

As filed with the Securities and Exchange Commission on August 15, 1997
Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ALASKA AIR GROUP, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation or Organization)

91-1292054
(I.R.S. Employer Identification No.)

19300 PACIFIC HIGHWAY SOUTH
SEATTLE, WASHINGTON 98188
(Address of Principal Executive Offices, including Zip Code)

ALASKA AIR GROUP, INC.
NONEMPLOYEE DIRECTOR STOCK PLAN
(Full Title of the Plan)

KEITH LOVELESS
Associate General Counsel and Corporate Secretary
Alaska Air Group, Inc.
19300 Pacific Highway South
Seattle, Washington 98188
(206) 431-3731
(Name, Address and Telephone Number, Including Area Code, of Agent For Service)

Copy to:
J. Sue Morgan
Perkins Coie
1201 Third Avenue, 40th Floor
Seattle, Washington 98101-3099
(206) 583-8888

CALCULATION OF REGISTRATION FEE

Title of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, \$1.00 par value per share(2)	25,000(3)	\$28.0625	\$701,563	\$213

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended. The price per share is estimated to be \$28.0625, based on the average of the high sales price (\$28.25) and the low sales price (\$27.875) for the Registrant's Common Stock as reported on the New York Stock Exchange on August 13, 1997.
- (2) Includes rights to purchase Series A Participating Preferred Stock associated with the Common Stock.
- (3) Includes an indeterminate number of additional shares that may be necessary to adjust the number of shares reserved for issuance pursuant to the Nonemployee Director Stock Plan as the result of any future stock dividend, stock split, spin-off, combination or exchange of shares, recapitalization, merger, consolidation, distribution to stockholders other than a normal cash dividend, or similar adjustment of the Registrant's outstanding Common

Stock.

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PART II

INFORMATION REQUIRED IN REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents are hereby incorporated by reference in this Registration Statement:

(a) The Registrant's Annual Report on Form 10-K for the year ended December 31, 1996, filed on February 15, 1997 with the Securities and Exchange Commission (the "Commission") under Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which contains certified financial statements for the most recent fiscal year for which such statements have been filed;

(b) All other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Annual Report on Form 10-K referred to in (a) above; and

(c) The description of the Registrant's Common Stock contained in the Registrant's Registration Statement on Form 8-A filed with the Commission on September 19, 1985 (Registration No. 1-8957), under Section 12(b) of the Exchange Act, including any amendments or reports filed for the purpose of updating such description.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date hereof and prior to the filing of a post-effective amendment, which indicates that the securities offered hereby have been sold or which deregisters the securities covered hereby then remaining unsold, shall also be deemed to be incorporated by reference into this Registration Statement and to be a part hereof commencing on the respective dates on which such documents are filed.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145(a) of the Delaware General Corporation Law (the "DGCL") provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses actually and

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reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted under similar standards, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine that despite the adjudication of liability, such person is fairly and reasonably entitled to be indemnified for such expenses which the

court shall deem proper.

Section 145 of the DGCL further provides that to the extent a director or officer of a Delaware corporation has been successful in the defense of any action, suit or proceeding referred to in subsections 145(a) and (b) or in the defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith; that indemnification provided for by Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; and that the corporation may purchase and maintain insurance on behalf of a director or officer of the corporation against any liability asserted against such person or incurred by him or her in any such capacity or arising out of his or her status as such whether or not the corporation would have the power to indemnify such person against such liabilities under Section 145.

Article VIII of the Registrant's By-Laws requires indemnification to the full extent permitted by the DGCL or other applicable law. Subject to any restrictions imposed by such law, the By-Laws provide a right to indemnification for all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by the indemnitee in connection with any actual or threatened action, suit or proceeding by reason of the fact that such person is or was a director or officer of the Registrant or, being or having been such a director, officer or an employee of the Registrant, he or she is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation or other entity.

