
RICHLAND-LEXINGTON AIRPORT DISTRICT

and

JUNIOR LIEN NOTE INDENTURE

Dated as of December 1, 2020

Relating to

\$ _____

Richland-Lexington Airport District (South Carolina)
Tax-Exempt Junior Lien Revenue Note (AMT)
Series 2020

TABLE OF CONTENTS

**ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION**

SECTION 1.1. *Definitions*2
SECTION 1.2. *Rules of Construction*3
SECTION 1.3. *Severability of Invalid Provisions*4

**ARTICLE II
FINDINGS AND REPRESENTATIONS**

SECTION 2.1. *Findings of District*5
SECTION 2.2. *Representations of District*5

**ARTICLE III
AUTHORIZATION AND DETAILS OF THE SERIES 2020 NOTE; FORM OF THE SERIES 2020 NOTE;
EXECUTION AND DELIVERY OF THE SERIES 2020 NOTE**

SECTION 3.1. *Authorization and Details of the Series 2020 Note*6
SECTION 3.2. *Registration and Transfer of Series 2020 Note*7
SECTION 3.3. *Form of Series 2020 Note*7
SECTION 3.4. *Mutilated, Destroyed, Lost or Stolen Series 2020 Note*10
SECTION 3.5. *Execution and Authentication*10

**ARTICLE IV
PAYMENT OF THE SERIES 2020 NOTE**

SECTION 4.1. *Payment of the Series 2020 Note*10
SECTION 4.2. *Disposition of Revenues*11

**ARTICLE V
COVENANTS**

SECTION 5.1. *Payment of Principal, Premium and Interest on the Series 2020 Note*11
SECTION 5.2. *Operation of Airport; Completion of Construction*11
SECTION 5.3. *Compliance with Laws; Further Assurances*11
SECTION 5.4. *Financial Covenants*11

**ARTICLE VI
EVENTS OF DEFAULT; CONSEQUENCES OF DEFAULT AND REMEDIES**

SECTION 6.1. *Events of Default*12
SECTION 6.2. *Remedies*12
SECTION 6.4. *Remedies Not Exclusive; Effect of Waiver of Default; Effect of Abandonment of Proceedings or Adverse Determination*13

**ARTICLE VII
MISCELLANEOUS**

SECTION 7.1. *Benefits Limited to the District, the Trustee and the Holders of the Series 2020 Note*14
SECTION 7.2. *Junior Note Indenture Binding Upon Successors or Assigns of the District*14
SECTION 7.3. *No Personal Liability*14

SECTION 7.4. <i>Partial Invalidity</i>	14
SECTION 7.5. <i>Law and Place of Enforcement of this Junior Note Indenture</i>	15
SECTION 7.6. <i>Effect of Article and Section Headings and Table of Contents</i>	15
SECTION 7.7. <i>Effectiveness of this Junior Note Indenture</i>	15
SECTION 7.8. <i>Notices</i>	15
SECTION 7.9. <i>Records and Budgets</i>	15

JUNIOR LIEN NOTE INDENTURE

THIS JUNIOR LIEN NOTE INDENTURE (the “Junior Note Indenture”) is dated as of December 1, 2020, between the Richland-Lexington Airport District (the “District”), an airport district and a political subdivision of the State of South Carolina, and _____, as trustee (the “Trustee”) being authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America.

W I T N E S E T H:

WHEREAS, Richland-Lexington Airport District (the “District”) is authorized and empowered by the provisions of Title 55, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the “Act”), to make and issue negotiable bonds, notes and other evidences of indebtedness payable solely from the revenue derived from the operation of any revenue producing facility or facilities, the proceeds of which shall be used for any extension, addition or improvement to its airport facility; and

WHEREAS, the District has heretofore authorized and issued revenue bonds under an Indenture of Trust dated as of February 1, 1995 (the “Senior Lien Indenture”) and pledged the Trust Estate, which includes the Net Revenues (as such terms are defined in the Senior Lien Indenture) as security thereunder; and

WHEREAS, the Senior Lien Indenture makes specific provision for the issuance of Subordinated Indebtedness (as defined in the Senior Lien Indenture) secured by a lien and pledge on the Net Revenues, junior, subordinate and inferior to the lien and pledge on the Net Revenues created under the Senior Lien Indenture for the payment and security of the bonds issued thereunder (the “Senior Bonds”); and

WHEREAS, the District has entered into a contract to provide for the construction of a baggage handling facility and related improvements (the “Project”); and

WHEREAS, the Commission has heretofore by resolution adopted on _____, 2020 (the “Resolution”) authorized the borrowing of \$_____ to defray a portion of the cost of construction of the Project; and

