



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 2/27/2025

File ID: TMP-5250

Department: Finance

Subject:

Type of Action: Unanimous Consent

Ordinance authorizing a First Supplemental Lease Agreement and various other documents in connection with an issuance by The Public Building Authority of the City of Huntsville of its Lease Revenue Bonds, Series 2025, to finance the final costs of construction of City Hall.

Ordinance No.

Finance Information:

Account Number: TBD

City Cost Amount: TBD

Total Cost: TBD

Special Circumstances:

Grant Funded: NA

Grant Title - CFDA or granting Agency: NA

Resolution #: NA

Location: (list below)

Address: NA

District: District 1 District 2 District 3 District 4 District 5

Additional Comments:

ORDINANCE NO. 25-__

BE IT ORDAINED by the City Council (the "Council") of the **CITY OF HUNTSVILLE, ALABAMA** (the "City"), as follows:

Section 1. Findings. The Council has ascertained and does hereby determine and declare as follows:

(a) the Public Building Authority of the City of Huntsville, a political subdivision of the State of Alabama (the "Authority"), was created by the City pursuant to Chapter 56 of Title 11 of the Code of Alabama 1975, as amended (the "Enabling Law") in order to own and lease certain public buildings to the City; and

(b) the Authority has heretofore issued its \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022, which are presently outstanding in the principal amount of \$70,805,000 (herein called the "Series 2022 Bonds") under that certain Mortgage Indenture and Deed of Trust dated March 3, 2022 (herein called the "2022 Indenture") between the Authority and Regions Bank, as trustee (herein called the "Trustee"); and

(c) the proceeds of the Series 2022 Bonds were used to pay the costs of a new city hall, attached parking facility, and related ancillary facilities (collectively, the "Facility") located on real property owned by the Authority (the "Site" and, together with the Facility, the "Project"), which the Authority leases to the City pursuant to that certain Lease Agreement dated March 3, 2022 (the "2022 Lease Agreement"), between the Authority and the City; and

(d) the City has determined it to be necessary, wise and in the public interest to provide the funds necessary to finance the final costs of the design, development, construction, equipping and installation of the Project, which the Authority will continue to lease to the City pursuant to the terms of the 2022 Lease Agreement, as supplemented and amended by that certain First Supplemental Lease Agreement hereinafter defined and authorized; and

(e) the Authority has authorized the execution of a Bond Purchase Agreement between it, as issuer of the Series 2025 Bonds, and Raymond James & Associates, Inc. (the "Underwriter"), as underwriter, respecting the issuance by the Authority of its \$6,305,000 Lease Revenue Bonds, Series 2025, dated their date of initial issuance (the "Series 2025 Bonds"), the proceeds of which shall be used to finance (i) the final costs of the Facility (including reimbursement to the City of costs paid by the City for design, development, construction, equipping and installation of the Project) and (ii) the costs of issuing the Bonds; and

(f) the Project constitutes a "Project", as such term is defined in the Enabling Law, and the City has determined it necessary, wise and in the public interest that the City enter the First Supplemental Lease Agreement and that the City approve certain other matters in connection with issuance of the Bonds.

Section 2. Authorization of Lease Agreement. The Mayor is hereby authorized to execute and deliver, on behalf of the City, a First Supplemental Lease Agreement dated the date of the Series 2025 Bonds, which supplements and amends the 2022 Lease Agreement, between the Authority and the City, which shall be in substantially the form attached hereto as Exhibit I and made a part hereof as if set forth in full herein and with such changes thereto as shall be approved by the Mayor and the Chairman of the Authority (the "First Supplemental Lease Agreement" and, together with the 2022 Lease Agreement, the "Lease Agreement"). The City Clerk is hereby authorized to affix the seal of the City to the First Supplemental Lease Agreement and to attest the same; provided, however, that the First Supplemental Lease Agreement shall not be delivered on behalf of the City unless simultaneously with such delivery there shall be executed and delivered on behalf of the respective parties a First Supplemental Indenture dated the date of the Series 2025 Bonds, which supplements and amends the 2022 Indenture, between the Authority and Regions Bank, as trustee thereunder, providing for the issuance of the Series 2025 Bonds (the "First Supplemental Indenture" and, together with the 2022 Indenture, the "Indenture"). The First Supplemental Indenture shall be in substantially the form presented to the meeting of the Council at which this ordinance is adopted, with such changes thereto as shall be approved by the Chairman of the Authority, which form shall be attached to the minutes of said meeting as Exhibit II and is hereby adopted in all respects as if set out in full herein. The City agrees to include in its annual budget for each fiscal year the rental payments required to be made under the Lease Agreement.

Section 3. Ratification of Preliminary Official Statement; Authorization of Official Statement. Recognizing that the ability of the Authority to sell the Series 2025 Bonds depends upon the financial condition of the City, there has heretofore been prepared by the City and circulated by the Underwriter a Preliminary Official Statement dated February 11, 2025 (the "Preliminary Official Statement") with respect to the Series 2025 Bonds, a copy of which is attached as Exhibit III to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full herein. The actions of the Underwriter in circulating the Preliminary Official Statement, and the actions of the City, working with the Authority, in causing the Preliminary Official Statement to be prepared and "deemed final" as of its date for purposes of Rule 15c2-12 promulgated by the Securities Exchange Commission, are hereby ratified and affirmed. The Council hereby further authorizes and approves the Official Statement of the Authority with respect to the Series 2025 Bonds in substantially the form attached as Exhibit IV to the minutes of the meeting at which this Ordinance is adopted, and which form is hereby adopted in all respects as if set out in full in this Ordinance. The Mayor, the Finance Director, and the City Clerk, or either of them, are hereby authorized to execute and deliver, on behalf of the City, such certificates as may be requested by the Authority or otherwise desirable respecting the accuracy of information contained in the Preliminary Official Statement and in the Official Statement respecting the City.

Section 4. Approval of Series 2025 Bonds. The Council hereby approves in all respects the terms and conditions (including, without limitation, the maturities, interest rates, principal maturity schedule, and provisions for redemption prior to maturity) of the Series 2025 Bonds, which such terms and conditions are contained in the First Supplemental Indenture. The Council hereby acknowledges its understanding of all provisions of the First Supplemental Lease Agreement and the First Supplemental Indenture, and the Council hereby approves the provisions of both such documents. The Council hereby further approves the sale of the Series 2025 Bonds to the Underwriter, which is purchasing the Series 2025 Bonds at and for a sale price of \$6,480,089.00, which sale price represents the initial par or face amount of the Series 2025 Bonds, plus net original issue premium of \$200,353.20, less an underwriting discount of \$25,264.20.

Section 5. Authorization of Continuing Disclosure Agreement. In order to enable the Authority to comply with Rule 15c2-12 promulgated by the United States Securities and Exchange Commission, the Mayor, the Finance Director, and the City Clerk, or either of them, are hereby authorized to execute and deliver, on behalf of the City, a Continuing Disclosure Agreement dated the date of the Series 2025 Bonds (the "Continuing Disclosure Agreement") for the benefit of the beneficial owners of the Series 2025 Bonds, in substantially the form presented to the meeting at which this Ordinance is adopted (which form shall be attached as Exhibit V to the minutes of the meeting at which this Ordinance is adopted and which is hereby adopted in all respects as if set out in full herein). The Continuing Disclosure Agreement is to be entered into contemporaneously with the issuance of the Series 2025 Bonds in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. The rights of enforcement of the said Continuing Disclosure Agreement shall be as provided therein, and in no event shall a default by the City thereunder constitute a default under the Lease Agreement, the Indenture, the Series 2025 Bonds, or any other document executed and delivered by the City or the Authority in connection with the issuance of the Series 2025 Bonds.

Section 6. Concerning the Code. (a) **General.** The City recognizes that the Code imposes certain conditions to the exemption from federal income taxation of interest income on the Series 2025 Bonds. Accordingly, the City agrees that it will continually comply with all requirements imposed by the Code as a condition to the exemption from federal income taxation of the interest income on the Series 2025 Bonds. With respect to any question arising under this Section 6, the City may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) **Series 2025 Bonds not to be "Private Activity Bonds".** The City will not apply or permit the application of the proceeds of the Series 2025 Bonds in a manner that would cause the Series 2025 Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) **Concerning the Arbitrage Provisions of the Code; Rebate.** The City agrees that it will comply with all provisions of the Code necessary to preclude the Series 2025 Bonds from being considered "arbitrage bonds" within the meaning of Section 148 of the Code, and the City will make timely rebate payments to the United States of America as required by Section 148(f) of the Code.

Section 7. Additional Documents; Ratification of Certain Actions. The Mayor, the City Clerk and the Finance Director, or either of them, are each hereby authorized and

directed to execute such instruments, directions, orders, notices, agreements, certificates or other documents as shall be necessary or desirable in order to carry out the transactions contemplated by this Ordinance, the Lease Agreement, the Indenture, or any other documents or transactions authorized under this Ordinance. The Mayor, the City Clerk and the Finance Director are each hereby authorized and directed to execute such certificates, agreements and other documents respecting the Internal Revenue Code of 1986, as amended (herein called the "Code"), as contemplated by this Ordinance, to the end that the interest income on the Series 2025 Bonds be and remain exempt from federal income taxation.

Section 8. Disclaimer of Liability. The Series 2025 Bonds shall not constitute or give rise to an obligation or debt of the City or a charge against the credit or taxing powers of the City, and nothing contained in this Ordinance shall ever be construed to the contrary.

ADOPTED this 27th day of February, 2025.

City Council President
City of Huntsville, Alabama

APPROVED this 27th of February, 2025.

Mayor
City of Huntsville, Alabama

Exhibit I
Form of First Supplemental Lease Agreement

FIRST SUPPLEMENTAL LEASE AGREEMENT

between

**THE PUBLIC BUILDING AUTHORITY OF
THE CITY OF HUNTSVILLE**

and

CITY OF HUNTSVILLE, ALABAMA

Dated March 4, 2025

FIRST SUPPLEMENTAL LEASE AGREEMENT between **THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE**, a public corporation organized under the laws of the State of Alabama (the "Authority"), and **CITY OF HUNTSVILLE, ALABAMA**, a municipal corporation under the laws of the State of Alabama (the "City"),

RECITALS:

WHEREAS, the Authority has heretofore issued its \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022, which are presently outstanding in the principal amount of \$70,805,000 (herein called the "Series 2022 Bonds") under that certain Mortgage Indenture and Deed of Trust dated March 3, 2022 (herein called the "2022 Indenture") between the Authority and Regions Bank, as trustee (herein called the "Trustee");

WHEREAS, the proceeds of the Series 2022 Bonds were used to pay the costs of a new city hall, attached parking facility, and related ancillary facilities located on real property owned by the Authority (collectively, the "Facility"), which the Authority has leased to the City pursuant to that certain Lease Agreement dated March 3, 2022 (the "2022 Lease Agreement"), between the Authority and the City;

WHEREAS, in order to finance the final costs of completing the construction and equipping of the Facility, the Authority has, by proper corporate action and pursuant to the provisions of the 2022 Indenture, as supplemented and amended by a First Supplemental Indenture dated March 4, 2025 (herein called the "First Supplemental Indenture" and, together with the 2022 Indenture, the "Indenture"), duly authorized the issuance of its \$6,305,000 initial principal amount Lease Revenue Bonds, Series 2025, dated March 4, 2025 (herein called the "Series 2025 Bonds");

WHEREAS, the Series 2025 Bonds will be issued as Additional Bonds (as defined in the 2022 Indenture) pursuant to Article VIII of the 2022 Indenture; and

WHEREAS, in order to comply with the provisions of said Article VIII of the 2022 Indenture, the Authority and the City are entering into this First Supplemental Lease Agreement to provide for payment by the City of additional Basic Rent to the Authority in amounts sufficient to pay the principal of, premium (if any) and the interest on the Series 2025 Bonds as and when due, but only during the Renewal Term (as such terms are defined in the 2022 Lease Agreement) now in effect and ending on September 30, 2025, and during any subsequent Renewal Term during which the 2022 Lease Agreement, as supplemented and amended by this First Supplemental Lease Agreement (herein called the "Lease Agreement") is in effect.

NOW, THEREFORE, the Authority and the City hereby covenant and agree as follows:

**ARTICLE I
DEFINITIONS AND USE OF PHRASES**

Section 1.1 Definitions. In addition to the words and phrases defined in the recitals and in the other provisions of this First Supplemental Lease Agreement, the words and phrases used but not otherwise defined herein shall be given the respective meanings assigned thereto in the 2022 Lease Agreement.

Section 1.2 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this First Supplemental Lease Agreement as an entirety and not solely to the particular portion in which any such word is used. The definitions set forth in the recitals hereof and in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations by the Authority. The Authority makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Authority is duly incorporated under the provisions of the Act by Certificate of Incorporation duly filed for record in the office of the Judge of Probate of Madison County, Alabama; has not subsequently amended its said Certificate of Incorporation; and is not in default under any of the provisions contained in the said Certificate of Incorporation or in the laws of Alabama;

(b) Under the provisions of the Act, the Authority has the power to enter into the transactions contemplated by the Lease Agreement, and in this First Supplemental Lease Agreement, and to carry out its obligations thereunder and hereunder;

(c) The execution and delivery of the Lease Agreement on its part have been duly authorized by all necessary corporation action; and

(d) The Lease Agreement is in full force and effect and the Authority is not in default thereunder.

Section 2.2 Representations and Warranties by the City. The City makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) The City is a municipal corporation under the laws of Alabama, and has the power to enter into, and to perform and observe the agreements and covenants on its part contained in, the 2022 Lease Agreement, as supplemented and amended by this First Supplemental Lease Agreement;

(b) The execution and delivery of the Lease Agreement, the consummation of the transactions contemplated thereby and hereby, and the fulfillment or compliance with the terms and conditions thereof, do not conflict with, or result in a breach of, any of the terms, conditions or provisions of any governmental order to which the City is now a party or by which the City is bound, and do not constitute a default under any of the foregoing;

(c) The execution and delivery of the Lease Agreement on its part have been duly authorized by all necessary action; and

(d) The Lease Agreement is in full force and effect and the City is not in default thereunder.

(e) The City understands that one of the principal inducements to the purchase of the Series 2025 Bonds by the purchasers thereof from the Authority is that under existing law the interest thereon is excludable from gross income for federal income tax purposes generally, except to the extent otherwise provided in the Tax Code.

ARTICLE III DEMISING CLAUSES

The Authority hereby confirms the demise and leasing to the City of all real and personal property so demised and leased to the City pursuant to Section 3.1 of the 2022 Lease Agreement, subject to Permitted Encumbrances, and the City hereby rents from the Authority, subject to Permitted Encumbrances, for and during the fiscal year ending September 30, 2025, and for each Renewal Term thereafter, said real and personal property; not including, however, any machinery, equipment or other property that, under the terms of the 2022 Lease Agreement, as hereby supplemented and amended, is or is to become the sole property of the City or third parties.

This First Supplemental Lease Agreement is made upon and subject to the following terms and conditions and to the terms and conditions of the 2022 Lease Agreement, as supplemented and amended by the First Supplemental Lease Agreement, to each of which the Authority and the City hereby agree.

ARTICLE IV SUPPLEMENTAL RENT PROVISIONS

Section 4.1 Basic Rental Provisions. For and during the term of the Lease Agreement, the City will pay to the Authority, in addition to any other rental provided for in the 2022 Lease Agreement, for use and occupancy of the Facility, additional Basic Rent in amounts sufficient to pay the principal of, premium (if any) and the interest on the Series 2025 Bonds, said additional Basic Rent to be paid not later than fifteen (15) days prior to each August 1 and February 1 during which the Lease Agreement is in effect, as rent during each Renewal Term, if any, and said additional Basic Rent being shown on Exhibit A hereto.

Section 4.2 Series 2025 Bonds to be Additional Bonds. The Authority and the City recognize and agree that from and after the issuance of the Series 2025 Bonds, any reference in the Lease Agreement to the "Bonds" shall, unless the context clearly indicates otherwise, be construed to refer to the Series 2022 Bonds and the Series 2025 Bonds.

ARTICLE V MISCELLANEOUS

Section 5.1 Nature of this First Supplemental Lease Agreement; Construction.

From and after the execution of this First Supplemental Lease Agreement, the 2022 Lease Agreement and this First Supplemental Lease Agreement shall be construed as a single instrument for the purposes and to the extent herein provided. The 2022 Lease Agreement, as supplemented and amended by this First Supplemental Lease Agreement, is hereby confirmed by the Authority and the City.

Section 5.2 Binding Effect.

The 2022 Lease Agreement, as supplemented and amended by this First Supplemental Lease Agreement, shall inure to the benefit of, and shall be binding upon, the Authority, the City, the Trustee and their respective successors and assigns.

Section 5.3 Confirmation of Demise; Request for Issuance of Series 2025 Bonds.

The City hereby confirms the demise made pursuant to the 2022 Lease Agreement, as supplemented and amended by this First Supplemental Lease Agreement, of all property constituting a portion of the Facility. This First Supplemental Lease Agreement shall constitute the written request of the City to the Authority for issuance by the Authority of the Series 2025 Bonds.

Section 5.4 Severability.

In the event any provision of the 2022 Lease Agreement, as supplemented by this First Supplemental Lease Agreement, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

IN WITNESS WHEREOF, the Authority and the City have caused this First Supplemental Lease Agreement to be executed in their respective corporate names, have caused their respective corporate seals to be hereunto affixed, and have caused this First Supplemental Lease Agreement to be attested, all by their duly authorized officers, in counterparts, each of which shall be deemed an original, and have caused this First Supplemental Lease Agreement to be dated March 4, 2025.

**THE PUBLIC BUILDING AUTHORITY OF
THE CITY OF HUNTSVILLE**

[S E A L]

By _____
Chairman of its Board of Directors

Attest:

Its Secretary

CITY OF HUNTSVILLE, ALABAMA

[S E A L]

By _____
Its Mayor

Attest:

Its City Clerk

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned Notary Public in and for said county in said state, hereby certify that **MARK RUSSELL**, whose name as Chairman of the Board of Directors of **THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE**, a public corporation under the laws of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and official seal of office, this 4th day of March, 2025.

Notary Public

[NOTARIAL SEAL]

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned Notary Public in and for said county in said state, hereby certify that **TOMMY BATTLE**, whose name as Mayor of the **CITY OF HUNTSVILLE, ALABAMA**, a municipal corporation under the laws of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company.

GIVEN under my hand and official seal of office, this 4th day of March, 2025.

Notary Public

[NOTARIAL SEAL]

EXHIBIT A

Payment Date	Principal⁽¹⁾	Interest⁽¹⁾	Total⁽¹⁾
8/1/2025	--	\$115,588.96	\$115,588.96
2/1/2026	\$120,000	141,537.50	261,537.50
8/1/2026	--	138,537.50	138,537.50
2/1/2027	125,000	138,537.50	263,537.50
8/1/2027	--	135,412.50	135,412.50
2/1/2028	135,000	135,412.50	270,412.50
8/1/2028	--	132,037.50	132,037.50
2/1/2029	140,000	132,037.50	272,037.50
8/1/2029	--	128,537.50	128,537.50
2/1/2030	145,000	128,537.50	273,537.50
8/1/2030	--	126,000.00	126,000.00
2/1/2031	150,000	126,000.00	276,000.00
8/1/2031	--	123,375.00	123,375.00
2/1/2032	160,000	123,375.00	283,375.00
8/1/2032	--	119,375.00	119,375.00
2/1/2033	165,000	119,375.00	284,375.00
8/1/2033	--	115,250.00	115,250.00
2/1/2034	175,000	115,250.00	290,250.00
8/1/2034	--	110,875.00	110,875.00
2/1/2035	185,000	110,875.00	295,875.00
8/1/2035	--	106,250.00	106,250.00
2/1/2036	190,000	106,250.00	296,250.00
8/1/2036	--	101,500.00	101,500.00
2/1/2037	200,000	101,500.00	301,500.00
8/1/2037	--	96,500.00	96,500.00
2/1/2038	210,000	96,500.00	306,500.00
8/1/2038	--	91,250.00	91,250.00
2/1/2039	225,000	91,250.00	316,250.00
8/1/2039	--	85,625.00	85,625.00
2/1/2040	235,000	85,625.00	320,625.00
8/1/2040	--	79,750.00	79,750.00
2/1/2041	245,000	79,750.00	324,750.00
8/1/2041	--	74,850.00	74,850.00
2/1/2042	255,000	74,850.00	329,850.00
8/1/2042	--	69,750.00	69,750.00
2/1/2043	265,000	69,750.00	334,750.00
8/1/2043	--	64,450.00	64,450.00
2/1/2044	275,000	64,450.00	339,450.00

8/1/2044	--	58,606.25	58,606.25
2/1/2045	290,000	58,606.25	348,606.25
8/1/2045	--	52,443.75	52,443.75
2/1/2046	300,000	52,443.75	352,443.75
8/1/2046	--	46,068.75	46,068.75
2/1/2047	315,000	46,068.75	361,068.75
8/1/2047	--	39,375.00	39,375.00
2/1/2048	330,000	39,375.00	369,375.00
8/1/2048	--	32,156.25	32,156.25
2/1/2049	345,000	32,156.25	377,156.25
8/1/2049	--	24,609.38	24,609.38
2/1/2050	360,000	24,609.38	384,609.38
8/1/2050	--	16,734.38	16,734.38
2/1/2051	375,000	16,734.38	391,734.38
8/1/2051	--	8,531.25	8,531.25
2/1/2052	390,000	8,531.25	398,531.25

⁽¹⁾ Assumes renewal by the City of the Lease through final scheduled maturity of the Series 2025 Bonds.

Exhibit II
Form of First Supplemental Indenture

FIRST SUPPLEMENTAL INDENTURE

between

**THE PUBLIC BUILDING AUTHORITY
OF THE CITY OF HUNTSVILLE**

and

REGIONS BANK

Dated March 4, 2025

This **FIRST SUPPLEMENTAL INDENTURE** dated March 4, 2025 (the "First Supplemental Indenture") between **THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE**, a public corporation under the laws of Alabama (herein called the "Authority"), and **REGIONS BANK**, an Alabama banking corporation (herein called the "Trustee"),

RECITALS

(a) The Authority has heretofore executed and delivered a Mortgage Indenture and Deed of Trust dated March 3, 2022 (herein called the "2022 Indenture") between the Authority and the Trustee.

(b) Under and pursuant to the 2022 Indenture, the Authority issued its \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022 (herein called the "Series 2022 Bonds").

(c) Under the provisions of Article VIII of the 2022 Indenture, the Authority reserved the right to issue additional bonds (herein called "Additional Bonds") to be secured by the pledge contained in the 2022 Indenture, as at any time supplemented, on a parity of lien with the Series 2022 Bonds, upon compliance with the conditions set out in said Article VIII.

(d) The Series 2022 Bonds constitute the only obligations that have heretofore been issued under the 2022 Indenture.

(e) The Authority has, by proper corporate action and pursuant to the provisions of Article VIII of the 2022 Indenture, duly authorized the issuance of its Lease Revenue Bonds, Series 2025, dated March 4, 2025 (herein called the "Series 2025 Bonds") in order to provide funds to pay the costs of completing the new city hall and related parking and other related facilities financed by the Series 2022 Bonds (collectively, the "Facility") and to pay the expenses of issuing the Series 2025 Bonds.

(f) The Series 2025 Bonds will be secured by the 2022 Indenture, as supplemented and amended by this First Supplemental Indenture (the 2022 Indenture, together with this First Supplemental Indenture, herein together called the "Indenture"), on a parity of lien with the Series 2022 Bonds any Additional Bonds that may hereafter be issued pursuant to the provisions of Article VIII of the 2022 Indenture. In order to specify the details with respect to the Series 2025 Bonds and to comply with certain provisions of the 2022 Indenture, the Authority and the Trustee are entering into this First Supplemental Indenture.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE

WITNESSETH:

It is hereby agreed among the Authority, the Trustee and its successors in trust under the Indenture and the Holders at any time of the Series 2025 Bonds hereinafter referred to (the said Holders evidencing their consent hereto by their acceptance of the said Series 2025 Bonds), each with each of the others, as follows:

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions. The words and phrases and others evidently intended as the equivalent thereof which are set forth in Section 1.1 of the 2022 Indenture shall, in the absence of clear implication herein otherwise, be given the same interpretation herein as in the 2022 Indenture. In addition, the following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

"**Facility**" shall have the meaning given to such term in the recitals hereof.

"**First Supplemental Lease Agreement**" means that certain First Supplemental Lease Agreement dated the date of the Series 2025 Bonds between the Authority and the City.

"**Indenture**" shall have the meaning given to such term in the recitals hereof.

"**Lease Agreement**" means the 2022 Lease Agreement, as supplemented and amended by the First Supplemental Lease.

"**Series 2022 Bonds**" means the \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022, issued under the 2022 Indenture.

"**Series 2025 Bonds**" means those of the Bonds authorized in Section 2.1 hereof and bearing the designation "Series 2025."

"**2022 Lease Agreement**" means that certain Lease Agreement dated the date of the Series 2022 Bonds between the Authority, as lessor, and the City, as lessee.

**ARTICLE II
THE SERIES 2025 BONDS**

Section 2.1 Authorization and Description of Series 2025 Bonds. There is hereby authorized to be issued under the Indenture an issue or series of Bonds designated Lease Revenue Bonds, Series 2025, limited in aggregate principal amount to \$6,305,000. The Series 2025 Bonds shall be dated their date of issuance (March 4, 2025), and shall mature and become payable on February 1 in the following years and in the following amounts and shall bear interest from their date at the following per annum rates (payable on August 1, 2025, and on each February 1 and August 1 thereafter):

Year of Maturity	Principal Amount Maturing	Interest Rate
2026	\$ 120,000	5.000%
2027	125,000	5.000
2028	135,000	5.000
2029	140,000	5.000
2030	145,000	3.500
2031	150,000	3.500
2032	160,000	5.000
2033	165,000	5.000
2034	175,000	5.000
2035	185,000	5.000
2036	190,000	5.000
2037	200,000	5.000
2038	210,000	5.000
2039	225,000	5.000
2040	235,000	5.000
2043	765,000	4.000
2047	1,180,000	4.250
2052	1,800,000	4.375

Interest on the Series 2025 Bonds shall be computed on the basis of a 360-day year of twelve (12) consecutive thirty (30) day months. The Series 2025 Bonds shall be initially issued in the Authorized Denominations and registered in the names of the Holders as shall, pursuant to the provisions of Article V of the Indenture, be designated by the purchaser of the Series 2025 Bonds from the Authority. All installments of principal of and interest (and premium, if any) on each Series 2025 Bond shall bear interest after the respective maturities of such principal and interest (and premium, if any) until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by such Series 2025 Bond. Principal of the Series 2025 Bonds shall be payable at the designated office of the Trustee in the City of Birmingham, Alabama, upon surrender and presentation of the Series 2025 Bonds as the same become due and payable.

Section 2.2 Redemption Provisions. The Series 2025 Bonds may be redeemed and paid prior to maturity as follows:

(a) Optional Redemption. Those of the Series 2025 Bonds maturing or being subject to mandatory redemption on February 1, 2036, and thereafter, will be subject to redemption, at the option of the Authority (which option shall be exercisable upon direction of the City if the Lease Agreement is still in effect and no default exists thereunder) or, if at such time no default exists under the Lease Agreement, at the option of the City exercised on behalf of the Authority, as a whole or in part (but if in part only in installments of \$5,000 or any integral multiple thereof and in such order and amount of their maturities as the Authority or the City, as the case may be, shall determine, and if less than all the Series 2025 Bonds of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot as selected by the Trustee) on February 1, 2035, and on any date thereafter, such redemption, whether in whole or in part, to be at and for a redemption price equal to the principal amount (or portion thereof) to be redeemed plus accrued interest thereon to the Redemption Date, without premium or penalty.

(b) Mandatory Redemption. (i) Those of the Series 2025 Bonds with a stated maturity on February 1, 2043, are required to be redeemed on February 1 in the following principal amounts at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without any premium or penalty:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2041	\$245,000
2042	255,000
2043 (maturity)	265,000

(ii) Those of the Series 2025 Bonds with a stated maturity on February 1, 2047, are required to be redeemed on February 1 in the following principal amounts at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without any premium or penalty:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2044	\$275,000
2045	290,000
2046	300,000
2047 (maturity)	315,000

(iii) Those of the Series 2025 Bonds with a stated maturity on February 1, 2052, are required to be redeemed on February 1 in the following principal amounts at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon, without any premium or penalty:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2048	\$330,000
2049	345,000
2050	360,000

2051	375,000
2052 (maturity)	390,000

In the event the City or Authority shall have caused to be partially redeemed Series 2025 Bonds or shall have provided for a partial redemption of Series 2025 Bonds in such a manner that, under the provisions of this Indenture, the Series 2025 Bonds for the redemption of which provision is made are considered as fully paid, the City, on behalf of the Authority, may elect to apply all or any part (but only in integral multiples of \$5,000) of the principal amount of such Series 2025 Bonds so redeemed or to be redeemed to the reduction of the principal amount of Series 2025 Bonds required to be redeemed pursuant to the schedule set forth immediately above on any February 1 coterminous with or subsequent to the date such optional redemption actually occurs. Such notice shall be deemed effective only if it is given prior to the Trustee having given notice of redemption contrary to the provisions of such notice pursuant to the provisions of the Indenture.

(c) Extraordinary Redemption. The Series 2025 Bonds will be subject to redemption to the extent of moneys on deposit with the Trustee for such purpose at any time, at and for a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, in the event that (a) the Facility, or any parts thereof, is damaged or destroyed to such extent that in the opinion of the City, (i) the Facility cannot reasonably be substantially restored to the condition thereof immediately preceding such damage or destruction within a period of six (6) consecutive months, (ii) the City will thereby be prevented, or is likely to be thereby prevented, from using the Facility for a period of not less than six (6) consecutive months, or (iii) the cost of restoration thereof would exceed by more than \$10,000 the sum of the net insurance proceeds referable to such damage or destruction, or (b) title to, or the temporary use of, any part of the Facility is taken under the exercise of the power of eminent domain by any governmental authority or person, firm or corporation acting under governmental authority and such taking or takings result (or, in the opinion of the City are likely to result) in the City being thereby prevented from using the Facility for a period of not less than six (6) consecutive months, or (c) as a result of any changes in the Constitution of the State of Alabama or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal), entered after the contest thereof by the City in good faith, the Lease Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed to herein or unreasonable burdens or excessive liabilities are imposed on the Authority or the City.

Section 2.4 Form of Series 2025 Bonds. The Series 2025 Bonds and the Trustee's Authentication Certificate applicable thereto shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

(Form of Series 2025 Bonds)

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-__

\$_____

UNITED STATES OF AMERICA

STATE OF ALABAMA

**THE PUBLIC BUILDING AUTHORITY OF
THE CITY OF HUNTSVILLE
Lease Revenue Bond
Series 2025**

INTEREST RATE

MATURITY DATE

CUSIP NUMBER

Subject to prior payment and other provisions herein provided

For value received, **THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE**, a public corporation under the laws of Alabama (herein called the "Authority"), hereby promises to pay to **CEDE & CO.**, or registered assigns, solely out of the revenues hereinafter referred to, the principal sum of

_____ **DOLLARS**

on the date specified above, with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable semiannually on February 1 and August 1, commencing August 1, 2025, in each year until the due date hereof.

The principal of and premium (if any) on this bond is payable in lawful money of the United States of America at the designated corporate trust office of Regions Bank in the City of Birmingham, Alabama, or its successor as trustee under the Indenture hereinafter referred to, and the interest on this bond shall be remitted, by the trustee hereinafter referred to, by check or draft mailed to the then registered holder hereof on the Record Date (as defined in the Indenture) at the address shown on the registry books of the Trustee pertaining to the Series 2025 Bonds. Payment of interest on this bond shall be deemed timely made if mailed to the registered holder on the interest payment date with respect to which such payment is made or, if such interest

payment date is not a Business Day (as defined in the Indenture), then on the first Business Day following such interest payment date. Both the principal of and the interest on this bond shall bear interest after their respective maturities until paid or until moneys sufficient for payment thereof have been deposited for that purpose with the Trustee at the per annum rate of interest stated above. The Indenture provides that all payments by the Authority or the Trustee to the person in whose name a bond is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto. Anything herein to the contrary notwithstanding, so long as the Series 2025 Bonds are subject to the Book-Entry Only System of The Depository Trust Company ("DTC"), payments on the Series 2025 Bonds shall be made in accordance with the rules, regulations and operational arrangements of DTC.

This bond is one of a duly authorized issue of bonds limited in aggregate principal amount of \$6,305,000 and designated "Lease Revenue Bonds, Series 2025" (herein called the "Series 2025 Bonds"). The Series 2025 Bonds have been issued under a Mortgage Indenture and Deed of Trust dated March 3, 2022 (herein called the "2022 Indenture"), as supplemented and amended by a First Supplemental Indenture dated March 4, 2025 (herein called the "First Supplemental Indenture" and, together with the 2022 Indenture, the "Indenture"), from the Authority to Regions Bank, Birmingham, Alabama, as trustee (herein called the "Trustee"), for the purpose of providing funds to financing the completion of the acquisition, construction and equipping of a new city hall and related parking and other related facilities for use by the City, the initial costs of which were financed, in part, by the \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022 (herein called the "Series 2022 Bonds") heretofore issued under the 2022 Indenture.

The Authority has leased to the City, under a Lease Agreement dated March 3, 2022 between the Authority, as lessor, and the City as lessee, as supplemented and amended by a First Supplemental Lease Agreement between the said parties dated March 4, 2025 (collectively, the "Lease Agreement"), certain real property, the building located thereon and the equipment installed therein (said real property, the building and the furnishings and equipment forming a part thereof, as they may at any time exist, being herein together called the "Facility"). For so long as any of the Series 2025 Bonds shall remain outstanding and unpaid, the City has the option to renew the Lease Agreement for successive terms of one year commencing on October 1 and ending on September 30 of the next succeeding calendar year (which terms of one year coincide with the fiscal year of the City). During the term of the Lease Agreement in effect through September 30, 2025, and during each annual term for which the City may renew the Lease Agreement, the City is obligated to pay rent directly to the Trustee, for the account of the Authority, in amounts sufficient to provide for the payment of the principal of and the interest on the Series 2022 Bonds and the Series 2025 Bonds that will become due and payable during each such term. The obligation of the City to pay the rental under the Lease Agreement and to perform the covenants contained therein shall be a limited obligation of the City to be payable and performed solely out of the current revenues of the City received during the fiscal year during which any amount is payable or obligation required to be performed.

The Series 2025 Bonds are initially issued in Authorized Denominations pursuant to a Book-Entry System to be administered by the Securities Depository and registered in the name of and held by the Securities Depository Nominee, all as more particularly provided in the Indenture. During a period in which the Book-Entry System is in effect for the Series 2025

Bonds, the provisions of the Indenture and the Series 2025 Bonds shall be construed in accordance with the Letter of Representations and to give full effect to such Book-Entry System. In the event the Book-Entry System for the Series 2025 Bonds is discontinued, Series 2025 Bonds in certificated form in Authorized Denominations will be distributed to the Beneficial Owners thereof, the Series 2025 Bonds will be registered in the names of the owners thereof on the Bond Register, the Trustee shall make payments of principal of, premium (if any) and interest on the Series 2025 Bonds to the registered owners thereof as provided in the Series 2025 Bonds and the Indenture, and the provisions of this Series 2025 Bond and of the Indenture, with respect to registration, transfer and exchange of Series 2025 Bonds by the registered owners thereof, shall apply.

The Series 2025 Bonds are issuable only as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof. Provision is made in the Indenture for the exchange of Series 2025 Bonds for a like aggregate principal amount of Series 2025 Bonds of the same maturity and in authorized denomination, all upon the terms and subject to the conditions set forth in the Indenture with respect thereto.

