
ORDINANCE NO. _____

AUTHORIZING THE ISSUANCE OF

\$ _____ CITY OF KILLEEN, TEXAS,
COMBINATION LEASE REVENUE AND
AIRPORT REVENUE BONDS, SERIES 2025

Adopted June 17, 2025

ORDINANCE OF THE CITY OF KILLEEN, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF CITY OF KILLEEN, TEXAS COMBINATION LEASE REVENUE AND AIRPORT REVENUE BONDS, TAXABLE SERIES 2025, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____; PRESCRIBING THE FORM OF SAID BONDS; APPROVING THE PURCHASE AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, under the provisions of Chapter 1509, Texas Government Code, as amended, the City of Killeen, Texas (the "City"), is authorized to issue lease revenue bonds for the purposes specified in this Ordinance of acquiring, constructing and equipping land, buildings and other facilities for the purpose of leasing such land, building and other facilities to an individual, private corporation or other private entity for use in a commercial activity; and

WHEREAS, the City is authorized to provide that such bonds will be payable from and secured by, in part, revenues derived from the sale or lease of all or a part of the land, buildings or other facilities; and

WHEREAS, the City is further authorized by Chapter 1503, Texas Government Code, as amended, and Chapter 22, Texas Transportation Code, as amended, to issue revenue bonds for the purposes of (i) a building, improvement, or other facility the City considers necessary, desirable or convenient for the efficient operation and maintenance of the City's municipally owned airport (the "Airport"), (ii) facilities that the City determines to be for the public purpose of development and diversification of the economy, such bonds to be payable, in part, from and secured by a pledge of and lien on, the revenues to be derived from the operation of such Airport; and

WHEREAS, the City Council has determined that the acquisition, construction and equipping of an airport facility (the "Facility"), to be leased to CSI Aviation, Inc, a Texas corporation, (the "Tenant") is in the best interests of the City and will promote commercial activity, economic development and provide for additional job growth within the City; and

WHEREAS, the City and Tenant entered into a Build-To-Suit Lease Agreement, dated _____, 20__, (the "Lease") governing the directions and responsibilities of the City and Tenant to ensure that the Facility will be constructed for the City to lease to Tenant and ensure the commercial activity and job creation opportunities will occur; and

WHEREAS, to finance the Facility, the City has decided to issue the bonds authorized pursuant to this Ordinance, secured by a combination of the Net Lease Revenues and Airport Net Revenues (each as defined herein); and

WHEREAS, the City Council has determined that the Facility and related operations will develop and diversify the economy of the City, and eliminate unemployment and/or underemployment in the City as well as provide for greater employment opportunities and bring jobs and economic development to the City; and

WHEREAS, the City Council has determined that revenues from the lease of such portions of the Facility to the Tenant, together with Airport Net Revenues (as defined herein) will be sufficient to pay principal of and interest on the Bonds; and

WHEREAS, the Bonds are payable solely from the Pledged Revenues (as defined herein) and are not payable from ad valorem taxes; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance the following terms shall have the meanings specified below:

“Airport Maintenance and Operation Expenses” means all reasonable and necessary current expenses ‘of the City, paid or accrued, of operating, maintaining and repairing the Airport, including, without limitation, those reasonably allocated City overhead expenses relating to the protection, administration, maintenance and operation of the Airport; insurance and fidelity bond premiums; payments to pension and other funds and to any self-insurance fund; any general and excise taxes or other governmental charges imposed by entities other than the City, any required rebate of any portion of interest income to the federal government which is payable from Airport Gross Revenues or the Revenue Fund; costs of contractual and professional services, labor, materials and supplies for current operations, including the costs of such direct City services rendered to the Airport as are requested from the City by the Airport and as are reasonably necessary for the operation of the Airport; costs of issuance of Airport obligations for the Airport (except to the extent paid from the proceeds thereof); fiduciary costs; costs of collecting and refunding Airport Gross Revenues; utility costs; any lawful refunds of any Airport Gross Revenues; and all other administrative, general and commercial expenses, but excluding: (i) any allowance for depreciation; costs of capital improvements, including any liabilities incurred or accrued in connection therewith; (ii) or repair, (iii) reserves for major capital improvements, Airport operations, maintenance; (iv) any charges or obligations incurred in connection with any lawful Airport purpose, including the lease, acquisition, operation or maintenance of any facility or property benefitting the Airport, and (v) payment of liabilities based upon the City’s negligence or other grounds not based on contract.