WHEREAS, the District now desires to accomplish such borrowing through the issuance of a Note constituting Subordinated Indebtedness (the “Series 2020 Note,” as such term is more particularly defined herein); and

WHEREAS, the District has heretofore solicited proposals from local lending institutions and the proposal made by _____, its successors and assigns (the “Lender”), provided the lowest interest cost to the District; and

WHEREAS, the District now proposes to enter into this Junior Note Indenture to provide for the terms of the Series 2020 Note and the securing thereof; and

NOW, THEREFORE, THIS JUNIOR NOTE INDENTURE WITNESSETH:

The District, in consideration of the premises and the purchase and acceptance of the Series 2020 Note by the Lender, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to provide for and secure the payment of the principal of and interest on the Series 2020 Note according to its terms and to secure the performance and observance by the District of all the covenants expressed or implied herein and in the Series 2020 Note, does here by transfer, assign and pledge, and grant a security interest in the Net Revenues (the “Pledged Property”) to the Trustee and its successors and assigns forever, which such transfer, assignment, pledge and security interest shall, in all respects, be junior, subordinate and inferior to the lien and pledge on the Net Revenues created under the Senior Lien Indenture for the payment and security of the Senior Bonds.

TO HAVE AND TO HOLD all and singular the Pledged Property, whether now owned or hereafter acquired, unto the Trustee and its successors and assigns forever:

PROVIDED, HOWEVER, if the District shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made for, the principal of and interest on the Series 2020 Note due or to become due thereon, at the times and in the manner mentioned in the Series 2020 Note and shall pay or cause to be paid to the Trustee and the Registered Owner (as defined herein) all sums of money due or to become due according to the provisions hereof, then this Junior Note Indenture and the rights hereby granted shall cease, determine and be void: otherwise this Junior Note Indenture to be and remain in full force and effect.

THIS JUNIOR NOTE INDENTURE FURTHER WITNESSETH, and it is expressly declared, that the Series 2020 Note issued and secured hereunder is to be delivered, and all property, rights and interests, including, without limitation, the amounts hereby transferred, granted, assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, uses and purposes hereinafter expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee, its successors and assigns as follows:

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1. Definitions. Unless the context shall clearly indicate some other meaning, the terms defined in this Article shall have, for all purposes of this Junior Note Indenture, the meanings hereinafter specified.

“*Airport*” shall mean the Columbia Metropolitan Airport as it presently exists, including all land, buildings, hangars, runways, shops or other aviation facilities, or other facilities related or appurtenant thereto and any additions, extensions or improvements there to made or acquired hereafter. The term “*Airport*” excludes those facilities which (i) are sold, leased or otherwise disposed of under the provisions of Sections 7.3 and 7.5 of the Senior Lien Indenture, and (ii) any Special Facilities (as defined in the Senior Lien Indenture).

“*Business Day*” shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of South Carolina, the State of New York, or the state where the designated

corporate trust office of the Trustee is located are required or authorized by law (including executive orders) to close.

“Credit Agreement” shall mean the Junior Lien Credit Agreement between the District and the Lender, dated as of _____, 2020.

“District” shall mean the Richland-Lexington Airport District.

“Junior Note Indenture” shall mean this Junior Lien Note Indenture as the same may be amended and supplemented from time to time, and unless the context shall clearly indicate otherwise, shall include any indenture supplemental hereto.

“Lender” shall mean _____, as the original purchaser of the Series 2020 Note.

“Project” shall mean the construction of a baggage handling facility and related improvements.

“Registered Owner” shall mean the person who is the registered owner of the Series 2020 Note according to the books of registry maintained by the District with respect thereto, and shall initially be the Lender.

“Series 2020 Note” shall mean the Tax-Exempt Junior Lien Revenue Note (AMT), Series 2020 issued under and pursuant to this Junior Note Indenture.

“Series 2020 Note Payment Date” shall mean any date on which a scheduled payment of principal or interest shall be due on the Series 2020 Note.

“Senior Lien Indenture” shall mean the Indenture of Trust dated as of February 1, 1995, between the District and Truist Bank (formerly Branch Banking and Trust Company of South Carolina, (as successor to The Lexington State Bank), as Trustee, as the same has been or may be amended, supplemented or modified from time to time.

“Senior Bonds” shall mean the District’s \$16,790,000 original principal amount Taxable Airport Revenue Bonds, Series 2001B; \$3,820,000 original principal amount Airport Refunding Revenue Bonds, Series 2014A; \$15,930,000 original principal amount Airport Refunding Revenue Bonds, Series 2015A; \$11,970,000 original principal amount Airport Refunding Revenue Bonds, Series 2015B, and any other bonds issued under and secured by the Senior Lien Indenture.