Those of the Series 2025 Bonds maturing or being subject to mandatory redemption on February 1, 2036, and thereafter, will be subject to redemption, at the option of the Authority (which option shall be exercisable upon direction of the City if the Lease Agreement is still in effect and no default exists thereunder) or, if at such time no default exists under the Lease Agreement, at the option of the City exercised on behalf of the Authority, as a whole or in part (but if in part only in installments of \$5,000 or any integral multiple thereof and in such order and amount of their maturities as the Authority or the City, as the case may be, shall determine, and if less than all the Series 2025 Bonds of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot as determined by the Trustee) on February 1, 2035, and on any date thereafter, such redemption, whether in whole or in part, to be at and for a redemption price equal to the principal amount (or portion thereof) to be redeemed plus accrued interest thereon to the Redemption Date, without premium or penalty.

Those of the Series 2025 Bonds with a stated maturity on February 1, 2043, on February 1, 2047, and on February 1, 2052, are subject to mandatory redemption to the extent and as provided in Section 2.2(b) of the First Supplemental Indenture.

The Series 2025 Bonds are further subject to extraordinary redemption and payment upon the occurrence of certain events as set forth and described in Section 2.2(c) of the First Supplemental Indenture.

If the Book-Entry System is in effect, then redemption shall be made as herein described under the Book-Entry System and in accordance with the provisions of the Letter of Representation and the Indenture. If less than all of the Series 2025 Bonds at the time outstanding are redeemed at the time the Book-Entry System is not in effect, then any redemption shall be in such amount and order of maturities as the Authority shall determine in its sole discretion. In the event that less than all of the principal of the Series 2025 Bonds of a maturity is to be redeemed, the Trustee shall assign a number to each \$5,000 principal portion of all of the Series 2025 Bonds of such maturity and shall, by process of random selection based upon such numbers, select the principal portion of Series 2025 Bonds of such maturity to be redeemed. Notice of any intended redemption shall be given by United States registered or

certified mail not less than 30 days prior to the proposed redemption date to the registered owner of each Series 2025 Bonds, all or a portion of the principal of which is to be redeemed, at the address thereof as it last appears on the registration books of the Trustee pertaining to the Series 2025 Bonds. Notice having been so given and payment of the redemption price duly made or provided, (or portions thereof) so called for redemption shall cease to bear interest from and after the redemption date unless default is made in the payment of the redemption price.

The principal of and the interest (and premium, if any) on the Bonds are payable solely out of the rentals and other revenues to be derived by the Authority from the leasing of the Facility, and the payment of said principal and interest (and premium, if any) is secured, pro rata and without preference or priority of one Bond over another by a valid pledge of said revenues (including specifically the amounts payable to the Authority by the City under the Lease Agreement), by the provisions of the Indenture and by an assignment to the Trustee of all right, title and interest of the Authority under the Lease Agreement.

For the purposes and subject to the conditions specified in the Indenture, additional bonds, without express limit as to principal amount and secured on a parity of lien with the Series 2022 Bonds and the Series 2025 Bonds, may be issued in one or more series (the Series 2022 Bonds, the Series 2025 Bonds, and all such additional bonds being herein together called the "Bonds"). Reference is hereby made to the Indenture for a description of the nature and extent of the security afforded thereby, the rights and duties of the Authority and the Trustee with respect thereto, the rights of the Holders of the Bonds and the terms and conditions on which additional series of Bonds may be issued. The Indenture provides, inter alia, (1) that in the event of default by the Authority in the manner and for the time therein provided, the Trustee may declare the principal of and the interest accrued on this bond immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Trustee shall be entitled to pursue the remedies provided in the Indenture, (2) that the Indenture shall not be subject to foreclosure in the event of default by the Authority thereunder, and (3) that all remedies thereunder are vested exclusively in the Trustee for the equal and pro rata benefit of all the holders of the Bonds, unless the Trustee refuses or neglects to act within a reasonable time after written request so to act addressed to the Trustee by the holders of twenty-five per cent (25%) in principal amount of the outstanding Bonds, accompanied by indemnity satisfactory to the Trustee, in which event the holder of any of the Bonds may thereupon so act in the name and behalf of the Trustee, but that otherwise no holder of any of the Bonds shall have the right to enforce any remedy thereunder, and then only for the equal and pro rata benefit of the holders of all the Bonds. The Indenture also provides that the Authority and the Trustee, with the written consent of the Holders of not less than sixty-six and two-thirds per cent (66-2/3%) of the Bonds then outstanding under the Indenture, may at any time and from time to time amend the Indenture or any indenture supplemental thereto, provided that no such amendment shall (1) without the consent of the holder of each Bond affected, reduce the principal of, the rate of interest on, or the premium (if any) payable on redemption of, any Bond, or (2) without the consent of the Holders of all the Bonds then outstanding under the Indenture, extend the maturity of any installment of principal or interest on any of the Bonds, make any change in the schedule of required sinking fund or other similar payments with respect to any series of the Bonds, create a lien or charge on the Facility or the revenues therefrom ranking prior to or (except in connection with the issuance of additional bonds under the Indenture) on a parity with the lien or charge thereon contained in the Indenture, effect a preference or priority of any Bond over any

other Bond or reduce the aggregate principal amount of Bonds the Holders of which are required to consent to any such amendment.

The Authority is a public corporation existing under the provisions of Chapter 56 of Title 11 of the Code of Alabama 1975, as amended, and the Series 2025 Bonds are authorized to be issued for purposes for which bonds are authorized to be issued under the provisions of said Chapter 56. The covenants and representations herein contained or contained in the Indenture do not and shall never constitute a personal or pecuniary liability or charge against the general credit of the Authority, nor shall the City of Huntsville in any manner be liable for payment of the principal of or the interest on the Bonds or for the performance of the undertakings of the Authority contained herein or in the Indenture.

It is hereby certified that all conditions, actions, and things required by the Constitution and laws of Alabama to exist, be performed and happen precedent to or in the issuance of the Series 2025 Bonds do exist, have been performed and have happened in due and legal form.

The Bonds are issuable only as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the Indenture for the exchange of Bonds for a like aggregate principal amount of Bonds of the same maturity and interest rate and in an authorized denomination, all as may be requested by the holder surrendering the Bond or Bonds to be so exchanged and upon the terms and conditions specified in the Indenture.

This bond is transferable by the registered Holder hereof in person, or by duly authorized attorney, only on the registry books of the Trustee pertaining to the Bonds and only upon surrender of this bond to the Trustee for cancellation, and upon any such transfer a new Bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly provided in the Indenture. Each Holder, by receiving and accepting this bond, shall consent and agree and shall be estopped to deny that, insofar as the Authority and the Trustee are concerned, this bond may be transferred only in accordance with the provisions of the Indenture.

The Trustee shall not be required so to transfer or exchange this bond during the period of fifteen days next preceding any interest payment date with respect thereto; and in the event this bond (or any portion of the principal hereof) is duly called for redemption, the Trustee shall not be required so to transfer or exchange it during the period of fifteen days next preceding the date fixed for such redemption.

Execution by the Trustee of its authentication certificate hereon is essential to the validity hereof and is conclusive of the due issue hereof under the Indenture.

IN WITNESS WHEREOF, the Authority has caused this bond to be executed in its name and behalf by the Chairman of its Board of Directors, has caused its corporate seal to be hereunto impressed, has caused this Bond to be attested by the signature of its Secretary, and has caused this Bond to be dated March 4, 2025.

**THE PUBLIC BUILDING AUTHORITY OF
THE CITY OF HUNTSVILLE**

By _____
Chairman of its Board of Directors

[SEAL]

Attest:

Its Secretary

(Form of Trustee's Authentication Certificate)

Date of Registration and Authentication: March 4, 2025

The within bond is one of those described in the within-mentioned Trust Indenture.

REGIONS BANK
as Trustee

By _____
Its Authorized Officer

(Form of Assignment)

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, with full power of substitution in the premises, to transfer this bond on the books of the within mentioned Trustee.

DATED this ____ day of _____, ____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration, enlargement or change whatsoever.

Signature guaranteed:

(Bank, Trust Company, or Firm)*

By _____
(Authorized Officer)

Its Medallion Number: _____

* Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

Section 2.5 Execution and Delivery of the Series 2025 Bonds. The Series 2025 Bonds shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the Authority by the Chairman of the Directors requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

Section 2.6 Application of Proceeds from Sale of Series 2025 Bonds. The entire proceeds derived by the Authority from the sale of the Series 2025 Bonds (except for the underwriter's discount of \$25,264.20, which shall be withheld by the underwriter of the Series 2025 Bonds) shall be paid to the Trustee and promptly thereafter applied by the Trustee for the following purposes and in the following order:

(a) deposited into the Construction Fund (unless otherwise directed in writing by the Finance Director of the City to the Trustee) the sum of \$6,350,000.00 for payment of the costs of the Facility (including reimbursement to the City of costs paid by the City for design, development, construction, equipping and installation of the Project); and

(b) the balance (\$130,089.00) shall be applied by the Trustee for payment of the costs of issuing the Series 2025 Bonds on the date of issuance thereof, with any remaining amount to be deposited into the Construction Fund and used for payment of the costs of issuing the Series 2025 Bonds or for the costs of developing the Facility as directed by an Authorized Authority Representative.

Section 2.7 Book-Entry Only System. The Series 2025 Bonds shall be initially issued in book-entry only form, registered in the name of Cede & Co., the nominee of The Depository Trust Company. So long as the said book-entry only system remains in effect, the provisions of the Indenture, including the provisions governing the registration and exchange of Series 2025 Bonds, places and manner of payment of Series 2025 Bonds, requirements for presentment of Series 2025 Bonds and manner and effect of redemption of Series 2025 Bonds shall be subject to the standard procedures and operational arrangements of The Depository Trust Company.

ARTICLE III MISCELLANEOUS PROVISIONS

Section 3.1 Compliance with Certain Requirements of the Code. The Authority will comply with all conditions to and requirements for the exclusion from gross income of the recipients thereof for federal income tax purposes of the interest income on the Series 2025 Bonds imposed by Section 103 of the Internal Revenue Code of 1986 (herein called the "Code"). Without limiting the generality of the foregoing,

(a) the Authority will not apply the proceeds from the Series 2025 Bonds in a manner that would cause any of the Series 2025 Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code, and

(b) the Authority will comply with the requirements of Section 148 of the Code in order that the Series 2025 Bonds will not be "arbitrage bonds" within the meaning of said Section 148, including, without limitation, the requirement for the payment of certain amounts to the United States in accordance with the provisions of Section 148(f)(2) of the Code.

Section 3.2 Certain Required Statements Respecting Additional Bonds. In accordance with the requirements of Section 8.2 of the 2022 Indenture, the Authority does hereby state and declare as follows:

(a) The foregoing provisions of this First Supplemental Indenture set forth and provide a description of the Series 2025 Bonds, including the aggregate principal amount, the numbers and series designation, the denomination or denominations, the date, the interest rate or rates and the maturity or maturities thereof, the provisions for redemption thereof prior to maturity and the form of the Series 2025 Bonds, and

(b) all property acquired and to be acquired by the Authority with the proceeds of the Series 2025 Bonds shall be subject to the demise of the Lease Agreement, and all such property shall be located in the Facility or elsewhere on the Site.

Section 3.3 Confirmation of Indenture. All the terms, covenants and conditions of the Indenture, as supplemented and amended hereby, are hereby in all respects ratified and confirmed, and the Indenture, as so supplemented and amended, shall continue in full force and effect.

Section 3.4 Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Authority has caused this First Supplemental Indenture to be executed in its corporate name and behalf its Chairman, has caused its corporate seal to be hereunto affixed, and has caused this First Supplemental Indenture to be attested by its Secretary, and the Trustee has caused this First Supplemental Indenture to be executed in its name and in its behalf, has caused its corporate seal to be hereunto affixed and has caused this First Supplemental Indenture to be attested, all by its duly authorized officers, and the Authority and the Trustee have caused this First Supplemental Indenture to be so executed in several counterparts, each of which shall be deemed an original, and have caused this First Supplemental Indenture to be dated March 4, 2025.

**THE PUBLIC BUILDING AUTHORITY OF
THE CITY OF HUNTSVILLE**

[S E A L]

By: _____
Chairman of its Board of Directors

Attest:

Its Secretary

REGIONS BANK.

[S E A L]

By: _____

Its: _____

Attest:

Its: _____

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, Sherry L. Bush, a Notary Public in and for said county in said state, hereby certify that **MARK RUSSELL**, whose name as Chairman of **THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE**, a political subdivision of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and official seal of office, this 4th day of March, 2025.

Notary Public

[NOTARIAL SEAL]

STATE OF ALABAMA)
 :
COUNTY OF JEFFERSON)

I, Sherry L. Bush, a Notary Public in and for said county in said state, hereby certify that John H. Holcomb, whose name as a duly authorized representative of **REGIONS BANK**, a banking corporation under the laws of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and official seal of office, this 4th day of March, 2025.

Notary Public

[NOTARIAL SEAL]

Exhibit III
Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 11, 2025

Ratings:
Moody's: Aa1
Standard & Poor's: AA+
(See "RATINGS" herein)

New Issue – Book Entry Only

In the opinion of Bond Counsel to the Authority, assuming continuing compliance by the Authority with the covenants set forth in the Indenture and the proceedings under which the Series 2025 Bonds are issued with respect to certain conditions imposed by Section 103 of the Internal Revenue Code of 1986, as amended, the interest income on the Series 2025 Bonds will be excludable from gross income of the recipients thereof for federal income tax purposes. Bond Counsel to the Authority is also of the opinion that the interest income on the Series 2025 Bonds is, under existing statutes and regulations, exempt from Alabama income taxation. See "TAX MATTERS" herein.

\$6,160,000*
THE PUBLIC BUILDING AUTHORITY
OF THE CITY OF HUNTSVILLE (ALABAMA)
Lease Revenue Bonds
Series 2025

Dated: Date of Delivery

**Due: February 1, as shown on
the inside cover hereof**

SEE INSIDE COVER FOR AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS

Interest on the Series 2025 Bonds is payable on August 1 and February 1 of each year, commencing August 1, 2025. The Series 2025 Bonds will be issued as fully registered bonds in the denominations of \$5,000 and any integral multiple thereof. Principal of and any premium on the Series 2025 Bonds will be payable at the corporate trust office of Regions Bank, Birmingham, Alabama, as Trustee under the Indenture hereinafter defined. Interest on the Series 2025 Bonds will be payable by check or draft mailed by the Trustee to the registered owners thereof.

The Series 2025 Bonds are special, limited obligations of The Public Building Authority of the City of Huntsville (the "Authority") payable solely from, and secured by a pledge of, the revenues and receipts derived by the Authority from the leasing by the City of Huntsville (the "City") of the Facility described herein. The Series 2025 Bonds will not constitute an indebtedness of the State of Alabama or of the City, or give rise to a pecuniary liability or charge against the general credit or taxing powers of the State of Alabama or the City. The Authority has no taxing power and no source of payment of the principal of and premium (if any) and interest on the Series 2025 Bonds other than revenues derived from or with respect to the Lease (hereinafter defined) and, in certain cases, proceeds of insurance or condemnation awards respecting the Facility. The Series 2025 Bonds will not be obligations or debts of the City or any other political subdivision or instrumentality of the State of Alabama (other than the Authority to the extent provided in the Indenture), and except for the obligation of the City to pay rentals with respect to the Series 2025 Bonds coming due during the current term or any renewal term of twelve months for which the Lease shall be in effect, neither the City nor any such political subdivision or instrumentality (other than the Authority to the extent provided in the Indenture) shall in any manner be liable for the payment of the principal of or the interest on the Series 2025 Bonds or for the performance of the undertakings of the Authority contained in the Series 2025 Bonds or in the Indenture.

The Series 2025 Bonds will be issued as fully registered Series 2025 Bonds and will be registered in the name of Cede & Co., nominee of The Depository Trust Company ("DTC"), to which principal and interest payments on the Series 2025 Bonds will be made so long as Cede & Co. is the registered owner of the Series 2025 Bonds. Individual purchases of the Series 2025 Bonds will be made in book-entry form only, and individual purchasers ("Beneficial Owners") of the Series 2025 Bonds will not receive physical delivery of Series 2025 Bond certificates. So long as DTC or its nominee is the registered owner of the Series 2025 Bond, disbursements of such payments to DTC is the responsibility of the Trustee, disbursements of such payment to DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC Participants or Indirect Participants as more fully described herein.

Certain of the Series 2025 Bonds are subject to [optional, mandatory and] extraordinary redemption prior to maturity as described herein.

THIS COVER PAGE CONTAINS ONLY A SUMMARY OF INFORMATION REGARDING THE SERIES 2025 BONDS. POTENTIAL INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES HERETO, PRIOR TO MAKING AN INVESTMENT DECISION.

The Series 2025 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of validity thereof by Bradley Arant Boult Cummings LLP, Bond Counsel to the Authority, and certain other conditions. PFM Financial Advisors LLC is serving as Financial Advisor to the Authority and the City. It is expected that the Series 2025 Bonds in definitive form will be available for delivery through DTC on or about _____, 2025.

RAYMOND JAMES

Dated: _____

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS

\$6,160,000* Lease Revenue Bonds Series 2025

Maturity Date (February 1)	Principal Amount*	Interest Rate	Yield	CUSIP⁽¹⁾
2026	\$110,000			
2027	115,000			
2028	125,000			
2029	130,000			
2030	135,000			
2031	140,000			
2032	150,000			
2033	155,000			
2034	165,000			
2035	175,000			
2036	185,000			
2037	190,000			
2038	200,000			
2039	210,000			
2040	225,000			
2041	235,000			
2042	245,000			
2043	260,000			
2044	270,000			
2045	285,000			
2046	300,000			
2047	315,000			
2048	335,000			
2049	350,000			
2050	365,000			
2052	385,000			
2052	405,000			

*Preliminary; subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the registered owners of the Series 2025 Bonds. The Authority and the Underwriter are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness by the Authority on the Series 2025 Bonds and by the Underwriter on the Series 2025 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025 Bonds.

**THE PUBLIC BUILDING AUTHORITY OF
CITY OF HUNTSVILLE**

Post Office Box 308
308 Fountain Circle
Huntsville, Alabama 35804-0308
(256) 427-5080

Board of Directors

Mark Russell
Chairman

Bob Broadway
Vice-Chairman

DeMarco McClain
Secretary/Treasurer

Financial Advisor

PFM Financial Advisors LLC
Huntsville, Alabama

Bond Counsel

Bradley Arant Boult Cummings LLP
Birmingham, Alabama

Trustee

Regions Bank
Birmingham, Alabama

Underwriter

Raymond James & Associates, Inc.
Birmingham, Alabama

Certain information contained in or incorporated by reference in this Official Statement has been obtained by the Authority and the City from DTC and other sources that are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Underwriter or the Authority or the City. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriter. This Official Statement is being used in connection with the sale of securities as referred to herein and may not be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

No dealer, broker, salesperson or any other person has been authorized by the Authority, the City, or the Underwriter to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the inside cover page, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Series 2025 Bonds.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information based on the Authority’s beliefs as well as assumptions made by and information currently available to the Authority.

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OFFICIAL STATEMENT

\$6,160,000*

**THE PUBLIC BUILDING AUTHORITY
OF THE CITY OF HUNTSVILLE
Lease Revenue Bonds
Series 2025**

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and the appendices hereto, is to set forth information in connection with the offering by The Public Building Authority of the City of Huntsville (the "Authority") of the above-referenced bonds (the "Series 2025 Bonds"), dated their date of initial delivery. The Authority is a public corporation organized and existing under and pursuant to the provisions of Chapter 56 of Title 11 of the Code of Alabama 1975, as amended (the "Act") and a resolution adopted by the governing body of the City of Huntsville, Alabama (the "City").

The Authority is issuing the Series 2025 Bonds to finance a portion of the costs to design, develop, construct, equip and install the Facility hereinafter described and to pay the costs of issuing the Series 2025 Bonds. The initial costs of the Facility were paid with proceeds of the \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022, of the Authority (the "Series 2022 Bonds"), which were issued under and pursuant to the provisions of the Act and under a Mortgage Indenture and Deed of Trust dated March 3, 2022 (the "Base Indenture"), between the Authority and Regions Bank, as trustee (the "Trustee").

The Series 2025 Bonds will be issued pursuant to the provisions of the Act and under the Base Indenture, as supplemented and amended by a First Supplemental Mortgage Indenture and Deed of Trust dated the date of the Series 2025 Bonds (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Authority and the Trustee. The Series 2022 Bonds, the Series 2025 Bonds, and any additional parity bonds hereafter issued under the Indenture ("Additional Parity Bonds") are herein from time to time together called the "Bonds." See "THE SERIES 2025 BONDS – Purpose" herein; See also "THE AUTHORITY, THE FACILITY AND THE LEASE" herein.

The Facility

The Series 2025 Bonds are being issued to finance the final costs to develop, construct, equip and install the new city hall facility, including among other features administrative, storage and parking facilities, for use by the City (the "Facility") for lease by the Authority to the City.

The Lease

The Act authorizes the City to lease the Facility from the Authority. Upon issuance of the Series 2025 Bonds, the City and the Authority will enter into a First Supplemental Lease Agreement dated the date of the Series 2025 Bonds (the "First Supplemental Lease"), which supplements and amends that certain Lease Agreement dated March 3, 2022 (the "Base Lease" and, together with the First Supplemental Lease, the "Lease"), under which the City will lease the Facility from the Authority on a year-to-year basis. The Lease will have a term in effect on the date of issuance of the Series 2025 Bonds and continuing until and including September 30, 2025. The Lease provides that the rental required to be paid and the agreements required to be performed by the City during any fiscal year of the City during which the Lease may be in effect shall be payable solely out of the current revenues of the City for such fiscal year.

The financing authorized by the Act and by the proceedings under which the Series 2025 Bonds will be issued is that of a limited obligation of the City payable solely out of the revenues and receipts of the City for the fiscal year during which the Lease is in effect. The Act permits, but does not require, the City to renew the Lease at the beginning of each successive fiscal year of the City. A determination in any fiscal year by the City not to renew the Lease for a subsequent fiscal year would result in the City being liable only for the rental required to be paid and agreements performed during the fiscal year during which the Lease was last in effect; such liability to be satisfied

solely out of the revenues of the City for the last fiscal year during which the Lease was in effect. See "SECURITY – Lease Term" herein.

Prospective investors in the Series 2025 Bonds should examine the Base Lease, and should also examine the form of the First Supplemental Lease to be entered upon issuance of the Series 2025 Bonds. See also APPENDIX H – "THE BASE LEASE AND THE FORM OF FIRST SUPPLEMENTAL LEASE" hereto.

THE AUTHORITY

The Authority is a public corporation organized and existing under and pursuant to the provisions of the Act and a resolution adopted by the governing body of the City. The Authority was organized for the purpose of constructing certain public facilities for lease by the Authority to the City. The powers of the Authority are vested in its Board of Directors, consisting of three members elected by the governing body of the City for staggered terms. Each director must be a duly qualified resident of the City, but no director may be an officer of the State of Alabama or of the City.

The following consist of the initial Board of Directors of the Authority:

Name	Title
Mark Russell	Chairman
Bob Broadway	Vice-Chairman
DeMarco McClain	Secretary/Treasurer

In addition to the Facility, the Authority owns and leases various other facilities to the City. Specifically, the Authority owns and, under a Lease Agreement between the Authority and the City dated September 1, 2007, as supplemented by a First Supplemental Lease Agreement dated October 12, 2017 (the "Public Safety Facility Lease"), leases to the City a municipal court and fire and police administration facility (the "Public Safety Facility"), and the Authority owns and, under a Lease Agreement between the Authority and the City dated March 18, 2021 (the "Amphitheater Lease"), leases to the City, a public amphitheater in the City known as "Orion Amphitheater" (the "Amphitheater").

Under the Public Safety Facility Lease, the City pays the debt service on the Authority's \$46,965,000 initial principal amount Lease Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"), which were issued to finance and refinance the costs of the Public Safety Facility. Under the Amphitheater Lease, the City pays the debt service on the Authority's \$37,000,000 initial principal amount Taxable Lease Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), which were issued to finance the costs of the Amphitheater. Under the Base Lease the City paid debt service on the Series 2022 Bonds, and under the Base Lease, as amended by the First Supplemental Lease, the City will pay debt service on the Series 2022 Bonds and on the Series 2025 Bonds as parity obligations.

The Series 2025 Bonds are not secured by, and holders thereof have no claim to any amounts or other obligations of the City whatsoever under, the Public Safety Facility Lease or the Amphitheater Lease or otherwise in connection with the Public Safety Facility, the Amphitheater, the Series 2017 Bonds, or the Series 2021 Bonds.

The Series 2025 Bonds are being issued as Additional Parity Bonds under the Indenture, and as such the holders thereof have a parity claim with holders of the Series 2022 Bonds, and with the holders of any Additional Parity Bonds hereinafter issued, on payments of Basic Rent (hereinafter defined) under the Lease assigned to the Authority under the Indenture.

THE CITY OF HUNTSVILLE

For information concerning the City of Huntsville, prospective investors in the Series 2025 Bonds are encouraged to review the various appendices to this Official Statement, including without limitation APPENDIX A – "CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION OF THE CITY OF HUNTSVILLE", APPENDIX B – "GOVERNMENTAL ORGANIZATION AND FUNCTIONS OF THE CITY OF HUNTSVILLE", APPENDIX C "CERTAIN FINANCIAL, DEBT AND RELATED INFORMATION OF THE CITY OF HUNTSVILLE", AND APPENDIX G – "AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023".

THE SERIES 2025 BONDS

General

The Series 2025 Bonds will be dated the date of their initial issuance, will bear semiannual interest payable on each August 1 and February 1, commencing August 1, 2025, at the rates set forth on the inside of the cover page hereof, and will mature on February 1 in the years and in the principal amounts set forth on said inside cover page. Interest on the Series 2025 Bonds is computed on the basis of a 360 day year of twelve (12) consecutive thirty (30) day months. The Series 2025 Bonds will be issued as fully registered bonds, registerable as to both principal and interest, in the denominations of \$5,000 or any integral multiple thereof. The principal of and premium (if any) on the Series 2025 Bonds will be payable at the designated corporate trust office of the Trustee in Birmingham, Alabama, and the interest on the Series 2025 Bonds will be paid by the Trustee by draft or check mailed to the registered owner as such registered owner’s name shall appear on the registry books of the Trustee on the fifteenth (15th) calendar day next preceding any interest payment date. Payments of interest with respect to the Series 2025 Bonds shall be deemed timely made if made by check or draft mailed by the Trustee no later than the respective due dates of such interest. The principal of and the interest and premium (if any) on the Series 2025 Bonds will be payable in lawful money of the United States of America.

Purpose of Series 2025 Bonds

The Series 2025 Bonds are being issued to finance the final costs of the Facility and to pay costs of issuing the Series 2025 Bonds. See "PLAN OF FINANCING" herein.

Estimated Debt Service of the Series 2025 Bonds

The estimated debt service requirements for the Series 2025 Bonds is as follows^{(1)*}:

Year (February 1)	Principal⁽¹⁾	Interest⁽¹⁾	Total⁽¹⁾
2026	\$110,000	\$125,767	\$125,767
2027	115,000	305,250	415,250
2028	125,000	299,625	414,625
2029	130,000	293,625	418,625
2030	135,000	287,250	417,250
2031	140,000	280,625	415,625
2032	150,000	273,750	413,750
2033	155,000	266,500	416,500
2034	165,000	258,875	413,875
2035	175,000	250,875	415,875
2036	185,000	242,375	417,375
2037	190,000	233,375	418,375
2038	200,000	224,000	414,000
2039	210,000	214,250	414,250
2040	225,000	204,000	414,000
2041	235,000	193,125	418,125
2042	245,000	181,625	416,625
2043	260,000	169,625	414,625
2044	270,000	157,000	417,000
2045	285,000	143,750	413,750
2046	300,000	129,875	414,875

2047	315,000	115,250	415,250
2048	335,000	99,875	414,875
2049	350,000	83,625	418,625
2050	365,000	66,500	416,500
2051	385,000	48,625	413,625
2052	405,000	29,875	414,875

⁽¹⁾ Assumes annual renewal by the City of the Lease through the final estimated maturity date of Series 2025 Bonds.

* Preliminary; subject to change.

Debt Service on the Series 2022 Bonds and the Series 2025 Bonds

The scheduled debt service for the Series 2022 Bonds, together with the estimated debt service requirements for the Series 2025 Bonds, is as follows⁽¹⁾:

Year (February 1)	Series 2022 Bonds ⁽¹⁾	Series 2025 Bonds ^{(2)*}	Total ^{(1)*}
2025	\$4,780,500	\$125,767	\$4,906,267
2026	4,778,500	415,250	5,193,750
2027	4,778,375	414,625	5,193,000
2028	4,779,875	418,625	5,198,500
2029	4,777,875	417,250	5,195,125
2030	4,777,250	415,625	5,192,875
2031	4,777,750	413,750	5,191,500
2032	4,779,125	416,500	5,195,625
2033	4,781,125	413,875	5,195,000
2034	4,778,625	415,875	5,194,500
2035	4,776,500	417,375	5,193,875
2036	4,779,375	418,375	5,197,750
2037	4,777,000	414,000	5,191,000
2038	4,779,125	414,250	5,193,375
2039	4,780,375	414,000	5,194,375
2040	4,780,500	418,125	5,198,625
2041	4,779,250	416,625	5,195,875
2042	4,781,250	414,625	5,195,875
2043	4,776,250	417,000	5,193,250
2044	4,778,875	413,750	5,192,625
2045	4,778,625	414,875	5,193,500
2046	4,780,125	415,250	5,195,375
2047	4,778,000	414,875	5,192,875
2048	4,776,875	418,625	5,195,500
2049	4,781,125	416,500	5,197,625
2050	4,780,250	413,625	5,193,875
2051	4,778,875	414,875	5,193,750
2052	4,776,500	415,125	5,191,625

⁽¹⁾ Assumes annual renewal by the City of the Base Lease through the final estimated maturity date of Series 2022 Bonds.

⁽²⁾ Assumes annual renewal by the City of the Lease through the final estimated maturity date of Series 2025 Bonds.

* Preliminary; subject to change.

Registration and Transfer

SO LONG AS DTC ACTS AS THE SECURITIES DEPOSITORY FOR THE SERIES 2025 BONDS ALL REFERENCES HEREIN TO "OWNER" OF "HOLDER" OF THE SERIES 2025 BONDS ARE DEEMED TO BE CEDE & CO., AS NOMINEE FOR DTC, AND NOT TO PARTICIPANTS OR BENEFICIAL OWNERS. SEE APPENDIX F - "BOOK-ENTRY ONLY SYSTEM" HERETO.

The Series 2025 Bonds shall be registered as to both principal and interest and may be transferred only on the registry books of the Trustee pertaining to the Series 2025 Bonds. No transfer of the Series 2025 Bonds shall be permitted except upon presentation and surrender of such Series 2025 Bond at the office of the Trustee with written power to transfer signed by the registered owner thereof in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Trustee. The holder of one or more of the Series 2025 Bonds may, upon request, and upon the surrender to the Trustee of such Series 2025 Bonds, exchange such Series 2025 Bonds for Series 2025 Bonds of other authorized denominations (\$5,000 principal amount or any integral multiple thereof) of the same maturity and interest rate and together aggregating the same principal amount as the Series 2025 Bonds so surrendered. Any registration, transfer and exchange of Series 2025 Bonds at the request of a holder thereof shall be without expense to such holder, except that the holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange. The holder of any Series 2025 Bond will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost or stolen or destroyed Series 2025 Bond.

The Indenture provides that interest on the Series 2025 Bonds shall be payable solely by check or draft mailed by the Trustee to the holders of the Series 2025 Bonds shown on the registry books of the Trustee pertaining to the Series 2025 Bonds on the Record Date (defined in the Indenture as the 15th calendar day next preceding an interest payment date). The Indenture makes special provision for payment of overdue interest which may be paid to a holder other than the registered holder of a Series 2025 Bond at the time such overdue interest becomes due and payable.

The Indenture provides that each holder of the Series 2025 Bonds, by receiving or accepting the Series 2025 Bonds, consents and agrees and is estopped to deny that, insofar as the Authority and the Trustee are concerned, the Series 2025 Bonds may be transferred only in accordance with the provisions of the Indenture. The Indenture also provides that each transferee of the Series 2025 Bonds takes them subject to all principal and interest payments in fact made with respect to the Series 2025 Bonds.

The Indenture provides that the trustee shall not be required to register or transfer any Series 2025 Bond during the period of 15 days next preceding any August 1 or February 1, and if any Series 2025 Bond is called for redemption, the Trustee is not required to register or transfer any such Series 2025 Bond during the period of 45 days next preceding the date fixed for its redemption.

Reference is made to the provisions of the Indenture in full for its provisions pertaining to the registration, transfer and exchange of Series 2025 Bonds and the method of payment of the principal thereof and interest thereon.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its services with respect to the Series 2025 Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Upon the giving of such notice, the book-entry only system for the Series 2025 Bonds will be discontinued unless a successor securities depository is appointed by the Authority.

In the event that the book-entry only system for the Series 2025 Bonds is discontinued, the following provisions would apply, subject to the further conditions set forth in the Indenture.

The principal of and premium, if any, on the Series 2025 Bonds will be payable when due upon their presentation and surrender at the office of the Trustee in Birmingham, Alabama. Interest payments on the Series 2025 Bonds will be made to the persons who are the registered owners by check or draft mailed to such owners at their addresses as they appear on the registration books of the Trustee.

The Series 2025 Bonds will be transferable only upon presentation to the Trustee with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney. Upon the request of the owner of any Bond, the Authority will execute and the Trustee will authenticate and deliver, upon surrender to the Trustee of such Bond and in exchange therefor, as may be requested by the person surrendering such Bond, other Series 2025 Bonds in different authorized denominations (\$5,000 or any integral multiple thereof) of like tenor and together aggregating the same principal amount as the then outstanding unpaid principal amount of Bond so surrendered. The Trustee will not be required to register or transfer any Bond during the period beginning January 15 or July 15 next preceding any interest payment date with respect thereto. If any such Bond is called for redemption,

the Trustee will not be required to register, transfer or exchange such Bond during the period beginning 45 days next preceding the redemption date with respect thereto.

Redemption Provisions

Optional Redemption. [Those of the Series 2025 Bonds maturing or being subject to mandatory redemption on February 1, [____], and on any date thereafter, will be subject to redemption, at the option of the Authority (which shall be evidenced by the direction of the City) or, while no default by the City exists under the Lease Agreement, at the option of City exercised by the City on behalf of the Authority, as a whole or in part (but if in part only in installments of \$5,000 or any integral multiple thereof and in such maturities as the Authority or the City, as the case may be, shall designate, and if less than all the Series 2025 Bonds of a single maturity are to be redeemed, those to be called for redemption shall be selected by the Trustee by lot) on [____] 1, [____], and on any date thereafter, such redemption to be at and for a redemption price for each Series 2025 Bond redeemed equal to the par or principal amount to be redeemed plus accrued interest thereon to the redemption date.]

Mandatory Redemption. [Those of the Series 2025 Bonds having a stated maturity in [____] will be subject to mandatory redemption on February 1 in the following years and in the following aggregate principal amounts at a redemption price for each such Series 2025 Bond redeemed equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption:

Year (February 1)	Amount to be Redeemed
------------------------------	----------------------------------

Those of the Series 2025 Bonds having a stated maturity in [____] will be subject to mandatory redemption on February 1 in the following years and in the following aggregate principal amounts at a redemption price for each such Series 2025 Bond redeemed equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption:

Year (February 1)	Amount to be Redeemed
------------------------------	----------------------------------

In the event the City or the Authority shall have caused to be partially redeemed Series 2025 Bonds or shall have provided for a partial redemption of Series 2025 Bonds in such a manner that, under the provisions of the Indenture, the Series 2025 Bonds for the redemption of which provision is made are considered as fully paid, the City, on behalf of the Authority, may elect to apply all or any part (but only in integral multiples of \$5,000) of the principal amount of such Series 2025 Bonds so redeemed or to be redeemed to the reduction of the principal amount of Series 2025 Bonds required to be redeemed pursuant to the schedule set forth immediately above on any February 1 coterminous with or subsequent to the date such optional redemption actually occurs. Such notice shall be deemed effective only if it is given prior to the Trustee having given notice of redemption contrary to the provisions of such notice pursuant to the provisions of the Indenture.]