Section 102(b)(7) of the DGCL provides that a corporation in its original certificate of incorporation or an amendment thereto validly approved by stockholders may eliminate or limit personal liability of members of its board of directors of governing body for breach of a director's fiduciary duty. However, no such provision may eliminate or limit the liability of a director for breaching his or her duty of loyalty, failing to act in good faith, engaging in intentional misconduct or knowingly violating a law, paying a dividend or approving a stock repurchase that was illegal or obtaining an improper personal benefit. A provision of this type has no effect on the availability of equitable remedies, such as injunction or rescission, for breach of fiduciary duty. Article 11 of the Registrant's Certificate of Incorporation provides for such limitation of liabilities to the full extent permitted by the DGCL.

The Registrant's officers and directors are covered by insurance (with certain exceptions and with certain limitations) which indemnifies them against losses and liabilities arising from certain alleged "wrongful acts," including alleged errors or misstatements, or certain other alleged wrongful acts or omissions constituting neglect or breach of duty.

ITEM 8. EXHIBITS

Exhibit Number	Description
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5.1	Opinion of Perkins Coie regarding legality of the Common Stock being
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	registered
23.1	Consent of Arthur Andersen L.L.P. (see page II-6)
23.2	Consent of Perkins Coie (included in its Opinion filed as Exhibit 5.1)
24.1	Power of Attorney (see page II-5)
99.1	Alaska Air Group, Inc. Nonemployee Director Stock Plan

ITEM 9. UNDERTAKINGS

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(a) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(b) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement; and

(c) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (1)(a) and (1)(b) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefits plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or

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otherwise, the Registrant has been advised that, in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Seattle, State of Washington, on the 14th day of

August, 1997.

ALASKA AIR GROUP, INC.

By /s/ John F. Kelly

John F. Kelly
Chairman of the Board, Chief Executive Officer
and President

POWER OF ATTORNEY

Each person whose signature appears below hereby authorizes John F. Kelly and Harry G. Lehr, and each of them, as attorneys-in-fact, with full power of substitution, to execute in the name and on behalf of such person, individually and in each capacity stated below, and to file, any or all amendments (including pre-effective and post-effective amendments) to this Registration Statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Commission or any regulatory authority.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities indicated on the 14th day of August, 1997.

Signature -----	Title -----
- /s/ John F. Kelly ----- John F. Kelly	Chairman of the Board, Chief Executive Officer and President
- /s/ Harry G. Lehr ----- Harry G. Lehr	Senior Vice President/Finance (Principal Financial and Accounting Officer)
- /s/ Bradley D. Tilden ----- Bradley D. Tilden	Controller
- /s/ Ronald F. Cosgrave ----- Ronald F. Cosgrave	Director
- /s/ Mary Jane Fate ----- Mary Jane Fate	Director
- /s/ Bruce R. Kennedy ----- Bruce R. Kennedy	Director
- /s/ R. Marc Langland ----- R. Marc Langland	Director
- /s/ Byron I. Mallott ----- Byron I. Mallott	Director
- /s/ Robert L. Parker, Jr. ----- Robert L. Parker, Jr.	Director
/s/ John V. Rindlaub	

----- John V. Rindlaub	Director
/s/ Richard A. Wien ----- Richard A. Wien	Director

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EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement on Form S-8 of our report dated January 24, 1997 included in Alaska Air Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1996, and to all references to our Firm included in this registration statement.

ARTHUR ANDERSEN LLP

Seattle, Washington
August 14, 1997

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INDEX TO EXHIBITS

Exhibit Number -----	Description -----
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23.2	Consent of Perkins Coie (included in its Opinion filed as Exhibit 5.1)
24.1	Power of Attorney (see page II-5)
99.1	Alaska Air Group, Inc. Nonemployee Director Stock Plan

PERKINS COIE
A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1201 THIRD AVENUE, 40TH FLOOR, SEATTLE, WASHINGTON 98101-3099
TELEPHONE: (206) 583-8888 FACSIMILE: (206) 583-8500

August 14, 1997

Alaska Air Group, Inc.
19300 Pacific Highway South
Seattle, WA 98188

Re: Registration Statement on Form S-8 of Shares of Common Stock,
Par Value \$1.00 per Share, of Alaska Air Group, Inc.