SECTION 1.2. Rules of Construction.

(a) In this Junior Note Indenture, unless the context otherwise requires:

(1) Unless otherwise defined herein, terms shall have the meanings set forth in the Senior Lien Indenture;

(2) Articles and Sections referred to by number mean the corresponding Articles and Section of this Junior Note Indenture;

(3) the terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Junior Note Indenture, refer to this Junior Note Indenture in its entirety and,

unless otherwise expressly provided, not to any particular Article, Section or provision hereof, and the term “hereafter” means after, and the term “heretofore” means before, the date of this Junior Note Indenture;

(4) words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa;

(5) words importing persons include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(6) any heading preceding the texts of the several Articles and Sections of this Junior Note Indenture and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Junior Note Indenture, nor shall they affect its meaning, construction or effect; and

(7) references to the Series 2020 Note shall be deemed to include references to the payment of interest thereon.

(b) Whenever in this Junior Note Indenture the District is named or referred to, it shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations, and agreements by or on behalf of, and other provisions for the benefit of the District contained in this Junior Note Indenture shall bind and inure to the benefit of such successor and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the District, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions thereof.

(c) Nothing in this Junior Note Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any persons, other than the District and the Registered Owner, any right, remedy or claim under or by reason of this Junior Note Indenture and each covenant, condition, stipulation and agreement herein contained by and on behalf of the District shall be for the sole and exclusive benefit of the District and the Registered Owner.

SECTION 1.3. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided herein on the part of the District to be performed should be contrary to law, then such covenant or covenants or agreement or agreements, shall be deemed separable from the remaining covenants and agreements hereof, and shall in no way affect the validity of the other provisions of this Junior Note Indenture or of the Series 2020 Note.

ARTICLE II
FINDINGS AND REPRESENTATIONS

SECTION 2.1. *Findings of District.* The District hereby finds and determines:

(a) The District is an airport district and a political subdivision of the State of South Carolina.

(b) The Richland-Lexington Airport Commission (the “Commission”), the governing body of the District, is empowered under the provisions of Section 55-11-340(19) Code of Laws of South Carolina 1976, as amended, to borrow money on behalf of the District and make and issue bonds payable solely from the revenue derived from the operation of any revenue-producing facility, or facilities, in its charge, for the purpose of paying costs incident to the operation and maintenance of its airport facilities or the cost of any extension, addition, or improvement to its airport facilities, or both.

(c) The Airport is operated under the supervision and control of the Commission.

(d) The District has entered into the Senior Lien Indenture, pursuant to which the District agreed that it would issue revenue bonds pursuant to the provisions of the Senior Lien Indenture.

(e) The Senior Lien Indenture provides that the District may determine that it is in its best interest to issue bonds and other obligations which are secured by a lien and pledge on the Net Revenues junior, subordinate and inferior to the lien and pledge on the Net Revenues created under the Senior Lien Indenture for the payment and security of the Senior Bonds.

(f) The District adopted a resolution on November 16, 2020, approving and authorizing the execution and delivery of the Credit Agreement, and authorizing a loan pursuant to the terms of the Credit Agreement in the amount of \$_____ to be repaid over a three-year period and to be secured by Net Revenues not otherwise pledged to prior debt.

(g) It is necessary and in the best interests of the District to issue a note in the aggregate principal amount not to exceed \$_____ in order to evidence the indebtedness to be incurred pursuant to the Credit Agreement and to finance part of the cost of construction of the Project. This note shall be Subordinated Indebtedness pursuant to the Senior Lien Indenture, and shall be secured by a pledge of the Net Revenues junior, subordinate and inferior in every respect to the lien and pledge on the Net Revenues made to secure the Senior Bonds.

SECTION 2.2. *Representations of District.*

(a) The District is an airport district and a political subdivision of the State of South Carolina. The District has the power under the Constitution and laws of the State of South Carolina to issue indebtedness payable from Net Revenues.

(b) The District shall impose, charge, and collect rates, fees, rentals, or other charges for the services, facilities, and commodities of the Airport sufficient to provide for the timely payment of the installments of principal and interest on the Series 2020 Note, and to provide for payments into the Debt Service Fund for the Series 2020 Note in amounts sufficient therefor and also to provide for the payment of expenses of administration, operation and maintenance of the Airport and to build up reserves for depreciation and improvements, betterments and extensions to the Airport.

(c) Title to Airport is in the name of the District.