Extraordinary Redemption. The Series 2025 Bonds will be subject to redemption as a whole only at any time, at and for a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, but only in the event of the taking by eminent domain of all or substantially all the Facility or the exercise by the City of its right under the Lease to require the Authority to redeem and retire all Bonds then outstanding under the Indenture, which right shall be exercisable only if (a) any part of the Facility is damaged or destroyed to such extent that, in the opinion of an independent engineer, (i) the Facility cannot reasonably be restored to the condition thereof immediately preceding such damage or destruction within a period of six (6) consecutive months,

(ii) the City will thereby be prevented, or is likely to be thereby prevented, from using the Facility for a period of not less than six (6) consecutive months, or (iii) the cost of restoration thereof would exceed the sum of the net insurance proceeds referable to such damage or destruction; or (b) title to, or the temporary use of, any part of the Facility is taken under the exercise of the power of eminent domain by any governmental authority or person, firm or corporation acting under governmental authority and such taking or takings result (or, in the opinion of an independent engineer are likely to result) in the City being thereby prevented from using the Facility for a period of not less than six (6) consecutive months; or (c) as a result of any changes in the Constitution of the State of Alabama or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal), entered after the contest thereof by the City in good faith, the Lease becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed herein or unreasonable burdens or excessive liabilities are imposed on the Authority or the City.

Notice of Redemption of Series 2025 Bonds. Notice of the proposed redemption (other than mandatory redemption) of any of the Series 2025 Bonds prior to their respective stated maturities will be given, not more than 60 nor less than 30 days prior to the proposed redemption date, by registered or certified mail to the registered holders of any Series 2025 Bonds called for redemption. If on the applicable redemption date the redemption price of any Series 2025 Bond (or portion thereof) duly called for redemption is on deposit at the principal corporate trust office of the Trustee, such Series 2025 Bond (or portion thereof) will cease to bear interest on such date.

PLAN OF FINANCING

Simultaneously with the issuance of the Series 2025 Bonds, the Authority will deposit the proceeds of the Series 2025 Bonds into a special fund or account designated by the City to be used to reimburse the City for cash payments made by the City to complete construction of the Facility (the "Reimbursement Fund"). Such proceeds will also be used to pay the costs of issuing the Series 2025 Bonds.

SECURITY

Limited Obligation. The Series 2025 Bonds will be limited obligations of the Authority payable solely from rental income derived by the Authority from the City under the Lease, except to the extent that they may be paid out of income from investments or, under certain circumstances, proceeds of insurance or condemnation awards respecting the Facility. See "THE CITY OF HUNTSVILLE" herein, and other information in this appendix respecting the City. See also APPENDIX G – "AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023" for additional information respecting the City and its finances.

Lease Term. The term of the Lease in effect upon issuance of the Series 2025 Bonds will expire on September 30, 2025 (the "Current Term"). So long as any of the Series 2025 Bonds remain outstanding and unpaid, the City will have the option to renew the Lease for successive terms of one year, commencing on October 1 and ending on September 30 of the next succeeding calendar year, which terms of one year coincide with the fiscal year of the City (any such term being herein called a "Renewal Term"). Neither any provision of the Lease, nor any other action taken by the City in connection with the issuance and sale of the Series 2025 Bonds, obligates the City to renew the Lease for any Renewal Term after the expiration of the Current Term, or after the expiration of any Renewal Term for which the City may have renewed the Lease, nor obligates the City to make any rental payment or perform any agreement under the Lease with respect to any fiscal year during which the Lease may be in effect except out of the revenues of the City for the same fiscal year.

Subject to the terms of the Indenture, the Authority will, for the benefit of the holders of the Series 2022 Bonds and the Series 2025 Bonds, and to secure payment of the principal thereof and the interest and premium (if any) thereon, assign and pledge to the Trustee:

- (i) all rents, rentals and other receipts from the Facility, and
- (ii) all right, title and interest of the Authority in and to the Lease insofar as such right, title and interest pertain to (a) the obligation of the City with respect to the use, maintenance and preservation of the Facility, and (b) the right to receive and collect all rents and other payments due from the City under the Lease.

As further security for the payment of the principal of and the interest (and premium, if any) on all Bonds issued under the Indenture (i.e., the Series 2022 Bonds, the Series 2025 Bonds and any Additional Parity Bonds hereinafter issued under the Indenture), the Indenture will constitute a non-foreclosable mortgage on the Facility and the equipment and furnishings forming a part thereof and on the real property on which the Facility is located and all other buildings and improvements now or hereafter constructed or situated on said real property, subject to "Permitted Encumbrances" (as that term is defined in the Indenture).

The Lease will require the City to pay rent (directly to the Trustee for the account of the Authority) during each fiscal year of the City during which the Lease shall be in effect in an amount sufficient to pay the principal of and interest on the Series 2022 Bonds and on the Series 2025 Bonds that will become due during such fiscal year. During the Current Term, and during each Renewal Term (if any) of the Lease, the obligations of the City to pay rent and to make all other payments provided for in the Lease, and to perform the other agreements on its part contained therein, shall constitute limited obligations of the City payable solely out of the current revenues of the City received during such Current Term and such Renewal Term (if any), as the case may be.

The Series 2025 Bonds will not be general obligations of the Authority, and the covenants and representations contained in the Series 2025 Bonds and in the Indenture do not and will not constitute a liability or charge against the general credit of the Authority. The Series 2025 Bonds will not be obligations or debts of the City or any other political subdivision or instrumentality of the State of Alabama other than the Authority, and except for the obligation of the City to pay rentals in respect to the Series 2025 Bonds coming due during the Current Term, or during any Renewal Term for which the Lease shall be in effect, neither the City nor any such political subdivision or instrumentality, other than the Authority, shall in any manner be liable for the payment of the principal of or the interest on the Series 2025 Bonds or for the performance of the undertakings of the Authority contained in the Series 2025 Bonds or in the Indenture.

Additional Parity Bonds. The Indenture authorizes the Authority to issue additional bonds ("Additional Parity Bonds"), secured on a parity of lien with the Series 2022 Bonds, the Series 2025 Bonds, and any other Bonds outstanding under the Indenture, for any purpose for which the Authority may issue its bonds under the provisions of the Act. As conditions precedent to the issuance of such Additional Parity Bonds, the Authority will be required to furnish to the Trustee, among other things:

- (a) A supplemental indenture authorizing such Additional Parity Bonds and specifying the details with respect thereto;
- (b) A certificate signed by the Mayor, the City Clerk or the Finance Director of the City stating that there has been no default in the payment of any amounts required to be paid under the Lease; and
- (c) A supplemental lease between the Authority and the City containing the following:
 - (i) an agreement that such supplemental lease agreement shall be in effect for a primary term beginning on the date of its delivery and ending on the date on which the then current fiscal year of the City will end,
 - (ii) an agreement by the City to pay, for the then-current term of the Lease and for each Renewal Term, on or before the first day of each such term, additional, supplemental or changed rent in an amount sufficient to provide for the payment of the principal of and the interest on such Additional Parity Bonds becoming due during each such term, and
 - (iii) in the event the last maturity of such Additional Parity Bonds is subsequent to the last maturity of the Bonds then outstanding under the Indenture, provisions enabling the City to renew, at its option, the Lease for such additional consecutive one-year Renewal Terms as may be necessary to cause the last of such terms to commence on the

October 1 next preceding the last maturity of such Additional Parity Bonds.

Additional Parity Bonds, irrespective of when issued, shall have the same priorities and be entitled to the same security, with respect to both the lien of the Indenture and the pledge of the rentals and other revenues of the Authority from the Facility, as the Series 2025 Bonds.

Prospective investors in the Series 2025 Bonds should examine the Base Lease and the form of First Supplemental Lease to be entered upon issuance of the Series 2025 Bonds. See also APPENDIX H – "The Base Lease and the FORM OF FIRST SUPPLEMENTAL LEASE" hereto.

ESTIMATED SOURCES AND USES OF PROCEEDS

The Authority expects that the proceeds from the sale of the Series 2025 Bonds will be applied substantially as follows:

Sources

Par amount
Plus Original Issue Premium

Total Sources

Uses

Construction Costs of the Facility
Costs of Issuance ⁽¹⁾

Total Uses

⁽¹⁾ Includes underwriting discount, financial advisory fee, rating agency fees, legal, trustee's, printing and other issuance costs

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

The following, in addition to certain information hereinabove contained, summarizes certain provisions of the Lease (i.e., the Base Lease, as supplemented and amended by the First Supplemental Lease). Prospective investors in the Series 2025 Bonds should carefully examine all terms of the Base Lease and of the First Supplemental Lease as shown in the copy of the Base Lease and in the form of First Supplemental Lease attached hereto. See APPENDIX H – "THE BASE LEASE AND THE FORM OF FIRST SUPPLEMENTAL LEASE".

Current Term of Lease; Renewal Terms

The City leases the Facility from the Authority, on a year-to-year basis, under the Base Lease, which Base Lease will be supplemented and amended by the First Supplemental Lease dated the date of the Series 2025 Bonds (the "First Supplemental Lease" and, together with the Base Lease, the "Lease"). The term of the Lease in effect at the time of issuance of the Series 2025 Bonds expires on September 30, 2025 (the "Current Term"). So long as any of the Series 2025 Bonds remain outstanding and unpaid, the City will have the option (but will not be required) to renew the Lease for successive terms of one year each (each hereinabove defined as a "Renewal Term"). Each Renewal Term will commence on October 1 and end on September 30 of the immediately succeeding calendar year (which terms of one year coincide with the fiscal year of the City). Such option to renew the Lease for a Renewal Term shall be deemed to have been exercised, and shall be automatically exercised, for a fiscal year in any of the following circumstances:

- (a) if the City continues in occupancy of the Facility on the first day of such fiscal year;
- (b) if, on or prior to the first day of such fiscal year, the governing body of the City shall adopt a resolution electing to exercise such option for such fiscal year; or
- (c) if the City elects to pay all or any part of the Basic Rent referable to such fiscal year prior to the commencement thereof.

Neither any provision of the Lease, nor any other actions taken by the City in connection with the issuance and sale of the Series 2025 Bonds, will obligate the City to renew the Lease for any Renewal Term after the expiration of the Current Term, or after the expiration of any Renewal Term.

Rental Provisions

General. The Lease requires the City to make, for each fiscal year during which the Lease shall be in effect, rental payments directly to the Trustee for the account of the Authority.

Rent for Renewal Terms. At the beginning of each Renewal Term for which the City may renew the Lease, the Lease will obligate the City to make rental payments (which rent is herein called the "Basic Rent") with respect to the Series 2022 Bonds and the Series 2025 Bonds in an amount sufficient to provide for the payment of the principal of and the interest on the Series 2022 Bonds and the Series 2025 Bonds due during such Renewal Term. The rent due during each Renewal Term in respect of the Series 2022 Bonds and the Series 2025 Bonds shall be an amount which, when added to the amount then on deposit in the Debt Service Fund from whatever source derived, but exclusive of any amount held therein for payment of matured but unrepresented bonds and bonds called for redemption and not yet presented, equals:

- (a) the principal (if any) that will mature with respect to the Series 2022 Bonds and the Series 2025 Bonds on the next succeeding February 1, and
- (b) the interest with respect to the Series 2022 Bonds and the Series 2025 Bonds that will mature on the next succeeding February 1 and August 1.

The Lease will require that the Basic Rent shall be paid directly to the Trustee not later than 15 days prior to each February 1 and August 1.

Other Rent Payments. As additional rent under the Lease, the City will also be obligated to pay directly to the Trustee the fees, charges, expenses and disbursements of the Trustee in connection with the performance of its duties under the Indenture. Such rent is not pledged to or otherwise available for payment of debt service on the Series 2022 Bonds and the Series 2025 Bonds.

Obligations of the City under the Lease

The Lease will provide that the obligations of the City to pay the Basic Rent, to make all other payments provided for in the Lease and to perform and observe the other agreements and covenants on its part therein contained will, during the Current Term and during any Renewal Term for which the Lease may be renewed by the City, constitute limited obligations of the City payable or otherwise dischargeable solely out of the City's current revenues for the fiscal year of the City during which the City becomes obligated to pay or discharge such obligations. The Lease will expressly provide that nothing contained therein shall be construed as imposing upon the City any obligation to pay or otherwise provide for the retirement of the Series 2022 Bonds or the Series 2025 Bonds, or to renew the Lease for one or more Renewal Terms.

Operation, Maintenance, Modification and Insurance of the Facility

During the Current Term of the Lease, and during any Renewal Term of the Lease, the City will be solely responsible for the operation, maintenance, upkeep and insuring of the Facility. See APPENDIX H – "THE BASE LEASE AND THE FORM OF FIRST SUPPLEMENTAL LEASE".

Damage to or Destruction of Facility

The Lease provides that if the Facility is damaged or destroyed, in whole or in part, the insurance proceeds, up to the amount (together with interest earnings on such amount) necessary to cause the Series 2022 Bonds and the Series 2025 Bonds to be deemed no longer outstanding under the Indenture, shall be paid to the Trustee and that if, in such event, the City is not entitled to exercise its right under the Lease to require the Authority to redeem all bonds outstanding under the Indenture (see "THE SERIES 2025 BONDS" – "Redemption Provisions" and "Extraordinary Redemption" herein), or being so entitled, does not exercise such right, the Authority will cause the property damaged or destroyed to be repaired, rebuilt or restored in accordance with the directions of the City, and the

Trustee will apply all insurance proceeds referable thereto for such purposes. The Lease will not obligate the City to pay any costs of such repair, rebuilding or restoration that are in excess of the insurance proceeds available therefor. If the insurance proceeds exceed the costs of such repair, rebuilding or restoration, such excess shall be paid into the Debt Service Fund and applied to the redemption of Bonds on the earliest date on which they are by their terms subject to redemption.

Condemnation of Facility

The Lease will require that in the event the Facility or any part thereof is taken by eminent domain proceedings, the entire condemnation award shall be paid to the Trustee. If all or substantially all the Facility is taken and the City does not exercise its right under the Lease to require the Authority to redeem all bonds outstanding under the Indenture, the Lease will terminate as of the date the condemning authority enters into possession of the Facility and the Trustee will, under the terms of the Lease and the Indenture, be required to apply the condemnation award to the earliest practicable retirement of the Series 2022 Bonds, the Series 2025 Bonds, and any other Additional Bonds outstanding under the Indenture; provided, that the condemnation award plus all other funds held by the Trustee in the special trust funds created under the Indenture are sufficient to provide for the retirement of all such bonds. If, however, the total of the condemnation award and the amounts on deposit in such special funds is not sufficient to provide for the retirement of all such Bonds, the Trustee will apply such total funds available ratably among the Series 2022 Bonds, the Series 2025 Bonds, and any other Additional Parity Bonds then outstanding to principal and interest then due and unpaid respecting such Bonds. In the event of such a taking of the Facility, the City will not be obligated to provide any funds that may be needed to redeem all Bonds of the Authority outstanding under the Indenture. The Lease will provide that if less than all or less than substantially all of the Facility is taken and if the City is not entitled to exercise its right to require the Authority to redeem all Bonds outstanding under the Indenture, or being so entitled, does not exercise such right, the Authority will restore or rearrange the Facility in accordance with the directions of the City, and the Trustee will apply the condemnation award to payment of the costs of such restoration or rearrangement. The Lease will not obligate the City to pay any costs of such restoration or rearrangement that are in excess of the condemnation award. If the condemnation award exceeds the costs of such restoration or rearrangement, such excess shall be paid into the Debt Service Fund and applied to the redemption of Bonds on the earliest date on which they are by their terms subject to redemption.

Certain Covenants of the City

General. The City will agree in the Lease (i) that it will not do or permit anything to be done in or about the Facility that will impair or contravene any policies of insurance carried on the Facility against loss or damage, and (ii) that it will, in the use of the Facility, comply with all applicable lawful requirements of all governmental bodies.

Indemnification of Authority. The City will agree in the Lease to indemnify the Authority, to the extent permitted by applicable law, against loss or damage caused or resulting from any defect in the Facility, and it will further agree to insure any liability for which it shall be obligated to indemnify the Authority; provided, that the City will have no indemnity liability under the Lease unless such liability is fixed during a period in which the Lease is in effect and then only out of current revenues.

Inspection of Facility. The City will agree in the Lease to permit the Authority, the Trustee and their duly authorized agents to inspect the Facility at all reasonable times.

Covenant Not to Acquire, Use or Construct New Facilities Useful for the Purposes for which the Facility is to Be Used. In the Lease, the City will covenant that during any period in which the Series 2025 Bonds are outstanding and the City has not renewed the term of the Lease, the City will not construct any new facilities, or lease any new space, in any building, structure or other facility in or about the City for the same purpose for which the Facility was leased except pursuant to a supplemental lease agreement entered into between the City and the Authority pursuant to the provisions of the Indenture. The City currently owns and operates, and leases space within, other facilities in the City in which city hall operations (including, without limitation, headquarter facilities for the operations of Huntsville Utilities and other facilities for the conduct of business and operations of the City) and related parking are conducted and, in the future, will be conducted. Anything in the foregoing to the contrary notwithstanding, the City reserves the right to continue the conduct of such business, operations and activities in such other facilities without regard to the Lease, the Indenture, or the Series 2025 Bonds.

Right of the City to Require Redemption of Series 2025 Bonds

The Lease gives the City the right to require the redemption of the Series 2022 Bonds, the Series 2025 Bonds, and any other Additional Parity Bonds outstanding under the Indenture if any of the following events shall have occurred:

(a) The Facility or any part thereof is damaged or destroyed to such extent that, in the opinion of an independent engineer expressed in a written certificate (such certificate to be filed with the Authority and the Trustee), the property so damaged or destroyed cannot reasonably be restored within a period of six (6) consecutive months to the condition thereof immediately preceding the event causing such damage or destruction, or the City will thereby be prevented, or is likely to be thereby prevented, from using the Facility for a period of not less than six (6) consecutive months, or the cost of restoring the property so damaged or destroyed would exceed the net proceeds of insurance referable to such damage or destruction;

(b) Under the exercise of the power of eminent domain by any governmental authority, (i) title to all or substantially all the Facility is taken, or (ii) the temporary use of all or a part of the Facility or title to part of the Facility is taken, and such taking or takings result (or, in the opinion of an independent engineer expressed in a certificate to be filed with the Authority and the Trustee, are likely to result) in the City being thereby prevented from using the Facility for a period of not less than six (6) consecutive months; or

(c) As a result of any changes in the Constitution of Alabama or the Constitution of the United States of America or as a result of legislative or administrative action (whether state or Federal) or by final decree, judgment or order of any court or administrative body (whether state or Federal) entered after the contest thereof by the City in good faith, the Lease shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties or unreasonable burdens or excessive liabilities shall have been imposed on the Authority or the City.

In order to exercise the right to require the Authority to redeem all bonds outstanding under the Indenture, the City will be required to pay to the Authority an amount which, when added to the total of the amounts then on deposit in the special trust funds created under the Indenture plus the amount of any insurance proceeds or condemnation award in the hands of the Trustee and referable to any damage, destruction or condemnation authorizing the exercise of such right, will be sufficient to pay and redeem (under the extraordinary redemption provisions pertaining to the Series 2022 Bonds, the Series 2025 Bonds, and any Additional Parity Bonds hereafter issued) all such outstanding bonds, including, without limitation, principal, premium (if any), accrued interest, expenses of redemption and the Trustee's fees.

Events of Default and Remedies on Default under the Lease

Under the Lease, a default shall mean any one or more of the following events:

(a) Failure by the City to pay the Basic Rent applicable to the Current Term or applicable to any Renewal Term, or to appropriate funds required to comply with the Lease which failure shall result in moneys on deposit in the Debt Service Fund being insufficient to pay the principal of and interest on the Series 2022 Bonds and the Series 2025 Bonds as the same shall respectively become due and payable;

(b) Failure by the City to observe and perform any covenant or agreement, other than those referred to in clause (a) above, which failure shall have continued for a period of sixty (60) days after written notice, specifying such failure and requiring it to be remedied, has been given the City by the Authority or the Trustee unless (i) the Authority and the Trustee shall agree to an extension of such period prior to its expiration, or (ii) during such period the City shall have commenced and be diligently pursuing action to remedy such failure, or (iii) the City is prevented by force majeure (as defined in the Lease) from remedying such failure; or

(c) Failure of the City to appropriate any amounts due under the Lease for any annual term then in effect.

Whenever any event of default shall have happened and be continuing, the Authority and the Trustee (or the Trustee on behalf of the Authority) may take whatever actions at law or in equity may appear necessary or desirable to collect the rent then due, or to enforce any obligation, covenant or agreement of the City under the Lease.

THE INDENTURE

Prospective investors in the Series 2025 Bonds should carefully examine all terms of the Indenture. See APPENDIX I – "THE BASE INDENTURE AND THE FORM OF FIRST SUPPLEMENTAL INDENTURE" hereto.

CONTINUING DISCLOSURE

General

The City will be deemed an "Obligated Person" respecting the Series 2025 Bonds for purposes of the Rule (defined below). Contemporaneously with issuance of the Series 2025 Bonds, the City will enter into a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Series 2025 Bonds wherein the City will agree to provide annually certain financial information and operating data relating to the City (the "Annual Report") through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board (the "MSRB") (or such other system as may be subsequently authorized by the MSRB).

The specific nature of the information to be contained in the Annual Report or the event notices and the other provisions of the Continuing Disclosure Agreement are summarized in Appendix E – "SUMMARY OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Prior Compliance

The City has entered continuing disclosure agreements for various series of obligations of the City and other obligations for which the City is an obligated person for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission of the United States of America (collectively, the "Prior Undertakings"). In these Prior Undertakings, the City agreed to provide, annually, its audited financial statements and certain financial and operating data relating to the City, and to provide notices of the occurrence of certain events specified therein. During the preceding five years, the City failed to comply with the provisions of the Prior Undertakings, as follows:

During the last five years, the City did not file its audited financial statements for each of the fiscal years ended September 30, 2019, September 30, 2021, September 30, 2022, and September 30, 2023, on or before the due dates therefor as provided in the Prior Undertakings, and also did not timely post certain financial information and operating data for each of the fiscal years ended September 30, 2019, September 30, 2021, September 30, 2022, and September 30, 2023, on or before the due dates therefor as provided in the Prior Undertakings. In addition, the City did not file certain fiscal year 2019 and fiscal year 2020 financial information and operating data tables as required in the Prior Undertakings.

The City did not file certain financial and operational information with respect to its sewer system for the fiscal year ended September 30, 2020 (the obligations for which such filing is required to be made are no longer outstanding), and with respect to certain ad valorem tax information for its fiscal year ended September 30, 2021, until February 22, 2023.

The City did not timely file notice of the issuance of (i) a financial obligation in the form of an up to \$2.0 million Taxable Limited Obligation TIF Warrant, TIF5 – Series 2020-A, dated April 17, 2020, (ii) a financial obligation in the form of an up to \$6.0 million Taxable Limited Obligation TIF Revenue Warrant, TIF-5 – Series 2021-A, dated June 3, 2021, and (iii) a financial obligation in the form of an \$11,000,000 General Obligation Warrant, Series 2023-E, dated August 16, 2023.

Other than audited financial information and financial and operating information not timely filed for the fiscal years ended September 30, 2022 and September 30, 2023, during the last five years the City did not timely file a notice of its failure to file the items described in the preceding paragraphs as required under its Prior Undertakings.

LITIGATION AND OTHER MATTERS

There is no litigation pending or, to the knowledge of the Authority, threatened, contesting the validity of the Series 2025 Bonds or relating to the organization of the Authority, the right of the Authority to construct or finance the Facility, the incumbency of any of the Authority's officers, or the issuance or sale of the Series 2025 Bonds. Simultaneously with the delivery of the Series 2025 Bonds, the Authority will deliver a certificate to the effect that no such litigation is pending or, to the knowledge of the Authority, threatened.

AUDITED FINANCIAL STATEMENTS OF THE CITY

The financial statements of the City described in the following paragraph are included as an appendix to this Official Statement solely to provide financial information concerning such current revenues of the City for the period described below.

The City's financial statements as of and for the fiscal year of the City ended September 30, 2023, included as APPENDIX G – "AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023" to this Official Statement, have been audited by Mauldin & Jenkins, LLC ("Mauldin"), as stated in its report dated July 14, 2023. Mauldin has not been engaged to perform and has not performed, since the date of its report described above, any procedures on the financial statements addressed in its report and included in this Official Statement. Mauldin also has not performed any procedures relating to this Official Statement.

The City' financial statements for prior fiscal years, including without limitation those fiscal years, other than the fiscal year ended September 30, 2021, for which audited financial information is herein provided, were audited by Warren Averett, LLC, Certified Public Accountants, Huntsville, Alabama. Early in the 2022 calendar year the City conducted a request for proposals (the "RFP") respecting auditing services for the City. As a result of that process, the City determined to engage Mauldin to audit the financial statements of the City (other than financial statements respecting operations of Huntsville Utilities, which were not part of the RFP), commencing with the fiscal year ending September 30, 2021.

Mauldin & Jenkins, LLC has not been engaged to perform and has not performed, since the date of its report described above, any procedures on the financial statements addressed in its report and included in this Official Statement. Mauldin & Jenkins, LLC, also has not performed any procedures relating to this Official Statement.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned underlying ratings of "Aa1" and "AA+", respectively, to the Series 2025 Bonds. Such credit ratings reflect only the view of such credit rating agencies, and an explanation of the significance of such credit ratings may be obtained only from the credit rating agencies furnishing the same. There is no assurance that either such credit rating will remain in effect for any given period of time or that either may not be lowered or withdrawn entirely if, in the judgment of the credit rating agency in question, circumstances should warrant such action. Any such downward revision or withdrawal of any credit rating assigned to the Series 2025 Bonds may have an adverse effect on the market price of the Series 2025 Bonds.

FEDERAL BANKRUPTCY ACT

Under certain conditions, title 11 of the United States Code, 11 U.S.C. §§101 et seq. (the "Bankruptcy Code"), permits a municipality to file a petition for relief in federal bankruptcy court to adjust debts under Chapter 9 of the Bankruptcy Code. Debt adjustment may include restructuring, reduction or other impairment of debt, subject to various conditions and limitations set forth in the Bankruptcy Code. Section 101 of the Bankruptcy Code defines "municipality" to mean a political subdivision, public agency or instrumentality of a State. To be eligible to file a Chapter 9 bankruptcy petition under section 109 of the Bankruptcy Code, a municipality must be "specifically authorized, in its capacity as a municipality or by name, to be a debtor under [Chapter 9], or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under [Chapter 9]." Section 109 of the Bankruptcy Code imposes additional requirements for a municipality to be eligible to file bankruptcy. Without limitation, the municipality must (a) be insolvent (either unable to pay debts as they come due or generally not paying debts as they come due); (b) desire to effect a debt adjustment plan; and (c) meet certain requirements regarding negotiations with creditors (or certain exceptions to such requirements). Alabama law authorizes municipalities,

counties and certain public authorities to file petitions under the Bankruptcy Code. However, there is no legislation currently in effect in Alabama authorizing corporations formed under the Act to file such petitions for relief. Such legislation authorizing public building authorities formed under the Act to file petitions for relief under the Bankruptcy Code may well be enacted by the Legislature of Alabama in the future. The other conditions to eligibility are fact-specific to the time of filing the petition.

Section 922(d) of Chapter 9 of the Bankruptcy Code provides that a bankruptcy petition does not operate as a stay of "application of pledged special revenues" to the payment of indebtedness secured by such revenues in a manner consistent with other provisions of the Bankruptcy Code. Without limitation, Section 928 of the Bankruptcy Code provides that special revenues acquired by the debtor after commencement of a chapter 9 case remain subject to any lien resulting from any security agreement entered into by the debtor before commencement of the case, but further provides that any such lien on special revenues (other than municipal betterment assessments) derived from a project or system shall be subject to "the necessary operating expenses of such project or system." It is not clear whether the pledge of the rentals derived from the Lease made by the Authority for the benefit of the Series 2025 Bonds would constitute "special revenues" as that term is defined in Section 902(2) of the Bankruptcy Code. Moreover, the phrase "application of pledged special revenues" has given rise to arguments that the provisions of Section 922(d) apply only to funds in possession and control of the debtholders, or their trustee. Therefore, it is uncertain whether or not the filing of a Chapter 9 petition would affect application of such rentals for the payment of principal and interest on the Series 2025 Bonds. Similarly, it is uncertain whether Section 928 of the Bankruptcy Code would control the claims of holders of the Series 2025 Bonds with respect to such rentals.

The approving legal opinion of Bond Counsel will contain the customary reservation that the rights of the holders of the Series 2025 Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases. See the proposed form of approving legal opinion set forth in APPENDIX D – "PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE AUTHORITY".

FINANCIAL ADVISOR

PFM Financial Advisors LLC, Huntsville, Alabama (the "Financial Advisor") is serving as financial advisor to the Authority and the City in connection with the issuance of the Series 2025 Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2025 Bonds, and provided other advice to the Authority and the City. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2025 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, and is not obligated to review or ensure compliance with the undertaking by the City to provide continuing secondary market disclosure.

UNDERWRITING

The Series 2025 Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter") at a purchase price of \$[_____] (which price reflects the original principal amount of the Series 2025 Bonds, [plus/less] [net] original issue [premium/discount] of \$[____], less an underwriting discount of \$[_____]. The Series 2025 Bonds may be sold and offered to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the said purchaser.

TAX MATTERS

General

In the opinion of Bond Counsel to the Authority, under the Internal Revenue Code of 1986, as amended (the "Code"), as presently construed and administered, and assuming compliance by the Authority with its covenants pertaining to certain requirements of federal tax law that are described herein and set forth in the Indenture and in the Tax Compliance Agreement and Certificate executed by the Authority in connection with the issuance of the Series 2025 Bonds, the interest on the Series 2025 Bonds will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code, and the interest on

the Series 2025 Bonds will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code.

Bond Counsel to the Authority expresses no opinion regarding any other federal or any state tax consequences with respect to the Series 2025 Bonds. Bond Counsel to the Authority renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel to the Authority expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

Bond Counsel to the Authority is also of the opinion that interest on the Series 2025 Bonds is exempt from present state income taxation under the laws of the State of Alabama as enacted and construed on the date of issuance of the Series 2025 Bonds.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2025 Bonds. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a Series 2025 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2025 Bonds.

Prospective owners of the Series 2025 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the Series 2025 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Premium

[The initial public offering price to be paid for certain of the Series 2025 Bonds (the "Original Issue Premium Bonds") is greater than the principal amount thereof. Under existing law, any owner who has purchased an Original Issue Premium Bond in the initial public offering of the Series 2025 Bonds is required to reduce his basis in such Original Issue Premium Bond by the amount of premium allocable to periods during which he holds such Original Issue Premium Bond, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Bond and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Bond.]

Original Issue Discount

[The initial public offering price to be paid for certain of the Series 2025 Bonds (the "Original Issue Discount Series 2025 Bonds") is less than the principal amount thereof. Under existing law, the difference between (i) the amount payable at the maturity of each Original Issue Discount Series 2025 Bond, and (ii) the initial offering price to the public of such Original Issue Discount Series 2025 Bond constitutes original issue discount with respect to such Original Issue Discount Series 2025 Bond in the hands of any owner who has purchased such Original Issue Discount Series 2025 Bond in the initial public offering of the Series 2025 Bonds. Such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Series 2025 Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Series 2025 Bond continues to be owned by such owner. In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Series 2025 Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Series 2025 Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Series 2025 Bond was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Series 2025 Bond is accrued daily to its stated maturity (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary date of the Series 2025 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Series 2025 Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other taxable disposition thereof. The amount (if any) to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods (if any) multiplied by the yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such bonds.

The federal income tax consequences of the purchase, ownership, redemption, sale or other

disposition of Original Issue Discount Series 2025 Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Series 2025 Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Series 2025 Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Discount Series 2025 Bonds.]

Future Tax Legislation

There can be no assurance that additional legislation will not be introduced or enacted after issuance and delivery of the Series 2025 Bonds so as to cause interest on the Series 2025 Bonds to be or become included in gross income for purposes of federal income taxation or to impose additional requirements as a condition to the exclusion of such interest from gross income, nor that the introduction or enactment of any such legislation will not adversely affect the marketability of the Series 2025 Bonds.

Post-Issuance Compliance

The tax-exempt status of the Series 2025 Bonds could be affected by post-issuance events. Various requirements of the Code must be observed or satisfied after the issuance of the Series 2025 Bonds in order for such interest to remain excludable from gross income of the holders thereof. These requirements include restrictions on use of the proceeds of the Series 2025 Bonds, use of the facilities financed by the Series 2025 Bonds, investment of proceeds of the Series 2025 Bonds, and the rebate of so-called excess arbitrage earnings. The Authority is primarily responsible for such compliance, and a failure to comply could result in the inclusion of interest on the Series 2025 Bonds in gross income retroactive to the date of issuance of the Series 2025 Bonds.

Likewise, the Internal Revenue Service (the "IRS") conducts an audit program to examine compliance with the requirements applicable to tax-exempt obligations. If the Series 2025 Bonds become the subject of an audit, under current IRS procedures, the Authority would be treated as the taxpayer in the initial stages of the audit, and the owners of the Series 2025 Bonds would have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2025 Bonds could adversely affect the market value and liquidity of the Series 2025 Bonds, even though no final determination about the tax-exempt status would have been made. If an audit were to result in a final determination that the Series 2025 Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2025 Bonds.

Series 2025 Bonds are not Bank Qualified

The Series 2025 Bonds have not been designated as "qualified tax-exempt obligations" under Section 265 of the Code.

No Mandatory Redemption due to Event of Taxability

The Indenture does not provide for mandatory redemption of the Series 2025 Bonds or payment of any additional interest or penalty if a determination is made that the Series 2025 Bonds do not comply with the existing requirements of the Code or if a subsequent change in law adversely affects the tax-exempt status of the Series 2025 Bonds or the economic benefit of investing in the Series 2025 Bonds.

LEGAL MATTERS

The legality and validity of the Series 2025 Bonds will be approved by Bradley Arant Boult Cummings LLP, Bond Counsel to the Authority, whose approving opinion will be in substantially the form attached hereto as Appendix D – "PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE AUTHORITY". Bond Counsel's participation in connection with the issuance of the Series 2025 Bonds is limited to the preparation of certain legal documents and supporting certificates, to a review of the transcript of proceedings by which the Series 2025 Bonds have been authorized to be issued and to the issuance of an approving opinion in substantially the form set forth in Appendix D hereto.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

References herein to legislative acts are intended to be only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

The execution and delivery of this Official Statement on behalf of the Authority and the distribution and use thereof by the Underwriter for the purpose of making a public offering of the Series 2025 Bonds have been duly authorized by the Authority.

**THE PUBLIC BUILDING AUTHORITY
OF THE CITY OF HUNTSVILLE**

By: _____ /s/ Mark Russell
Chairman of its Board of Directors

APPENDIX A
CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION OF THE CITY OF HUNTSVILLE

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CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION
OF THE CITY OF HUNTSVILLE

General Information

The City of Huntsville (the "City"), the county seat of Madison County (the "County"), was incorporated in 1811 and is one of the oldest incorporated municipalities in the State of Alabama (the "State"). Centrally situated in the Tennessee River Valley of north Alabama (the Tennessee River being the southern boundary of Madison County), the City is located approximately 95 miles north of Birmingham, approximately 103 miles south of Nashville, Tennessee, and approximately 180 miles northwest of Atlanta, Georgia.

