS FOR BLIND OR VISUALLY IMPAIRED. USTravel acknowledges that no state funds may be expended for the purchase of information technology equipment and software for use by employees, program participants, or members of the public unless it provides blind or visually impaired individuals with access, including interactive use of the equipment and services, that is equivalent to that provided to individuals who are not blind or visually impaired.

IN WITNESS WHEREOF, the parties have signed this Agreement effective as of the day and year noted below.

State of Montana

USTRavel

By: 

By: 

Name: Marv Eicholtz

Name: Mary Gasparin

Title: General Services Administrator

Title: VP Business Development

Date: 5/29/13

Date: 5/28/13

By:  5/24/13

Name: Mike Manlon

Title: Chief Legal Counsel

Date: 5/24/13

Addendum A
State of Montana/USTravel
Travel Management Pricing

Online Bookings

\$6 per transaction

Minimum requirement of 500 transactions per year or \$50 monthly maintenance fee

Agent Assist Bookings

\$15 agent intervention/exchange of an online ticketed reservation

\$20 domestic (air, car, hotel)

\$20 refund/reissue

\$20 international (air, car, hotel)**

\$10 hotel/car only (no air segments)

\$25 after hours call (plus any transactional costs)

**based on 4 segment itinerary. Complex international trips potentially incur additional fees.