ARTICLE III
AUTHORIZATION AND DETAILS OF THE SERIES 2020 NOTE; FORM OF THE SERIES
2020 NOTE; EXECUTION AND DELIVERY OF THE SERIES 2020 NOTE

SECTION 3.1. *Authorization and Details of the Series 2020 Note.* (a) There is hereby authorized to be issued a revenue note of the District in the aggregate principal amount of not exceeding \$_____ to evidence the indebtedness to be incurred pursuant to the Credit Agreement and for the purpose of constructing a baggage handling facility and related improvements. The note authorized hereby shall be designated “Tax-Exempt Junior Lien Revenue Note (AMT), Series 2020 of the Richland-Lexington Airport District.” The Series 2020 Note shall be issued as a single fully registered note. The proceeds of the Series 2020 Note shall be disbursed pursuant to the terms of the Credit Agreement. The Series 2020 Note shall bear interest at the rate of ____% per annum on the amount of principal disbursed hereunder payable as described herein. The Series 2020 Note shall be payable as to interest only on the principal amount thereof as has been advanced until the maturity or prior payment in full thereof on the first day of each month beginning _____ 1, 20__.

(a) Installments of principal and interest on the Series 2020 Note shall be paid by the District to the Registered Owner as provided in the Credit Agreement. All payments of principal or interest on the Series 2020 Note shall be in lawful money of the United States. In the event installment paid by the 15th day after the due date thereof, the District shall pay a late payment fee of __% of the amount of such installment and interest on the overdue amount at the rate of __% from the date when such installment was due.

(b) The Series 2020 Note shall be in substantially the form set forth in Section 3.3 hereof with such changes as are necessary to reflect the details, issuance date and maturity thereof. The Series 2020 Note shall be executed on behalf of the District as provided in Section 3.5 hereof.

(c) The Series 2020 Note shall be subject to mandatory prepayment in full at a price equal to the principal amount thereof plus interest accrued thereon to the date of prepayment upon the occurrence of any of the following events:

(i) If there shall occur an event resulting in the destruction or loss of all or any substantial part of the Airport; or

(ii) If the Airport shall be acquired by another governmental entity, either by sale or as a consequence of any legislative action; provided nevertheless, that no prepayment will be required hereunder if the acquiring party agrees to assume the liability of the District hereon and the Airport continues to be identifiable as a source of revenues.

The Series 2020 Note shall also be subject to prepayment at the option of the District in whole or in part at any time upon two Business Days’ notice given pursuant to the Credit Agreement at price equal to the principal amount of the Series 2020 Note being so prepaid plus, if such prepayment is not on a Series 2020 Note Payment Date, the interest accrued on such amount to the date of prepayment.

In the event of a partial prepayment, the District shall continue to make installment payments in the amount provided above thereby reducing the term of the Series 2020 Note.

SECTION 3.2. *Registration and Transfer of Series 2020 Note.* The District shall maintain books of registry in which shall be listed the name and address of the Registered Owner of the Series 2020 Note. The Series 2020 Note is transferable only on such books of registry upon presentation and surrender thereof together with an assignment duly executed by the Registered Owner or his duly authorized representative in a form acceptable to the District. Neither the District nor any person acting on its behalf shall be required or authorized to recognize any person as the owner or holder of the Series 2020 Note for any purpose, including making payment thereon, unless such person appears as a Registered Owner on the books of registry. Upon a transfer of the Series 2020 Note, the District shall execute and deliver to the new Registered Owner a new Series 2020 Note in form identical to the Series 2020 Note delivered for such transfer but in a principal amount equal to the then outstanding principal balance due and owing thereon; provided that *in lieu* thereof, the District and the new Registered Owner may agree to mark or otherwise note on the face of the Series 2020 Note the principal amount outstanding at the date of transfer.

SECTION 3.3. *Form of Series 2020 Note.* The Series 2020 Note shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
RICHLAND-LEXINGTON AIRPORT DISTRICT
TAX-EXEMPT JUNIOR LIEN REVENUE NOTE (AMT)
SERIES 2020

Richland-Lexington Airport District, South Carolina (the “District”), hereby promises to pay to _____, or its registered assigns, but solely from the revenues hereinafter mentioned and not otherwise, the principal sum of:

_____ DOLLARS (\$_____)

or such lesser amount as has been advanced hereunder, plus interest on the principal amount outstanding at the rate of ____% per annum (calculated based upon a 360-day year of twelve 30-day months) which interest shall be payable in monthly installments on the first day of each month beginning _____ 1, 20__, in the amount of \$_____. The balance hereof shall be due and payable on _____ 1, 20__, unless sooner paid.

