

REDACTED VERSION

EXHIBIT C

SIGNAGE

FIRST AMENDMENT TO AIRLINE SERVICES AGREEMENT

This First Amendment to Airlines Services Agreement ("Amendment") is made and entered into as of March 25, 1999, by and between Alaska Airlines, Inc. ("Alaska"), an Alaska corporation, and Reeve Aleutian Airways, Inc. ("Reeve"), an Alaska corporation.

RECITALS

- A. Alaska and Reeve are parties to that Airline Services Agreement dated as of August 1, 1996 to provide connecting commercial air transportation services between Alaska and Reeve at certain airports.
- B. Alaska and Reeve wish to amend the Agreement to extend their codesharing activities to Reeve-operated flights into the Russian Far East, as further provided herein.
- C. Accordingly, the Agreement is hereby amended as follows:

AGREEMENT

1. Exhibit A. Exhibit A to the Agreement is hereby deleted and replaced by Exhibit A attached hereto.
2. Section 3, Aircraft and Crews, is hereby amended to read in full as follows:

Reeve will provide the scheduled air services described herein which shall be in compliance with FAA regulations, and with respect to Russia flights, Russian aviation regulations applicable to such operations, Reeve shall operate such services with its own aircraft and crews.

3. Section 5, Pricing and Revenue Accounting, subsections (a) and (c), are hereby amended to read in full as follows:
 - (a) Alaska shall, with Reeve's concurrence as to operational aspects concerning Reeve-operated flights only, establish and maintain tariffs and/or conditions of contract setting forth passenger fares, cargo and express package rates and the applicable rules governing the AS designated Reeve air transportation services being provided in all city-pairs served pursuant to this Agreement. Such tariffs and/or conditions of contract shall be furnished to Reeve by Alaska and at all times be available for public inspection at Alaska's and Reeve's corporate offices, at each airport ticket office, and at each city ticket office maintained and operated by Alaska or Reeve in the manner required by DOT regulations.
 - (c) Unless otherwise agreed, the carriers will share passenger revenues according to the provisions of the ACH Passenger Proration Rules Manual or the Prorate Manual-Passenger of the IATA Multilateral Prorate Agreement, as applicable.
4. Section 7, Reeve/Alaska Cooperation Program, subsection (d), is hereby amended to read in full as follows:

- 4. Section 7, Reeve/Alaska Cooperation Program, subsection (4), is hereby amended to read in full as follows:

Reeve agrees that air transportation services performed by Reeve pursuant to this Agreement and using the AS designator shall comply with all applicable statutes, orders, rules and regulations of government agencies having jurisdiction over Reeve's operation, including, but not limited, FAA, DOT, and with respect to Russia flights, Russian aviation regulations.

- 5. Section 10, Insurance, subsection (a)(4), first paragraph, is hereby amended to read in full as follows:

Comprehensive Airline Liability insurance with limits no less than *Redeclared* combined single limit per occurrence, including but not limited to aircraft liability, passenger legal liability, premises liability and war risk. Such insurance shall include a personal injury and contractual liability, and shall either (i) contain no date recognition exclusion or (ii) if containing a date recognition exclusion, also contain an appropriate limited date recognition coverage endorsement.

- 6. Except as otherwise expressly provided in this Amendment, the Agreement shall remain in full force and effect.

ALASKA AIRLINES, INC.

REEVE ALEUTIAN AIRWAYS, INC.

By: _____

By: *[Signature]*

Its: _____

Its: PRESIDENT

4. Section 7, Reeve/Alaska Cooperation Program, subsection (d), is hereby amended to read in full as follows:

Reeve agrees that air transportation services performed by Reeve pursuant to this Agreement and using the AS designator shall comply with all applicable statutes, orders, rules and regulations of government agencies having jurisdiction over Reeve's operation, including, but not limited, FAA, DOT, and with respect to Russia flights, Russian aviation regulations.

5. Section 10, Insurance, subsection (a)(4), first paragraph, is hereby amended to read in full as follows:

Comprehensive Airline Liability insurance with limits no less than *Redacted* combined single limit per occurrence, including but not limited to aircraft liability, passenger legal liability, premises liability and war risk. Such insurance shall include a personal injury and contractual liability, and shall either (i) contain no date recognition exclusion or (ii) if containing a date recognition exclusion, also contain an appropriate limited date recognition coverage endorsement.

6. Except as otherwise expressly provided in this Amendment, the Agreement shall remain in full force and effect.

ALASKA AIRLINES, INC.

REEVE ALEUTIAN AIRWAYS, INC.

By: *[Signature]*

By: _____

Its: *VP MARKETING & PLANNING*

Its: _____

EXHIBIT A

- The system shall consist of connection service between (a) Seattle (SEA) VIA Anchorage (ANC) and Cold Bay, Dutch Harbor, Port Heiden, Sand Point, and St. Paul Island, AK, and (b) Petropavloŭsk-Kamchatski and Yuzhno-Sakhalinsk, Russia.
- ANC-Russia flights shall also be offered as local market codeshare service.
- The aircraft to be utilized by Reeve shall be Boeing 727s and Lockheed Electras.