Ladies and Gentlemen:

We have acted as counsel to you in connection with the preparation of a Registration Statement on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended ("the Act"), which you are filing with the Securities and Exchange Commission with respect to 25,000 shares of Common Stock, \$1.00 par value per share (the "Shares"), which may be issued pursuant to the Alaska Air Group, Inc. Nonemployee Director Stock Plan (the "Plan"). We have examined the Registration Statement and such documents and records of the Company and other documents as we have deemed necessary for the purpose of this opinion. In giving this opinion, we are assuming the authenticity of all instruments presented to us as originals, the conformity with originals of all instruments presented to us as copies and the genuineness of all signatures.

Based upon and subject to the foregoing, we are of the opinion that any original issuance Shares that may be issued pursuant to the Plan have been duly authorized and that, upon the due execution by the Company and the registration by its registrar of such Shares, issuance thereof by the Company in accordance with the terms of the Plan, and the receipt of consideration therefor in accordance with the terms of the Plan, such Shares will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement. In giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

PERKINS COIE

ALASKA AIR GROUP, INC.
NONEMPLOYEE DIRECTOR STOCK PLAN

1. Establishment, Purpose and Duration of the Plan

(a) The purpose of the Plan is to provide ownership of the Company's Common Stock to nonemployee members of the Board of Directors in order to strengthen the commonality of interest between directors and stockholders and to improve the Company's ability to attract and retain highly qualified individuals to serve as directors of the Company.

(b) The Plan shall become effective as of July 29, 1997.

(c) The Plan shall remain in effect, subject to the right of the Board to terminate the Plan at any time pursuant to Section 12, until all shares subject to the Plan have been purchased or acquired according to the Plan's provisions.

2. Definitions

When used herein, the following terms shall have the respective meanings set forth below:

(a) "Annual Retainer" means the annual retainer payable to all Nonemployee Directors (exclusive of any per-meeting fees, committee chair fees or expense reimbursements).

(b) "Annual Meeting of Stockholders" means the annual meeting of stockholders of the Company at which directors of the Company are elected.

(c) "Board" or "Board of Directors" means the Board of Directors of the Company.

(d) "Common Stock" means the Common Stock, par value \$1.00 per share, of the Company.

(e) "Company" means Alaska Air Group, Inc., a Delaware corporation, or any successor corporation as provided in Section 13 herein.

(f) "Effective Date" of the Plan means July 29, 1997.

(g) "Employee" means any officer or employee of the Company or of any Subsidiary. Directors who are not otherwise employed by the Company or any Subsidiary shall not be considered employees for purposes of the Plan.

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(h) "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor act thereto.

(i) "Market Price" means the average closing price of the Common Stock as reported daily in The Wall Street Journal or similar readily available public source for each of the 30 trading days immediately preceding the date a Stock Payment is made.

(j) "Nonemployee Director" or "Participant" means any person who is elected or appointed to the Board of Directors and who is not an Employee.

(k) "Plan" means the Company's Nonemployee Director Stock Plan as set forth herein, as it may be amended from time to time.

(l) "Plan Administrator" means the Board or a committee whose members meet the requirements of Section 4(a) hereof, appointed from time to time by the Board to administer the Plan.

(m) "Plan Year" means the period commencing on the Effective Date of the Plan and ending on the date immediately prior to the Company's Annual Meeting of Shareholders in 1998 (the "Initial Plan Year") and, thereafter, the period each year beginning on the date immediately following the

Company's Annual Meeting of Shareholders for that year and ending immediately prior to the Company's Annual Meeting of Shareholders in the next succeeding calendar year.

(n) "Stock Payment" means the fixed portion of the Annual Retainer to be paid to Nonemployee Directors in shares of Common Stock rather than cash for services rendered as a director of the Company as provided in Section 6 hereof including that portion of the Stock Payment resulting from the election specified in Section 7 herein.

