

AN ORDINANCE

AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND BETWEEN CHARLESTON COUNTY, SOUTH CAROLINA AND VOUGHT AIRCRAFT INDUSTRIES, INC., GLOBAL AERONAUTICA, LLC, AND THE BOEING COMPANY, PROVIDING FOR A PAYMENT OF A FEE IN LIEU OF TAXES.

WHEREAS, Charleston County, South Carolina (the "County") acting by and through its County Council (the "County Council") is authorized and empowered pursuant to the provisions of Title 12, Chapter 44, of the Code of Laws of South Carolina, 1976, as amended (the "Act"), to enter into fee agreements with any industry, with said agreements identifying certain properties of such industries as economic development property, through which powers the industrial development of the State of South Carolina (the "State") and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate, remain, and expand in the State and the County and thus utilize and employ the manpower, products, and natural resources and benefit the general public welfare of the State and County by providing services, employment, or other public benefits not otherwise provided locally; and

WHEREAS, Vought Aircraft Industries, Inc., a corporation organized and existing under the laws of the State of Delaware and authorized to do business in South Carolina (referred to hereinafter as the "Company"); Global Aeronautica, LLC, a limited liability corporation organized and existing under the laws of the State of Delaware and authorized to do business in the State of South Carolina; and The Boeing Company, a corporation duly organized and existing under the laws of the State of Delaware and authorized to do business in the State of South Carolina (Global Aeronautica, LLC and The Boeing Company hereinafter referred to collectively as the "Sponsor Affiliates") intend to invest in the development, acquisition, and installation of a facility to be used for manufacturing and assembling aircraft components, including portions of the fuselage for the Boeing 787 aircraft and for such other purposes permitted under the Act as the Company and the Sponsor Affiliates may deem appropriate and which are eligible for inclusion as economic development property, the cost of which is estimated to be not less than \$400,000,000 over eight years (the "Project"), all as more fully set forth in the Fee Agreement attached hereto; and

WHEREAS, pursuant to an Inducement and Millage Rate Agreement dated as of December 21, 2004, the County authorized the execution of an agreement providing for fee in lieu of tax payments and a special source infrastructure credit; and

WHEREAS, the County has caused to be prepared and presented to this meeting the form of the Fee Agreement by and between the County and the Company (the "Fee Agreement"), which provides for fee in lieu of tax payments utilizing a 4%

assessment ratio with respect to a portion of the Project and a 9.5% assessment ratio with respect to certain other portions of the Project, all for a period of 30 years for the Project or each component thereof placed in service during the initial investment period and any investment period extension agreed to by the County and the Company; and

WHEREAS, the Fee Agreement provides for a 25% special source infrastructure credit for ten years commencing with the first fee payment due after the Company meets minimum investment requirements or otherwise as determined by the Company; and

WHEREAS, it appears that the Fee Agreement, which is now before this meeting, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by the County Council in a meeting duly assembled as follows:

Section 1. In order to promote industry, develop trade, and utilize and employ the manpower, products, and natural resources of the State of South Carolina by assisting the Company and the Sponsor Affiliates to expand or locate an industrial facility in the State of South Carolina, the Fee Agreement is hereby authorized, ratified, and approved.

Section 2. It is hereby found, determined, and declared by the County Council, as follows:

The Project will constitute a “project” as said term is referred to and defined in the Act, and the County’s actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

The Project and the payments in lieu of taxes set forth herein are beneficial to the County, and the County has evaluated the Project based upon all criteria prescribed by law, including the anticipated dollar amount and nature of the investment to be made and the anticipated costs and benefits to the County.

The Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally.

The Project gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either.

The purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes.

The inducement of the location or expansion of the Project within the County and State

is of paramount importance.

The benefits of the Project to the public will be greater than the costs to the public.

Section 3. The form, terms, and provisions of the Fee Agreement presented to this meeting are hereby approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Fee Agreement were set out in this Ordinance in its entirety. The Chairman of the County Council is authorized, empowered, and directed to execute, acknowledge, and deliver the Fee Agreement in the name of and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Company and the Sponsor Affiliates. The Fee Agreement is to be in substantially the form now before this meeting and hereby approved, with such changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of Counsel to the County, such officer's execution thereof to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form of the Fee Agreement now before this meeting.

Section 4. The Chairman of the County Council, for and on behalf of the County, is hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Fee Agreement and the performance of all obligations of the County under and pursuant to the Fee Agreement.

Section 5. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

Section 6. All orders, resolutions, ordinances, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and this Ordinance shall take effect and be in full force from and after its passage and approval.

Passed and approved this 19th day of December, 2006.