“Airport Gross Revenue” means all income and revenues derived directly or indirectly by the City from the ownership, operation and use of and otherwise pertaining to the Airport, or any part thereof, whether resulting from extensions, enlargements, repairs, betterments or other improvements

to the Airport, or otherwise, and includes, except to the extent hereinafter expressly excluded, all revenues received by the City from the Airport, including, without limitation, all rentals, rates, fees and other charges for the use of the Airport, or for any service rendered by the City in the operation thereof and interest and other income realized from the investment or deposit of amounts required to be transferred or credited to the Revenue Fund.

"Airport Net Revenues" means that portion of the Airport Gross Revenues remaining after the deduction of the Airport Maintenance and Operating Expenses.

"Bond" means any of the Bonds.

"Bonds" means any of the City's revenue bonds entitled "City of Killeen, Texas Combination Lease Revenue and Airport Revenue Bonds, Series 2025" authorized to be issued by Section 3.01.

"Business Day" means any day other than a Saturday, Sunday or legal holiday or other day on which banking institutions in the State of Texas are generally authorized or obligated by law or executive order to close.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

"Debt Service" means an amount equal to the principal of, redemption premium, if any, and interest on the Bonds.

"Debt Service Fund" means the debt service fund established by Section 8.01(a). "Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Killeen, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Event of Default" means any Event of Default as defined in Section 10.01.

"Facility" means the buildings and facilities containing approximately 9,000 square feet to be constructed on an approximate 3-acre tract of real property owned by the City generally located at the northwest corner of Reese Road and Clear Creek Road in the City.

"Gross Lease Revenues" means all revenues received by the City from the lease of the Facility to the Tenants.

"Initial Bond" means the Bond described in Section 3.04(d) and 6.02(d).

"Interest Rate" means the per annum interest rate as set forth in "Exhibit A".

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled

to be paid until the maturity of the Bonds, beginning February 1, 2026.

"Maximum Interest Rate" means the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the City in the exercise of its borrowing powers (currently prescribed by Chapter 1204, Texas Government Code, as amended, or any success or provision).

"Net Lease Revenues" means Gross Lease Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means the expenses of operation and maintenance of the Facility, including all management fees, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions as, in the judgment of the City Council, reasonably and fairly exercised, are necessary to keep the Facility in operation and render adequate service to the City and the inhabitants thereof, or might be necessary to meet some physical accident or condition that would otherwise impair the Bonds.

"Ordinance" means this Ordinance.

"Original Issue Date" means the initial date from which interest on the Bonds accrues and which is designated in Section 3.02(a).

"Owner" means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

"Paying Agent/Registrar" means initially Prosperity Bank, Killeen, or any successor thereto as provided in this Ordinance.

"Paying Agent/Registrar Agreement" means the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar relating to the Bonds.

"Pledged Revenues" means Net Lease Revenues, Net Airport Revenues and other revenue of the City that is not prohibited from being used for such purposes.

"Project Fund" means the fund established by Section 8.01(a).

"Purchaser" means _____.

"Record Date" means the fifteenth day of the month next preceding an Interest Payment Date.

"Register" means the Register specified in Section 3.06(a).

"Tenants" means current, future and successor tenants of the Facility who are parties to the Lease pursuant to which they pay rent to the City.

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of the principal of or interest on Bonds as the same become due and payable and remaining

unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

Section 1.02. Other Definitions. The terms "City Council" and "City" shall have the meaning assigned in the preamble to this Ordinance.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation. (a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Security for the Bonds. The Bonds are and shall be equally and ratably secured by and payable from an irrevocable lien on and pledge of the Pledged Revenues. It is hereby ordained that such pledge of Pledged Revenues securing the payment of the Bonds and interest thereon shall constitute a first lien on such Pledged Revenues and be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer of control of the Pledged Revenues, the filing of this Ordinance or any other act; all as provided in Chapter 1208 of the Texas Government Code.

Section 2.02. Limited Obligations. The Bonds are special obligations of the City, payable solely from Pledged Revenues, and do not constitute a prohibited indebtedness of the City. The Bonds shall never be payable out of funds raised or to be raised by taxation.