The City is the central economic base of the State's second largest Metropolitan Statistical Area ("MSA") and is the economic engine for the Northern Alabama and Southern Tennessee region. The eight counties adjoining Huntsville/Madison County form a thriving regional market.

Initially, the City prospered as a commercial center in an agricultural area and grew from the manufacture of cotton goods, flour, shoes, lumber, pumps and other products. During World War II, the construction of two arsenals -- Huntsville and Redstone -- gave the City new military and strategic importance as a principal manufacturing site of chemical artillery shells and explosives. Although arsenal activities were sharply curtailed during the immediate postwar period, in 1950 the U.S. Army transferred its missile experts, including the late Dr. Werner Von Braun and a team of German rocket scientists, to the City.

Following the successful launching of a Jupiter C missile in 1958, the U.S. Army's missile program and the Marshall Space Flight Center for the newly created National Aeronautics and Space Administration were located in the City. As a result, the City experienced a rapid influx of population during the decades of the 1950's and 1960's. Beginning in the mid-1960s, cutbacks in the space program slowed growth in Huntsville. However, the 1980 Census showed that the City maintained strong economic indicators and a youthful, well-educated labor force. As the City's economy began to diversify in the 1980's, recovery was swift.

Since the space race of the 1960's, Huntsville has well over doubled in population and quadrupled in square miles. The past four decades have seen significant growth in population increasing by more than 95,000 residents. Between 2000 to 2010, the MSA grew by approximately 20.1%. Based on the 2020 U.S. Census Bureau estimates, Huntsville is now the most populous city in Alabama. The total population for the City of Huntsville as of October 1, 2024 was 227,571, which is an increase of 5.84% from the 2020 Census total of 215,006. The Huntsville MSA was 491,723 according to the 2020 Census Bureau estimates which ranks it second behind the Birmingham MSA. Since 2010, Huntsville has added 45,459 people.

Population Characteristics.

Income, education, and employment levels are all substantially higher in Huntsville than in the state of Alabama and compare favorably to national and regional indices. The Huntsville economy is one of the strongest economies in the Southeast, marked by low unemployment, steady job growth, and income levels that regularly lead the region. Huntsville compares favorably in numerous categories to some of the leading cities in the Southeast and Southwest United States. The local unemployment rate continues to remain below state and national figures. A growing employment rate, while the population is growing, is a positive sign for local business conditions. The median family income of Huntsville residents still exceeds national and state figures.

Annual Unemployment Rate

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	7.0%	3.0%	2.7%	6.2	4.1	2.9	3.3
Charlotte, NC	11.7	3.8	3.5	7.3	4.0	3.4	3.2
Durham, NC	8.1	3.5	3.3	6.1	4.1	3.2	3.0
Huntsville, AL	8.6	3.5	2.6	4.6	2.6	2.1	2.1
Raleigh, NC	8.6	3.5	3.4	6.4	2.5	3.1	3.0
State of Alabama	10.5	3.9	3.0	5.9	3.4	2.6	2.5
United States	9.6	3.9	3.7	8.1	5.3	3.6	3.6

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics as of June 2024

Total Employment

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	785,600	1,075,600	1,118,000	1,086,100	1,165,700	1,329,400	1,346,400
Charlotte, NC	954,200	1,208,100	1,238,200	1,190,700	1,243,800	1,371,600	1,351,000
Durham, NC	270,700	321,300	328,400	315,400	334,400	349,400	346,800
Huntsville, AL	210,000	238,700	245,200	240,900	251,400	273,700	276,500
Raleigh, NC	500,100	630,200	645,900	624,100	660,500	725,200	728,100
State of Alabama	1,890,300	2,044,800	2,074,800	1,986,100	2,039,700	2,161,600	2,161,800
United States	130,362,000	148,908,000	150,905,000	142,185,000	146,124,000	156,945,000	158,269,000

Source: Bureau of Labor Statistics, Current Employment Statistics, Total Nonfarm Employment (place of work), not seasonally adjusted, as of July 2024

Effective Buying Income

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	\$42,416	\$63,191	\$65,950	\$69,001	\$71,186	\$80,412	\$80,284
Charlotte, NC	43,190	49,3979	55,207	56,503	58,317	64,728	65,492
Durham, NC	39,488	49,272	50,933	55,588	56,892	63,495	65,010
Huntsville, AL	39,012	52,968	54,391	56,279	57,815	64,553	66,243
Raleigh, NC	43,455	57,962	63,501	66,090	67,491	74,646	74,637
State of Alabama	34,387	42,756	43,671	45,649	46,504	50,511	52,353
United States	43,252	50,735	52,133	55,303	56,790	64,448	65,326

Source: Nielson/Claritas Survey of Buying Power/Median Household Effective Buying Income, as of October 2024

Mean Annual Wage

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	\$46,130	\$53,810	\$55,190	\$57,830	\$60,260	\$63,890	\$69,150
Charlotte, NC	44,630	51,000	52,150	55,330	57,270	60,550	64,440
Durham, NC	53,220	59,940	61,220	64,430	68,710	71,720	75,590
Huntsville, AL	48,080	55,630	55,980	58,730	61,140	63,790	67,120
Raleigh, NC	44,810	52,580	54,850	56,720	58,550	62,500	66,230
State of Alabama	38,590	44,790	44,930	46,840	48,110	50,620	53,400
United States	44,410	51,960	53,490	56,310	58,260	61,900	65,470

Source: Bureau of Labor Statistics, May 2022 Occupational Employment Statistics

Per Capita Personal Income by Metropolitan Area

MSA	2010	2018	2019	2020	2021	2022
Austin, TX	\$32,862	\$60,764	\$62,460	\$64,913	\$71,372	\$75,119
Charlotte, NC	30,996	52,232	54,086	56,682	62,056	65,156
Durham, NC	31,215	52,243	54,408	56,703	63,375	63,799
Huntsville, AL	28,672	50,044	52,208	55,126	57,815	59,677
Raleigh, NC	34,450	56,139	58,147	60,884	66,428	70,628
State of Alabama	33,696	42,240	44,145	46,479	49,769	51,982
United States	40,278	54,098	56,047	59,510	64,143	66,625

Source: Bureau of Economic Analysis, November 2023 Metropolitan Statistical Area BEARfacts,

As of June 2024, The U.S. Department of Housing and Urban Development estimates that the median family income of families in the United States for 2023 was \$96,200, for families in Alabama is \$79,600, and for families in the Huntsville MSA is \$108,200.

Professional & Business Service Employment

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	113,100	187,700	198,000	199,300	258,800	283,100	286,700
Charlotte, NC	145,700	206,700	212,700	207,700	222,200	226,700	228,900
Durham, NC	35,300	44,800	45,500	46,100	57,000	60,200	61,700
Huntsville, AL	49,200	57,400	60,000	60,800	64,500	68,700	68,900
Raleigh, NC	85,700	120,200	124,100	125,400	136,400	146,800	145,200
Alabama	209,500	245,100	251,100	242,000	259,600	267,100	269,500
United States	16,728,000	20,950,000	21,274,000	20,246,000	22,202,000	22,907,000	22,965,000

Source: Bureau of Labor Statistics, Current Employment Statistics as of July 2024

Population Growth

According to the 2020 Federal Decennial Census 2023 population estimates, the City is both the largest municipality in Madison County and in the State, surpassing the City of Mobile in 2016, the City of Montgomery in 2018, and the City of Birmingham in 2021. Madison County is the third largest county in the State as well. The following table depicts the history of population growth in Madison County, the City of Huntsville, and the Huntsville MSA since 1980. The Huntsville Metro area includes Madison, Limestone and Morgan Counties.

Census	Madison County	City of Huntsville	Huntsville Metro Area (MSA)
1980	196,966	145,604	242,971
1990	238,912	159,789	293,047
2000	276,700	156,216	343,798
2010	336,138	180,924	419,279
2011*	340,111	182,354	425,480
2012*	343,080	183,463	429,876
2013*	346,892	185,662	435,275
2014*	350,299	187,506	440,212
2015*	353,089	189,975	444,373
2016*	356,967	191,956	449,232
2017*	361,046	194,585	455,448
2018*	367,004	198,125	455,448
2019*	372,909	200,574	466,377
2020	389,696	215,043	494,018
2021*	395,211	216,963	502,728
2022*	403,565	222,363	514,465
2023*	412,600	227,571	527,254

* U.S. Census Bureau estimates

Source: U.S. Census Bureau (www.census.gov) as of October 2024

Major Economic Activity

Huntsville has experienced a rapid population rise in the last two decades. With multiple established economic cornerstones in our community like Redstone Arsenal, Huntsville Hospital, and NASA Marshall Space Flight Center, the City remains poised to continue strong growth in all economic sectors. The growth brings financial stimulus and adds revenues as well as increased need for public services provided by the City. However, within the opportunities and challenges, the City has seen financial stability through sound fiscal policy, conservative fiscal practices, and strong economic activities.

The City not only brought industry, federal funding, and commercial employers to the area, but worked to raise the standard quality of life. Recreation and transportation projects which attracted people to live in the City, were prioritized, which caused population expansion in the area, increasing revenue and creating energy that drives economic expansion.

Economic Diversification. Federally funded space and defense programs have a significant impact on the Huntsville region. However, economic analysts for local organizations such as the Huntsville/Madison County Chamber of Commerce and the Alabama State Employment Service point to the increasing shares of trade and services employment as indications that the economy has become more diversified. In addition, the education and technical skills associated with the space and defense programs in the region have been applied in the private sector, as evidenced by the success of numerous high-technology firms that originated in Huntsville. Such firms include: Sanmina/SCI Systems, a Fortune 500 computer manufacturer established in Huntsville in 1961; Intergraph Corporation, a computer graphics firm established in Huntsville in 1969; Nichols Research Corporation, a diversified computer services firm established in 1976 which later merged with Computer Sciences Corporation in 1999 and later merged with DXC Technology in 2017; ADTRAN, Inc., a telecommunications firm founded in 1985; Avocent, a leading provider of KVM switching and remote access devices which was acquired in 2010 by Emerson; Dynetics, an information technology company providing services to the U.S. Government and others since 1974, headquartered in Huntsville; Digium, Inc., established in 1999 and headquartered in Huntsville, which created, owns and is the innovative force behind Asterisk, the most widely used open-source telephony software in the world; Nektar Therapeutics, with headquarters in San Francisco and locations in Huntsville and India, a clinical-stage biopharmaceutical company developing a pipeline of drug candidates that utilize its PEGylation and polymer conjugate technology platforms, which are designed to improve the benefits of drugs for patients; and DIATHERIX Laboratories, Inc., headquartered in Huntsville, which provides clinical laboratory services on a multiplexing platform for the detection of infectious diseases.

HudsonAlpha Institute for Biotechnology is a nonprofit institute dedicated to innovating in the field of genomic technology and sciences across a spectrum of biological problems. HudsonAlpha has a four-fold mission of conducting genomics-based research to improve human health and well-being; implementing genomic medicine, sparking economic development; and providing educational outreach to nurture the next generation of biotech researchers and entrepreneurs, as well as to create a biotech literate public. Since opening in 2008, HudsonAlpha, under the leadership of Dr. Richard M. Myers—a key collaborator on the Human Genome Project—has built a name for itself in genetics and genomics research and biotech education.

HudsonAlpha's 270,000 square-foot facility is the cornerstone of the 152-acre Cummings Research Park Biotechnology Campus. Currently, more than 40 biotechnology businesses reside within the nonprofit institute on the campus and together these organizations employ over 1,100 individuals. This synergistic cluster of life sciences talent promises collaborative innovation to turn knowledge and ideas into commercial products and services for improving human life and strengthening Alabama's progressively diverse economy. The biotech campus currently features three other facilities: the Jackson Center, a full-service conference facility, 701 McMillian Way, which provides an additional 88,000 square feet of lab and office space, and the Paul Propst Center, totaling more than 100,000 square feet and houses the institute's growing education and research programs and its growing biotech companies. McMillian Park, the central green space connecting current facilities and future growth, boasts intertwining walkways that create a double-helix—the structure of DNA and the path to understanding living organisms. Two water features and hundreds of plantings are also contained in the park.

When the world first learned of a new coronavirus infection, HudsonAlpha Institute for Biotechnology Faculty Investigators and Associate Companies that call the biotech campus home pivoted some of their efforts to battle COVID-19. At the outset of the COVID-19 pandemic, companies residing on HudsonAlpha's biotech campus increased laboratory testing capacity and launched point-of-care testing diagnostics and worked tirelessly to produce neutralizing monoclonal antibodies to treat COVID-19 disease symptoms by blocking its viral entry into our cells. Through a project led by the Centers for Disease Control and Prevention, HudsonAlpha is also sequencing the viral

genome from people who have been affected by the disease in an effort to monitor the spread and mutation of the virus. Projects studying the transmission of the virus through the air in enclosed areas, and the detection of dead viral particles in wastewater to monitor pending outbreaks in a community are among some of the environmental monitoring projects ongoing on HudsonAlpha’s campus.

In July 2022, the HudsonAlpha Institute for Biotechnology finished construction a 14,000-square-foot glass greenhouse. The highly sophisticated facility is equipped with two lab spaces, seven grow rooms with fifteen-foot ceilings, and several technologically advanced features rarely found in other greenhouses. The facility will help researchers in the HudsonAlpha Center for Plant Science and Sustainable Agriculture (Plant Center) advance their mission to use genomics to help sustainably feed and fuel our planet. The Hudson Alpha campus now also includes the global headquarters for Discovery Life Sciences, an international market leader in biospecimen analysis, procurement, and distribution for the pharmaceutical, biotechnology, and diagnostics industries. This global headquarters consists of 90,000 square feet and house DLS’s research and development, laboratory and business operations.

In 2022, HudsonAlpha announced the expansion of its physical footprint outside of its longtime home in Cummings Research Park in Huntsville, Alabama. Through a partnership with the city of Dothan, HudsonAlpha launched the HudsonAlpha Wiregrass campus that serves Dothan, Alabama, and the surrounding areas. HudsonAlpha’s agricultural researchers are experts at creating diverse ways to apply genomics to solve challenges in modern plant science and agriculture. A major goal of the HudsonAlpha Wiregrass research mission is to use the power of genomics to develop more drought- and disease-resistant varieties of peanuts and other agriculturally important crops to thrive in the Wiregrass region.

The following table depicts some of the major industrial job growth for previously announced new and expanding companies in Huntsville/Madison County for the period 2005 to 2022. It is interesting to note the continued diversification of the local employment base and that only four of the largest announced developments from 2005-2023 were by federal contractors.

Announced New and Expanding Industry

Year	Total New Jobs	Total New Investment	Largest Single Development
2005	7,017	685,849,435	Hudson-Alpha Inst. Biotech.
2006	3,188	175,350,000	Verizon Wireless
2007	4,181	115,860,000	International Diesel of AL
2008	3,811	96,093,846	BASF Catalysts
2009	2,027	219,290,000	Toyota Motor Manuf. of AL
2010	2,901	152,886,089	Raytheon Company
2011	1,956	133,428,000	Boeing Company
2012	1,189	231,077,749	Toyota Motor Manuf. of AL
2013	1,603	266,545,020	Toyota Motor Manuf. of AL
2014	3,423	323,067,000	Toyota Motor Manuf. of AL
2015	3,546	413,094,000	GE Aviation
2016	2,000	259,201,083	Boeing Company
2017	2,554	600,579,820	Blue Origin
2018	4,666	2,582,293,941	Mazda Toyota Manuf. USA
2019	450	1,829,875,000	Toyota Motor Manuf. of AL
2020	852	1,009,422,692	Mazda Toyota Manuf. USA
2021	1,297	345,740,380	Amazon
2022	580	391,453,500	Toyota Motor Manuf. of AL
2023	597	195,967,420	Toyota Motor Manuf. of AL

Source: Huntsville Chamber of Commerce/Economic Development/New & Expanding Industry

High Technology/Industrial Activity. Research and industrial parks are the center of much of the high-technology and manufacturing activity within or near the city of Huntsville. Those parks include Cummings Research Park (“CRP”), Chase Industrial Park, Jetplex Industrial Park (on Airport property), Lowe Industrial Park, Chelsea Industrial Park, Thornton Research Park, Gateway Research Park, North Huntsville Industrial Park, SouthPoint Industrial Park and Triana Industrial Park. The 3,843-acre Cummings Research Park is the second largest research park in the country and the fourth largest in the world. It is one of the world’s leading science and technology business parks, with a mixture of Fortune 500 companies, local and international high-tech enterprises, U.S. space and defense

agencies, thriving business incubators and competitive higher-education institutions. CRP is the home of more than 300 companies, more than 26,000 employees and 13,500 students. This collection of technical expertise gives the Huntsville community the highest concentration of engineers in the country and is vital to supporting major Department of Defense and NASA contract programs and commercial technology applications. The University of Alabama in Huntsville is also located in the park and is annually ranked among the highest technology research universities in the U.S. The unique synergy of academia, government and industry working together on a global scale makes the Huntsville community a premier technology center of excellence for aerospace and defense research and development.

The Jetplex Industrial Park (JIP) includes 4,000 acres of which approximately 2,882 acres are currently available for immediate development. From this strategic Southeastern location, the Jetplex Industrial Park offers a rare combination of air, rail, and truck transportation. The Park is divided into six sections allowing for various types of economic development opportunities ranging from warehousing/ distribution, office, aviation/aerospace, and light manufacturing/assembly. Major industrial park tenants include The Boeing Company, LG Electronics, Navistar, Northrop Grumman, Yulista Management Services, and SESI. The Jetplex Industrial Park houses more than 70 companies representing seven different countries in a variety of industries including: automotive suppliers, electronics, aviation/aerospace, office and lab, aircraft MRO, unmanned aerial systems, office development -both technical and engineering, and warehouse or distribution centers.

Source: Port of Huntsville

Lowe Industrial Park, Chase Industrial Park and Thornton Research Park house a number of companies including Intergraph Corporation, PPG, Technicolor and BASF. North Huntsville Industrial Park received an AdvantageSite designation in February 2017 and has seen a significant uptick in activity. In addition, the SouthPoint Industrial Park was designed for companies that support the Redstone Arsenal, Army Contracting Command; NASA's Marshall Space Flight Center; and the Southern Automotive corridor.

Toyota Motor Manufacturing Alabama (TMMAL) is the only Toyota plant globally to produce four-cylinder, V-6 and V-8 for the Sequoia SUV, Tacoma, Camry, RAV4, Sienna, Highlander, and Tundra. The plant's total annual engine capacity is more than 900,000, producing one-third of Toyota's engines in the U.S. With more than 2,000 team members and investments totaling more than \$1.2 billion, TMMAL has made a substantial impact on North Alabama for almost 18 years. Toyota announced the Huntsville facility in 2001 and broke ground later that same year. The first Toyota V-8 engine ever made outside of Japan came off the line at TMMAL in 2003. TMMAL has undertaken eight major investment projects worth nearly \$1.5 billion. The most recent was a \$222 million investment made in April 2022 to expand the facility by 114,000 square feet and create a new four-cylinder production line that has the capacity to build engines for combustion and hybrid electric powertrains.

Source: Toyota, External Affairs

Polaris Industries operates a 900,000 square foot manufacturing facility within the Huntsville city limits in Limestone County, which opened in 2016. The Huntsville facility produces the industry's top auto-cycle, the Polaris Slingshot, as well as and the off-road utility vehicle, the RANGER. In April 2023, Polaris began production of the first fully electric RANGER XP Kinetic through a partnership with Zero Motorcycles. The plant employs nearly 2,000 people.

In 2017, Google Fiber brought its services to Huntsville, making it just the 10th US City to receive the service. Google Fiber is the first of possibly many ISPs to lease excess dark fiber on a Huntsville Utilities-constructed network. Construction of the Huntsville Utilities network was complete in 2019. Google Fiber's top speed of its Huntsville network to is currently 8 Gpbs.

In 2019, Aerojet Rocketdyne opened a 136,000 square foot Advanced Manufacturing Facility which is the company's Missile Solutions sector headquarters, establishing Huntsville as Aerojet Rocketdyne's Inert Manufacturing Center of Excellence. In May 2024, Aerojet Rocketdyne announced plans to expand its operations in Huntsville to increase production of inert solid rocket motor components to meet elevated demand. As part of the expansion, the company leased a 379,000 square foot manufacturing facility located in the Jetplex Industrial Park to provide additional manufacturing and office space for Huntsville employees and to transition production of inert components for Javelin and GMLRS missiles from its Camden, AR site to Huntsville. Currently roughly 800 employees work in Huntsville between the Missile Solutions headquarters building and the AMF.

The German auto parts manufacturer BOCAR is considered a Tier 1 auto parts supplier and uses advanced manufacturing techniques to build parts such as intake manifolds, oil pans and oil pumps for a variety of automobile companies. BOCAR's first and only US plant in Huntsville sets itself apart by housing the latest technology in aluminum high pressure die casting automotive structural and powertrain parts. In 2022, BOCAR added a new plant to its manufacturing capacity in Huntsville with an investment of \$176 million for land and construction. The 350,000 square foot plant houses production, offices, quality labs, a training center and employee services BOCAR employs around 500 people.

Blue Origin, the aerospace company owned by Jeff Bezos opened its 400,000 square foot state-of-the-art production facility in 2020 in Cummings Research Park to manufacture its BE-4 and BE-3U engines. Blue Origin employs over 300 people in this facility. The BE-3, the smaller of Blue Origin's two engine lines, powers the company's New Shepard rocket and will help lift its bigger New Glenn rocket. The larger BE-4 engine is also the designated main engine for the big new Vulcan rocket United Launch Alliance is building in Decatur. In 2022, Blue Origin completed a 200,000 square foot expansion and in 2023 it announced a 3rd expansion that will essentially duplicate the existing 400,000 square foot facility. In 2023 Blue Origin was selected by NASA to build the lunar lander for the Artemis V moon mission scheduled for launch in 2029. The Huntsville-built BE-3 engine will power the New Glen rocket that is in development for the mission.

In 2018, Japanese automobile manufacturers Toyota Motor Corporation and Mazda Motor Corporation announced a new North American plant for the manufacture of vehicles pursuant to a \$1.6 billion joint venture between the two companies (Mazda Toyota Manufacturing "MTM") on a site within the City and Limestone County. The plant became fully operational in 2022 employing 3,500 people. The plant's two production lines are building Toyota's Corolla Cross and Mazda's CX-50. Both production lines include both gas powered and hybrid vehicle production. Since announcing its original plans, MTM has expanded the scope of the project to a total investment of \$2.4 billion. Several suppliers are located onsite and adjacent, which are expected to create more than 2,000 jobs in the region.

BAE Systems, the third-largest defense contractor in the world, has opened a new \$45.5 million facility in Huntsville including a new 83,000 square foot manufacturing and office facility in Cummings Research Park. It provides workspace for more than 200 high-tech employees. BAE announced the expansion in 2018 as an opportunity to establish a close working relationship with the U.S. Army and Redstone Arsenal and attract key local talent to develop and deliver important new capabilities to its customers. In August 2022, BAE Systems received a contract from Lockheed Martin to design and manufacture next-generation infrared seeker technology for the Terminal High Altitude Area Defense (THAAD) interceptor missile. The THAAD seeker provides critical sensing and guidance capabilities that help protect the U.S. and global allies from ballistic missiles. In October 2022, BAE Systems successfully fired its Long-Range Precision Guidance Kit (LR-PGK) for 155mm artillery projectiles from the U.S. Army's Extended Range Cannon Artillery (ERCA) at Yuma Proving Ground, demonstrating airframe structural survivability under extreme firing conditions. The LR-PGK improves the accuracy of unguided artillery projectiles with low-cost navigation and guidance technology.

In December 2022, J.H. Berry & Gilbert, Inc. announced that land has been acquired for the new Huntsville Logistics Center. The 132-acre class A industrial development is comprised of four buildings totaling up to 2.2 million square feet available for lease. The new industrial park is conveniently located with easy access to I-565, the Mazda Toyota Manufacturing campus and the Huntsville International Airport. Buildings 1 & 2 are now complete and ready for tenant buildout,

With more than 3,000 talented employees, Boeing is one of the largest aerospace companies in AL and have played a vital role in the U.S. space and defense program for nearly 60 years, including developing missile and weapons systems, as well as the Space Launch System and the International Space Station. Boeing's aerospace operations are headquartered in Huntsville. In November 2023, Boeing broke ground on an expansion of its Huntsville factory that produces the Patriot Advanced Capability – (PAC-3) seeker, which will increase annual production by more than 30%. The 35,000 square foot project, expected to be operational in 2027, will help meet worldwide demand for the seeker, which enables the identification, tracking and interception of air and missile threats. Since 2010, the company has spent more than \$100 million in Huntsville in support of the PAC-3 program. Boeing employs more than 3,400 people in Huntsville and the annual impact on the State is estimated at \$2.7 billion.

Meta, the parent company of Facebook, unveiled plans in June 2018 for a \$750 million center in Huntsville. The first two buildings of the Facebook Data Center in Huntsville went online Sept. 15, 2021. In June 2022, Meta announced that it is expanding its Huntsville Data Center campus. The two new buildings put the entire facility at almost 3.5 million square feet and bring total employment to more than 300 jobs. The expansion put Meta's investment in the center to more than \$1.5 billion, according to the company. In addition, Meta also announced two new grants

amounting to a total of \$300,000 in support of local schools and STEM education. Meta is providing \$225,000 in support of the Raise Your Hand program with the Schools Foundation and \$75,000 to the Alabama School of Cyber Technology and Engineering.

Retail. While high technology research and manufacturing continue to dominate Huntsville's economy, retailing has been steadily growing in recent years. This is especially significant since Huntsville derives a significant portion of its operating budget from sales tax collections. A major factor in this growth is Huntsville's above-average per capita and median family incomes. This healthy buying power has attracted many national retailers to the area.

In June 2016, work began on a \$70 million mixed-use project called CityCentre at Big Spring near Big Spring International Park and Von Braun Center in downtown Huntsville. The project features two hotels, 270 multi-family units and an artisanal food hall inspired by Ponce City Market and Krog Street in Atlanta, Eataly in Chicago and The Source in Denver. Phase I includes a 150-unit new-to-market AC Hotel, a six-story Marriott hotel including a rooftop deck for the public and hotel patrons, 31,000 square feet of retail stores and restaurants, 53,000 square feet of office loft space and 270 multi-family apartments. This is the 10th AC Marriott in the world, the first in Alabama, which are all custom designed for their specific location. The AC Hotel began accepting reservations in April of 2019. Phase II represents a \$30 million investment with a 100-key urban hotel and 50,000 square feet of mixed-commercial and office loft space. The addition of these 250 units will bring the city one-step closer to its goal of attaining 1,000 rooms in the downtown area. Phase III is currently under construction and will include a new hotel (Moxy), and a mixed-use development with apartments, office and retail space, as well as a food hall. In addition, the City will construct a six-level, 430 space parking garage. The City will fund up to \$11 million of the cost of the garage and the developers will contribute \$3 million. The developers will make lease payments to the City for spaces to support the Moxy and AC Marriott hotels and the remaining spaces will be metered by the City.

In 2017, work began on a mixed-use project called MidCity District, then a \$350 million development that has since expanded to \$2.2 billion. Built on land formerly occupied by a regional mall, MidCity District is a carefully and thoroughly planned community built on decades of experience and research into how people congregate, what communities look for in a place, and how venues, buildings, parks and public spaces can be used to support and drive growth. The District not only serves as a civic and commercial hub, but an iconic new mixed-use environment strategically located at the gateway of Redstone Arsenal and Cummings Research Park Fitness, recreation, public gathering spaces, walkable streets, inviting architecture, vibrant amenities, and intimate thoroughfares form the 140-acre MidCity District. The District is adjacent to a 40-acre, City-owned park that integrates a kayaking lake, the award-winning Orion Amphitheater, TopGolf, an outdoor climbing area, and a one-mile biking and running trail. This trail will connect to the City of Huntsville's Master Greenway Plan, the University of Alabama in Huntsville's campus expansion, and the trail system in Cummings Research Park. Once complete, the development will include 350,000 square feet of retail, dining, and entertainment space; approximately 400,000 square feet of high-tech office space; 1,600 residential units; and approximately 650 hotel rooms. Building on the reputation of the City of Huntsville, MidCity is a workforce recruitment tool for North Alabama and serves as an entertainment and innovation powerhouse for locals and new residents. Already operational at MidCity District includes Dave & Buster's, Trader Joe's, and a 2,500 square foot Starbucks as well as many other shops and restaurants. Metronome, MidCity's first apartment community opened in May 2023 with 296 units. Three other multifamily developments are in various phases of construction totaling nearly 1,200 available units once complete. One of those projects, Wellory Living, is a \$108M mixed-use development to bring future forward, sustainable living and dining options – all with a net zero energy status and reduced carbon footprint.

National Aeronautics and Space Administration. For six decades, NASA and its partners have relied on the experience, capabilities, and state-of-the-art facilities at the Marshall Space Flight Center to solve spaceflight's most complex and technical problems.

Founded July 1, 1960, Marshall is one of NASA's largest field centers, with a total workforce of nearly 7,000 employees and an annual budget of approximately \$5 billion. Marshall also manages NASA's Michoud Assembly Facility in New Orleans, offering state-of-the-art manufacturing, fabrication and welding capabilities, and is home to the National Center for Advanced Manufacturing, a partnership with the state of Louisiana, Louisiana State University in Baton Rouge, and the University of New Orleans. More than 3,000 are employed on-site, including government and contractor employees and commercial tenants.

Today, Marshall is developing NASA's advanced, heavy-lift Space Launch System to loft Artemis missions back to the Moon and to destinations across the solar system. The Marshall workforce is also leading the development, testing and delivery of human-rated landers to descend to the Moon's surface for NASA's Human Landing System Program.

From inside the Payload Operations Integration Center, the Marshall team coordinates and integrates all scientific and commercial experiments on the International Space Station, as well as Earth-to-station science communications, 24 hours a day, 365 days a year.

Marshall space scientists conduct scientific research, design, and development in support of NASA exploration missions, while our Earth scientists use satellite data to tackle global challenges such as climate variability, weather prediction, and natural disaster response.

Source: Marshall Space Flight Center Office of Stakeholder Relations

Military. Since the early 1950s, Huntsville, Alabama has been one of the United States' principal centers for space and defense technology. Home to the work of Dr. Werner von Braun and America's rocket development programs, the Huntsville community and Redstone Arsenal became the location of choice for the country's best and brightest aerospace engineers and scientists during the 1960s. Rocket City USA, as the region was known, gave original meaning to the term "rocket science".

Today, Redstone Arsenal is a diverse federal campus for more than 60 major federal agencies and organizations providing the highest level of technology development for national defense and space exploration. Army commands manage key logistics, missile and aviation programs while NASA's Marshall Space Flight Center is responsible for large components of America's space program. Roughly half of the Army's weapons procurement budget is managed on Redstone Arsenal, including all US Army aviation systems, missile systems and missile defense systems. With a renewed emphasis on technological modernization, Redstone Arsenal tenant organizations are poised for new missions. As part of the Army Futures Command, Redstone Arsenal organizations are taking a lead on two primary focus areas: Future Vertical Lift and Air & Missile Defense.

Other federal agencies perform a wide variety of intelligence and homeland defense functions on Redstone. Cummings Research Park, one of the country's original and largest science and technology parks, is home to many of the 300+ national and international aerospace and defense contractors that call Huntsville home.

There is a significant military presence in Huntsville/Madison County. As of September 2023, Redstone employed some 50,000 DOD civilians and contractor employees and a little over 700 active military personnel (this does not include construction workers on base). Activities in the area involve a number of different organizations including:

U.S. Army Materiel Command (AMC) is an Army Major Command responsible for materiel readiness including technology, acquisition support, materiel development, logistics power projection and sustainment. The Command's missions range from development of sophisticated weapon systems and cutting-edge research to maintenance and distribution of spare parts and supplies to US Army units located around the globe. If a soldier shoots it, drives it, flies it, wears it, communicates with it, or eats it, AMC provides it.

U.S. Army Space & Missile Defense Command (SMDC) is responsible for developing the Army's missile defense systems including support of space and ground-based midcourse defense and assuring the Army's access to and utilization of space assets in the execution of their mission.

U.S. Army Aviation & Missile Command (AMCOM) provides support to joint warfighters and allies to ensure aviation and missile system readiness for combat operations. The Command is responsible for the development, acquisition and fielding of aviation and missile systems and the integration of aviation and missile technology. AMCOM develops, acquires, fields and sustains aviation, missile and unmanned vehicle systems, ensuring readiness with a seamless transition to combat operations.

U.S. Army Security Assistance Command (USASAC) is responsible for managing security assistance programs and Foreign Military Sales (FMS) for the Army. USASAC is known as

the "Army's Face to the World" because it serves as the primary entry point for US Army materiel and service related FMS requirements.

Army Contracting Command (ACC) supports the warfighter worldwide through the acquisition of equipment, supplies and services vital to the soldier's mission and well-being. The Command Headquarters relocated to Redstone Arsenal in 2011.

Expeditionary Contracting Command (ECC) is responsible for expeditionary contracting across all military operations for Army Service Component Commanders and the Joint Warfighter and support to Army and other joint operations as well as other defense organizations outside the continental United States.

Program Executive Office – Aviation (PEO AVN) is the Army manager responsible for providing overall direction and guidance for the development, acquisition, testing, product improvement and fielding of Army aviation programs of record including the Apache Attack Helicopter, Cargo Helicopter, Utility Helicopter, Non-Standard Rotary Wing Aircraft, Fixed Wing Aircraft, Aviation Systems, Unmanned Aircraft System and Armed Scout Helicopter.

Program Executive Office – Missiles & Space (PEO M&S) provides centralized management for all Army tactical and air defense missile programs and selected Army space programs. The PEO was established in January 2005 with the merger of the PEO Air, Space and Missile Defense and the PEO Tactical Missiles.

U.S. Army Combat Capabilities Development Command Aviation & Missile Center is the Army's focal point for providing research, development and engineering technology and services for aviation and missile platforms. CCDC Aviation & Missile Center manages and conducts research, exploratory and advanced development, and provides one-stop lifecycle engineering and scientific support for aviation and missile systems and UAV platforms.

Redstone Test Center (RTC) was created through the merger of the Redstone Technical Test Center (RTTC) and the Aviation Technical test Center (ATTC) in 2010. RTC specializes in line-of-sight missile and rocket testing, guidance system testing, optical and electro optical systems, air-armament component tests and electromagnetic environmental effects testing of aircraft systems. RTC is the designated DOD lighting effects tester for explosive ordnance and munitions. RTC also tests and certifies all modifications to the Army aviation fleet.

U.S. Army Garrison (USAG) Redstone executes daily operations effectively and efficiently with a qualified and professional workforce. The focus of its workforce is the continued viability and sustainability of the installation, achieved through deliberate strategic planning and appropriate execution of services and programs. The Garrison strives for excellence every day to make certain its tenant organizations can execute their peacetime and wartime missions without concern for any interruption in home-station support.

2nd Recruiting Brigade conducts recruiting operations for non-prior and prior service recruits for the Active Army and Army Reserves in several states across the Southeast, Puerto Rico and the Virgin Islands. The brigade is supported by numerous recruiting battalions and recruiting companies and partners with a wide range of colleges, ROTC programs, high schools, and vocational trade schools.

Fox Army Health Center (FAHC) is part of the Southern Regional Medical Command which provides access to quality and cost-effective primary care for patients while maintaining a state of readiness for mobilization. FAHC provides many types of services for Redstone, including direct healthcare, public health and education, occupational medicine and industrial hygiene.