This note is issued by the District for the purpose of financing part of the cost of construction of a baggage handling facility and related improvements. This note is issued under, pursuant to and in full compliance with, the Constitution and laws of the State of South Carolina, including particularly Title 55, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the “Act”), as permitted under an Indenture of Trust between the District and Trust Bank (formerly Branch Banking and Trust Company of South Carolina, as successor to The Lexington State Bank), as Trustee (the “Trustee”), dated as of February 1, 1995, as supplemented, and a Junior Lien Note Indenture of the District dated as of December 1, 2020 (the “Junior Note Indenture”), between the District and the Trustee. The Series 2020 Note evidences the indebtedness incurred by the District pursuant to the Junior Lien Credit Agreement dated as of _____, 2020 (the “Credit Agreement”) between the District and _____ (the “Lender”), as lender and the initial Registered Owner of the Series 2020 Note.

The Junior Note Indenture contains provisions defining terms; setting forth the revenues pledged for the payment of the principal of and interest on the Series 2020 Note; setting forth the nature and extent

and manner of enforcement of the security for this note and of such pledge, and the rights and remedies of the Registered Owner hereof with respect thereto; the terms and conditions upon which the note is issued; the rights, duties and obligations of the District hereunder and thereunder; and the terms and conditions upon which the pledge made in the Junior Note Indenture for the security of this note and upon which the covenants, agreements and other obligations of the District made herein and therein may be discharged at or prior to the maturity or prepayment of this note with provision for the payment thereof in the manner set forth in the Junior Note Indenture. Reference is hereby made to the Junior Note Indenture, to all of the provisions of which the Registered Owner of this note by the acceptance hereof thereby assents. The provisions of the Act and the Junior Note Indenture shall be a contract with the Registered Owner.

This note and the interest hereon is a special obligation of the District and is secured by a pledge of the Net Revenues (as defined in the Senior Lien Indenture) derived from the operation of the Airport junior, subordinate and inferior in all respects to the pledge of Net Revenues made in the Senior Lien Indenture. This note and the interest hereon are not payable from, nor are they a charge upon, any funds other than the revenues pledged to the payment thereof by the Junior Note Indenture. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE STATE OF SOUTH CAROLINA OR THE DISTRICT ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS SERIES 2020 NOTE, AND THIS SERIES 2020 NOTE SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN THOSE PROVISIONS PROVIDING FOR INDEBTEDNESS PAYABLE FROM A REVENUE-PRODUCING PROJECT OR A SPECIAL SOURCE, WHICH SOURCE DOES NOT INVOLVE REVENUES FROM ANY TAX OR LICENSE PURSUANT TO THE PROVISIONS OF S.C. CONST. ART. X, SEC. 14 (10)), BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES OF THE AIRPORT.

The District shall impose, charge, and collect rates, fees, rentals, or other charges for the services, facilities, and commodities of the Airport sufficient meet the requirements of the Senior Lien Indenture.

This note shall be prepaid if any of the following shall occur: (i) there shall occur an event resulting in the destruction or loss of all or any substantial part of the Airport, or (ii) if there is a sale to or acquisition by another entity of the Airport, provided that no prepayment shall be required if the Airport is sold to or acquired by another governmental entity that agrees to assume the liability of the District with respect hereto and the Airport continues to be identifiable as a source of revenues. This note may also be prepaid in whole or in part at the option of the District at any time and from time to time upon the giving of any notice required under the Junior Note Indenture. All such prepayments shall be made without penalty and shall be applied as provided in the Junior Note Indenture. In the event of any partial prepayment, the District shall continue to make installment payments in the amount provided above thereby reducing the term of this note. In the event of any prepayment, the District shall notify the Registered Owner in the manner provided in the Credit Agreement not less than two Business Days (as defined in the Junior Note Indenture) prior to such prepayment.

This note is transferable only on the books of registry maintained by the District upon presentation and surrender hereof to the District together with an assignment duly executed by the Registered Owner hereof or his duly authorized representative. Upon such a transfer, the District shall issue and deliver a new note identical in all respects hereto but in the principal amount then due and owing hereon.

The principal of and interest on this note are exempt from any and all State, county, municipal and other taxation whatsoever under the laws of the State of South Carolina, except for inheritance, estate or transfer taxes, but may be included in measures of assets for certain franchise taxes.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this note, do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, Richland-Lexington Airport District, has caused this note to be executed in its name by the manual signature of its Chairman or Vice Chairman and attested by its Executive Director under the seal of the District this ___ day of December 2020.

RICHLAND-LEXINGTON AIRPORT DISTRICT

By: _____
Chairman or Vice Chairman

(SEAL)

ATTEST:

Executive Director

REGISTRATION

This note has been registered in the name of _____, on the books of registry kept by Richland-Lexington Airport District, South Carolina, as registrar.

Dated this ___ day of _____, 20__.