ARTICLE III
AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE BONDS

Section 3.01. Authorization. The City's bonds to be designated "City of Killeen, Texas Combination Lease Revenue and Airport Revenue Bonds, Series 2025" (the "Bonds"), are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, particularly Chapter 1509, Texas Government Code, as amended, Chapter 1503, Texas Government Code, as amended, and Chapter 22, Texas Transportation Code, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) constructing, improving, acquiring and equipping the Facility for the purpose of leasing the Facility to the Tenant for use in commercial activity, and (ii) paying the costs of issuance of the Bonds.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest. (a) The Bonds shall be dated the date of their delivery to the Purchaser (the "Delivery Date"), shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on the 1st day of August of each year and in the principal amounts set forth in the schedule attached hereto as "Exhibit A."

(c) Interest shall accrue on the Bonds from the Delivery Date until maturity or prior redemption, at the interest rate set forth in the schedule attached hereto as "Exhibit A".

Section 3.03. Medium, Method and Place of Payment. (a) The principal of, premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date.

(c) Interest on the Bonds shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the person whose name such Bond is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated

Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Subject to any applicable escheat, unclaimed property, or similar law, including Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be paid to the City and thereafter neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds.

Section 3.04. Execution and Initial Registration. (a) The Bonds shall be executed on behalf of the City by the Mayor and City Secretary of the City, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the initial purchaser or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Purchaser or its designee.

Section 3.05. Ownership. (a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions

herein that interest is to be paid to the person in whose name the Bond is registered on the Record Date), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange. (a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.07. Cancellation and Authentication. All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the cancelled Bonds in accordance with the

Securities Exchange Act of 1934.

Section 3.08. Temporary Bonds. (a) The proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds and; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds. (a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

- (i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;
- (iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

- (iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption. (a) The City reserves the right to redeem Bonds on any date on or after August 1, 20__ with funds derived from any available and lawful source, in whole or in part, before their scheduled maturity dates, with fifteen (15) days prior written notice to the Purchaser in principal amounts of \$5,000 or any integral multiple thereof, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption.

(b) The City, at least fifteen (15) days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

(c) If less than all of the Bonds are to be redeemed pursuant to an optional redemption under Section 4.02(a), the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

Section 4.03. Partial Redemption. (a) A portion of a single Bond of a denomination greater than \$1.00 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$1.00 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(b) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in

accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

(c) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.04. Notice of Redemption to Owners. (a) If the Purchaser is not the sole Owner of the Bonds, notice of any redemption of Bonds shall be given by the Paying Agent/Registrar by sending notice by first class United States mail, postage prepaid, not less than 15 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing of such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.05. Payment Upon Redemption. (a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.06. Effect of Redemption. (a) Notice of redemption having been given as provided in Section 4.04 of this Ordinance, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the City.

Section 4.07. Conditional Notice of Redemption. The City reserves the right, in the case of an optional redemption pursuant to Section 4.02 herein, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that

the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar. _____, _____, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar. (a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar. The signature of the Mayor shall be attested by the City Secretary.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04. Termination. The City, upon not less than 60 days notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.05. Notice of Change. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner and any bond insurer by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI FORM OF THE BONDS

Section 6.01. Form Generally. (a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The Bonds, including the Initial Bond submitted to the Attorney General of Texas and any temporary Bonds, shall be typed, printed, lithographed, photocopied or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

Section 6.02. Form of Bonds. The form of Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF BELL
CITY OF KILLEEN, TEXAS
COMBINATION LEASE REVENUE AND AIRPORT REVENUE BOND,
SERIES 2025**

NO. R-__

PRINCIPAL
AMOUNT
\$

INTEREST
RATE

DELIVERY
DATE

MATURITY
DATE

CUSIP
NO.

The City of Killeen (the "City") in the County of Bell, State of Texas, for value received, hereby promises to pay to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the ordinance pursuant to which the Bonds are issued (the "Ordinance").

This Bond shall bear interest from time to time at the interest rates set forth herein. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Accrued and unpaid interest hereon is payable and shall be paid on the Stated Maturity Date or on the date of any earlier prepayments or redemptions.

Interest shall be payable on the 1st day of each August and February, commencing on February 1, 2026, until the earlier of maturity or prior redemption. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Principal shall be payable on the 1st day of each August, commencing on August 1, 2026

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in _____, Texas (the "Designated Payment/Transfer Office"), of _____, as initial Paying Agent/Registrar, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and

expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") pursuant to a certain ordinance of the City Council of the City (the "Ordinance") for the public purpose of providing funds for authorized public purposes for and within the City as described in the Ordinance, and to pay the costs of issuance related to the Bonds. The Bonds shall be dated the Closing Date above.