Logistics Support Activity (LOGSA) supports Army operations through timely and integrated life cycle logistics information, knowledge and expertise. LOGSA maintains the Army's official single authoritative logistics data repository. LOGSA provides critical logistics information capabilities through analytical tools and business intelligence solutions to effectively acquire, manage, equip, and sustain the materiel requirements of the U.S. Army.

Missile Defense Agency (MDA) is the Department of Defense agency that facilitates the research, development, acquisition and integration of multi-service capabilities into seamless theater and national missile defense systems.

Defense Intelligence Agency – Missile & Space Intelligence Center (MSIC), is an intelligence organization charged with producing scientific and technological intelligence on adversary surface-to-air missiles and ballistic missile systems and directed energy systems. This intelligence includes characteristics, capabilities and limitations of foreign military systems.

U. S. Army Engineering and Support Center, Huntsville, is a specialized agency of the U.S. Corps of Engineers. The Huntsville Center manages national programs that have a broad scope, require standardization across corps of engineers' boundaries, or are otherwise complex in nature.

FBI Terrorist Explosive Device Analytical Center (TEDAC), was formally established in 2003 and moved to Huntsville in 2015 to serve as the single interagency organization to receive, fully analyze, and exploit all terrorist improvised explosive devices, or IEDs, of interest to the United States. TEDAC coordinates the efforts of the entire government, from law enforcement to intelligence to military, to gather and share intelligence about these devices—helping to disarm and disrupt IEDs, link them to their makers, and, most importantly, prevent future attacks. To date, TEDAC has received tens of thousands of IED submissions, primarily from Iraq and Afghanistan.

Source: Redstone Arsenal Public Affairs Office; www.garrison.redstonearmy.mil

BRAC. There have been five previous rounds of Base Realignment and Closure (BRAC) – a congressionally approved process for consolidating military infrastructure. Redstone Arsenal has consistently gained significant roles, missions and personnel through this process. The most recent BRAC was in 2005 and it relocated the Army Materiel Command's headquarters to Redstone Arsenal from Fort Belvoir, Va., along with more than 1,350 AMC positions and the AMC commander, a four-star command which is the first for Alabama.

In April 2024, Raytheon launched a \$115 million expansion of its Redstone Raytheon Missile Integration Facility, which will increase the factory's space for integrating and delivering on critical defense programs by more than 50%. The 26,000 sq ft expansion will also bring an estimated 185 new jobs to Huntsville, growing the employee footprint in Huntsville to over 2,200 people. The Huntsville facility currently handles the integration of nine variants of the Standard Missile family, including the Standard Missile-3 and Standard Missile -6, and will accommodate additional defense programs, including the Glide Phase Interceptor (GPI) which will be the first ever interceptor to defeat the emerging threat of hypersonic glide vehicles.

Source: MadeInAlabama.com

New Missions to Redstone Arsenal

The growth of the Federal Bureau of Investigation (the "FBI") has also been significant. The FBI is currently undergoing significant capital projects for specialized facilities at Redstone Arsenal serving, essentially, as a second headquarters. In addition to much of the back-office work, expertise in cyber security, data analytics, innovation, and training for agents will occur on its Redstone Arsenal campus. The FBI is currently building a sprawling, college-like campus on Redstone Arsenal, part of a multi-year effort to expand its presence at Redstone Arsenal. The Innovation Center, which broke ground in June of 2021, is a key part of that campus, which will top \$3 billion in investment by its completion. Initial announcements by the FBI indicated as many as 1,350 employees would be relocated to Huntsville, however recent announcements have indicated between 4,000 and 5,000 jobs could eventually be shifted to Redstone Arsenal over the next 10 years. Approximately 2,000 employees are currently located in Huntsville. The FBI now has eight major construction projects, five of which are training venues. The current "marquee project" is the Innovation Center and Kinetic Cyber Range, which is scheduled to be completed in late 2024. Other big projects now underway include Tech Buildings 2 and 3, a shared services warehouse, and a shipping and receiving expansion which will further aid the logistics capabilities of FBI Redstone. The Multi-purpose Range Complex and Practical Problem Venues are currently in design. Upon completion, the Range Complex will be able to accommodate both small- and large-scale training events. The Practical Problem Venues will provide a controlled, realistic, tech-forward

testing and training environment for the FBI and its partners. The Academic Zone will provide graduate-level classroom training and a complementary platform on which to complete advanced research. Another project, the National Security and Intelligence Center of Excellence, will be the centralized location for advanced training delivery, curriculum development, and instructional design.

Labor Force Characteristics

According to the 2022 American Community Survey 5 Year Estimates, the City had a "labor force participation rate" of 65.3%, compared with 58.6% for the State of Alabama and 63.5% for the United States.

The quality of the City's work force is enhanced by the educational attainments of a significant portion of the work force. The following table compares the educational attainments, for persons over 25 years of age, with respect to the City, the State of Alabama, and the United States.

Educational Attainment

	City of Huntsville	State of Alabama	United States
Percentage high school graduates or higher	92.0%	89.1%	89.8%
Percentage bachelor's degree or higher	47.7%	28.9%	32.2%

Source: U.S. Department of Commerce, Bureau of the Census, 2023 ACS 1 Year Estimates

Employment Data

Civilian Labor Force. The following table provides statistics regarding the average civilian labor force and unemployment rates of Huntsville/Madison County in the years indicated:

	2000	2010	2020	2021	2022	2023
Labor Force	175,460	208,154	231,870	313,220	268,271	255,991
Unemployment Rates						
Huntsville/Madison County	2.8%	8.6%	4.6%	3.6%	2.4%	2.1%
State of Alabama	4.6	10.5	5.9	5.3	2.5	2.5
United States	4.0	9.6	8.1	6.3	3.6	3.6

Source: U.S. Department of Commerce, Bureau of the Census, 2023 ACS 1 Year Estimates

Major Employers in the Huntsville Region

As shown in the following table, there are 12 private sector firms with employment in excess of 1,000 employees. The major private sector employers in the Huntsville Region include Mazda Toyota Manufacturing USA, Inc and The Boeing Company (aerospace) each with more than 3,000 employees in 2023. Most of the major employers are involved in high-technology research and manufacturing, previously noted as a leading source of economic activity in the Huntsville Region.

MAJOR EMPLOYERS IN HUNTSVILLE/MADISON COUNTY, AL

Private Employers	Number of Employees
Mazda Toyota Manufacturing USA, Inc	4,000
The Boeing Company	3,411
Dynetics, Inc	2,946
Northrop Grumman Corporation	2,850
SAIC	2,746
Toyota Alabama	1,994
Polaris	1,932
Lockheed Martin Corporation	1,685
Crestwood Medical Center	1,287
Blue Origin	1,235

Amazon	1,100
Redstone Federal Credit Union	1,095
PPG	983
KBR	964
Raytheon Technologies	945
Hexagon	924
Yulista	923
Kohler Company	870
Teledyne Brown Engineering	832
Aerojet Rocketdyne	829
Axient	800
ADTRAN, Inc.	786
Target Distribution Center	770
COLSA Corporation	739
Mazda North America Operations	735
Sanmina	726
Science and Engineering Services (SES)	719
SCI Technology, Inc.	700
Torch Technologies	695
Astrion	676
YKTA	656
Jacobs Space Exploration Group	618
Parsons	586
BASF Corporation	580
Phoenix	557
Radianc Technologies, Inc.	507
Tyonek Native Corporation	506

Public Employers

U.S. Army/Redstone Arsenal*	45,700
Huntsville Hospital System **	11,149
NASA/Marshall Space Flight Center *	7,000
Huntsville City Schools	3,000
City of Huntsville	2,589
Madison County Schools	2,389
University of Alabama in Huntsville	1,979
Alabama A&M University	1,207
Madison County Commission	1,071
Madison City Schools	976
Huntsville Utilities	680
Calhoun Community College	579
U.S. Space & Rocket Center	508

* Includes contractors

**Employees in Madison County

Source: Chamber of Commerce Huntsville/Madison County, May 2024

Employment Data

The total number of persons employed in Huntsville/Madison County in nonagricultural wage and salary employment has consistently increased since 2014. The three largest sectors of employment are (in descending order) Manufacturing (107,956), Retail Trade (66,715), and Health Care and Social Assistance (66,666) in the Huntsville Region during 2022.

**Huntsville Metropolitan Area
Employment by Industry Sector
(in thousands)**

2010 2020 2021 2022 2023

Manufacturing	23.7	26.2	28.9	32.4	34.8
Durable	20.5	22.5	22.5	28.0	30.6
Non-Durable	3.2	3.7	3.7	4.4	4.2
Construction & Mining	7.5	9.7	10.5	10.7	10.4
Transportation/Utilities	2.6	3.6	3.8	5.8	6.3
Wholesale Trade	5.4	6.2	6.3	6.4	6.5
Retail Trade	22.0	24.5	25.6	26.8	27.1
Finance/Insurance/Real Estate	6.1	7.1	7.6	8.4	8.7
Professional & Business Services	49.2	61.0	63.3	65.5	67.7
Government	48.6	51.7	52.7	54.0	56.0
Total Nonagricultural Employment	210.0	240.9	251.4	273.7	276.5

Source: Huntsville/Madison County Chamber of Commerce - Alabama Department of Labor, Bureau of Labor Statistics

Construction Activity

The following table shows the value of new building permits issued in the City for the fiscal years indicated.

Value of Building Permits* (Residential, Apartment and Commercial/Industrial)

Year	Residential	Apartment	Commercial/ Industrial	Total
2006	\$59,193,692	\$12,284,320	\$289,268,058	306,746,070
2007	69,324,698	73,366,333	257,689,367	400,380,398
2008	45,055,563	37,108,158	197,117,416	279,281,137
2009	46,014,460	24,624,748	111,635,798	182,275,006
2010	45,385,091	--	136,237,193	181,622,284
2011	67,349,833	23,890,934	199,764,460	291,005,227
2012	72,510,679	37,965,634	201,958,518	312,434,831
2013	76,153,776	31,493,814	258,148,571	365,796,161
2014	68,232,945	24,971,287	260,554,000	393,758,232
2015	50,480,824	25,086,049	146,238,696	221,805,569
2016	51,902,779	45,546,068	144,199,219	241,648,066
2017	55,176,401	32,675,273	165,076,154	252,927,828
2018	62,452,059	47,378,131	248,175,919	358,006,109
2019	71,989,506	58,894,007	420,081,963	550,965,476
2020	83,616,940	160,688,487	638,146,981	882,452,408
2021	126,727,217	318,311,624	1,226,553,374	1,671,592,215
2022	135,473,372	393,442,330	1,389,650,595	1,918,566,297
2023	154,944,564	152,732,108	1,424,017,310	1,731,693,980

*Exclusive of "Moving and Demolition Permits" and consists of new construction only

Source: City of Huntsville, Inspection Department

Education

Primary and Secondary Education. The City school system is now comprised of 43 schools: six high schools, 11 middle and junior high schools, and twenty-six Pre-K through elementary schools. Seven of the district's schools are also home to various magnet programs, with one high school and two P-8 facilities dedicated as fully established magnet schools. These magnet programs emphasize science, foreign language, creative and performing arts, pre-Engineering and international education. Students of City schools consistently score above national and state averages on standardized achievement tests and on the American College Test (ACT). Enrollment for the City School System for the 2024-2025 school year is 24,050 with 2,819 teachers and support personnel employed.

Madison County and the City of Madison also have public school systems, and in addition to public schools, there are approximately fifty private kindergartens and private schools (including church-related or parochial schools) in the City and the County.

The Alabama School of Cyber Technology and Engineering, the state's only fully public, residential high school for students interested in engineering and cyber technology, opened for its first year in Huntsville in August 2020. The school moved from a temporary location at Oakwood University to its 26-acre campus in September 2022. For the 2023-2024 school year, the school has total enrollment of 334 students from 75 Alabama cities and towns. 214 of those are commuter students and 120 are boarding students. 100% of students get free tuition. The school is the first cyber and engineering school in the nation.

Higher Education. There are three state-supported four-year colleges and universities located within or near the City: the University of Alabama in Huntsville, a campus of the University of Alabama system; Alabama A & M University; Athens State University, located in the City of Athens, Alabama, approximately 20 miles west of the City; and Oakwood University, a private four-year university. Other area institutions include John C. Calhoun State Community College, and J. F. Drake State Community and Technical College.

Source: City of Huntsville School System and Alabama State Department of Education

Medical and Health Services

Huntsville Hospital is the second largest hospital in Alabama with 881 licensed beds on two campuses, Huntsville Hospital-Main and Women & Children Hospital. It serves as the regional referral center for North Alabama and southern Tennessee and is home to one of only three statewide Level I Trauma Centers. In recent years, the hospital has expanded its service throughout North Alabama with the development of Huntsville Hospital Health System, making it one of the top 5 largest publicly owned hospital system in the nation with more than 2,500 beds, 19,500 employees, 13 hospitals and several outpatient facilities. Huntsville Hospital Health System has grown to include hospitals in a 14-county service area in North Alabama and Southern Tennessee.

Huntsville Hospital Main serves as a teaching facility for UAB's Family Practice Residency Program, and is also assisting to establish a nursing program at the Huntsville campus of Calhoun Community College. Huntsville Hospital for Women & Children offers the most advanced pediatric health care in the region including pediatric emergency services, pediatric intensive care, level III neonatal intensive care and pediatric surgery as well as providing specialized health care for women. Madison Hospital is a full service 90-bed hospital offering medical, surgical, obstetrical, non-invasive cardiac care, special procedures, emergency care, imaging, and therapy services.

Huntsville Hospital is governed by a volunteer board appointed by the City Council through the Health Care Authority of the City of Huntsville.

Source: www.huntsvillehospital.org

The City also hosts a 180-bed full service acute care hospital, Crestwood Medical Center, which has approximately 1,000 healthcare professionals representing more than 50 different specialties.

Source: www.crestwoodmedcenter.com

The U.S. Space and Rocket Center

The U.S. Space and Rocket Center, a state agency operated by the Alabama Space Science Exhibit Commission, which opened in 1969, is regularly the state's top paid tourist attractions in Alabama, attracting some 650,000 visitors annually. Recent additions include a full-scale space shuttle and a Saturn V and portions of the Space Station. A related activity of the Space and Rocket Center is U.S. Space Camp, a hands-on educational experience for young people and, in special corporate camps, adults. The U.S. Space Camp attracts approximately 35,000 young people and adults each year for its Space Camp and Corporate Camp programs. Additional programs include Aviation Challenge, Robotics Camp, U.S. Cyber Camp and a host of traveling exhibits.

Transportation

The City of Huntsville is accessed by highway, railway, waterways and a modern airport facility. U.S. Interstate Highway 65, which runs between Chicago and Mobile, is connected to the City by I-565. There are four major highways 231 (North-South), 431 (North-South), 72 (East-West) and 72 Alternate (East-West) which traverse

the City and provide access to outlying areas. The City is served by numerous common carriers, including the Norfolk Southern Railway. In 2004 Huntsville built a new public transit center just off I-565 which is home to the offices of the Public Transit and Parking Services, Greyhound Bus, and the Convention and Visitor's Bureau. It serves as the central transfer point for the city's shuttle bus service. After years of community input and public sessions, the City of Huntsville's work on the new downtown transit center officially opened on September 3, 2024. In addition to the new center, the City has added a brand-new route south of the City, bringing the current total to 11 available routes. Huntsville transit enhancement came from a notable increase in ridership, surging since 2023. Fixed route ridership reached 94% of pre-pandemic levels, while paratransit routes saw an impressive 97% return. The Orbit fixed-route buses carried 630,569 passengers in 2023, the highest figure since the pre-pandemic peak of 671,459 riders in 2019. This represents a remarkable 29% increase from the lowest traffic year of 2021 and a notable 13% rise compared to 2022. Similarly, Access paratransit served 100,832 riders in 2023, the most since 2019, indicating a robust 38% surge from the pandemic's onset in 2020 and a significant 20% rise from 2022.

The Huntsville-Madison County Airport Authority (a joint authority of the City and Madison County) operates the Huntsville International Airport located approximately twelve miles west of the downtown area of the City, which is the principal airport serving northern Alabama and parts of Tennessee and Georgia. Airport operations are conducted on approximately 3,400 acres of land and include two active runways, associated taxiways and an industrial park. The airport is served by numerous carriers including: American, Delta, United, Silver Airlines and Breeze Airways.

Quality of Life

Huntsville is situated in the foothills of the Appalachian Mountains, and the natural beauty of the area contains many opportunities for hiking, biking, golfing, outdoor exploration and water sports on the Tennessee River and nearby Lake Guntersville. The mild climate allows for outdoor enjoyment throughout much of the year. Huntsville offers a number of parks, natural reserves, nature trails and a stop on the Robert Trent Jones Golf Trail.

Huntsville's downtown is undergoing a renaissance with a growing and vibrant nightlife. The arts are fully covered between Huntsville's Broadway Theatre League, the Huntsville Ballet Company and the Huntsville Symphony Orchestra. Downtown Huntsville now has three hotels, with the AC Hotel by Marriott and Embassy Suites Huntsville conveniently located right in the heart of downtown and connected by a sky bridge to the city's convention center space, the Von Braun Center, and to the city's sports arena, concert hall and playhouse.

Originally constructed in 1975, the Von Braun Center underwent major renovations in 2010 which transformed the Arena. The renovations changed the facade of the Arena to a modern glass frontage overlooking Big Spring Park as well as expanded the lobby by adding more pre-function space and a pub. The project also added over 1,000 seats to concert setups, VIP suites, and additional restrooms. The Von Braun Center Concert Hall has also recently undergone a major renovation. In 2019, the Von Braun Center opened a new music venue, Mars Music Hall, which includes a restaurant area and rooftop bar located at the corner Clinton Avenue and Monroe Street. It is a "plug-and-play" venue with permanent stage, lighting and sound systems for the artists' use. The second phase of the renovation is now underway and will include a large convention center expansion, a new state-of-the-art ballroom, and a full renovation of the North Hall. A new kitchen complex is going in, as well as a new break out rooms to support larger conventions and groups, and there will be many interior improvements to existing areas. The renovation and renaming of North Hall to Saturn Ballroom was completed in 2023.

Source: <https://www.vonbrauncenter.com/improvements/>

In 2021, the plans were announced to develop a new urban center in the heart of downtown. Located on Clinton Ave across from the Von Braun Center, Front Row will be an 11+ acre mixed-use development delivering high-end residential, Class A office space, and a dynamic blend of retail, destination-worthy dining, and entertainment. Plans for the former Coca-Cola Bottling plant site include 545 luxury apartments 47,000 sq.ft. of retail space including a mix of indoor and outdoor spaces, and 34,500 sq.ft. of office space. The project is slated to cost around \$325 million. Groundbreaking on the project occurred in April 2024.

In July 2024, the City of Huntsville and the Huntsville Housing Authority were awarded a \$50 million Choice Neighborhood Implementation (CNI) Grant from the US Department of Housing and Urban Development to revitalize and transform the area surrounding 2 of Huntsville's oldest standing public housing communities. The grant sets the stage for a \$350 million investment to redevelop the 27-acre site, now known as Mill Creek, into a mixed-income community with workforce housing, medical and childcare services and retail options. The Mill Creek projected is located adjacent to downtown in a growing area of the City. The multi-year plan will replace distressed public and

assisted housing with high-quality, mixed-income housing that is well-managed and responsive to the neighborhood. The funding includes a \$27 million investment by Huntsville Hospital to create 125 workforce housing units and to operate a health care clinic on-site. The property will be redeveloped in 5 phases over 8 years to ultimately provide 705 mixed-income units.

Among the many museums and historic sites are the U.S. Space and Rocket Center, Huntsville Botanical Garden, Monte Sano State Park, Big Spring Park, the Huntsville Museum of Art and several children's museums.

Huntsville is home to Lowe Mill ARTS & Entertainment, America's largest independent center for the arts. With over 200 working artists, 7 galleries, 152 working studios, small businesses, restaurants, and 4 performance venues, this huge historic textile mill is now a rising home for music, art, and culture. Lowe Mill completed a 37,000 square foot expansion in December 2014.

In sports, Huntsville hosts a minor league hockey (SPHL) team And in 2023, Huntsville's professional soccer team, Huntsville City Football Club started play at the renovated Joe Davis Stadium. The team is affiliated with the Nashville Soccer Club. MLS Next Pro is a men's professional soccer league in the United States and Canada and is affiliated with Major League Soccer. College athletics such as UAH and Alabama A&M are also popular.

APPENDIX B
GOVERNMENTAL ORGANIZATION AND FUNCTIONS OF THE CITY OF HUNTSVILLE

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GOVERNMENTAL ORGANIZATION AND FUNCTIONS
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Governmental Organization

The City is a municipal corporation under the laws of the State of Alabama. The municipal government may be characterized as a "strong" mayor-council form of government, wherein the mayor is elected at large for a four-year term to serve as the full-time administrative head of the City government. The Mayor is assisted in the day-to-day management of the City by an administrative assistant and a professional staff who oversee the various departments of the City.

The City Council, which consists of five members elected for staggered terms of four years each, operates exclusively as a legislative body and acts with respect to the executive branch of the City government (including all appointive officers, department directors and employees) only through ordinances and resolutions formally adopted at Council meetings. Members of the City Council are elected from five electoral districts. Each member of the City Council is required to reside in the district which he or she represents and to be elected by the qualified electors residing in such district.

The present Mayor and members of the City Council, and the dates of beginning and ending of their respective current terms of office, are as follows:

Name	Date of Beginning of Current Term	Date of Ending of Current Term
Tommy Battle, Mayor	November 4, 2024	November 6, 2028
John Meredith	November 4, 2024	November 6, 2028
Bill Kling, Jr.	November 7, 2022	November 2, 2026
Dr. Jennie Robinson	November 7, 2022	November 2, 2026
David Little	November 7, 2022	November 2, 2026
Michelle Watkins	November 4, 2024	November 4, 2028

Colonel (Ret.) John Hamilton became City Administrator effective as of October 1, 2013. Mr. Hamilton received a Bachelor of Science in Business Management in 1990 from Florida State University and a Masters in Logistics Management from the Florida Institute of Technology in 1999. He served for 23 years in the United States Army and retired a full Colonel in 2013. His final position was as Garrison Commander of Redstone Arsenal.

In the Fall of 2019, Penny L. Smith, CPA, became the Finance Director of the City. She also serves as City Treasurer. Previously, Mrs. Smith was the Finance Director for the City of Auburn, a position she had held since 2011 after spending seven years as that city's Deputy Finance Director. Mrs. Smith is a graduate of Auburn University, from which she received a bachelor's degree in accounting. She is a Certified Public Accountant, Certified Government Financial Manager and Chartered Global Management Accountant. Mrs. Smith is a past president of Governmental Finance Officers Association of Alabama and previously served on the Security for Alabama Funds Enhancement (SAFE) Board of Directors. She has more than 30 years' experience in public and governmental accounting and auditing.

Shaundrika Edwards has served as City Clerk of the City since March of 2023. Mrs. Edwards holds a master's and bachelor's degree in human resource management. She joined the Human Resources Department of the City in 2017 where she worked until becoming City Clerk in 2023.

Marion "Trey" Riley is the City Attorney. Mr. Riley was appointed as City Attorney in the Fall of 2015. Mr. Riley received a Bachelor in Business Administration degree from Auburn University in 1977, and his Juris Doctorate degree from the University of Alabama School of Law in 1980. Upon graduating from law school, Mr. Riley served a brief tenure as an Assistant District Attorney, and thereafter engaged in the solo practice of law for almost 35 years, representing a broad cross-section of individuals in a wide variety of legal matters before numerous different tribunals, primarily in Alabama but also in surrounding states.

The City Administrator, the Finance Director, the City Attorney, and the City Clerk are appointed by the Mayor, subject to the approval of the Council, for four-year terms concurrent with that of the Mayor.

Certain City Officials

Tommy Battle, Mayor. Mr. Battle is currently serving his fifth term as Mayor of the City. Mayor Battle was first elected Mayor in 2008, and before then served on the City Council between 1984 and 1988. A commercial real estate developer, Mayor Battle has served on various local boards within the City, including the Huntsville Emergency Medical Services, Inc., board, EarlyWorks Children's Museum board and the administrative council of Trinity United Methodist Church. Mayor Battle received his B.S. degree in Business Administration from the University of Alabama.

Michelle Watkins, Council Member. Michelle Watkins, representing District 1, was first elected to the City Council in 2024. Michelle Watkins is a lifelong resident of Huntsville, Alabama. Upon graduating from James Oliver Johnson High School of the Huntsville City School System, she furthered her education at Alabama Agricultural and Mechanical University by completing a Bachelor of Science in Business Administration, a Masters of Secondary Education, and an Education Specialist Degree. She is also a graduate of Leadership Huntsville Focus Class 27 and a Certified Oracle Instructor. Michelle has taught at Johnson High School and J. F. Drake State Technical College and has been actively involved in various community organizations and activities in the Huntsville City and Madison County area. She presided as PTSA President for Johnson High School during its last school year, and has worked with the Junior League of Huntsville, the United Way of Madison County, the City of Huntsville Community Development Citizens Advisory Council, and the Alabama A&M University Youth Motivational Task Force. Currently, Michelle Watkins is a Management & Program Analyst for the United States Army Garrison at Redstone Arsenal.

David Little, Council Member. Mr. Little, representing District 2, was elected to the City Council in 2022. He currently serves as President of the City Council. Mr. Little was born and raised in Huntsville. After graduating high school, he spent four years in the United States Marine Corps before earning degrees from Calhoun Community College and Athens State University. His professional background includes aerial photography, owning his own small business and sales management with a local technology firm before joining the investment community in 2005. Mr. Little presently works with a local wealth management and financial planning firm.

Dr. Jennie Robinson, Council Member. Dr. Robinson, representing District 3, was first elected to the City Council in 2014. Prior to her election to the City Council, Dr. Robinson served three terms on the Huntsville City Schools Board of Education. Before being elected to the School Board in 2002, Dr. Robinson served five times as a PTA president in Huntsville city schools. She has also served on the Executive Committee of the Alabama Association of School Boards (AASB) and chaired the State Legislative Committee for AASB. Dr. Robinson received her Doctor of Philosophy and Master's Degree in Consumer Behavior from Purdue University, and she owns a management consulting firm specializing in strategic planning and leadership development for corporations and non-profits. She is a graduate of Leadership Alabama and Leadership Huntsville. She received the Distinguished Leadership Award from Leadership Huntsville Madison County in 2006. She also serves on the boards of Leadership Huntsville Madison County and the Rotary Club of Greater Huntsville.

Bill Kling, Jr., Council Member. Mr. Kling, representing District 4, was first elected to the City Council in 1988. He received a B.S. degree in Mass Media Communications and Public Administration from the University of Alabama, and an M.S. degree in Urban Studies from Alabama A & M University. Mr. Kling was a recipient of Troy State University's "Grover C. Hall" journalism fellowship. He is professionally accredited by the Southern Public Relations Federation. Mr. Kling previously served as a member of the Huntsville City Board of Education. Mr. Kling has held numerous positions in the broadcast and public relations field including public relations director, radio announcer and newscaster for a public radio station and broadcast instructor and public relations specialist for John C. Calhoun Junior College. Mr. Kling is a past President of the Huntsville Press Club.

John Meredith, Council Member. Mr. Meredith, CASE (Ret.), representing District 5, was first elected to the City Council in 2020. Mr. Meredith earned an Associate's Degree from Hinds Junior College, a Bachelor's Degree from the University of Cincinnati, and a Master's Degree from Mississippi College. He serves as the Chair of the Madison County American Red Cross Board, Vice Chair of the Drake State Foundation Board, Board Member of Leadership Greater Huntsville and Advisory Board Member of Burritt on the Mountain and the Junior League. Mr. Meredith spent a majority of his professional career as a lobbyist and legislative advocate in various business sectors and for various public initiatives. During his distinguished lobbying career, Mr. Meredith was the recipient of two national awards for advocacy – the Legislative Champion Award and the Advancing Arboriculture Award. He has served as a National Co-Chair of Minority Outreach for the Voting Integrity Project and Executive Committee member of the National Council of Agricultural Employers ("NCAE"). At NCAE, he was the Moderator for the 2005 NCAE Immigration Roundtable in Washington, D.C. Mr. Meredith is the son of civil rights icon James

H. Meredith, the first African American to enroll and graduate from the previously segregated University of Mississippi.

Employees

As of September 30, 2024, the City employed 2,705 people and the City-owned but separately operated Huntsville Utilities employed 812 people. The employees of the City are administered under a separate personnel system from that of Huntsville Utilities.

Municipal Powers and Functions

The City provides police and fire protection, streets and highways, garbage and refuse collection and disposal, sanitary sewage and disposal service and certain recreational and cultural services. It is only in the area of law enforcement, where state and county officers have concurrent jurisdiction, that there is any significant overlap in City-furnished governmental-type services. The City (through the City-owned Huntsville Utilities) also provides, subject to policies established by the several utilities boards, electric, water and natural gas service for its citizens. For information as to a change in the furnishing of garbage and refuse disposal service, see "Refuse-to-Energy Plant", below.

Several municipal functions have been delegated, by statute or authorized City ordinance or resolution, to municipal boards or commissions, such as the several utilities boards, including the following functions: industrial development, solid waste disposal, health care, library services, museum and civic center operations and public housing. Some, but not all, of these boards or authorities may issue revenue debt. Policy decisions concerning these functions are in most cases made by the applicable board or commission (the members of which are appointed by the Mayor or the City Council) and implemented by an administrative head or staff responsible to such board or commission.

Certain municipal or public functions are performed jointly with Madison County (the "County") through statutory authorities or boards whose members are appointed by the governing bodies of both the City and the County. Such authorities or boards include The Huntsville-Madison County Airport Authority (which is responsible for the operation of Huntsville International Airport), the Huntsville-Madison County Mental Health Board, the Huntsville-Madison County Civil Defense Board and The Huntsville and Madison County Railroad Authority. In addition, the City and County governing bodies jointly elect the members of the Huntsville-Madison County Marina and Port Authority, a public corporation created under an act of the Alabama Legislature to construct and operate marina and port facilities.

Funding for certain municipal boards or commissions is provided, in whole or in part, by the City, and in other cases, such boards or commissions operate as separate public corporations created by the City, but funded entirely through revenues generated by the particular municipal functions involved.

Annexation Program

The City annexes land considered important to its future growth and economic expansion, which has included significant acreage in the past twenty years. Madison County annexations in excess of 40,000 acres have primarily been in the east, with mostly mixed, higher value residential developments occurring. The annexation in Limestone County, which is west of Madison County, primarily borders the Huntsville International Airport and Interstate 565, and is generally planned for industrial and commercial development. Smaller tracts are regularly being annexed, however, for residential and commercial uses.

With very few exceptions, the City's annexations have been accomplished by petition of the landowner requesting annexation. There is no pending or threatened legal action contesting the validity or legality of any of the City's annexations.

The City, in concert with the Metropolitan Planning Organization (MPO), has adopted a major street plan for the entire City. The rights of way for the streets shown on the master street plan are being protected from development as provided by Alabama law. The expansion and extension of these major streets will be the major expenditure for the City resulting from the City's annexation programs. Most of the local streets in the annexed areas will be constructed to City standards and specifications by developers as subdivision of property and development occur.

The City has in operation sufficient sewer treatment capacity for the annexed areas and future annexations. The City generally extends sewer outfall lines and facilities into annexed areas when there is a finding of sufficient economic return to justify such extension. The City's extension policy and its sewer rate structure are, in general, a significant part of its economic development policy.

The rate of growth in the annexed areas is unpredictable, and the full extent of any impact on the City's finances and resources cannot be measured. While the City cannot make a definite prediction or offer assurances that development will in fact occur in these areas, the City does expect that, as a result of the annexations and the services offered by the City in those areas, considerable industrial and commercial development and supporting residential development will occur.

Huntsville Utilities

The City's municipally-owned water, electric, gas and sanitary sewer systems are operated by separate boards of directors which are responsible for their supervision and control and the members of which are appointed by the City Council. These three systems are owned by the City, but operate separately from the City under the name of Huntsville Utilities and are managed by Wes Kelly, President and CEO of Huntsville Utilities. The employees of Huntsville Utilities are subject to personnel rules established by the respective utilities boards and administered by a separate Personnel Department of Huntsville Utilities. The financial statements of the City attached as APPENDIX C include the water, electric and natural gas systems, although it should be noted that the City's independent auditors have not examined these financial statements and that their opinion thereon is based solely on reports of other auditors.

Refuse-to-Energy Plant

The Solid Waste Disposal Authority of the City of Huntsville (the "Authority") constructed a solid waste resource recovery plant to assist the City in its solid waste disposal program. The plant, which was completed in July of 1990, was designed to convert garbage and other solid waste into energy (steam), primarily for use by and sale to the Department of the Army at Redstone Arsenal, an Army facility near the City. The Authority is a public corporation separate from the City, the members of the Board of Directors of which are appointed by the City Council. In 1987 the City Council adopted an ordinance authorizing the transfer and conveyance by the City to the Authority, without the payment of any pecuniary consideration, of the City's existing landfill, which, along with the plant and recycling programs, constitutes an integrated system for the disposal of solid waste and other refuse operated by or for the account of the Authority. Such transfer and conveyance was effected in August, 1988, when the Authority authorized the issuance of bonds to finance the construction of the plant. Pursuant to an agreement with the Authority, Ogden Martin Systems of Huntsville, Inc. now known as Covanta Huntsville, Inc. (an affiliate of Ogden Corporation, now known as Covanta Energy, Inc.) designed, constructed, and is operating the plant for the Authority.

In the ordinance authorizing the transfer and conveyance of the City's existing landfill to the Authority, the City Council also authorized the execution of a Solid Waste Delivery Agreement between the City and the Authority, under which the City agreed (a) to deliver to the Authority, for processing or other disposal, substantially all solid waste and other refuse collected by the City through its solid waste collection system (as well as substantially all the sewage sludge generated through the operation of the City's sanitary sewer or wastewater system) and (b) to pay to the Authority, for such processing or other disposal, such tipping fees as the Authority may from time to time impose and charge. This Agreement provides that all tipping fees and any other moneys due by the City under the Agreement are to be payable solely out of the current or general operating revenues or funds of the City received or receivable by it for or during the fiscal year during which such tipping fees or other moneys are required to be paid. The current rates are \$39.90 per ton for municipal solid waste and \$26.50 per ton for construction and demolition waste and may be adjusted in the future. The many variable factors on which any such adjustments in the future will depend (including, for example, plant operating results, landfill acquisition, if any, and operating costs, the effect of existing and future environmental laws and landfill regulations, and general economic conditions) are such that the City cannot accurately predict the extent of such adjustments, but it does expect increases in the amount of tipping fees over the next 25 to 30 years.

The City has taken steps to reduce the waste stream by instituting the following recycling programs: (1) the recycling of white goods at the landfill and (2) the first citywide curbside recycling program in the State of Alabama, for the removal and recycling of newspaper, plastics, metals, magazines, motor oil, and batteries. The Authority also operates a separate hazardous household wastes program. These recycling programs are expected to allow the City to meet any currently anticipated changes in environmental law which may mandate a reduction in the waste stream. The Authority expects that, even after such reductions in the waste stream are made, the amount of

solid waste to be delivered by the City, together with amounts to be delivered by the Army, will continue to be in excess of the required minimum amount the Authority has agreed to deliver to the plant.

The Authority has entered into a steam sales agreement with the Department of the Army, providing for the sale of steam by the Authority to the Army for use at Redstone Arsenal. The agreement between the Authority and the Army is not, however, a take-or-pay contract and does not obligate the Army to pay for steam that is not delivered or available for delivery. While the City expects that revenues from tipping fees and from the sale of steam to the Army will be sufficient to pay the costs of operating the plant and the landfill there can be no assurance that such tipping fees and steam sale revenues will be sufficient to pay all such expenses and any future debt service and that the payment by the City to the Authority of substantial tipping fees, as authorized in the Solid Waste Delivery Agreement, may be necessary. At this point in time, all of the debt of the Authority has been repaid and there is no current debt service requirement for the Authority.