RICHLAND-LEXINGTON AIRPORT DISTRICT

By: _____

ASSIGNMENT

For value received _____ (assignor) hereby sells, assigns and transfers unto _____ the within-mentioned note and hereby irrevocably constitutes and appoints, _____, attorney-in-fact, to transfer the same on the books of registration in the office of the _____ as registrar with full power of substitution in the premises.

By: _____

Dated: _____

WITNESS: _____

NOTE: The signature to this assignment must correspond with the name as written on the face of the within note in every particular, without alteration, enlargement or any change whatsoever.

SECTION 3.4. *Mutilated, Destroyed, Lost or Stolen Series 2020 Note.* In the event the Series 2020 Note is mutilated, lost, stolen, or destroyed, the District shall execute and deliver a new Series 2020 Note of like tenor as that mutilated, lost, stolen, or destroyed, which new Series 2020 Note shall also be in fully registered form corresponding in all respects to the Series 2020 Note mutilated, lost, stolen, or destroyed, provided that (a) in the case of any such mutilated Series 2020 Note, such Series 2020 Note is first surrendered to the District, and (b) in the case of any such lost, stolen, or destroyed Series 2020 Note, there is first furnished evidence of such loss, theft, or destruction satisfactory to the District. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense involved.

SECTION 3.5. *Execution and Authentication.* The Series 2020 Note shall be executed in the name of the District by the manual signature of the Chairman of the District, or in the absence or inability of the Chairman to sign, then by the Vice Chairman, under the Corporate Seal of the District which shall be impressed or reproduced thereon, and attested by the manual or facsimile signature of the Executive Director of the District. The Series 2020 Note shall be executed by the persons holding office when the Series 2020 Note is ready for delivery or is presented for transfer. The Series 2020 Note shall be authenticated by the manual signature of an authorized officer of the District.

ARTICLE IV PAYMENT OF THE SERIES 2020 NOTE

SECTION 4.1. *Payment of the Series 2020 Note.* The Series 2020 Note, together with the interest thereon, shall be payable in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues, which Net Revenues shall be and hereby are pledged and charged to the payment when due of the principal of and interest on the Series 2020 Note and to the security thereof in accordance with the provisions of this Junior Note Indenture and the Senior Lien Indenture.

The pledge of the Net Revenues and other moneys hereby made by the District to secure the Series 2020 Note shall be valid and binding from the time of the execution of this Junior Note Indenture and shall be junior, subordinate and inferior in every respect to the pledge of Net Revenues made in the Senior Lien Indenture. The pledge of Net Revenues and other moneys so pledged and hereafter received by the District shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of the aforesaid pledge shall be valid and binding as against any parties having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such parties have notice of the foregoing pledge.

The Series 2020 Note and the interest thereon is not payable from, nor are such amounts a charge upon, any funds other than the Net Revenues pledged to the payment thereof by this Junior Note Indenture. The full faith, credit and taxing powers of the State of South Carolina or the District are not pledged to the payment of the principal of or the interest on the Series 2020 Note, and the Series 2020 Note shall never constitute an indebtedness of the District within the meaning of any state constitutional provisions or statutory limitation (other than those provisions providing for indebtedness payable from a revenue-producing project or a special source, which source does not involve revenues from any tax or license pursuant to the provisions of S.C. Const. Art. X, Sec. 14 (10)).

SECTION 4.2. *Disposition of Revenues.* So long as any Bonds are outstanding, Net Revenues shall be applied at the times, in the amounts and for the purposes and payments, as provided or required by the Senior Lien Indenture. After all such dispositions of moneys are made, on or before the last business day of each month, the District shall pay the installment due on the next Series 2020 Note Payment Date.

ARTICLE V COVENANTS

The District hereby covenants and agrees as follows with the Registered Owner of the Series 2020 Note so long as any part of the Series 2020 Note is outstanding.

SECTION 5.1. *Payment of Principal, Premium and Interest on the Series 2020 Note.* The District shall promptly pay or cause to be paid, but solely out of the Net Revenues pledged to such payment in Article IV hereof, the principal of and the interest on the Series 2020 Note issued under the provisions of this Junior Note Indenture or any indenture supplemental hereto, at the place, on the dates and in the manner provided herein.

SECTION 5.2. *Operation of Airport; Completion of Construction.* The District shall construct the Project with all practicable dispatch and in a sound and economical manner.

SECTION 5.3. *Compliance with Laws; Further Assurances.* The District confirms that it has done and has performed, and will do and will perform all acts and things required to be done or performed, by or on behalf of the District, under the provisions of the Constitution and laws of the State of South Carolina, the Senior Lien Indenture and this Junior Note Indenture, in accordance with the terms of such provisions.

