

INTER-FUND LOAN AGREEMENT

This Inter-Fund Loan Agreement (“Agreement”) between the City of Killeen Aviation Fund (“Borrower”) and the City of Killeen General Fund (“Lender”), shall be effective when approved by the City Council of the City of Killeen. In accordance with the following, Lender agrees to lend to Borrower, and Borrower agrees to repay to Lender, an amount not to exceed the principal amount, and interest accrued on the unpaid transfer balance:

1. **Purpose of the Agreement:** Borrower shall use the inter-fund loan funds to fund the design and bidding services for the rehabilitation Taxiway B and associated connecting pavements at the Killeen Fort Hood Regional Airport.

2. **Principal Inter-Fund Loan Amount:** The principal amount shall not exceed seven hundred one thousand and four hundred dollars (\$701,400). The inter-fund loan will be recorded as a receivable to the Lender and a payable to the Borrower.

3. **Term of the Agreement:** The term of this Agreement shall begin on December 18, 2018 and the outstanding balance including accrued interest is to be paid by September 30, 2019.

4. **Scheduled Payments:** No scheduled payments shall be required. Full repayment of the Inter-Fund Loan plus interest shall be made by September 30, 2019.

5. **Repayment Source:** Borrower shall repay the Inter-Fund Loan funds received into the Aviation Fund through the FY19 Airport Improvement Program (AIP) grant and Passenger Facilities Charges (PFC).

6. **Rate of Interest:** Interest shall accrue on the unpaid balance of the Inter-Fund Loan at the rate equal to 2.5%.

Department

Executive Director:

Signature Date

Executive Director
of Finance

Signature Date

City Manager

Signature Date