The failure of the plant to operate in the manner expected, as well as any substantial plant "downtime", would adversely affect expected steam sale revenues and thus result in tipping fee increases substantially in excess of those otherwise expected. However, the plant has complete redundancy; it has four fossil-fuel-fired boilers which could supply steam to the Army if the failure to operate in the manner expected is related to the incineration of solid waste.

Miscellaneous Municipal Functions

The City, the County and the State of Alabama have coextensive law enforcement jurisdiction. The City operates a misdemeanor court system.

The State is responsible for maintaining state and federal highways in the City. Further, pursuant to an understanding between the County and the City, the County maintains certain roads and streets in the Green Mountain area annexed by the City in 1973.

While public health service is principally a state function, the City historically has made annual contributions to the Madison County Department of Public Health.

The City finances all major public recreation facilities in the City except for (a) Ditto Landing and Marina, which has received some appropriations from Madison County, and (b) Monte Sano State Park, which is located adjacent to the City and is owned and operated by the State of Alabama.

Huntsville International Airport is owned and operated by The Huntsville-Madison County Airport Authority, the members of the Board of Directors of which are appointed by the governing bodies of the City and the County.

APPENDIX C
CERTAIN FINANCIAL, DEBT AND RELATED INFORMATION OF THE CITY OF HUNTSVILLE

APPENDIX C
CERTAIN FINANCIAL, DEBT AND RELATED INFORMATION
OF THE CITY OF HUNTSVILLE

FINANCIAL SYSTEM

General

The City maintains a financial reporting system designed to provide timely and accurate reports of receipts and expenditures. Internal accounting controls, which are developed and monitored by the City Finance Department, are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. Activities of the City are monitored internally on a monthly basis and are audited annually, as required by law, by independent certified public accountants. The report of such accountants for the fiscal year ended September 30, 2023 (the City's most recent audit), is included as APPENDIX G.

Budget System

Prior to the commencement of each fiscal year, the Mayor, in conjunction with the administrative staff and the City's department heads, prepares an annual operating budget for City Council approval. The budget represents a complete financial plan for the City and reflects the projection of all receipts and disbursements from all sources, including all revenues, expenditures and the surplus or deficit in the General Fund and all special funds of the City. Any expenditure request that results in budget increases, overruns or transfers between departments or funds must, under existing procedures, have City Council approval.

The budget for the General Fund is customarily adopted on a categorical basis consistent with generally accepted accounting principles ("GAAP"). Budgetary control is maintained at the departmental line-item level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. By ordinance, the City is required to maintain at all times an undesignated General Fund balance of 11.5% of the current fiscal year's General Fund recurring revenues. The fund balance was at the required policy amount at the close of each of the last five fiscal years. The City expects to satisfy this requirement for its fiscal year ending September 30, 2025.

The City maintains a ten (10) year Capital Improvement Plan which forecasts expenditures for capital improvements for each of the City's capital improvement funds (1990 Capital Improvement Fund and the 2014 Capital Improvement Fund). These plans include (a) construction and improvement of local roads and the City's financing share of non-local roads, (b) drainage projects and projects for the preservation of the natural environment, (c) acquisition and improvement of public safety equipment and facilities, and (d) acquisition of land for industrial growth.

During the budget process, the Mayor requests that each department head assign priorities to department capital improvements, by year, for the number of years to be budgeted. These requests are consolidated and reviewed, then the Mayor proposes a Capital Improvements Programs to the City Council for its consideration. Capital expenditures have been and will be funded with borrowings or with internally generated funds.

Accounting System

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The various funds designated in the City's financial statements (attached as APPENDIX G) include the following:

General Fund. The General Fund, which is the general operating fund of the City, is the largest and most important accounting activity of the City and accounts for the current operations of the general government and all financial resources except those required to be accounted for in another fund. Expenditures from the General Fund are financed from a variety of revenue sources, including ad valorem and sales and use taxes, licenses and permits, charges for services, and fines and forfeitures. See "SOURCES OF REVENUES" in this appendix.

Grants Fund. The Grants Fund is used to account for various federal, state and local grant revenues and related expenditures.

Capital Improvements Fund. The Capital Improvements Fund represents the City's primary fund for accounting for a variety of capital projects of the City funded by internally generated revenues along with sales and use taxes and intergovernmental revenues. The two primary funds within the Capital Improvements Fund are as follows:

1990 Capital Improvement Fund. In fiscal year 1990, the City established the 1990 Capital Improvement Fund to account primarily capital projects and maintenance related to municipal facility construction and improvements, public parks and recreational facilities, street resurfacing and maintenance, as well as fleet and other durable equipment. These activities are funded by 18% of 3.5 of the 4.5% sales and use tax rate.

2014 Capital Improvement Fund. In fiscal year 2014, the City established the 2014 Capital Improvement Fund, a capital projects fund, to account for the proceeds of a one-percent sales and use tax levied by the City effective March 1, 2014. This fund accounts for the capital and economic development expenditures authorized for this fund, and the debt service on projects intended to be paid from the taxes.

Special Revenue Fund. The Special Revenue Fund is used to account for the proceeds of restricted property taxes, state gasoline taxes and seizure/forfeiture revenues, which are as follows:

Public Building Authority - accounts for the payment of debt service and related leasing arrangement in respect to construction of the jail facilities and amphitheater owned by the Authority.

Lodging Special Revenue Fund - accounts for the special lodging taxes levied within the City and the related expenditures of those funds.

Public Safety Fund - accounts for the funds received from State of Alabama required court fees and Federal, State and Local forfeitures to be used for public safety law enforcement and municipal court administration.

6.5 Mill Debt Property Tax Fund - accounts for the 6.5 mills of ad valorem taxes restricted for debt service payments of the City's projects.

6.5 Mill School Property Tax Fund - accounts for 6.5 mills of ad valorem taxes, restricted for the furtherance of education. Taxes are primarily allocated to the debt service payments on school facility projects.

1990 School Support Fund - accounts for the appropriation of sales and use taxes allocated to the Huntsville City Schools at 14.7% of 3.5 pennies of City sales and use taxes.

Gas Tax Fund - accounts for the City's share of the State four, five, and seven cents gas taxes and the related restricted expenditures.

Emergency Management Fund - accounts for the restricted revenues for the operation of the City's Emergency Management Agency.

Public Library - accounts for funds received from the City, donations and other governmental entities to be used for the operations of the public libraries in the City.

Burritt Museum - accounts for the operations of a park and museum. Financing is provided by the City, admission fees and public donations.

Alabama Constitution Village - accounts for the operation of historical tourist attractions in the City. Financing is provided by the City, admission fees and public donations.

Art Museum - accounts for the operation of the art museum in the City. Financing is provided by the City, admission fees and public donations.

Huntsville Tennis Center - accounts for the operation of a tennis center in the City. Financing is provided by the City and admission fees.

Cemetery Perpetual Care Fund - accounts for the collection of cemetery revenues earmarked by local ordinance for the long-term care of City-owned cemeteries.

TIF Special Revenue Fund - accounts for tax incremental financing districts established within the city. Revenues are restricted within specifically established tax increment districts throughout the city.

Debt Service Fund. The Debt Service Fund is used to account for the accumulation of moneys for, and the payment of, principal of and interest on long-term debt and related costs, other than long-term debt payable from special assessments and debt issued for and serviced primarily by City-owned enterprises.

Capital Projects Funds. Capital Project Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds and TIF taxes of the Special Revenue Fund). In most cases, the City uses the Capital Projects Fund to account for the expenditure of the proceeds from all warrant issues, and uses separate accounts within that to show that the proceeds of the issues were spent only on the project or projects and for the purpose or purposes authorized, and that any unused warrant proceeds or project deficits were properly handled and accounted for in accordance with applicable legal, budgetary and policy provisions.

Proceeds from warrants or other obligations issued by the City to pay for capital improvements will be accounted for in capital project funds, as will the expenditures of the proceeds of warrants and other City obligations.

There are instances in which the General Fund or a Special Revenue Fund budgets and expends its own resources for long-term improvements, which may involve general long-term borrowing, and such outlays are properly accounted for in those funds without a separate Capital Projects Fund. The City also maintains other capital projects funds to account for the expansion and development of an industrial park, which is financed by revenues other than long-term debt.

Enterprise Funds. Enterprise Funds are used to account for operations that provide goods or services to the general public on a continuing basis and that are financed and operated similarly to private business enterprises, *i.e.*, those the costs of which are to be financed or recovered primarily through user charges, or those for which it is deemed advisable (for capital maintenance, public policy, management control, accountability, or other purposes) that periodic determinations be made of revenues earned, expenses incurred, and net income. The City currently maintains Enterprise Funds for the operation of the City's Sanitary Sewer System, the Municipal Iceplex, the Von Braun Center, Orion Amphitheater, and Sanitation, and accounts for the operations of one of its "discrete component units" (Huntsville Utilities) as an Enterprise Fund. With the exception of the Enterprise Funds, which may be characterized as "proprietary" funds, all above-mentioned funds currently maintained by the City are categorized as "governmental" funds.

SOURCES OF REVENUES

Introduction

Sales and use taxes, business licenses and permits are directly related to changes in personal income rate, price levels and general economic conditions and have in the past (subject to certain exceptions) increased at a more rapid rate than ad valorem taxes. Shared state, local and intergovernmental revenue is not subject to periodic

appropriations, but results from general statutory allocation to the City of a portion of certain taxes collected by the State of Alabama, Madison County, Limestone County and Morgan County. Additional information on the principal City revenue sources is provided in the following paragraphs. While the following paragraphs show the rates at which certain of these tax proceeds have increased, the City makes no representation that future increases will be at the same or greater rates or that there will, in fact, be any such increases.

Property Taxes and Payments in Lieu of Taxes

Property or ad valorem taxes are levied under various provisions of the constitution and statutes of Alabama and, except for the 6.5-mill general purpose tax, may be used only for the purpose or purposes for which they are levied. Under present law, the rates at which local ad valorem taxes are levied may be increased only after approval by the Alabama Legislature and a majority vote of the qualified electors of the affected jurisdiction. See "AD VALOREM TAXES" herein.

Payments in lieu of taxes, calculated on various bases, are made to the General Fund by Huntsville Utilities with respect to the City-owned electric, water and natural gas systems. Under the City's contract with the Tennessee Valley Authority (TVA) for the purchase of electric power, payments in lieu of taxes with respect to the electric system will be made at an agreed upon six percent (6%) of net book value of the electric system's properties. Payments in lieu of taxes are also received by the General Fund in lesser amounts from the water and natural gas systems, computed on the basis of gross revenues. All such payments are made, at the option of the City Council, in lieu of taxes which would be due if such utility systems were subject to ad valorem taxation. The City also receives certain payments in lieu of taxes from the TVA and from the Huntsville Housing Authority. Ad valorem property taxes paid on real property are subject to periodic adjustment based upon reappraisals required by the State Department of Revenue. See "Property Re-Evaluation Program" under "AD VALOREM TAXES" herein.

The following table shows the receipts from the 6.5-mill general purpose tax and from payments in lieu of property taxes for fiscal years shown:

Fiscal Year	6.5 Mill Tax General Fund General Purpose	TVA Payments in Lieu of Property Taxes	Huntsville Utilities Electric System Payments in Lieu of Property Taxes⁽¹⁾	Total
2024*	\$30,995,211	\$3,171,440	\$21,787,652	\$55,954,303
2023	26,228,000	3,256,334	18,842,021	48,326,355
2022	22,470,322	2,697,905	18,224,671	43,392,898
2021	20,409,023	2,864,376	18,396,408	41,669,807
2020	19,565,805	2,827,779	21,172,061	43,565,645
2019	18,299,987	2,494,464	18,836,298	39,630,749

* Unaudited

⁽¹⁾ Huntsville Utilities expanded its electric system and services during 2019, resulting in additional capital improvements that increased payments in lieu of taxes to the City in 2020. The increase is also due to accounting adjustments.

Source: Annual Comprehensive Financial Reports of the City for Fiscal Years 2019-2023 (modified accrual basis of accounting).

Sales and License Taxes

Sales and Use Taxes. The largest sources of General Fund revenues are the sales and use taxes levied by ordinance of the City. Retailers are required to collect the sales tax on sales of tangible personal property at retail from the consumer and to pay collections to the City, monthly. The use tax is levied upon the use of tangible personal property brought into the City and upon which the sales tax has not previously been paid. The sales and use tax was increased effective November 1, 1989, when the basic rate was raised from 3% to 3.5% and the automobile rate was increased from 1.5% to 1.75% (certain manufacturing machinery being exempt). Additionally, the general sales and use tax rate was raised from 3.5% to 4.5% effective March 1, 2014. The total sales tax rate paid by persons purchasing items in the City in Madison County is 9% – 4% being collected for the State and 0.5% for Madison County; the rate is 10.5% in those portions of the City within Limestone County – 4% being collected for the State and 2% for Limestone County.

The following table shows sales and use tax receipts levied by and collected for the City (at a total rate of 4.5%) for the fiscal years shown includes:

Fiscal Year	Receipts⁽¹⁾	Percentage Increase
2024	\$333,281,791*	2.9%
2023	324,001,554	7.3
2022	303,110,210	12.9
2021	268,438,074	13.2
2020	237,141,754	4.6
2019	226,685,473	--

* Unaudited

⁽¹⁾ Includes receipts from the Simplified Sellers Use Tax (the "SSUT"), which allows sellers of tangible personal property or service in the State of Alabama from inventory or locations outside the State (typically, on-line sellers) to collect, report, and remit a flat 8.0% sales and use tax. For the fiscal year ended September 30, 2022, unaudited SSUT receipts accounted for 4.39% of the \$303,110,210 sales and use tax receipts shown above, for the fiscal year ended September 30, 2023, SSUT receipts accounted for 4.81% of the \$324,001,554 sales and use tax receipts shown above, and for the fiscal year ended September 30, 2024, unaudited SSUT receipts accounted for 5.29% of the \$333,281,791 unaudited sales and use tax receipts shown above.

The following table shows the allocation and deposit of total sales and use tax receipts levied by and collected for the City (at a total rate of 4.5%) for the fiscal years shown:

Fiscal Year	General Fund	City Schools	Capital Improvements Fund	2014 Capital Improvement Fund	Total Receipts
2024	\$185,560,074*	\$36,682,413*	\$44,917,363*	\$66,121,841*	\$333,281,791*
2023	179,742,173	35,858,217	43,908,021	64,493,143	324,001,554
2022	167,970,846	33,548,667	41,080,002	60,510,695	303,110,210
2021	147,774,579	29,963,646	36,690,179	54,009,669	268,438,073
2020	129,911,237	26,566,516	32,530,427	48,133,575	237,141,755
2019	122,432,577	25,786,533	31,575,346	46,891,016	226,685,472

* Unaudited

By ordinance, the City designates the below special annual appropriations from the gross proceeds of sales and use taxes levied by the City:

(1) For the 3.5% general sales and use tax and 1.75% automotive rates, 18.0% of sales and use taxes are appropriated in the year earned from the General Fund to the Capital Improvements Fund.

(2) For the 3.5% general sales and use tax and 1.75% automotive rates, 14.7% of sales and use taxes are appropriated in the year earned from the General Fund to the Huntsville City Board of Education.

(3) For the 1.0% general sales and use tax rate effective March 1, 2014, 100% of sales and use taxes are reported as revenue in the 2014 Capital Improvement Fund and earmarked for certain capital and economic development purposes.

There is no express constitutional or statutory maximum on the rates at which sales and use taxes may be levied by the City. Except for limitations concerning the rates at which privilege or business license taxes may be levied on certain types of business (such as banks and insurance companies), there are no express constitutional or statutory limitations upon the rates at which privilege or business license taxes may be levied by the City. The statements made in this paragraph concerning sales and use taxes and privilege or business license taxes are subject, however, to the qualification that, under applicable judicial precedents, none of such taxes may be levied at rates that are confiscatory or "unreasonable".

Licenses and Permits. Under general authority granted to cities and towns in Alabama by the Alabama Legislature, the City levies privilege license taxes on the privilege of engaging in certain businesses and professions within the corporate limits of the City. Most license taxes are computed as a stated amount plus a percentage of gross receipts based on a graduated scale. The following table shows receipts from licenses and permits for the fiscal years shown, and the percentage increase or decrease, as the case may be, in such receipts over those for the preceding fiscal year:

Fiscal Year	Receipts	Percentage Increase
2024	\$40,601,348*	(5.7)%
2023	43,051,868	3.6
2022	41,565,147	13.8
2021	36,532,679	12.4
2020	32,514,504	10.4
2019	29,448,382	--

* Unaudited

Source: Annual Comprehensive Financial Reports of the City for Fiscal Years 2019-2023. General Fund Statement of Revenues, Expenditures and Changes in Fund Balance (modified accrual basis of accounting).

Tax Increment Financing Districts

From fiscal years 2000 through 2006, the City created five (5) tax increment financing districts as a part of the City's long-range economic development plan. Two of those districts (formerly known as "TIF 1" and "TIF 3" have since been closed and all debt obligations associated therewith have been retired. Remaining from that initial group of tax increment financing districts are "TIF2" and "TIF4". The City has since created three (3) additional tax increment districts, as follows.

In fiscal year 2010, the City created a tax increment financing district ("TIF5") in connection with the obligations of the City under an Annexation and Development Agreement dated March 25, 2010 (the "Annexation and Development Agreement") between the City and L W Redstone Company, LLC. TIF5 was adopted by the City Council on May 13, 2010, and the Madison County Commission on May 17, 2010.

In fiscal year 2016, the City created a tax increment financing district ("TIF6") in connection with the development of public infrastructure improvements and related work to real property to foster industrial and economic development.

In fiscal year 2018, the City created a tax increment financing direct ("TIF7") with respect to the financing of certain improvements and obligations of the City incident to the development of the North American plant on a site within the City and Limestone County for the manufacture of vehicles by a joint venture between Toyota Motor Corporation and Mazda Motor Corporation. See APPENDIX A – "CITY OF HUNTSVILLE – CERTAIN DEMOGRAPHIC INFORMATION – Major Economic Activity".

Accordingly, there are five (5) tax increment districts of the City that are currently open, consisting of TIF2, TIF4, TIF5, TIF6 and TIF7.

REVENUES AND EXPENDITURES

The following table sets forth the audited revenues, expenditures and changes in fund balance for the City for all governmental fund types for the fiscal years ended September 30, 2019, through September 30, 2023, inclusive, which such information has been extracted from the audited financial statements of the City for such fiscal years and should be read in conjunction with the financial statements of the City attached as APPENDIX G.

Revenues	2023	2022	2021	2020	2019
Taxes	\$501,515,567	\$460,027,279	\$402,717,697	\$358,726,446	\$344,378,077
Licenses & permits	43,051,868	41,565,147	36,532,679	32,514,504	29,448,382
Fines & forfeitures	3,897,342	4,139,564	4,019,550	3,382,013	3,507,915

Revenues from money & property	--	--	--	5,316,225	9,717,987
Charges for services	13,231,902	12,923,044	24,975,983	22,274,966	37,161,056
Intergovernmental	62,362,019	29,734,218	54,119,202	20,131,353	17,595,641
Gifts & donations	--	--	--	2,111,362	3,408,869
Interest	12,915,912	926,861	--	--	--
Other revenues	<u>8,962,387</u>	<u>9,313,749</u>	<u>24,014,030</u>	<u>10,336,324</u>	<u>3,330,072</u>
Total Revenues	645,936,997	558,629,862	546,379,141	454,793,193	448,547,999
Expenditures					
Current					
General government	68,629,902	48,356,163	41,557,082	39,293,215	39,778,460
Public safety	126,916,642	106,975,146	100,668,628	97,451,844	95,034,927
Public services	141,760,138	106,077,977	103,473,513	95,438,193	106,397,516
Urban development	34,553,728	30,612,180	26,490,111	30,623,574	26,419,907
Debt Service					
Principal	68,868,789	53,133,143	39,885,183	40,675,086	37,462,146
Interest	39,988,329	33,956,323	32,783,046	34,881,073	34,041,366
Fiscal charges	--	--	--	469	724
Debt issuance costs	885,841	571,639	1,166,670	6,500	514,302
Capital outlay	196,075,912	157,257,470	167,373,664	153,287,127	95,846,575
Intergovernmental assistance	<u>36,557,258</u>	<u>33,899,856</u>	<u>29,961,029</u>	<u>31,198,551</u>	<u>34,137,648</u>
Total Expenditures	714,236,539	570,839,897	543,358,926	522,855,632	469,633,571
Excess of revenues over (under) expenditures	(68,299,542)	(12,210,035)	3,020,215	(68,062,439)	(21,085,572)
Other financing sources (uses)					
Sale of capital assets	3,192,598	1,887,199	--	--	--
Long-term debt issued	131,437,860	87,853,036	159,598,374	16,582,628	80,078,908
Premium on debt issue	16,712,054	16,251,573	--	--	17,514,638
Payment to escrow agent	--	--	(114,349,148)	--	--
Issuance of subscription payable	5,164,271	--	--	--	--
Capital lease payable	877,779	2,013,031	1,978,636	--	--
Transfers in	167,477,258	155,002,389	108,686,564	107,648,922	85,058,749
Transfers (out)	<u>(143,212,662)</u>	<u>(162,692,875)</u>	<u>(113,767,843)</u>	<u>(114,834,843)</u>	<u>(99,295,656)</u>
Total other financing sources (uses)	181,649,158	100,314,353	42,146,583	9,396,707	83,356,639
Net change in fund balances	113,349,616	88,104,318	45,166,798	(58,665,732)	62,271,067
Fund Balance, Beginning	432,525,819	344,421,501	290,018,684	349,137,549	292,982,886
Prior Period Adjustment	--	--	9,236,019 ⁽¹⁾	(453,133)	(6,116,404)
Fund Balance, Ending	<u>\$545,875,435</u>	<u>\$432,525,819</u>	<u>\$344,421,501</u>	<u>\$290,018,684</u>	<u>\$349,137,549</u>

⁽¹⁾ In fiscal year 2021, the City reorganized its financial statements to better aggregate and present fund information. Although bottom line totals did not change, the presentation of fund combination and major fund calculation were altered and fund balances for fiscal year 2020 have been restated.

DEBT MANAGEMENT

General

The principal forms of indebtedness that the City is authorized to incur include general obligation bonds, general obligation warrants, general obligation bond anticipation notes, revenue anticipation notes, gasoline tax anticipation warrants, and various revenue anticipation bonds and warrants relating to enterprises. In addition, the City has the power to enter into certain leases which constitute a charge upon the general credit of the City. General obligation warrants, general and special obligation bonds financing street, sidewalk and sewer improvements and supported (wholly or in part) by assessments therefor, certain revenue anticipation bonds and notes and capitalized lease obligations may be issued or incurred without voter approval.

Existing statutes also permit the City, without the approval of the electorate, to enter into certain financing lease arrangements with county and municipal public building authorities with respect to needed municipal buildings and facilities; such lease arrangements are required to be on a year-to-year basis and may be considered as

essentially "off-balance sheet" debt. No such financing lease arrangements on the part of the City are now in effect other than the City's leases with the Authority respecting the Series 2017 Bonds, the Series 2021 Bonds, and the Series 2022 Bonds.

There follows, in the discussion and tables below, various references to the existing City indebtedness. All such references exclude debt for the full retirement of which irrevocable deposits of funds or U.S. Government securities have been made. Included in the material under section entitled "DEBT MANAGEMENT" are several references to the amount of assessed value of property in the City. The amount stated in each case includes and refers to City property in Madison County, Limestone County and Morgan County.

Most of the Limestone County land was agricultural in nature, but in recent years there have been located thereon several industrial projects, including among other the North American plant constructed for the manufacture of vehicles by a joint venture between Toyota Motor Corporation and Mazda Motor Corporation. See APPENDIX A – "CITY OF HUNTSVILLE - CERTAIN DEMOGRAPHIC INFORMATION – Major Economic Activity".

Long-Term General Obligation Indebtedness of the City

The City's long-term indebtedness consists of (1) general obligation warrants and bonds, (2) warrants payable solely from revenues of the sanitary sewer system of the City, (3) warrants payable solely from revenues derived from the water system the ("Water System"), electric system (the "Electric System"), and natural gas system (the "Gas System") of the City operated by Huntsville Utilities, and (4) TIF5 Revenue Warrants.

Indebtedness payable from the City's (i) Water System is issued under a Trust Indenture dated as of May 1, 2008, as supplemented and amended (the "Water System Indenture") between the City and The Bank of New York Mellon Trust Company, N.A. ("BONY"), (ii) Electric System is issued under a Trust Indenture dated July 27, 2017, as supplemented and amended (the "Electric System Indenture") between the City and BONY, and (iii) Gas System is issued under a Trust Indenture dated August 1, 2019 (the "Gas System Indenture") between the City and BONY.

General Obligation Warrants and Authority Bonds. The following table lists the estimated maximum amount of all long-term general obligation warrants of the City, including estimated debt to be issued by the City around the time of issuance of the Series 2025 Bonds (see "Future Borrowings" below) and excluding City debt refinanced thereby, and of long-term limited obligation bonds of the Authority for which the City makes lease payments, following issuance of the proposed Series 2025 Bonds:

Description	Principal Amount Originally Issued	Principal Outstanding (not in excess of)
Series 2017 Bonds ⁽¹⁾	\$46,965,000	\$35,735,000
General Obligation Warrants, Series 2013-B	14,580,000	880,000
General Obligation Warrants, Series 2014-A	54,110,000	28,370,000
General Obligation Warrants, Series 2015-A	61,390,000	2,840,000
Taxable General Obligation Warrants, Series 2015-B	8,185,000	6,510,000
General Obligation Warrants, Series 2016-A	35,725,000	28,000,000
General Obligation School Warrants, Series 2016-B	29,890,000	29,315,000
General Obligation Warrants, Series 2016-C	36,030,000	19,075,000
General Obligation School Warrants, Series 2016-D	31,550,000	22,810,000
General Obligation School Warrants, Series 2017-A	17,355,000	13,175,000
General Obligation Warrants, Series 2017-B	8,560,000	3,945,000
Taxable General Obligation Warrants, Series 2017-C	11,045,000	8,000,000
General Obligation Refunding Warrants, Series 2017-D	20,055,000	17,140,000
General Obligation Refunding School Warrants, Series 2017-E	49,195,000	47,575,000
2017 IDB Guaranty Agreement ⁽²⁾	21,000,000	16,436,844
General Obligation Warrants, Series 2018-A	50,590,000	44,415,000
General Obligation Warrants, Series 2018-B	61,985,000	49,645,000

Description	Principal Amount Originally Issued	Principal Outstanding (not in excess of)
Taxable General Obligation Warrants, Series 2018-C	5,385,000	4,650,000
General Obligation Warrants, Series 2019-A	77,000,000	63,775,000
General Obligation Warrants, Series 2020-A	34,630,000	12,415,000
General Obligation School Warrants, Series 2020-B	13,265,000	7,430,000
Taxable General Obligation Warrants, Series 2020-C	31,210,000	18,030,000
Taxable General Obligation School Warrants, Series 2020-D	27,610,000	22,245,000
General Obligation Warrant, Series 2020-E	15,047,500	11,391,536
General Obligation Warrant, Series 2021	7,000,000	5,695,548
Series 2021 Bonds ⁽³⁾	37,000,000	31,980,000
Series 2022 Bonds ⁽⁴⁾	74,285,000	70,805,500
General Obligation Warrant, Series 2022	16,574,000	15,630,000
General Obligation Warrants, Series 2023-A	66,835,000	64,840,000
General Obligation Warrants, Series 2023-B	26,790,000	25,990,000
General Obligation Sewer Warrants, Series 2023-C	44,605,000	43,275,000
General Obligation School Warrants, Series 2023-D	45,425,000	44,755,000
General Obligation Warrant, Series 2023-E	11,000,000	10,242,000
General Obligation School Warrants, Series 2024-A	75,840,000	75,840,000
Taxable General Obligation School Warrants, Series 2024-B	16,000,000	16,000,000
Anticipated Series 2025-A Warrants	27,165,000*	27,165,000*
Anticipated Series 2025-B Warrants	57,040,000*	57,040,000*
Series 2025 Bonds ⁽⁵⁾	6,160,000*	6,160,000*
Total	<u>\$1,274,076,500*</u>	<u>\$1,009,220,928*</u>

* Preliminary; subject to change.

⁽¹⁾ Represents principal of the Series 2017 Bonds, which are revenue bond obligations issued by the Authority paid by lease payments made by the City for use of a municipal public safety and corrections facility in the City.

⁽²⁾ On December 1, 2017, The Industrial Development Board of the City of Huntsville (the "IDB") issued its \$21,000,000 Industrial Revenue Bond, Series 2017 (the "2017 IDB Bond") to pay the costs of constructing a manufacturing facility to be owned by the IDB. The initial tenant of the facility is Aerojet Rocketdyne, Inc. ("AR"). Under a lease agreement between the IDB and AR (the "2017 IDB Lease"), AR agreed to make certain lease payments to the IDB including, among others, payments at such times and in such amounts as shall be equal maturing installments of debt service on the 2017 IDB Bond. The 2017 IDB Bond was sold in a private placement to Regions Bank. The City has entered a guaranty agreement to Regions Bank pursuant to which the City has agreed to pay Regions Bank whatever is owed as debt service on the Series 2017 Bond in the event the IDB lacks funds from the 2017 IDB Lease for the same. The 2017 IDB Bond bears interest at a per annum rate of 4.61% and matures over a period of 21 years.

⁽³⁾ Represents principal of the Series 2021 Bonds, which are revenue bond obligations issued by the Authority paid by lease payments made by the City for use of a public amphitheater in the City.

⁽⁴⁾ Represents principal of the Series 2022 Bonds, which are revenue bond obligations issued by the Authority paid by lease payments made by the City for use of a city hall and related administrative and parking facilities in the City.

⁽⁵⁾ The City intends to issue, around the time the Series 2025 Bonds are issued, two series of general obligation warrants hereinafter defined as the "Anticipated Series 2025 Warrants" to finance the costs of certain capital improvements to the Von Braun Center and to refinance certain indebtedness of the City. The amounts shown represent the preliminary principal amount of the Anticipated Series 2025 Warrants.

Sewer Revenue Warrants. The City has issued warrants payable to the Alabama Water Pollution Control Authority to finance improvements to the City's sanitary sewer system (the "Sewer System"). The City has the following outstanding indebtedness payable to Alabama Water Pollution Control Authority as of February 1, 2025, all of which are payable solely out of the revenues derived from the operation of the Sewer System.

Sewer Revenue Warrant Description	Principal Outstanding
Sewer Revenue Warrant, Series 2011-CWSRF-DL	\$1,005,000

Warrants Payable from Water, Electric and Natural Gas System Revenues. The following tables list all outstanding bonds and warrants as of February 1, 2025, of the City payable solely out of revenues from the Water System, Electric System and Gas System of the City, each of which is operated by Huntsville Utilities:

Obligations Payable from Water System Revenues	Principal Outstanding
-------------------------------------------------------	------------------------------

Water Revenue Warrants, Series 2024	\$14,335,000
Taxable Water Revenue Warrants, Series 2021-B	66,715,000
Water Revenue Warrants, Series 2021-A	4,185,000
Water Revenue Warrants, Series 2016	6,020,000
Subordinated Water Revenue Warrant, Series 2013-DWSRF-DL	90,000
Subordinated Water Revenue Warrant, Series 2021-DWSRF-DL	9,300,000
Subordinated Water Revenue Warrant, Series 2021-B-DWSRF-DL	13,770,000
Subordinated Water Revenue Warrant, Series 2023-DWSRF-DL	5,400,000
Subordinated Water Revenue Warrant, Series 2024-DWSRF-DL	6,810,000
Obligations Payable from Electric System Revenues	Principal Outstanding
Electric Revenue Warrants, Series 2024	\$57,680,000
Electric Revenue Warrants, Series 2017-B	11,090,000
Electric Revenue Warrants, Series 2017-A	47,425,000
Obligations Payable from Natural Gas System Revenues	Principal Outstanding
Gas System Revenue Warrant, Series 2019-A	2,266,808

TIF Revenue Warrants. In connection with the obligations of the City under an Annexation and Development Agreement dated March 25, 2010, as amended (the "Annexation and Development Agreement") between the City and L W Redstone Company, LLC ("L W Redstone"), the City has issued to L W Redstone fourteen (14) series of taxable limited obligation revenue warrants in the aggregate initial principal amount of \$76,000,000 (the "TIF5 Revenue Warrants") payable solely out of tax increment revenues generated in connection with TIF5, hereinafter described, in order to pay the costs of various public infrastructure improvements referable to the project described in the Annexation and Development Agreement. TIF5 Revenue Warrants are payable solely out of TIF revenues generated within TIF5, and in that regard do not constitute an indebtedness of the City for purposes of the City's constitutional debt limit. Under the Annexation and Development Agreement, the City had the right to issue up to \$76,000,000 of TIF5 Revenue Warrants; therefore, the City has no obligation to issue any additional TIF5 Revenue Warrants under the Annexation and Development Agreement.

TIF5 Revenue Warrants are deemed satisfied and paid in full at maturity to the extent not covered by tax increment revenues generated within the boundary of TIF5 during the term of such obligations.

As permitted under the Annexation and Development Agreement, certain of these TIF5 Revenue Warrants heretofore issued have been subsequently refinanced with general obligation warrants of the City (and, as permitted by the Annexation and Development Agreement, the City covers debt service on such general obligation warrants with TIF revenues collected within TIF5).

Future Borrowings. Pursuant to its ten-year Capital Improvement Plan and other initiatives, the City currently anticipates borrowing approximately \$150.0 million for City capital improvements over the next 24 months. The City also expects to borrow approximately \$250.0 million for public school capital improvements over the next 24 months.

The City may from time to time borrow additional money in connection with various City projects, at the request of the Huntsville School System based on its administration of the School Tax, or as needs for which may otherwise arise and be merited in the discretion of the City.

Around the time of issuance of the Series 2025 Bonds it is expected that the City will issue two series of general obligation warrants, one such series to be described as General Obligation Warrants, Series 2025-A (the "Anticipated Series 2025-A Warrants"), which the City estimates will be issued in the principal amount of \$27,165,000 to pay the costs of various public capital improvements to the Von Braun Center owned and operated by the City, and the other such series to be described as General Obligation Refunding Warrants, Series 2025-B (the "Anticipated Series 2025-B Warrants" and, together with the Anticipated Series 2025-A Warrants, the "Anticipated Series 2025 Warrants"), which the City estimates will be issued in the principal amount of \$57,040,000 to refinance certain outstanding indebtedness of the City.

Payment Record. The City has never defaulted in the payment of debt service on its warrants, bonds or other funded indebtedness, nor has it refunded indebtedness for the purpose of preventing or avoiding such a default.

Legal Debt Margin

The City's constitutional debt limit is an amount equal to twenty percent (20%) of the assessed value of the property therein. However, the following, among other types of indebtedness, are under existing general law not chargeable to the City's constitutional debt limit: obligations issued for the purpose of acquiring, providing or constructing schools, waterworks or sewers; obligations incurred for street or sidewalk improvements where the costs thereof, in whole or in part, are to be assessed against the property abutting such improvements; subject to certain conditions, tax anticipation notes; certain lease obligations; and revenue securities issued for the purpose of extending, enlarging or improving water, electric, gas or sewer systems and payable solely from the revenues of one or more of such systems. Further, by virtue of certain constitutional provision respecting economic development, including, without limitation, Amendment 772 to the Constitution of Alabama of 1901, as amended, certain debt issued for industrial and economic development purposes are also not chargeable to the generally applicable 20% debt limit. The City does not have any such obligations outstanding.