The District further confirms that it shall, at any and all times, adopt, make, do, execute, acknowledge, deliver, register, file and record all such other and further resolutions, acts, deeds, demands, conveyances, assignments, transfers, assurances and instruments and give such further notice and do such further acts as may be reasonably necessary, proper or desirable for the better assuring, pledging and assigning of the Net Revenues and other moneys pledged, assigned or charged hereunder or intended so to be, or which the District may hereafter become bound to pledge, assign or charge, or for the carrying out more effectively of the purposes and intent of this Junior Note Indenture.

SECTION 5.4. *Financial Covenants.* The District makes the following additional covenants as part of its contract with the Registered Owner of the Series 2020 Note:

(a) *Financial Statements.* The District will keep proper books of records and accounts (separate from all other records and accounts), in which complete and correct entries shall be made of all

transactions relating to the Airport. A complete financial statement of the District shall be prepared within 180 days after the end of each Fiscal Year in accordance with Accounting Principles and audited by an Independent Certified Public Accountant. Upon receipt of such statement, the District shall promptly furnish or cause to be furnished to the Registered Owner a copy thereof. Such records shall be kept in accordance with the standards from time to time prescribed by the Governmental Accounting Standards Board or its successor.

(b) *Annual Budget.* Prior to the beginning of each Fiscal Year, the District shall prepare its Annual Budget for the ensuing Fiscal Year which shall set forth in reasonable detail the estimated Net Revenues and other revenues and Expenses of Operation and Maintenance and the other expenditures of the District for such Fiscal Year including details pertaining to the Funds and accounts under the Senior Lien Indenture. The District shall file a copy of such budget with the Registered Owner not later than the first day of each Fiscal Year.

(c) *Revenue Bond Covenants.* The District covenants to comply with all the requirements of Sections 7.1 through 7.9 of the Senior Lien Indenture.

ARTICLE VI EVENTS OF DEFAULT; CONSEQUENCES OF DEFAULT AND REMEDIES

SECTION 6.1. *Events of Default.* Each of the following events is hereby declared an “Event of Default,” that is to say, if:

(a) Payment of any installment of principal or interest on the Series 2020 Note shall not be made when the same shall become due and payable, either at its maturity, upon the due date thereof or by proceedings for acceleration or prepayment; or

(b) If the District shall fail or refuse to punctually perform any of the covenants, conditions, agreements and provisions contained in the Series 2020 Note or in this Junior Note Indenture on the part of the District to be performed, and such failure continues for 30 days after written notice specifying such failure and requiring the same to be remedied has been given to the District by the Lender; or

(c) If, under the provision of any law for the relief of debtors, an order, judgment or decree is entered by a court of competent jurisdiction (i) appointing a receiver, trustee, or liquidator for the District or of the whole or any substantial part of the Airport, (ii) granting relief in involuntary proceedings with respect to the District under the Federal Bankruptcy Act, or (iii) assuming custody or control of the District or of the whole or any substantial part of the Airport and such order, judgment or decree is not set aside or stayed within 60 days from the date of entry thereof; or

(d) If the District (i) admits in writing its inability to pay its debts generally as they become due, (ii) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of the whole or any substantial part of the Airport under any law for the relief of debtors, or (v) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the District of the whole or any substantial part of the Airport.

SECTION 6.2. *Remedies.* At any time after the occurrence of any Event of Default and without notice the Trustee may, and at the direction of the Registered Owner shall, take any one or more of the

following actions, at the same time or at different times, subject to the Senior Bonds and to all applicable provisions of the [Senior Bond] Indenture limiting or restricting the rights of holders of Subordinated Indebtedness or the availability of Net Revenues to the payment of Subordinated Indebtedness:

(a) by mandamus or other suit, action or proceedings at law or in the equity, enforce the Lender's right against the District and require and compel the District to perform and carry out its duties and obligations under the Act and this Junior Note Indenture, and to perform and carry out its covenant and agreements with the Registered Owner hereunder;

(b) by action or suit in equity require the District to account as if the District were the trustee of an express trust;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owner hereunder;

(d) bring suit upon the Series 2020 Note; or

(e) increase the Interest Rate to a fluctuating rate per annum equal to the Prime Rate plus ___% ("Default Rate"), unless otherwise required by law, until the sums owed under the Series 2020 Note are paid in full.

There shall be no right to accelerate payment of the Series 2020 Note or other obligations of the District due under the Series 2020 Note or this Junior Note Indenture.

The remedies provided in this Junior Note Indenture, the Series 2020 Note and any other Loan Documents are cumulative and not exclusive of any remedies provided by applicable law.

SECTION 6.3. Remedies Not Exclusive; Effect of Waiver of Default; Effect of Abandonment of Proceedings or Adverse Determination. The remedies prescribed by this Article shall not be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute and may be exercised without exhausting and without regard to any other remedy.