The Bonds constitute special obligations of the City and are payable solely from and equally secured by a first lien on and pledge of the Pledged Revenues (as defined in the Ordinance). The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City, except with respect to the Pledged Revenues.

The City reserves the right to redeem Bonds on any date on or after August 1, 20__ with funds derived from any available and lawful source, in whole or in part, before their scheduled maturity dates, with fifteen (15) days prior written notice to the Purchaser in principal amounts of \$5,000 or any integral multiple thereof, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption.

The City, at least fifteen (15) days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than fifteen (15) days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

The City reserves the right, in the case of an optional redemption pursuant to the Ordinance, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption

date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions, and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form, and manner as required by law.

IN WITNESS WHEREOF, this Bond has been duly executed on behalf of the City, under its official seal, in accordance with law.

City Secretary
City of Killeen, Texas

Mayor
City of Killeen, Texas

[CITY SEAL]

(b) Form of Certificate of Paying Agent/Registrar.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Bonds referred to in the within mentioned Ordinance. The series of Bonds of which this Bond is a part was originally issued as one Initial Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this

Exchange or a commercial bank or trust company.

Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Initial Bond Insertions.

- (i) The Initial Bond shall be in the form set forth in paragraphs (a), (c) and (e) of this Section, except that:
- (ii) immediately under the name of the Bond, the heading "MATURITY DATE" shall be completed with the words "As Shown Below";
- (iii) in the first paragraph:
the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on the August 1 of each year and in the principal installments set forth in the following schedule and bearing interest at the per annum rates as set forth in the Ordinance:

Year	Principal Installments
<hr/>	<hr/>

- (iv) (Information to be inserted from schedule in Exhibit A of this Ordinance.)

- (v) the Initial Bond shall be numbered T-1.

(e) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

**REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Certificate has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

[SEAL]

Section 6.03. CUSIP Registration. The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion. The approving legal opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, may be printed on each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VII

SALE OF THE BONDS; CONTROL AND DELIVERY OF THE BONDS

Section 7.01. Sale of Bonds. (a) The Bonds are hereby officially sold and awarded and shall be delivered to the Purchaser, in accordance with the terms and provisions of that certain Purchase Agreement relating to the Bonds between the City and the Purchaser and dated the date of the passage of this Ordinance. The form and content of such Purchase Agreement are hereby approved, and the Mayor is hereby authorized and directed to execute and deliver the Purchase Agreement to the Purchaser. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the Purchaser or its designee.

(b) All officers and officials of the City are authorized to take such actions and to execute such documents, certificates and receipts, and to make such elections with respect to the status of the Bonds, as they may deem necessary and appropriate in order to consummate the delivery of the Bonds. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed \$9,500).

(c) The obligation of the Purchaser to accept delivery of the Bonds is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel for the City, which opinion shall be dated as of and delivered on the Closing Date.

Section 7.02. Control and Delivery of Bonds. (a) The Mayor is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and registration with, and initial exchange

or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Purchaser under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tern and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tern and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Creation of Funds. (a) The City hereby establishes the following special funds or accounts:

- (i) The City of Killeen, Texas Combination Lease Revenue and Airport Revenue Bonds, Series 20__ Debt Service Fund; and
- (ii) The City of Killeen, Texas Combination Lease Revenue and Airport Revenue Bonds, Series 20__, Pledged Revenue Fund; and
- (iii) The City of Killeen, Texas Combination Lease Revenue and Airport Revenue Bonds, Series 20__, Project Fund.

(b) Each of said funds or accounts shall be maintained at an official depository of the City.

(c) The City hereby covenants and agrees that the Gross Lease Revenues shall be deposited as received to the credit of the Pledged Revenue Fund. All Gross Lease Revenues deposited in the Pledged Revenue Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

First: To the payment of Operating and Maintenance Expenses of the Facility.

Second: To the payment of the amounts required to be deposited in the Debt Service Fund for the payment of Debt Service on the Bonds as the same becomes due and payable.

(d) Revenues remaining in the Pledged Revenue Fund after satisfying the foregoing payments or making adequate and sufficient provision for the payment thereof, may be transferred to the City's general fund or used for any lawful purpose.