The following sets forth the City's estimated constitutional debt margin following issuance of the Series 2025 Bonds:

Assessed value (real and personal property) ⁽¹⁾	\$5,921,706,000
Debt limit (20% of assessed value)	1,184,341,200
Maximum principal amount outstanding of direct outstanding debt ⁽²⁾	1,009,220,928
Less those portions not chargeable to debt limit:	
Lease revenue bonds of the PBA ⁽³⁾	144,680,000
Series 2018-A Warrants ⁽⁴⁾	44,415,000
Sewer and school purpose direct debt:	
General obligation sewer warrants	59,481,858
Warrants issued for school purposes	193,465,000
Total debt not chargeable to debt limit	<u>573,339,070</u>
Maximum amount of debt chargeable to debt limit	435,881,858
Estimated constitutional debt margin (not less than)	<u>\$748,459,342</u>

⁽¹⁾ The total reported by the Madison County Tax Assessor on the abstract for the city district tax, which is the basis for collection of the 6.5 mill general fund and 6.5 mill special revenue fund tax, along with the total reported by the Limestone County Tax Assessor and the Morgan County Tax Assessor. The most recent assessment date pertinent to this calculation is October 1, 2022.

⁽²⁾ See the chart under "General Obligation Warrants and Authority Bonds" in the section entitled "Long-Term General Obligation Indebtedness of the City" above. All other long-term indebtedness of the City, consisting of (i) warrants payable solely from Sewer System revenues, (ii) warrants payable from the water, electric or natural gas systems of the City operated by Huntsville Utilities, and (iii) TIF Revenue Warrants payable solely from TIF revenues are exempt from the constitutional debt limit and are not included in this figure.

⁽³⁾ The Series 2017 Bonds, the Series 2021 Bonds, the Series 2022 Bonds, and the proposed Series 2025 Bonds.

⁽⁴⁾ The Series 2018-A Warrants were issued under and in accordance with Amendment 919 to the Constitution of Alabama of 1901, under which the said warrants are exempt from the City's constitutional debt limit.

Direct and Overlapping Tax-Supported Debt

The following schedule reflects the estimated maximum amount of direct and overlapping tax-supported debt of the City following issuance of the Series 2025 Bonds:

	Net Direct Debt Outstanding	Percent of Debt Applicable to the City	City's Share of Debt
Direct Debt			
General Obligation Warrants & PBA bonds	\$1,009,220,928*	100%	\$1,009,220,928*
Overlapping Debt			
Madison County, general obligation debt	\$37,325,392 ⁽¹⁾	56.91% ⁽¹⁾	\$21,241,881
Limestone County, general obligation debt	\$6,345,000 ⁽²⁾	5.49% ⁽²⁾	\$348,341
Morgan County, general obligation debt	\$17,700,000 ⁽³⁾	0.00% ⁽³⁾	\$0.00
Total			\$1,030,811,150

* Includes outstanding principal of general obligation warrants of the City, as well as outstanding principal referable to the Series 2017 Bonds (assuming renewal of the leases by the City related thereto through final maturity of the said bonds), the Series 2021 Bonds (assuming renewal of the leases by the City related thereto through final maturity of the said bonds), the Series 2022 Bonds (assuming renewal of the leases by the City related thereto through final maturity of the said bonds), and the Series 2025 Bonds (assuming renewal of the leases by the City related thereto through final maturity of the said bonds). All other long-term indebtedness of the City, consisting of (i) warrants payable solely from the Sewer System, (ii) warrants payable from the water, electric and natural gas systems of the City operated by Huntsville Utilities, and (iii) TIF Revenue Warrants.

⁽¹⁾ Outstanding debt as presented in audited financial statements of Madison County for the fiscal year ended September 30, 2023. The Madison County percentage reflects the ratio of the population estimated by the City as of July 1, 2024 as residing in the City and living in Madison County (234,821) and the estimated total population of Madison County estimated for 2023 (412,600).

⁽²⁾ Outstanding debt as presented in audited financial statements of Limestone County for the fiscal year ended September 30, 2023. The Limestone County percentage reflects the ratio of the population estimated by the City as of July 1, 2024 as residing in the City and living in Limestone County (6,293) and the total population of Limestone County estimated for July 1, 2023 (114,654).

⁽³⁾ Outstanding debt as presented in audited financial statements of Morgan County for the fiscal year ended September 30, 2022. The Morgan County percentage reflects the ratio of the population estimated by the City as of July 1, 2024 as residing in the City and living in Morgan County (0) and the total population of Morgan County estimated for July 1, 2023 (125,133).

The following schedule shows the percentage of maximum direct and overlapping tax-supported debt to assessed value per capita in the City following issuance of the Series 2025 Bonds:

Direct general obligation debt	\$1,009,220,928
Overlapping	\$21,590,222
Total (direct and overlapping debt)	\$1,030,811,150
Assessed value of property in City	\$5,921,706,000
Ratio of direct debt to City's assessed value	17.04%
Ratio of direct and overlapping debt to City's assessed value	17.41%
Population of City (estimated as of October 2024)	227,571
Per capita direct debt	\$4,435
Per capita direct and overlapping debt	\$4,529

SCHEDULED GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS OF THE CITY

**Annual Debt Service Requirements for all General Obligation Warrants
of the City and Bonds of the Authority**

The following table reflects the estimated annual debt service requirements on a fiscal year basis respecting all general obligation warrants of the City and all Authority bonds payable through lease payments by the City, estimated debt service on the Anticipated Series 2025 Warrants, and estimated debt service respecting the proposed Series 2025 Bonds:

Fiscal Year	Existing Fixed Rate Debt⁽¹⁾	Anticipated Series 2025 Warrants*	Series 2025 Bonds⁽²⁾	Total Debt Service*
2025	\$96,758,885	\$1,801,051	\$125,767	\$ 98,685,703
2026	92,407,723	9,465,500	415,250	102,288,473
2027	88,004,364	9,464,125	414,625	97,883,114
2028	90,523,206	9,453,875	418,625	100,395,706
2029	86,866,362	8,167,000	417,250	95,450,612
2030	81,477,330	9,500,000	415,625	91,392,955
2031	78,825,469	9,504,000	413,750	88,743,219
2032	75,566,812	9,505,625	416,500	85,488,937
2033	78,120,444	9,504,125	413,875	88,038,444
2034	70,658,535	9,489,000	415,875	80,563,410
2035	64,634,327	7,778,125	417,375	72,829,827
2036	63,981,742	3,424,000	418,375	67,824,117
2037	56,413,315	3,424,750	414,000	60,252,065
2038	46,559,121	2,146,625	414,250	49,119,996
2039	36,144,023	2,150,875	414,000	38,708,898
2040	29,999,772	2,151,125	418,125	32,569,022
2041	29,998,492	2,147,375	416,625	32,562,492
2042	27,549,434	2,149,375	414,625	30,113,434
2043	27,542,901	2,146,875	417,000	30,106,776
2044	16,613,752	2,149,625	413,750	19,177,127
2045	16,614,563	2,147,375	414,875	19,176,813
2046	7,703,375	--	415,250	8,118,625
2047	7,698,250	--	414,875	8,113,125
2048	7,698,875	--	418,625	8,117,500
2049	7,704,250	--	416,500	8,120,750
2050	7,703,625	--	413,625	8,117,250
2051	7,701,375	--	414,875	8,116,250
2052	7,696,750	--	415,125	8,111,875
2053	2,921,250	--	--	2,921,250

* Preliminary; subject to change.

⁽¹⁾ Includes: the Series 2013-B Warrants, the Series 2014-A Warrants, the Series 2015-A Warrants, the Series 2015-B Warrants, the Series 2016-A Warrants, the Series 2016-B Warrants, the Series 2016-C Warrants, the Series 2016-D Warrants, the Series 2017-A Warrants, Series 2017-B Warrants, the Series 2017-C Warrants, the Series 2017-D Warrants, the Series 2017-E Warrants, the Series 2018-A Warrants, the Series 2018-B Warrants, the Series 2018-C Warrants, the Series 2019-A Warrants, the Series 2020-A Warrants, the Series 2020-B Warrants, the Series 2020-C Warrants, the Series 2020-D Warrants, the Series 2020-E Warrant, the Series 2021 Warrant, the Series 2022 Warrant, the Series 2023-A Warrants, the Series 2023-B Warrants, the Series 2023-C Warrants, the Series 2023-D Warrants, the Series 2023-E Warrant, the Series 2024-A Warrants, and the Series 2024-B Warrants. Also includes annual debt service (assuming renewal of the lease related thereto through final scheduled maturity of the Series 2017 Bonds) on the Series 2017 Bonds, annual debt service (assuming renewal of the lease related thereto through final scheduled maturity of the Series 2021 Bonds) on the Series 2021 Bonds, and annual debt service (assuming renewal of the lease related thereto through final scheduled maturity of the Series 2022 Bonds) on the Series 2022 Bonds. Does not include the 2017 IDB Bond, payment of which is guaranteed by the City.

⁽²⁾ Consists of annual debt service (assuming renewal of the lease related thereto) through final scheduled maturity of the Series 2025 Bonds.

AD VALOREM TAXES

General

The levy and collection of ad valorem taxes in Alabama are subject to the provisions of the Constitution of Alabama of 1901, which limits the ratios at which property may be assessed, specifies the maximum millage rates that may be levied on property and limits total ad valorem taxes on any property in any year. Recent constitutional changes and statutory enactments, summarized below, have caused significant changes in Alabama's ad valorem tax structure.

Classification of Taxable Property

For purposes of ad valorem taxation, all taxable property in Alabama is required under current law to be divided into the following four classes:

Class I	-	All property of utilities used in their business*
Class II	-	All property not otherwise classified*
Class III	-	All agricultural, forest and single family, owner-occupied residential property, and historic buildings and sites
Class IV	-	Private passenger automobiles and pickup trucks

*Under applicable law, railroad property is not considered Class I (utility) property and is instead Class II.

Taxable property designated as "Class III" may, upon the request of the owner of such property, be appraised at its "current use value" rather than its "fair and reasonable market value". "Current use value" was originally defined in a legislative act as the value of such property based on the use being made of it on October 1 of the preceding year, without taking into consideration the "prospective value such property might have if it were put to some other possible use." Amendatory legislation, effective since the beginning of the 1981-82 tax year, extensively revised the formulas and methods to be used in computing the current use property value of agricultural and forest property. However, the original statutory definition, though somewhat modified, remains applicable to residential and historical property. There are exempted from all ad valorem taxes household and kitchen furniture, farm tractors, farming implements when used exclusively in connection with agricultural property, and inventories of goods, wares and merchandise.

Assessment Ratios

The following are the assessment ratios now in effect in the City for purposes of state and local taxation:

Class	I	-	30%
Class	II	-	20
Class	III	-	10
Class	IV	-	15

Although current law provides in effect that with respect to ad valorem taxes levied by the City, the governing body of the City may, subject to the approval of the Legislature and of a majority of the electorate of the City at a special election, and in accordance with criteria established by legislative act, adjust (by increasing or decreasing) the ratio of assessed value of any class of taxable property to its fair and reasonable market value or its current use value (as the case may be), the governing body of the City has not heretofore sought to make any adjustment of the assessment ratio applicable to any class of taxable property in the City and has no present plans for any such adjustment. The Legislature has no power over the adjustment of assessment ratios pertaining to local taxes except to approve or disapprove an adjustment proposed by a local taxing authority. The assessment ratio applicable to each class of taxable property must in any event be uniform with respect to ad valorem taxes levied by the City.

Current Ad Valorem Tax Rates

Existing law provides that the rate of any ad valorem tax levied by the City may be increased only after the approval of the Alabama Legislature and of a majority of the electorate of the City at a special election. A general constitutional limitation on the total ad valorem taxes (*i.e.*, state, county, municipal, school district, etc.) on any property in any one year to certain percentages of the fair and reasonable market value of such property is by its terms not applicable to property in the City.

The City is located within each of Limestone County, Alabama ("Limestone County"), Madison County, Alabama ("Madison County"), and Morgan County, Alabama ("Morgan County"). Ad valorem taxes on property in the City within each of the aforesaid three counties are currently levied (*i.e.*, for the tax year ending September 30, 2022) as follows:

Limestone County

Levying Entity	Rates in Mills (Dollars per \$1,000 of Assessed Value)
State of Alabama	6.5
Limestone County:	
General	7.0
Road and Bridge/Public Building	3.5
Hospital	3.0
County-wide School	5.5
City of Huntsville:	
General	6.5
Amendment 8 Capital Projects Tax	6.5
School Tax	<u>22.0</u>
Total Mills	59.5

Source: Alabama Department of Revenue

Madison County

Levying Entity	Rates in Mills (Dollars per \$1,000 of Assessed Value)
State of Alabama	6.5
Madison County:	
General	7.0
Road and Bridge	4.0
County-wide School	5.5
District School	15.5
City of Huntsville:	
General	6.5
Amendment 8 Capital Projects Tax	6.5
School Tax	<u>6.5</u>
Total Mills	58.0

Source: Alabama Department of Revenue

Morgan County

Levying Entity	Rates in Mills (Dollars per \$1,000 of Assessed Value)
State of Alabama	6.5
Morgan County:	
General	7.2
Road and Bridge	3.6
Fire Protection	3.0
County-wide School	5.8
City of Huntsville:	
General	6.5
Amendment 8 Capital Projects Tax	6.5
School Tax	<u>10.7</u>
Total Mills	49.8

Source: Alabama Department of Revenue

Homestead Exemption

The governing body of the City is authorized by law to grant a homestead exemption of not exceeding \$4,000 in assessed value against any City ad valorem tax except one "earmarked for public school purposes." The City Council has not heretofore granted any such homestead exemption against any of the ad valorem taxes currently levied by the City.

Property Tax Litigation

The validity of the levy, assessment and collection of ad valorem taxes in Alabama have been from time to time the subject of significant litigation in both state and federal courts, which has on occasion resulted in substantial changes in Alabama's property tax system affecting ad valorem tax receipts of the various taxing authorities (including the City). However, no such litigation is, to the City's knowledge, presently pending. The City has not been a party to any such litigation that relates solely to ad valorem taxes levied by the City.

Assessment and Collection

Ad valorem taxes on taxable properties are assessed by the relevant county tax assessor or other county official, and collected by the relevant county tax collector or other county official. Ad valorem taxes on public utility properties are assessed by the State Department of Revenue and collected by the relevant county tax collector.

Ad valorem taxes are due and payable on October 1 and delinquent after December 31 in each year (except for taxes with respect to motor vehicles, which have varying due dates), after which a penalty and interest are required to be charged. If real property taxes are not paid by the March 1 following the due date, a tax sale is required to be held.

Property Re-Evaluation Program

Under existing procedures of the State Department of Revenue, each county in the State is effectively required to carry out a property reappraisal program at least once every five years. The Department of Revenue also annually reviews the appraised values and the fair market values of a representative sample of taxable property in each county in the State. A county property reappraisal program is customarily ordered by the Department of Revenue if such annual review indicates that the appraised value of property in such county has fallen below 85% of its then current fair market value.

The current level of property tax collection is dependent on many factors, including possible taxpayer appeals from increased property assessments. There can be no assurance that the current level of property tax collection will continue.

Assessed Valuations

The City is located mainly within Madison County, but smaller portions of the City exist in Limestone County and Morgan County. Historically, the City presented its assessed values based solely from those portions of the City located in Madison County because the vast majority of the City and its citizens are located in Madison County. However, over the past several years the City experienced substantial industrial and commercial growth and development within Limestone County, and the City has determined to include those portions of the City located within Limestone County and Morgan County, commencing with the 2021 tax year (for which assessments were made as of October 1, 2020), when presenting information regarding City assessed values in this Official Statement.

Madison County. The following table shows the estimated assessed values, by category, of properties within the corporate limits of the City located within Madison County as of the indicated assessment dates (*i.e.*, for the tax year commencing as of the date indicated):

Real and Personal Property Assessed Values (in thousands)*

Assessment Date October 1	Residential/ Corporate	Public Utilities	Motor Vehicles	Exemptions	Total
2023	\$6,349,787	\$17,471	\$497,561	(\$1,328,483)	\$5,536,336
2022	5,728,469	14,764	455,661	(1,136,089)	5,062,805
2021	4,676,897	19,541	393,791	(736,109)	4,354,120
2020	4,015,281	16,919	350,461	(578,597)	3,804,064
2019	3,631,402	17,621	318,648	(385,376)	3,582,295

Limestone County. The following table shows the estimated assessed values, by category, of properties within the corporate limits of the City located within Limestone County as of the indicated assessment dates (*i.e.*, for the tax year commencing as of the date indicated):

Real and Personal Property Assessed Values (in thousands)*

Assessment Date October 1	Residential/ Corporate	Public Utilities	Motor Vehicles	Exemptions	Total
2023	\$905,636	\$278	\$18,928	(\$539,752)	\$385,090
2022	952,240	280	17,371	(655,292)	314,599
2021	736,404	280	13,567	(544,491)	205,760
2020	532,687	274	10,436	(377,511)	165,886
2019	199,543	243	8,732	(57,406)	150,752

Morgan County. The following table shows the estimated assessed values, by category, of properties within the corporate limits of the City located within Morgan County as of the indicated assessment dates (*i.e.*, for the tax year commencing as of the date indicated):

Real and Personal Property Assessed Values (in thousands)*

Assessment Date October 1	Residential/ Corporate	Public Utilities	Motor Vehicles	Exemptions	Total
2023	\$340	\$0.00	N/A	(\$60)	\$280
2022	328	0.00	N/A	(55)	273
2021	306	0.00	N/A	(50)	256
2020	256	0.00	N/A	(0.00)	256
2019	257	0.00	N/A	(0.00)	257

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

Defined Benefit Pension Plan

The City participates in the Employees' Retirement System of Alabama (the "State System") which is operated by the State of Alabama. Contributions are made by employees and the City to the State System. Membership is compulsory for all employees of the City and the State System acts only in an administrative capacity with respect to the City plan. The information given below respecting the participation of the City in the State System relates only to the administration of the local plan by the State System and should not be interpreted as indicating that the State System is in any way responsible for the funding of any benefits payable to employees of the City.

In general, employees of the City participating in the State System are entitled to the same benefits provided for State employees as though those local employees were State employees having comparable years of covered service. Upon such election, the State System administers the local plan and the rates of contributions to be made by the City are determined by the actuary for the State System. The cost of providing benefits is borne by the City and no part of such cost is paid by the State System.

Employees of Huntsville Utilities are subject to separate contribution rates established by the Water, Electric and Natural Gas Boards, respectively, and the Employees' Retirement System. Funding for such retirement plans is derived from revenues of Huntsville Utilities and not from general funds of the City.

See Note #12 - "Pension Plans" to the audited financial statements of the City attached as APPENDIX G hereto for more information about the City's participation in the State System and the City's pension plans, pension liability and related information.

Retirement plans for teachers in the City's school system are funded by the State Teachers' Retirement System (the "Teachers' System"), maintained by the State of Alabama. Because the State of Alabama has assumed responsibility for providing retirement plans for public school teachers, the City historically has had no direct responsibility in this area.

Unlike the Teachers' System, the State System does not undertake to fund the retirement plans of participating local governments and acts only in an administrative capacity, and then only upon the election of local governments. The statute permitting such election provides that the "retirement system shall not be liable for the payment of any pensions or other benefits on account of the employees or pensioners of any employers under this section, for which reserves have not been previously created from funds contributed by such employer or its employees for such benefits." The statute further provides that the agreement of the City to contribute to the Employees' System on account of its employees is irrevocable, but should it become financially unable to make the normal and accrued liability contribution, the City would be deemed to be in default under the State System.

Other Post-Employment Benefits

The City provides certain post-retirement health insurance benefits (the "OPEB Plan") to qualifying retired employees (generally, those employees age 55 or older with 25 years of consecutive service or those employees with 30 consecutive years of service, regardless of age).

See Note #13 "Other Post-Employment Benefits (OPEB)" to the audited financial statements of the City attached as APPENDIX G hereto for more information about the OPEB Plan.

LITIGATION AND OTHER MATTERS

The City is a defendant in various lawsuits, and there are various other claims pending or threatened against the City with respect to which lawsuits may be filed, including several under Section 1983 of Title 42 of the United States Code. The City does not, on account of availability, costs and coverages offered, carry any general or professional liability insurance (though the City does carry general liability insurance for public transit vehicles and

drivers). Except as stated in the last paragraph under this heading, in the opinion of the City Attorney, the maximum probable liability of the City with respect to all the lawsuits and claims that are pending or threatened against the City, taken together, will not have a material adverse effect on the financial condition of the City.

Court decisions have substantially eroded the immunity from tort liability formerly enjoyed by local governmental units in Alabama. However, Chapter 93 of Title 11 of the Code of Alabama 1975, as amended, now prescribes certain maximum limits on the liability of local governmental units (such as the City) for bodily injury, sickness, disease or death sustained by a person and for injury or destruction of tangible property. These limits are presently \$100,000 in the case of bodily injury or death of one person in any single occurrence, \$300,000 in aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence, and \$100,000 in the case of property damage arising out of a single occurrence. Applicable decisions of the Supreme Court of Alabama have upheld the constitutionality of Chapter 93 (although indicating that there is no statutory "aggregate limit" with respect to property damage arising out of a single occurrence comparable to that specified for personal injury or death claims) and have limited the applicability of Chapter 93 to causes of action arising after its effective date, May 23, 1977. While the matter may not be free from doubt, it should be assumed that the liability limitations of Chapter 93 are not applicable to causes of action under Section 1983 of Title 42 of the United States Code.

APPENDIX D
PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE AUTHORITY

APPENDIX D
PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE AUTHORITY

We have examined certified copies of proceedings and other documents showing the organization under the laws of Alabama of **THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE** (herein sometimes called the "Authority"), together with certified copies of proceedings of the Authority and other documents submitted to us pertaining to the issuance and validity of

\$ _____
THE PUBLIC BUILDING AUTHORITY
OF THE CITY OF HUNTSVILLE
Lease Revenue Bonds
Series 2025

(herein called the "Series 2025 Bonds"). We have not examined the title of the Authority to the real property hereinafter referred to, but we have, for purposes of this opinion, assumed that the Authority has good and marketable title to said real property subject only to Permitted Encumbrances (as defined in the Indenture hereinafter referred to and herein called "Permitted Encumbrances"). The statements hereinafter made and the opinions hereinafter expressed are based upon our examination of said proceedings, documents and said assumption of title.

The documents submitted to us show as follows:

(a) that the Authority has heretofore issued its \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022 (herein called the "Series 2022 Bonds") under and pursuant to that certain Mortgage Indenture and Deed of Trust dated March 3, 2022 (herein called the "Base Indenture"), between the Authority and Regions Bank, as trustee (herein called the "Trustee"); and

(b) that the Series 2025 Bonds have been issued as Additional Parity Bonds under and pursuant to the Base Indenture, as supplemented and amended by a First Supplemental Mortgage Indenture and Deed of Trust dated the date of the Series 2025 Bonds (herein called the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Authority and the Trustee; and

(c) that the Authority and the City of Huntsville (herein called the "City") have entered into a Lease Agreement dated March 3, 2022 (herein called the "Base Lease"), as supplemented and amended by a First Supplemental Lease dated the date of the Series 2025 Bonds (herein called the "First Supplemental Lease" and, together with the Base Lease, herein called the "Lease"), wherein the Authority has leased to the City certain real property (herein called the "Real Property") and the city hall facility, parking facility, and related improvements and facilities to be located thereon (herein called the "Facility" and, together with the Real Property, the "Leased Property"); and

(d) that the Lease provides for the lease of the Leased Property by the City for a current term ending September 30, 2025, and further provides for the renewal of the Lease thereafter, at the sole option of the City, for the successive annual terms coinciding with the fiscal year of the City (such fiscal year being a period of twelve consecutive months beginning on each October 1 and continuing until the next succeeding September 30 and being herein called a "Fiscal Year") until and including the Fiscal Year (or part thereof) during which the Series 2022 Bonds and the Series 2025 Bonds shall be paid in full; and

(e) that the Lease provides that, during each Fiscal Year for which it shall be in effect, the City will pay to the Authority certain amounts, including such amount as shall equal debt service on the Series 2022 Bonds and the Series 2025 Bonds coming due in such Fiscal Year, all such payments by the City for each Fiscal Year to be made solely from current revenues of the City for the same Fiscal Year; and

(f) that in the Indenture the Authority has reserved the right to issue Additional Bonds (herein called the "Additional Parity Bonds"), without express limit as to principal amount, on a parity with the Series 2022

Bonds and the Series 2025 Bonds as respects the security afforded by the Indenture, but only upon compliance with the applicable conditions specified in the Indenture.

We are of the following opinion:

(1) that the Authority has been duly organized as and is a validly existing public corporation pursuant to and under the laws of Alabama and has corporate power to issue the Series 2025 Bonds, to execute and deliver the Lease and the Indenture and to perform the agreements on its part contained in each of said instruments;

(2) that the Series 2025 Bonds have been duly authorized, sold, executed, authenticated and issued in the manner provided by the applicable provisions of the constitution and laws of Alabama, are in due and legal form and evidence valid and binding limited obligations of the Authority payable, as to principal, interest and premium (if any), solely out of revenues to be derived by the Authority from the Leased Property, as it may at any time exist;

(3) that the Indenture and the Lease have been duly authorized by the Authority and constitute valid and binding obligations of the Authority;

(4) that payment of the principal of and the interest (and premium, if any) on the Series 2025 Bonds is secured, pro rata and without preference or priority of one over another or of any of the Series 2025 Bonds over any of the Series 2022 Bonds or any Additional Parity Bonds hereafter issued, by the lien of the Indenture and by a valid pledge of payments of Basic Rent, as defined in the Lease, which the Lease requires the City to pay directly to the Trustee for the benefit of the Series 2022 Bonds, the Series 2025 Bonds and any Additional Parity Bonds hereafter issued;

(5) that the aforesaid pledge for the benefit of the Series 2025 Bonds is a valid pledge of said revenues;

(6) that the Lease has been duly authorized, executed and delivered on behalf of the City;

(7) that for each Fiscal Year in which it shall be renewed by the City, the Lease will constitute a valid, binding and enforceable agreement of the City, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally; and

(8) that the interest on the Series 2025 Bonds is, under existing statutes, exempt from Alabama income taxation.

We are further of the opinion that, under the Internal Revenue Code of 1986, as amended (herein called the "Code"), as presently construed and administered, and assuming compliance by each of the Authority and the City with its covenants pertaining to certain requirements of federal tax law that are set forth in the proceedings authorizing the issuance of the Series 2025 Bonds and in the tax compliance agreement and certificate executed by the Authority and the City in connection with the Series 2025 Bonds, the interest on the Series 2025 Bonds will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code, and the interest on the Series 2025 Bonds will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code. We express no opinion with respect to the federal tax consequences to the recipients of the interest on the Series 2025 Bonds under any provision of the Code not referred to above.

The Indenture provides that in the event the Authority should default in any of the provisions thereof in the manner and for the time therein provided, the Trustee may declare all the bonds secured thereby and then outstanding thereunder forthwith due and payable, and the Trustee shall be entitled to exercise the rights specified in the Indenture. The mortgage lien of the Indenture, however, is not foreclosable, and the remedies available to the Trustee and the holders of the bonds issued under the Indenture will not include foreclosure or sale of the Leased Property or any part thereof.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2025 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the holders of the Series 2025 Bonds and the enforceability thereof and of the Indenture and the Lease may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2025 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Series 2025 Bonds other than as expressly set forth herein.

The rights of the holders of the Series 2025 Bonds and the enforceability thereof and of the Indenture and the Lease may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof and we assume no obligation to or update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours very truly,

APPENDIX E
SUMMARY OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E
SUMMARY OF CONTINUING DISCLOSURE AGREEMENT

General. The following is a summary of the Continuing Disclosure Agreement (the "Agreement") entered into by the City for the benefit of the holders of the Series 2025 Bonds, in order to assist the Underwriter in complying with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission of the United States of America (the "Commission") pursuant to the Securities Exchange Act of 1934. Except where otherwise defined in this Appendix, all capitalized terms have the meaning assigned in the front portion of this Official Statement.

Annual Report of the City. The City agrees, in accordance with the provisions of the Rule, to provide or cause to be provided through EMMA (or such other system as may be subsequently authorized by the MSRB), not later than 270 days after the close of each fiscal year of the City (October 1 – September 30), commencing with the fiscal year ending September 30, 2025, a report (the "City's Annual Report") containing:

(i) the audited general purpose financial statements of the City, prepared in accordance with accounting principles generally accepted in the United States of America, and the notes thereto, and

(ii) if not otherwise contained in the Annual Report, the following information for the fiscal year being reported:

(a) receipts of (i) the 6.5 mill general purpose ad valorem tax levied by the City, (ii) TVA Payments in Lieu of Property Taxes and (iii) Huntsville Utilities Electric Payments in Lieu of Property Taxes, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Property Taxes and Payments in Lieu of Taxes" in APPENDIX C;

(b) collections of sales and use taxes levied by the City, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Sales Taxes and License Fees – Sales and Use Taxes" in APPENDIX C;

(c) collections of privilege license taxes levied by the City, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Sales Taxes and License Fees – Licenses and Permits" in APPENDIX C; and

(d) to the extent available from applicable taxing authorities, the assessed value of real property in the City, or, to the extent actual assessed values are not available, estimated assessed values of such real property, in format substantially similar (with respect to such real property) to the tables shown under the heading "AD VALOREM TAXES – Assessed Valuations" in APPENDIX C.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of the City's Annual Report, to the extent necessary or appropriate in the judgment of the City; provided, that the City agrees that any such modification will be done in a manner consistent with the Rule.

Notice of Certain Events. The City agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, through EMMA (or such other system subsequently authorized by the MSRB), notice of the occurrence of any of the following events with respect to the Series 2025 Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;
7. modifications to rights of security holders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Series 2025 Bonds, if material;
11. rating change;
12. bankruptcy, insolvency, receivership or similar event of the obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. failure of the City to timely file its Annual Report;
16. incurrence of a financial obligation of the City or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or obligated person, any of which affect security holders, if material; or
17. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City or obligated person, any of which reflect financial difficulties.

Additional Information. The City may from time to time choose to provide other information in addition to the information and notices listed above, but the City does not undertake in the Agreement to commit to provide any such additional information or to update or to continue to provide such additional information or notices once provided.

Amendment; Waiver

The City may amend the Agreement and any provision of the Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings therein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

Beneficiaries and Enforcement

The City agrees that its undertakings pursuant to the Rule set forth in the Agreement are intended to be for the benefit of the holders of the Series 2025 Bonds and shall be enforceable by such holders. No failure by the City to comply with its obligations under the Agreement shall constitute an event of default under the Indenture or under the Lease.

APPENDIX F
BOOK-ENTRY ONLY SYSTEM

APPENDIX F
BOOK-ENTRY ONLY SYSTEM

Portions of the following information concerning The Depository Trust Company ("DTC") and DTC's book-entry system have been obtained from DTC. The Authority and the Underwriter make no representation as to the accuracy of such information. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

Initially, DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds initially will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Initially, one fully-registered bond certificate for each maturity will be issued for the Series 2025 Bonds, in the aggregate principal amount of the Series 2025 Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Trusteeing Law, a "Trusteeing organization" within the meaning of the New York Trusteeing Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, Trustees, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, Trustees, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. So long as the Series 2025 Bonds are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the Series 2025 Bonds.

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2025 Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

As long as the book-entry system is used for the Series 2025 Bonds, redemption notices will be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

As long as the book-entry system is used for the Series 2025 Bonds, principal, premium, if any, and interest payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, and disbursement of such payments to the Participants or the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Authority or the Trustee. In addition, the Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Under either of such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Authority and the Trustee will have no responsibility or obligation to any securities depository, any Participants in the book-entry system, or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the securities depository or any Participant; (ii) the payment by the securities depository or by any Participant of any amount due to any Participant or Beneficial Owner, respectively, in respect of the principal amount or redemption or purchase price of, or interest on, any of the Series 2025 Bonds; (iii) the delivery of any notice by the securities depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2025 Bonds; or (v) any other action taken by the securities depository or any Participant.

APPENDIX G
AUDITED FINANCIAL STATEMENTS OF THE CITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

APPENDIX H
THE BASE LEASE AND FORM OF FIRST SUPPLEMENTAL LEASE

APPENDIX I
THE BASE INDENTURE AND FORM OF FIRST SUPPLEMENTAL INDENTURE

Exhibit IV
Form of Official Statement

Ratings:
Moody's: Aa1
Standard & Poor's: AA+
(See "RATINGS" herein)

New Issue – Book Entry Only

In the opinion of Bond Counsel to the Authority, assuming continuing compliance by the Authority with the covenants set forth in the Indenture and the proceedings under which the Series 2025 Bonds are issued with respect to certain conditions imposed by Section 103 of the Internal Revenue Code of 1986, as amended, the interest income on the Series 2025 Bonds will be excludable from gross income of the recipients thereof for federal income tax purposes. Bond Counsel to the Authority is also of the opinion that the interest income on the Series 2025 Bonds is, under existing statutes and regulations, exempt from Alabama income taxation. See "TAX MATTERS" herein.

\$6,305,000
THE PUBLIC BUILDING AUTHORITY
OF THE CITY OF HUNTSVILLE (ALABAMA)
Lease Revenue Bonds
Series 2025

Dated: Date of Delivery

**Due: February 1, as shown on
the inside cover hereof**

SEE INSIDE COVER FOR AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS

Interest on the Series 2025 Bonds is payable on August 1 and February 1 of each year, commencing August 1, 2025. The Series 2025 Bonds will be issued as fully registered bonds in the denominations of \$5,000 and any integral multiple thereof. Principal of and any premium on the Series 2025 Bonds will be payable at the corporate trust office of Regions Bank, Birmingham, Alabama, as Trustee under the Indenture hereinafter defined. Interest on the Series 2025 Bonds will be payable by check or draft mailed by the Trustee to the registered owners thereof.

The Series 2025 Bonds are special, limited obligations of The Public Building Authority of the City of Huntsville (the "Authority") payable solely from, and secured by a pledge of, the revenues and receipts derived by the Authority from the leasing by the City of Huntsville (the "City") of the Facility described herein. The Series 2025 Bonds will not constitute an indebtedness of the State of Alabama or of the City, or give rise to a pecuniary liability or charge against the general credit or taxing powers of the State of Alabama or the City. The Authority has no taxing power and no source of payment of the principal of and premium (if any) and interest on the Series 2025 Bonds other than revenues derived from or with respect to the Lease (hereinafter defined) and, in certain cases, proceeds of insurance or condemnation awards respecting the Facility. The Series 2025 Bonds will not be obligations or debts of the City or any other political subdivision or instrumentality of the State of Alabama (other than the Authority to the extent provided in the Indenture), and except for the obligation of the City to pay rentals with respect to the Series 2025 Bonds coming due during the current term or any renewal term of twelve months for which the Lease shall be in effect, neither the City nor any such political subdivision or instrumentality (other than the Authority to the extent provided in the Indenture) shall in any manner be liable for the payment of the principal of or the interest on the Series 2025 Bonds or for the performance of the undertakings of the Authority contained in the Series 2025 Bonds or in the Indenture.

The Series 2025 Bonds will be issued as fully registered Series 2025 Bonds and will be registered in the name of Cede & Co., nominee of The Depository Trust Company ("DTC"), to which principal and interest payments on the Series 2025 Bonds will be made so long as Cede & Co. is the registered owner of the Series 2025 Bonds. Individual purchases of the Series 2025 Bonds will be made in book-entry form only, and individual purchasers ("Beneficial Owners") of the Series 2025 Bonds will not receive physical delivery of Series 2025 Bond certificates. So long as DTC or its nominee is the registered owner of the Series 2025 Bond, disbursements of such payments to DTC is the responsibility of the Trustee, disbursements of such payment to DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC Participants or Indirect Participants as more fully described herein.

