

MODIFICATION #1
TO THE
REVENUE GUARANTEE AGREEMENT FOR COASTAL AIRLINE SERVICE

This Modification #1 to the Revenue Guarantee Agreement for Coastal Airline Service (Agreement) by and between the City of Newport, an Oregon municipal corporation (City), the Port of Astoria, an Oregon port district (Port), and Alaska Juneau Aeronautics, Inc. an Alaska corporation dba SeaPort Airlines (SeaPort). The City, Port and SeaPort are collectively referred to as "Parties". The City and Port may collectively be referred to as "Coastal Airport(s)".

RECITALS

- A. The Parties executed the Revenue Guarantee Agreement for Coastal Airline Service between the City of Newport, the Port of Astoria and Alaska Juneau Aeronautics, Inc. on January 30, 2009. The Agreement provided the terms and conditions between the Parties for scheduled air service between Newport (ONP) and Portland International Airport and Astoria (AST) and Portland International Airport (PDX).
- B. The Parties have agreed to modify certain terms and conditions of the Agreement. This Modification #1 addresses those modifications.

NOW THEREFORE, for good and adequate consideration, the parties agree to the following:

TERMS

- 1. Section 1, paragraph 7 of the Agreement is modified to read:

The Consortium is willing to provide the payment to SeaPort for the services in part because it will allow connections for passengers to and from locations other than those served by SeaPort. ~~By March 15, 2010,~~ SeaPort shall have in place at least one interline ticketing agreement that will allow connections to a variety of major destinations. ~~The Consortium may extend these time periods. The Consortium may terminate this agreement as provided in Section 11 if SeaPort does not have such an~~

Deleted: within 90 days of starting service

Deleted: SeaPort shall have in place at least one interline baggage agreement within 180 days of starting service.

agreement in place. SeaPort agrees that the Director of the Oregon Department of Aviation or designee who is an employee of the State of Oregon may assist in and/or monitor the process of negotiating interline agreements. In addition to the foregoing, SeaPort will work continuously and diligently to secure e-ticketing and online ticketing agency access for Consortium customers.

2. Section 11d of the Agreement is modified to read:

Termination for Lack of Interline Ticketing Agreement. If SeaPort does not have an interline ticketing agreement in place as required by Section 1, the Consortium may terminate the Agreement after providing 30 days' notice of the intended termination and an opportunity to cure. The agreement shall be terminated at the time stated in the notice unless SeaPort has the required agreement in place. The Consortium may extend the 30 day opportunity to cure period if it determines that SeaPort has made good faith efforts to secure the required agreement and is likely to obtain an agreement within a reasonable time. The Consortium has the discretion not to terminate under this section if, in its sole discretion, it determines that sufficient progress is being made in increasing passenger loads and total revenue for the service.

Formatted: Indent: First line: 0 pt
Deleted: and/or Baggage
Deleted: and/or baggage

3. All terms and conditions set forth in the Agreement not modified or addressed herein shall remain in full effect. The effective date of this Modification #1 shall be the last date signed by a party below.

By authorized signatories below, the Parties agree to the terms of this Modification #1.

ALASKA JUNEAU AERONAUTICS, INC. DBA SEAPORT AIRLINES

By: _____
Kent Craford, President

Date: _____

CITY OF NEWPORT

By: _____
Jim Voetberg, City Manager

Date: _____

PORT OF ASTORIA:

By: _____
Jack Crider, Executive Director

Date: _____