(o) "Subsidiary" means any corporation that is a "subsidiary corporation" of the Company, as that term is defined in Section 424(f) of the Internal Revenue Code of 1986, as amended.

3. Shares of Common Stock Subject to the Plan

The maximum aggregate number of shares of Common Stock that may be delivered under the Plan is 25,000 shares. The Common Stock to be delivered under the Plan may consist in whole or in part of authorized and unissued shares of Common Stock or treasury shares.

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4. Administration of the Plan

(a) The Plan will be administered by the Board or by a committee appointed by the Board consisting of one or more persons who are not eligible to participate in the Plan. Members of such committee need not be members of the Board. The Company shall pay all costs of administration of the Plan.

(b) Subject to the express provisions of the Plan, the Plan Administrator has and may exercise such powers and authority of the Board as may be necessary or appropriate for the Plan Administrator to carry out its functions under the Plan. Without limiting the generality of the foregoing, the Plan Administrator shall have full power and authority (i) to determine all questions of fact that may arise under the Plan, (ii) to interpret the Plan and to make all other determinations necessary or advisable for the administration of the Plan and (iii) to prescribe, amend and rescind rules and regulations relating to the Plan, including, without limitation, any rules which the Plan Administrator determines are necessary or appropriate to ensure that the Company and the Plan will be able to comply with all applicable provisions of any federal, state or local law, including securities laws. All interpretations, determinations and actions by the Plan Administrator will be final, conclusive and binding upon all parties. Any action of the Plan Administrator with respect to the administration of the Plan shall be taken pursuant to a majority vote at a meeting of the Plan Administrator (at which members may participate by telephone) or by the unanimous written consent of its members.

5. Participation in the Plan

All Nonemployee Directors shall participate in the Plan, subject to the conditions and limitations of the Plan, so long as they remain eligible to participate in the Plan as set forth below.

6. Stock Payments

(a) Each director of the Company who is a Nonemployee Director at any time during a Plan Year shall receive a Stock Payment as a portion of the Annual Retainer payable to such director. The Stock Payment shall be made on the first business day following (i) the Company's Annual Meeting of Stockholders immediately preceding such Plan Year or (ii) such later date during the Plan Year that the director is elected or appointed to the Board or becomes a Nonemployee Director. The number of shares to be issued to each Participant as a Stock Payment shall be determined by dividing the Market Price into \$5,000; provided, however, that no fractional shares shall be issued and in lieu thereof the number of shares in the Stock Payment shall be rounded up to the next whole number of shares. Notwithstanding

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the foregoing, (x) the Stock Payment for the Initial Plan Year shall be made on August 20, 1997 and (y) the Stock Payment for a director who first becomes a Nonemployee Director on a date other than the first day of a Plan Year (or August 20, 1997 for the Initial Plan Year) shall be determined by multiplying the number of shares of a full Stock Payment for that Plan Year by the number of months or partial months between the director's first becoming a Nonemployee Director and the next Annual Meeting of Shareholders, dividing that number by 12, and rounding up to the next whole number of shares. Certificates evidencing the shares of Common Stock constituting Stock Payments shall be registered in the respective names of, or as directed by, the Participants and shall be issued to each Participant. The cash position of the Annual Retainer shall be paid to Nonemployee Directors at such times and in such manner as may be determined by the Board.

(b) No Nonemployee Director shall be required to forfeit or otherwise return any shares of Common Stock issued to him or her as a Stock Payment pursuant to the Plan (including any shares of Common Stock received as a result of an election under Section 7) notwithstanding any change in status of such Nonemployee Director which renders him or her ineligible to continue as a Participant in the Plan.

7. Election to Increase Amount of Stock Payment

In lieu of receiving the cash portion of his or her Annual Retainer, a Participant may make a written election to reduce up to 100% of the cash portion of such Annual Retainer by a specified percentage or dollar amount and have such amount applied to purchase additional shares of Common Stock of the Company.

