

**FIRST AMENDMENT TO PROJECT OLYMPUS
MASTER SITE DEVELOPMENT AND LOCATION AGREEMENT**

THIS FIRST AMENDMENT TO THE PROJECT OLYMPUS MASTER SITE DEVELOPMENT AND LOCATION AGREEMENT (this "First Amendment") is made and entered into as of this 2nd day of February, 2004 by and between The Boeing Company ("Boeing") and the State of Washington (the "State") (Boeing and the State are sometimes hereinafter referred to collectively as the "Parties" and individually as a "Party").

RECITALS:

A. On December 19, 2003, Boeing, the State, certain state agencies, certain units of local government and private parties entered into the Project Olympus Master Site Development and Location Agreement (the "Master Agreement") which sets forth the terms and conditions under which Boeing intends to locate the Facilities related to the assembly of the 7E7 Aircraft in the State, and, as set forth therein, the State has agreed to perform certain Commitments, obligations and undertakings pursuant to the terms of the Master Agreement.

B. Article VIII of the Master Agreement contains terms relative to the development of a 747-400 Large Cargo Freighter Program (the "LCF Program"), and requires the State to allocate \$5 million from the State's 2004 supplemental budget to facilitate the LCF Program (the "LCF Allocation") and to perform certain other undertakings, obligations and Commitments in connection therewith.

C. Boeing and the State have determined to terminate the LCF Allocation and the performance of related other undertakings, obligations and Commitments as set forth herein and accordingly, the Parties wish to amend the Master Agreement in connection therewith.

D. Section 12.26 of the Master Agreement provides that where the subject matter of an amendment to the Master Agreement relates only to Commitments, undertakings and obligations of a single Public Party, then such amendment need only be executed by Boeing and the Public Party whose Commitments, undertakings or obligations are the subject matter of the amendment, and the subject matter of this First Amendment relates only to a Commitment, undertaking or obligation of the State and therefore, Boeing and the State are the only signatories to this First Amendment.

NOW, THEREFORE, in consideration of the recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

GENERAL PROVISIONS

1.1 **Incorporation of Recitals.** The foregoing recitals are material to this First Amendment, are accurate and are expressly incorporated into this First Amendment by this reference as if fully set forth herein.

1.2 **Integration of this First Amendment and the Master Agreement.** This First Amendment and the Master Agreement shall, for all purposes, be deemed to be one instrument. In the event of any conflict between the terms and provisions of this First Amendment and the terms and provisions of the Master Agreement, the terms and provisions of this First Amendment shall, in all instances, control and prevail.

1.3 **Construction.** All terms used in this First Amendment which are not otherwise expressly defined herein shall have the same meaning as is ascribed to said terms in the Master Agreement, as the context requires. The Master Agreement is hereby ratified and, as expressly amended or modified hereby, the Master Agreement shall remain unchanged and in full force and effect.

1.4 **Authority.** Each Party represents and warrants to the other Party that it has full power and authority to execute this First Amendment.

ARTICLE II

SUBSTANTIVE MODIFICATIONS

2.1 **Definitions.** The definition of "747-400 Large Cargo Freighter Coordinator" is hereby deleted in its entirety from Article II of the Master Agreement and shall have no further force or effect.

2.2 **Large Cargo Freighter Coordinator Duties.** Section 3.1.6 of the Master Agreement is hereby deleted in its entirety from Article III of the Master Agreement and shall have no further force of effect.

2.3 **Article VIII.** The text of Article VIII of the Master Agreement is hereby deleted in its entirety from the Master Agreement and the following language is substituted and inserted in its place and stead:

The State acknowledges that it has been provided with detailed information regarding Boeing's air cargo requirements as conceptually described in Exhibit E. CTED shall require that the Transportation Infrastructure Coordinator provide assistance to Boeing with respect to the 747-400 Large Cargo Freighter and the 747-400 Large Cargo Freighter Operations. CTED's obligations under this Article VIII are set forth with more particularity on Exhibit E. CTED represents and warrants that it is authorized to undertake all such actions pursuant to Section 43.330.005 et seq. of the Code.

2.4 **Exhibit E.** The text of Exhibit E of the Master Agreement is hereby deleted in its entirety from the Master Agreement and Attachment 1 hereto sets forth the language that is substituted and inserted in its place and stead.

2.5 **Counterparts.** This First Amendment may be executed by the parties in separate counterparts (by original or facsimile signature), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Master Agreement as of the date first written above.

THE BOEING COMPANY

By: [Signature]
Name: Michael Bair
Title: Sc Vp Fed program

THE STATE OF WASHINGTON

By: [Signature]
Name: GARY LOCKE
Title: Governor

Feb. 2, 2004

Attachment 1

EXHIBIT E

747-400 LARGE CARGO FREIGHTER PROGRAM

Air Cargo Requirements

- Satisfaction of requirements set forth on Exhibit C-12 including but not limited to dedicated cargo pad, loading/unloading equipment, staging and storage area and wind break. It is currently envisioned that the 747-400 LCF loading/unloading will be conducted on Boeing property on existing ramp and that new cargo pads will not be required.
- Foreign Trade Zone or Sub-zone status if requested by Boeing.
- Snohomish County agrees to modify the existing Boeing agreement to include waiving of all landing fees for 747-400 LCF aircraft.

CTED Facilitation Duties

- Satisfaction of requirements set forth on Exhibit C-12.
- The State and CTED shall ensure 747-400 Large Cargo Freighter is eligible for all benefits afforded the 7E7 Program and shall facilitate a low cost operating environment for the aircraft through tax abatements and other avenues available through the appropriate state and local governments.