Section 8.02. Pledged Revenue Fund. (a) Gross Lease Revenues shall be credited to or

deposited to the Pledged Revenue Fund on a monthly basis, as and when received.

(b) From the Gross Lease Revenues on deposit in the Pledged Revenue Fund, the City shall transfer, on a monthly basis, funds in amounts required for the payment of the Operation and Maintenance Expenses of the Facility.

(c) Net Airport Revenues shall be credited, on a semi-annual basis, to or deposited to the Pledged Revenue Fund on a monthly basis in an amount expected to be necessary, when combined with Net Lease Revenues, to satisfy Debt Service on the Bonds.

(d) From the Pledged Revenue Fund, the City shall transfer, on a semi-annual basis, Pledged Revenues in the amounts required to be deposited to the Debt Service Fund for the payment of Debt Service on the Bonds as the same becomes due and payable. Such Pledged Revenues shall be transferred at least one (1) Business Day prior to the payment of Debt Service on the Bonds.

Section 8.03. Debt Service Fund. (a) For the sole purpose of paying the principal of and interest on the Bonds, there is hereby confirmed the establishment on the books of the City, accounted for separate and apart from all other funds of the City, a separate fund entitled the "City of Killeen Combination Lease Revenue and Airport Revenue Bonds Debt Service Fund" (the "Debt Service Fund").

(b) If the amount of money in the Debt Service Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds, no further deposits to that fund need be made.

(c) Money on deposit in the Debt Service Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

Section 8.04. Project Fund. (a) Money on deposit in the Project Fund, including investment earnings thereof, shall be used for the purposes specified in Section 3.01 of this Ordinance.

(b) All amounts remaining in the Project Fund after the accomplishment of the purposes for which the Bonds are hereby issued, including investment earnings of the Project Fund, shall be deposited into the Debt Service Fund.

Section 8.05. Security of Funds. All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Deposit of Proceeds. All amounts received on the Closing Date shall be deposited to the Project Fund, such moneys to be dedicated and used for the purposes specified in Section 3.01 and for paying the costs of issuance.

Section 8.06. Investments. (a) Money in the Pledged Revenue Fund, Debt Service Fund and the Project Fund, at the option of the City, may be invested in such securities or obligations as

permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.07. Investment Income. Interest and income derived from investment of any fund created by this Ordinance shall be credited to such fund.

ARTICLE IX ADDITIONAL BONDS

Section 9.01. No Prior Lien Bonds. The City hereby covenants that it will not issue any additional bonds or other obligations payable from and secured by a lien on and pledge of the Pledged Revenues that is senior to the lien security for the Bonds, without the consent of the Purchaser.

Section 9.02. Additional Parity Bonds Secured by the Pledged Revenues. The City has reserved and retained the right to issue or incur additional bonds secured in whole or in part by a parity lien on the Pledged Revenues (the "Additional Parity Bonds"); provided, however, that no Additional Parity Bonds may be issued without the consent of the Purchaser.

ARTICLE X PARTICULAR REPRESENTATIONS AND COVENANTS

Section 10.01. Payment of the Bonds. While any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Debt Service Fund, money sufficient to pay the interest on and the principal of the Bonds, as applicable, as will accrue or mature on each applicable Interest Payment Date or prior redemption date.

Section 10.02. Other Representations and Covenants. (a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of, interest on, and premium, if any, with respect to, each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

(c) The City shall provide annually to the Purchaser, audited financial statements of the City when available. While the Bonds are outstanding and unpaid, the City further agrees to deliver to the Purchaser other financial information of the City which the Purchaser reasonably requests.

(d) The City shall not sell or otherwise transfer ownership of the Facility until the Bonds have been paid in full, or at such time there is on deposit in the Debt Service Fund an amount that is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.01. Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an "Event of Default," to-wit:

- (i) the failure to make payment of the principal of, redemption premium, if any, or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the City.

Section 11.02. Remedies for Default. (a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 11.03. Remedies Not Exclusive. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XII

DISCHARGE

Section 12.01. Discharge. The City reserves the right to defease, discharge or refund the

Bonds in any manner permitted by applicable law.

ARTICLE XIII
EFFECTIVE IMMEDIATELY

Section 13.01. Effectiveness. This Ordinance shall be effective immediately upon its adoption.

APPROVED this _____ day of _____, 20__.

Mayor, City of Killeen, Texas

ATTEST:

City Secretary, City of Killeen, Texas

[Signature Page]

EXHIBIT A

Maturity Schedule