The election shall be made on a form provided by the Plan Administrator and must be returned to the Plan Administrator on such date as the Plan Administrator shall establish, but in any case no later than the first day of the Plan Year to which the election relates. The election form shall state the amount by which the Participant desires to reduce the cash portion of his or her Annual Retainer, which shall be applied toward the purchase of Common Stock on the same date that the Stock Payment is made; provided, however, that no fractional shares may be purchased. Any funds withheld but not able to be applied to the purchase of whole shares shall be paid to the Participant in cash. No Participant shall be allowed to change or revoke any election for the relevant year, but may change his or her election for any subsequent Plan Year.

8. Stockholder Rights

Nonemployee Directors shall not be deemed for any purpose to be or have rights as shareholders of the Company with respect to any shares of Common Stock

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except as and when such shares are issued and then only from the date of the certificate therefor. No adjustment shall be made for dividends or distributions or other rights for which the record date precedes the date of such stock certificate.

9. Continuation of Directors in Same Status

Nothing in the Plan or in any instrument executed pursuant to the Plan or any action taken pursuant to the Plan shall be construed as creating or constituting evidence of any agreement or understanding, express or implied, that a Nonemployee Director will have any right to continue as a director or in any other capacity for any period of time or at a particular retainer or other rate of compensation.

10. Compliance with Government Regulations

Neither the Plan nor the Company shall be obligated to issue any shares of Common Stock pursuant to the Plan at any time unless and until all applicable requirements imposed by any federal or state securities or other laws, rules and regulations, by any regulatory agencies or by any stock exchanges upon which the Common Stock may be listed have been fully met. As a condition precedent to any issuance of shares of Common Stock and delivery of certificates evidencing such shares pursuant to the Plan, the Board or the Plan Administrator may require a Participant to take any such action and to make any such covenants, agreements and representations as the Board or the Plan Administrator, as the case may be,

in its discretion deems necessary or advisable to ensure compliance with such requirements. The Company shall in no event be obligated to register the shares of Common Stock deliverable under the Plan pursuant to the Securities Act of 1933, as amended, or to qualify or register such shares under any securities laws of any state upon their issuance under the Plan or at any time thereafter, or to take any other action in order to cause the issuance and delivery of such shares under the Plan or any subsequent offer, sale or other transfer of such shares to comply with any such law, regulation or requirement. Participants are responsible for complying with all applicable federal and state securities and other laws, rules and regulations in connection with any offer, sale or other transfer of the shares of Common Stock issued under the Plan or any interest therein including, without limitation, compliance with the registration requirements of the Securities Act of 1933, as amended (unless an exemption therefrom is available), or with the provisions of Rule 144 promulgated thereunder, if available, or any successor provisions.

11. Nontransferability of Rights

No Participant shall have the right to assign the right to receive any Stock Payment or any other right of interest under the Plan, contingent or otherwise, or to

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cause or permit any encumbrance, pledge or charge of any nature to be imposed on any such Stock Payment (prior to the issuance of stock certificates evidencing such Stock Payment) or any such right or interest.

12. Amendment and Termination of Plan

(a) The Board will have the power, in its discretion, to amend, suspend or terminate the Plan at any time.

(b) No amendment, suspension or termination of the Plan will, without the consent of the Participant, alter, terminate, impair or adversely affect any right or obligations under any Stock Payment previously granted under the Plan to such Participant, unless such amendment, suspension or termination is required by applicable law.

(c) Notwithstanding the foregoing, any provision of the Plan that either states the amount and price of securities to be issued under the Plan and specifies the price and timing of such issuances, or sets forth a formula that determines the amount, Price and timing of such issuances, shall not be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder.

13. Successors

All obligations of the Company under the Plan shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the business and/or assets of the Company.

14. Severability

In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

15. Governing Law

To the extent not preempted by federal law, the Plan shall be construed in accordance with, and governed by, the laws of the state of Washington.

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