No waiver of any default or breach of duty or contract by the Trustee or the Registered Owner of the Series 2020 Note shall extend to or affect any subsequent default or breach of duty or contract, or impair any rights or remedies related to such subsequent default or breach. No delay or failure of the Trustee or the Registered Owner of the Series 2020 Note to exercise any right or power accruing upon any default shall impair any such right or power or be construed to be a waiver of any such default or acquiescence therein. Every substantive right and remedy conferred upon the Trustee or the Registered Owner of the Series 2020 Note may be enforced from time to time and as often as may be deemed expedient. If any suit, action or proceeding to enforce any right or exercise any remedy is brought or taken and then discontinued or abandoned, or is determined adversely to the Trustee or the Registered Owner of the Series 2020 Note then, and in every such case, the District, the Trustee and the Registered Owner shall be restored to their former positions and rights and remedies as if no suit, action or proceeding had been brought or taken.

**ARTICLE VII
MISCELLANEOUS**

SECTION 7.1. *Benefits Limited to the District, the Trustee and the Holders of the Series 2020 Note.* With the exception of rights or benefits herein expressly conferred, nothing expressed, mentioned in or to be implied from this Junior Note Indenture or the Series 2020 Note is intended or should be construed to confer upon or give to any person other than the District, the Trustee and the Registered Owner, any legal or equitable right, remedy or claim under or by reason of or in respect to this Junior Note Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Junior Note Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for an inure to the sole and exclusive benefit of the District, the Trustee and the Registered Owner as herein provided.

SECTION 7.2. *Junior Note Indenture Binding Upon Successors or Assigns of the District.* All the terms, provisions, conditions, covenants, warranties and agreements contained in this Junior Note Indenture shall be binding upon the successors and assigns of the District and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns, and the Registered Owner.

SECTION 7.3. *No Personal Liability.* No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the District contained in this Junior Note Indenture or the Series 2020 Note, against any member of the Commission, any officer or employee, as such, in his or her individual capacity, past, present or future, of the District, either directly or through the District, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Junior Note Indenture and the Series 2020 Note are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employees as such past, present or future, of the District, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the District and the Trustee or the Registered Owner or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the execution hereof and the execution of the Series 2020 Note, and as a condition of, and as a part of the consideration for, the execution hereof and the execution of the Series 2020 Note, expressly waived and released. The immunity of members of the Commission, its officers and the officers and employees of the District under the provisions contained in this Section 7.3 shall survive the termination of this Junior Note Indenture.

SECTION 7.4. *Partial Invalidity.* If any one or more of the covenants or agreements or portions thereof provided in this Junior Note Indenture on the part of the District or the Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements and portions thereof provided in this Junior Note Indenture and the invalidity thereof shall in no way affect the validity of the other provisions of this Junior Note Indenture or of the Series 2020 Note, but the Registered Owner shall retain all the rights and benefits accorded to them hereunder, under this Junior Note Indenture and under any applicable provisions of law.

If any provisions of this Junior Note Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because of conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

SECTION 7.5. *Law and Place of Enforcement of this Junior Note Indenture.* This Junior Note Indenture shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Junior Note Indenture shall be instituted in a court of competent jurisdiction in the State of South Carolina.

SECTION 7.6. *Effect of Article and Section Headings and Table of Contents.* The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Junior Note Indenture.

SECTION 7.7. *Effectiveness of this Junior Note Indenture.* This Junior Note Indenture shall become effective upon its execution.

SECTION 7.8. *Notices.* All notices, certificates, or other communications hereunder or under this Junior Note Indenture shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the District:

Columbia Metropolitan Airport
Attention: Executive Director
3250 Airport Boulevard, Suite 10
West Columbia, SC 29170

If to the Trustee:

Attention: _____

The District and the Trustee may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 7.9. *Records and Budgets.* The District will deliver those statements described in Sections 7.4 and 7.8 of the Senior Lien Indenture to the Registered Owner, together with a certificate from the District's Director of Finance and Administration stating that the District is in compliance with all terms and conditions of the Series 2020 Note and the Senior Lien Indenture, and if an event of default exists, details of such event of default.

IN WITNESS WHEREOF, the Richland-Lexington Airport District, South Carolina, has caused this Junior Note Indenture to be executed and delivered and in token of its acceptance of the trusts created hereunder, _____, as trustee, has caused this Junior Note Indenture to be executed and delivered for it in its name all dated as of the day before mentioned.

RICHLAND-LEXINGTON AIRPORT DISTRICT

By: _____
Chairman or Vice Chairman

ATTEST:

Executive Director

(SEAL)

By: _____
Vice President