Certain of the Series 2025 Bonds are subject to optional, mandatory, and extraordinary redemption prior to maturity as described herein.

THIS COVER PAGE CONTAINS ONLY A SUMMARY OF INFORMATION REGARDING THE SERIES 2025 BONDS. POTENTIAL INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES HERETO, PRIOR TO MAKING AN INVESTMENT DECISION.

The Series 2025 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of validity thereof by Bradley Arant Boult Cummings LLP, Bond Counsel to the Authority, and certain other conditions. PFM Financial Advisors LLC is serving as Financial Advisor to the Authority and the City. It is expected that the Series 2025 Bonds in definitive form will be available for delivery through DTC on or about March 4, 2025.

RAYMOND JAMES

Dated: February 18, 2025

AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS

\$6,305,000 Lease Revenue Bonds Series 2025

Maturity Date (February 1)	Principal Amount	Interest Rate	Yield	CUSIP ⁽¹⁾
2026	\$120,000	5.000%	2.770%	447154FW0
2027	125,000	5.000	2.800	447154FX8
2028	135,000	5.000	2.840	447154FY6
2029	140,000	5.000	2.870	447154FZ3
2030	145,000	3.500	2.910	447154GA7
2031	150,000	3.500	2.970	447154GB5
2032	160,000	5.000	3.040	447154GC3
2033	165,000	5.000	3.140	447154GD1
2034	175,000	5.000	3.230	447154GE9
2035	185,000	5.000	3.320	447154GF6
2036	190,000	5.000	3.370*	447154GG4
2037	200,000	5.000	3.440*	447154GH2
2038	210,000	5.000	3.490*	447154GJ8
2039	225,000	5.000	3.570*	447154GK5
2040	235,000	5.000	3.670*	447154GL3

\$765,000 4.000% Term Series 2025 Bonds; Due February 1, 2043;
Yield 4.110%; CUSIP 447154GM1

\$1,180,000 4.250% Term Series 2025 Bonds; Due February 1, 2047;
Yield 4.360%; CUSIP 447154GN9

\$1,800,000 4.375% Term Series 2025 Bonds; Due February 1, 2052;
Yield 4.470%; CUSIP 447154GP4

* Calculated to February 1, 2035 first optional redemption date.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the registered owners of the Series 2025 Bonds. The Authority and the Underwriter are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness by the Authority on the Series 2025 Bonds and by the Underwriter on the Series 2025 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025 Bonds.

**THE PUBLIC BUILDING AUTHORITY OF
CITY OF HUNTSVILLE**

Post Office Box 308
308 Fountain Circle
Huntsville, Alabama 35804-0308
(256) 427-5080

Board of Directors

Mark Russell
Chairman

Bob Broadway
Vice-Chairman

DeMarco McClain
Secretary/Treasurer

Financial Advisor

PFM Financial Advisors LLC
Huntsville, Alabama

Bond Counsel

Bradley Arant Boult Cummings LLP
Birmingham, Alabama

Trustee

Regions Bank
Birmingham, Alabama

Underwriter

Raymond James & Associates, Inc.
Birmingham, Alabama

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Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information based on the Authority’s beliefs as well as assumptions made by and information currently available to the Authority.

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OFFICIAL STATEMENT

\$6,305,000

THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE

**Lease Revenue Bonds
Series 2025**

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and the appendices hereto, is to set forth information in connection with the offering by The Public Building Authority of the City of Huntsville (the "Authority") of the above-referenced bonds (the "Series 2025 Bonds"), dated their date of initial delivery. The Authority is a public corporation organized and existing under and pursuant to the provisions of Chapter 56 of Title 11 of the Code of Alabama 1975, as amended (the "Act") and a resolution adopted by the governing body of the City of Huntsville, Alabama (the "City").

The Authority is issuing the Series 2025 Bonds to finance a portion of the costs to design, develop, construct, equip and install the Facility hereinafter described and to pay the costs of issuing the Series 2025 Bonds. The initial costs of the Facility were paid with proceeds of the \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022, of the Authority (the "Series 2022 Bonds"), which were issued under and pursuant to the provisions of the Act and under a Mortgage Indenture and Deed of Trust dated March 3, 2022 (the "Base Indenture"), between the Authority and Regions Bank, as trustee (the "Trustee").

The Series 2025 Bonds will be issued pursuant to the provisions of the Act and under the Base Indenture, as supplemented and amended by a First Supplemental Mortgage Indenture and Deed of Trust dated the date of the Series 2025 Bonds (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Authority and the Trustee. The Series 2022 Bonds, the Series 2025 Bonds, and any additional parity bonds hereafter issued under the Indenture ("Additional Parity Bonds") are herein from time to time together called the "Bonds." See "THE SERIES 2025 BONDS – Purpose" herein; See also "THE AUTHORITY, THE FACILITY AND THE LEASE" herein.

The Facility

The Series 2025 Bonds are being issued to finance the final costs to develop, construct, equip and install the new city hall facility, including among other features administrative, storage and parking facilities, for use by the City (the "Facility") for lease by the Authority to the City.

The Lease

The Act authorizes the City to lease the Facility from the Authority. Upon issuance of the Series 2025 Bonds, the City and the Authority will enter into a First Supplemental Lease Agreement dated the date of the Series 2025 Bonds (the "First Supplemental Lease"), which supplements and amends that certain Lease Agreement dated March 3, 2022 (the "Base Lease" and, together with the First Supplemental Lease, the "Lease"), under which the City will lease the Facility from the Authority on a year-to-year basis. The Lease will have a term in effect on the date of issuance of the Series 2025 Bonds and continuing until and including September 30, 2025. The Lease provides that the rental required to be paid and the agreements required to be performed by the City during any fiscal year of the City during which the Lease may be in effect shall be payable solely out of the current revenues of the City for such fiscal year.

The financing authorized by the Act and by the proceedings under which the Series 2025 Bonds will be issued is that of a limited obligation of the City payable solely out of the revenues and receipts of the City for the fiscal year during which the Lease is in effect. The Act permits, but does not require, the City to renew the Lease at the beginning of each successive fiscal year of the City. A determination in any fiscal year by the City not to renew the Lease for a subsequent fiscal year would result in the City being liable only for the rental required to be paid and agreements performed during the fiscal year during which the Lease was last in effect; such liability to be satisfied

solely out of the revenues of the City for the last fiscal year during which the Lease was in effect. See "SECURITY – Lease Term" herein.

Prospective investors in the Series 2025 Bonds should examine the Base Lease, and should also examine the form of the First Supplemental Lease to be entered upon issuance of the Series 2025 Bonds. See also APPENDIX H – "THE BASE LEASE AND THE FORM OF FIRST SUPPLEMENTAL LEASE" hereto.

THE AUTHORITY

The Authority is a public corporation organized and existing under and pursuant to the provisions of the Act and a resolution adopted by the governing body of the City. The Authority was organized for the purpose of constructing certain public facilities for lease by the Authority to the City. The powers of the Authority are vested in its Board of Directors, consisting of three members elected by the governing body of the City for staggered terms. Each director must be a duly qualified resident of the City, but no director may be an officer of the State of Alabama or of the City.

The following consist of the initial Board of Directors of the Authority:

Name	Title
Mark Russell	Chairman
Bob Broadway	Vice-Chairman
DeMarco McClain	Secretary/Treasurer

In addition to the Facility, the Authority owns and leases various other facilities to the City. Specifically, the Authority owns and, under a Lease Agreement between the Authority and the City dated September 1, 2007, as supplemented by a First Supplemental Lease Agreement dated October 12, 2017 (the "Public Safety Facility Lease"), leases to the City a municipal court and fire and police administration facility (the "Public Safety Facility"), and the Authority owns and, under a Lease Agreement between the Authority and the City dated March 18, 2021 (the "Amphitheater Lease"), leases to the City, a public amphitheater in the City known as "Orion Amphitheater" (the "Amphitheater").

Under the Public Safety Facility Lease, the City pays the debt service on the Authority's \$46,965,000 initial principal amount Lease Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"), which were issued to finance and refinance the costs of the Public Safety Facility. Under the Amphitheater Lease, the City pays the debt service on the Authority's \$37,000,000 initial principal amount Taxable Lease Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), which were issued to finance the costs of the Amphitheater. Under the Base Lease the City paid debt service on the Series 2022 Bonds, and under the Base Lease, as amended by the First Supplemental Lease, the City will pay debt service on the Series 2022 Bonds and on the Series 2025 Bonds as parity obligations.

The Series 2025 Bonds are not secured by, and holders thereof have no claim to any amounts or other obligations of the City whatsoever under, the Public Safety Facility Lease or the Amphitheater Lease or otherwise in connection with the Public Safety Facility, the Amphitheater, the Series 2017 Bonds, or the Series 2021 Bonds.

The Series 2025 Bonds are being issued as Additional Parity Bonds under the Indenture, and as such the holders thereof have a parity claim with holders of the Series 2022 Bonds, and with the holders of any Additional Parity Bonds hereinafter issued, on payments of Basic Rent (hereinafter defined) under the Lease assigned to the Authority under the Indenture.

THE CITY OF HUNTSVILLE

For information concerning the City of Huntsville, prospective investors in the Series 2025 Bonds are encouraged to review the various appendices to this Official Statement, including without limitation APPENDIX A – "CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION OF THE CITY OF HUNTSVILLE", APPENDIX B – "GOVERNMENTAL ORGANIZATION AND FUNCTIONS OF THE CITY OF HUNTSVILLE", APPENDIX C "CERTAIN FINANCIAL, DEBT AND RELATED INFORMATION OF THE CITY OF HUNTSVILLE", AND APPENDIX G – "AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023".

THE SERIES 2025 BONDS

General

The Series 2025 Bonds will be dated the date of their initial issuance, will bear semiannual interest payable on each August 1 and February 1, commencing August 1, 2025, at the rates set forth on the inside of the cover page hereof, and will mature on February 1 in the years and in the principal amounts set forth on said inside cover page. Interest on the Series 2025 Bonds is computed on the basis of a 360 day year of twelve (12) consecutive thirty (30) day months. The Series 2025 Bonds will be issued as fully registered bonds, registerable as to both principal and interest, in the denominations of \$5,000 or any integral multiple thereof. The principal of and premium (if any) on the Series 2025 Bonds will be payable at the designated corporate trust office of the Trustee in Birmingham, Alabama, and the interest on the Series 2025 Bonds will be paid by the Trustee by draft or check mailed to the registered owner as such registered owner's name shall appear on the registry books of the Trustee on the fifteenth (15th) calendar day next preceding any interest payment date. Payments of interest with respect to the Series 2025 Bonds shall be deemed timely made if made by check or draft mailed by the Trustee no later than the respective due dates of such interest. The principal of and the interest and premium (if any) on the Series 2025 Bonds will be payable in lawful money of the United States of America.

Purpose of Series 2025 Bonds

The Series 2025 Bonds are being issued to finance the final costs of the Facility and to pay costs of issuing the Series 2025 Bonds. See "PLAN OF FINANCING" herein.

Estimated Debt Service of the Series 2025 Bonds

The estimated debt service requirements for the Series 2025 Bonds is as follows⁽¹⁾:

Year (February 1)	Principal⁽¹⁾	Interest⁽¹⁾	Total⁽¹⁾
2025	--	\$115,589	\$115,589
2026	\$120,000	280,075	400,075
2027	125,000	273,950	398,950
2028	135,000	267,450	402,450
2029	140,000	260,575	400,575
2030	145,000	254,538	399,538
2031	150,000	249,375	399,375
2032	160,000	242,750	402,750
2033	165,000	234,625	399,625
2034	175,000	226,125	401,125
2035	185,000	217,125	402,125
2036	190,000	207,750	397,750
2037	200,000	198,000	398,000
2038	210,000	187,750	397,750
2039	225,000	176,875	401,875
2040	235,000	165,375	400,375
2041	245,000	154,600	399,600
2042	255,000	144,600	399,600
2043	265,000	134,200	399,200
2044	275,000	123,056	398,056
2045	290,000	111,050	401,050

2046	300,000	98,513	398,513
2047	315,000	85,444	400,444
2048	330,000	71,531	401,531
2049	345,000	56,766	401,766
2050	360,000	41,344	401,344
2051	375,000	25,266	400,266
2052	390,000	8,531	398,531

⁽¹⁾ Assumes annual renewal by the City of the Lease through the final estimated maturity date of the Series 2025 Bonds.

Debt Service on the Series 2022 Bonds and the Series 2025 Bonds

The scheduled debt service for the Series 2022 Bonds, together with the estimated debt service requirements for the Series 2025 Bonds, is as follows⁽¹⁾:

Year (February 1)	Series 2022 Bonds⁽¹⁾	Series 2025 Bonds⁽²⁾	Total⁽¹⁾
2025	\$4,780,500	\$115,589	\$4,896,089
2026	4,778,500	400,075	5,178,575
2027	4,778,375	398,950	5,177,325
2028	4,779,875	402,450	5,182,325
2029	4,777,875	400,575	5,178,450
2030	4,777,250	399,538	5,176,788
2031	4,777,750	399,375	5,177,125
2032	4,779,125	402,750	5,181,875
2033	4,781,125	399,625	5,180,750
2034	4,778,625	401,125	5,179,750
2035	4,776,500	402,125	5,178,625
2036	4,779,375	397,750	5,177,125
2037	4,777,000	398,000	5,175,000
2038	4,779,125	397,750	5,176,875
2039	4,780,375	401,875	5,182,250
2040	4,780,500	400,375	5,180,875
2041	4,779,250	399,600	5,178,850
2042	4,781,250	399,600	5,180,850
2043	4,776,250	399,200	5,175,450
2044	4,778,875	398,056	5,176,931
2045	4,778,625	401,050	5,179,675
2046	4,780,125	398,513	5,178,638
2047	4,778,000	400,444	5,178,444
2048	4,776,875	401,531	5,178,406
2049	4,781,125	401,766	5,182,891
2050	4,780,250	401,344	5,181,594
2051	4,778,875	400,266	5,179,141
2052	4,776,500	398,531	5,175,031

⁽¹⁾ Assumes annual renewal by the City of the Base Lease through the final estimated maturity date of the Series 2022 Bonds.

⁽²⁾ Assumes annual renewal by the City of the Lease through the final estimated maturity date of the Series 2025 Bonds.

Registration and Transfer

SO LONG AS DTC ACTS AS THE SECURITIES DEPOSITORY FOR THE SERIES 2025 BONDS ALL REFERENCES HEREIN TO "OWNER" OF "HOLDER" OF THE SERIES 2025 BONDS ARE DEEMED TO BE CEDE & CO., AS NOMINEE FOR DTC, AND NOT TO PARTICIPANTS OR BENEFICIAL OWNERS. SEE APPENDIX F - "BOOK-ENTRY ONLY SYSTEM" HERETO.

The Series 2025 Bonds shall be registered as to both principal and interest and may be transferred only on the registry books of the Trustee pertaining to the Series 2025 Bonds. No transfer of the Series 2025 Bonds shall be permitted except upon presentation and surrender of such Series 2025 Bond at the office of the Trustee with

written power to transfer signed by the registered owner thereof in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Trustee. The holder of one or more of the Series 2025 Bonds may, upon request, and upon the surrender to the Trustee of such Series 2025 Bonds, exchange such Series 2025 Bonds for Series 2025 Bonds of other authorized denominations (\$5,000 principal amount or any integral multiple thereof) of the same maturity and interest rate and together aggregating the same principal amount as the Series 2025 Bonds so surrendered. Any registration, transfer and exchange of Series 2025 Bonds at the request of a holder thereof shall be without expense to such holder, except that the holder shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange. The holder of any Series 2025 Bond will be required to pay any expenses incurred in connection with the replacement of a mutilated, lost or stolen or destroyed Series 2025 Bond.

The Indenture provides that interest on the Series 2025 Bonds shall be payable solely by check or draft mailed by the Trustee to the holders of the Series 2025 Bonds shown on the registry books of the Trustee pertaining to the Series 2025 Bonds on the Record Date (defined in the Indenture as the 15th calendar day next preceding an interest payment date). The Indenture makes special provision for payment of overdue interest which may be paid to a holder other than the registered holder of a Series 2025 Bond at the time such overdue interest becomes due and payable.

The Indenture provides that each holder of the Series 2025 Bonds, by receiving or accepting the Series 2025 Bonds, consents and agrees and is estopped to deny that, insofar as the Authority and the Trustee are concerned, the Series 2025 Bonds may be transferred only in accordance with the provisions of the Indenture. The Indenture also provides that each transferee of the Series 2025 Bonds takes them subject to all principal and interest payments in fact made with respect to the Series 2025 Bonds.

The Indenture provides that the trustee shall not be required to register or transfer any Series 2025 Bond during the period of 15 days next preceding any August 1 or February 1, and if any Series 2025 Bond is called for redemption, the Trustee is not required to register or transfer any such Series 2025 Bond during the period of 45 days next preceding the date fixed for its redemption.

Reference is made to the provisions of the Indenture in full for its provisions pertaining to the registration, transfer and exchange of Series 2025 Bonds and the method of payment of the principal thereof and interest thereon.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its services with respect to the Series 2025 Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Upon the giving of such notice, the book-entry only system for the Series 2025 Bonds will be discontinued unless a successor securities depository is appointed by the Authority.

In the event that the book-entry only system for the Series 2025 Bonds is discontinued, the following provisions would apply, subject to the further conditions set forth in the Indenture.

The principal of and premium, if any, on the Series 2025 Bonds will be payable when due upon their presentation and surrender at the office of the Trustee in Birmingham, Alabama. Interest payments on the Series 2025 Bonds will be made to the persons who are the registered owners by check or draft mailed to such owners at their addresses as they appear on the registration books of the Trustee.

The Series 2025 Bonds will be transferable only upon presentation to the Trustee with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney. Upon the request of the owner of any Bond, the Authority will execute and the Trustee will authenticate and deliver, upon surrender to the Trustee of such Bond and in exchange therefor, as may be requested by the person surrendering such Bond, other Series 2025 Bonds in different authorized denominations (\$5,000 or any integral multiple thereof) of like tenor and together aggregating the same principal amount as the then outstanding unpaid principal amount of Bond so surrendered. The Trustee will not be required to register or transfer any Bond during the period beginning January 15 or July 15 next preceding any interest payment date with respect thereto. If any such Bond is called for redemption, the Trustee will not be required to register, transfer or exchange such Bond during the period beginning 45 days next preceding the redemption date with respect thereto.

Redemption Provisions

Optional Redemption. Those of the Series 2025 Bonds maturing or being subject to mandatory redemption on February 1, 2036, and on any date thereafter, will be subject to redemption, at the option of the Authority (which shall be evidenced by the direction of the City) or, while no default by the City exists under the Lease Agreement, at the option of City exercised by the City on behalf of the Authority, as a whole or in part (but if in part only in installments of \$5,000 or any integral multiple thereof and in such maturities as the Authority or the City, as the case may be, shall designate, and if less than all the Series 2025 Bonds of a single maturity are to be redeemed, those to be called for redemption shall be selected by the Trustee by lot) on February 1, 2035, and on any date thereafter, such redemption to be at and for a redemption price for each Series 2025 Bond redeemed equal to the par or principal amount to be redeemed plus accrued interest thereon to the redemption date.

Mandatory Redemption. Those of the Series 2025 Bonds having a stated maturity in 2043 will be subject to mandatory redemption on February 1 in the following years and in the following aggregate principal amounts at a redemption price for each such Series 2025 Bond redeemed equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption:

Year (February 1)	Amount to be Redeemed
2041	\$245,000
2042	255,000
2043 (maturity)	265,000

Those of the Series 2025 Bonds having a stated maturity in 2047 will be subject to mandatory redemption on February 1 in the following years and in the following aggregate principal amounts at a redemption price for each such Series 2025 Bond redeemed equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption:

Year (February 1)	Amount to be Redeemed
2044	\$275,000
2045	290,000
2046	300,000
2047 (maturity)	315,000

Those of the Series 2025 Bonds having a stated maturity in 2052 will be subject to mandatory redemption on February 1 in the following years and in the following aggregate principal amounts at a redemption price for each such Series 2025 Bond redeemed equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption:

Year (February 1)	Amount to be Redeemed
2048	\$330,000
2049	345,000
2050	360,000
2051	375,000
2052 (maturity)	390,000

In the event the City or the Authority shall have caused to be partially redeemed Series 2025 Bonds or shall have provided for a partial redemption of Series 2025 Bonds in such a manner that, under the provisions of the Indenture, the Series 2025 Bonds for the redemption of which provision is made are considered as fully paid, the City, on behalf of the Authority, may elect to apply all or any part (but only in integral multiples of \$5,000) of the principal amount of such Series 2025 Bonds so redeemed or to be redeemed to the reduction of the principal amount of Series 2025 Bonds required to be redeemed pursuant to the schedule set forth immediately above on any February 1 coterminous with or subsequent to the date such optional redemption actually occurs. Such notice shall be deemed effective only if it is given prior to the Trustee having given notice of redemption contrary to the provisions of such notice pursuant to the provisions of the Indenture.

Extraordinary Redemption. The Series 2025 Bonds will be subject to redemption as a whole only at any time, at and for a redemption price equal to the principal amount thereof plus accrued interest thereon to the

redemption date, but only in the event of the taking by eminent domain of all or substantially all the Facility or the exercise by the City of its right under the Lease to require the Authority to redeem and retire all Bonds then outstanding under the Indenture, which right shall be exercisable only if (a) any part of the Facility is damaged or destroyed to such extent that, in the opinion of an independent engineer, (i) the Facility cannot reasonably be restored to the condition thereof immediately preceding such damage or destruction within a period of six (6) consecutive months, (ii) the City will thereby be prevented, or is likely to be thereby prevented, from using the Facility for a period of not less than six (6) consecutive months, or (iii) the cost of restoration thereof would exceed the sum of the net insurance proceeds referable to such damage or destruction; or (b) title to, or the temporary use of, any part of the Facility is taken under the exercise of the power of eminent domain by any governmental authority or person, firm or corporation acting under governmental authority and such taking or takings result (or, in the opinion of an independent engineer are likely to result) in the City being thereby prevented from using the Facility for a period of not less than six (6) consecutive months; or (c) as a result of any changes in the Constitution of the State of Alabama or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal), entered after the contest thereof by the City in good faith, the Lease becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed herein or unreasonable burdens or excessive liabilities are imposed on the Authority or the City.

Notice of Redemption of Series 2025 Bonds. Notice of the proposed redemption (other than mandatory redemption) of any of the Series 2025 Bonds prior to their respective stated maturities will be given, not more than 60 nor less than 30 days prior to the proposed redemption date, by registered or certified mail to the registered holders of any Series 2025 Bonds called for redemption. If on the applicable redemption date the redemption price of any Series 2025 Bond (or portion thereof) duly called for redemption is on deposit at the principal corporate trust office of the Trustee, such Series 2025 Bond (or portion thereof) will cease to bear interest on such date.

PLAN OF FINANCING

Simultaneously with the issuance of the Series 2025 Bonds, the Authority will deposit the proceeds of the Series 2025 Bonds into a special fund or account designated by the City to be used to reimburse the City for cash payments made by the City to complete construction of the Facility (the "Reimbursement Fund"). Such proceeds will also be used to pay the costs of issuing the Series 2025 Bonds.

SECURITY

Limited Obligation. The Series 2025 Bonds will be limited obligations of the Authority payable solely from rental income derived by the Authority from the City under the Lease, except to the extent that they may be paid out of income from investments or, under certain circumstances, proceeds of insurance or condemnation awards respecting the Facility. See "THE CITY OF HUNTSVILLE" herein, and other information in this appendix respecting the City. See also APPENDIX G – "AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023" for additional information respecting the City and its finances.

Lease Term. The term of the Lease in effect upon issuance of the Series 2025 Bonds will expire on September 30, 2025 (the "Current Term"). So long as any of the Series 2025 Bonds remain outstanding and unpaid, the City will have the option to renew the Lease for successive terms of one year, commencing on October 1 and ending on September 30 of the next succeeding calendar year, which terms of one year coincide with the fiscal year of the City (any such term being herein called a "Renewal Term"). Neither any provision of the Lease, nor any other action taken by the City in connection with the issuance and sale of the Series 2025 Bonds, obligates the City to renew the Lease for any Renewal Term after the expiration of the Current Term, or after the expiration of any Renewal Term for which the City may have renewed the Lease, nor obligates the City to make any rental payment or perform any agreement under the Lease with respect to any fiscal year during which the Lease may be in effect except out of the revenues of the City for the same fiscal year.

Subject to the terms of the Indenture, the Authority will, for the benefit of the holders of the Series 2022 Bonds and the Series 2025 Bonds, and to secure payment of the principal thereof and the interest and premium (if any) thereon, assign and pledge to the Trustee:

- (i) all rents, rentals and other receipts from the Facility, and

(ii) all right, title and interest of the Authority in and to the Lease insofar as such right, title and interest pertain to (a) the obligation of the City with respect to the use, maintenance and preservation of the Facility, and (b) the right to receive and collect all rents and other payments due from the City under the Lease.

As further security for the payment of the principal of and the interest (and premium, if any) on all Bonds issued under the Indenture (i.e., the Series 2022 Bonds, the Series 2025 Bonds and any Additional Parity Bonds hereinafter issued under the Indenture), the Indenture will constitute a non-foreclosable mortgage on the Facility and the equipment and furnishings forming a part thereof and on the real property on which the Facility is located and all other buildings and improvements now or hereafter constructed or situated on said real property, subject to "Permitted Encumbrances" (as that term is defined in the Indenture).

The Lease will require the City to pay rent (directly to the Trustee for the account of the Authority) during each fiscal year of the City during which the Lease shall be in effect in an amount sufficient to pay the principal of and interest on the Series 2022 Bonds and on the Series 2025 Bonds that will become due during such fiscal year. During the Current Term, and during each Renewal Term (if any) of the Lease, the obligations of the City to pay rent and to make all other payments provided for in the Lease, and to perform the other agreements on its part contained therein, shall constitute limited obligations of the City payable solely out of the current revenues of the City received during such Current Term and such Renewal Term (if any), as the case may be.

The Series 2025 Bonds will not be general obligations of the Authority, and the covenants and representations contained in the Series 2025 Bonds and in the Indenture do not and will not constitute a liability or charge against the general credit of the Authority. The Series 2025 Bonds will not be obligations or debts of the City or any other political subdivision or instrumentality of the State of Alabama other than the Authority, and except for the obligation of the City to pay rentals in respect to the Series 2025 Bonds coming due during the Current Term, or during any Renewal Term for which the Lease shall be in effect, neither the City nor any such political subdivision or instrumentality, other than the Authority, shall in any manner be liable for the payment of the principal of or the interest on the Series 2025 Bonds or for the performance of the undertakings of the Authority contained in the Series 2025 Bonds or in the Indenture.

Additional Parity Bonds. The Indenture authorizes the Authority to issue additional bonds ("Additional Parity Bonds"), secured on a parity of lien with the Series 2022 Bonds, the Series 2025 Bonds, and any other Bonds outstanding under the Indenture, for any purpose for which the Authority may issue its bonds under the provisions of the Act. As conditions precedent to the issuance of such Additional Parity Bonds, the Authority will be required to furnish to the Trustee, among other things:

(a) A supplemental indenture authorizing such Additional Parity Bonds and specifying the details with respect thereto;

(b) A certificate signed by the Mayor, the City Clerk or the Finance Director of the City stating that there has been no default in the payment of any amounts required to be paid under the Lease; and

(c) A supplemental lease between the Authority and the City containing the following:

(i) an agreement that such supplemental lease agreement shall be in effect for a primary term beginning on the date of its delivery and ending on the date on which the then current fiscal year of the City will end,

(ii) an agreement by the City to pay, for the then-current term of the Lease and for each Renewal Term, on or before the first day of each such term, additional, supplemental or changed rent in an amount sufficient to provide for the payment of the principal of and the interest on such Additional Parity Bonds becoming due during each such term, and

(iii) in the event the last maturity of such Additional Parity Bonds is subsequent to the last maturity of the Bonds then outstanding under the Indenture, provisions enabling the City to renew, at its option, the Lease for such additional consecutive one-year Renewal Terms as may be necessary to cause the last of such terms to commence on the October 1 next preceding the last maturity of such Additional Parity Bonds.

Additional Parity Bonds, irrespective of when issued, shall have the same priorities and be entitled to the same security, with respect to both the lien of the Indenture and the pledge of the rentals and other revenues of the Authority from the Facility, as the Series 2025 Bonds.

Prospective investors in the Series 2025 Bonds should examine the Base Lease and the form of First Supplemental Lease to be entered upon issuance of the Series 2025 Bonds. See also APPENDIX H – "The Base Lease and the FORM OF FIRST SUPPLEMENTAL LEASE" hereto.

ESTIMATED SOURCES AND USES OF PROCEEDS

The Authority expects that the proceeds from the sale of the Series 2025 Bonds will be applied substantially as follows:

Sources	
Par amount	\$6,305,000.00
Plus Net Original Issue Premium	200,353.20
Total Sources	\$6,505,353.20
Uses	
Construction Costs of the Facility	\$6,350,000.00
Costs of Issuance ⁽¹⁾	155,353.20
Total Uses	\$6,505,353.20

⁽¹⁾ Includes underwriting discount, financial advisory fee, rating agency fees, legal, trustee's, printing and other issuance costs

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

The following, in addition to certain information hereinabove contained, summarizes certain provisions of the Lease (i.e., the Base Lease, as supplemented and amended by the First Supplemental Lease). Prospective investors in the Series 2025 Bonds should carefully examine all terms of the Base Lease and of the First Supplemental Lease as shown in the copy of the Base Lease and in the form of First Supplemental Lease attached hereto. See APPENDIX H – "THE BASE LEASE AND THE FORM OF FIRST SUPPLEMENTAL LEASE".

Current Term of Lease; Renewal Terms

The City leases the Facility from the Authority, on a year-to-year basis, under the Base Lease, which Base Lease will be supplemented and amended by the First Supplemental Lease dated the date of the Series 2025 Bonds (the "First Supplemental Lease" and, together with the Base Lease, the "Lease"). The term of the Lease in effect at the time of issuance of the Series 2025 Bonds expires on September 30, 2025 (the "Current Term"). So long as any of the Series 2025 Bonds remain outstanding and unpaid, the City will have the option (but will not be required) to renew the Lease for successive terms of one year each (each hereinabove defined as a "Renewal Term"). Each Renewal Term will commence on October 1 and end on September 30 of the immediately succeeding calendar year (which terms of one year coincide with the fiscal year of the City). Such option to renew the Lease for a Renewal Term shall be deemed to have been exercised, and shall be automatically exercised, for a fiscal year in any of the following circumstances:

- (a) if the City continues in occupancy of the Facility on the first day of such fiscal year;
- (b) if, on or prior to the first day of such fiscal year, the governing body of the City shall adopt a resolution electing to exercise such option for such fiscal year; or

(c) if the City elects to pay all or any part of the Basic Rent referable to such fiscal year prior to the commencement thereof.

Neither any provision of the Lease, nor any other actions taken by the City in connection with the issuance and sale of the Series 2025 Bonds, will obligate the City to renew the Lease for any Renewal Term after the expiration of the Current Term, or after the expiration of any Renewal Term.

Rental Provisions

General. The Lease requires the City to make, for each fiscal year during which the Lease shall be in effect, rental payments directly to the Trustee for the account of the Authority.

Rent for Renewal Terms. At the beginning of each Renewal Term for which the City may renew the Lease, the Lease will obligate the City to make rental payments (which rent is herein called the "Basic Rent") with respect to the Series 2022 Bonds and the Series 2025 Bonds in an amount sufficient to provide for the payment of the principal of and the interest on the Series 2022 Bonds and the Series 2025 Bonds due during such Renewal Term. The rent due during each Renewal Term in respect of the Series 2022 Bonds and the Series 2025 Bonds shall be an amount which, when added to the amount then on deposit in the Debt Service Fund from whatever source derived, but exclusive of any amount held therein for payment of matured but unrepresented bonds and bonds called for redemption and not yet presented, equals:

(a) the principal (if any) that will mature with respect to the Series 2022 Bonds and the Series 2025 Bonds on the next succeeding February 1, and

(b) the interest with respect to the Series 2022 Bonds and the Series 2025 Bonds that will mature on the next succeeding February 1 and August 1.

The Lease will require that the Basic Rent shall be paid directly to the Trustee not later than 15 days prior to each February 1 and August 1.

Other Rent Payments. As additional rent under the Lease, the City will also be obligated to pay directly to the Trustee the fees, charges, expenses and disbursements of the Trustee in connection with the performance of its duties under the Indenture. Such rent is not pledged to or otherwise available for payment of debt service on the Series 2022 Bonds and the Series 2025 Bonds.

Obligations of the City under the Lease

The Lease will provide that the obligations of the City to pay the Basic Rent, to make all other payments provided for in the Lease and to perform and observe the other agreements and covenants on its part therein contained will, during the Current Term and during any Renewal Term for which the Lease may be renewed by the City, constitute limited obligations of the City payable or otherwise dischargeable solely out of the City's current revenues for the fiscal year of the City during which the City becomes obligated to pay or discharge such obligations. The Lease will expressly provide that nothing contained therein shall be construed as imposing upon the City any obligation to pay or otherwise provide for the retirement of the Series 2022 Bonds or the Series 2025 Bonds, or to renew the Lease for one or more Renewal Terms.

Operation, Maintenance, Modification and Insurance of the Facility

During the Current Term of the Lease, and during any Renewal Term of the Lease, the City will be solely responsible for the operation, maintenance, upkeep and insuring of the Facility. See APPENDIX H – "THE BASE LEASE AND THE FORM OF FIRST SUPPLEMENTAL LEASE".

Damage to or Destruction of Facility

The Lease provides that if the Facility is damaged or destroyed, in whole or in part, the insurance proceeds, up to the amount (together with interest earnings on such amount) necessary to cause the Series 2022 Bonds and the Series 2025 Bonds to be deemed no longer outstanding under the Indenture, shall be paid to the Trustee and

that if, in such event, the City is not entitled to exercise its right under the Lease to require the Authority to redeem all bonds outstanding under the Indenture (see "THE SERIES 2025 BONDS" – "Redemption Provisions" and "Extraordinary Redemption" herein), or being so entitled, does not exercise such right, the Authority will cause the property damaged or destroyed to be repaired, rebuilt or restored in accordance with the directions of the City, and the Trustee will apply all insurance proceeds referable thereto for such purposes. The Lease will not obligate the City to pay any costs of such repair, rebuilding or restoration that are in excess of the insurance proceeds available therefor. If the insurance proceeds exceed the costs of such repair, rebuilding or restoration, such excess shall be paid into the Debt Service Fund and applied to the redemption of Bonds on the earliest date on which they are by their terms subject to redemption.

Condemnation of Facility

The Lease will require that in the event the Facility or any part thereof is taken by eminent domain proceedings, the entire condemnation award shall be paid to the Trustee. If all or substantially all the Facility is taken and the City does not exercise its right under the Lease to require the Authority to redeem all bonds outstanding under the Indenture, the Lease will terminate as of the date the condemning authority enters into possession of the Facility and the Trustee will, under the terms of the Lease and the Indenture, be required to apply the condemnation award to the earliest practicable retirement of the Series 2022 Bonds, the Series 2025 Bonds, and any other Additional Bonds outstanding under the Indenture; provided, that the condemnation award plus all other funds held by the Trustee in the special trust funds created under the Indenture are sufficient to provide for the retirement of all such bonds. If, however, the total of the condemnation award and the amounts on deposit in such special funds is not sufficient to provide for the retirement of all such Bonds, the Trustee will apply such total funds available ratably among the Series 2022 Bonds, the Series 2025 Bonds, and any other Additional Parity Bonds then outstanding to principal and interest then due and unpaid respecting such Bonds. In the event of such a taking of the Facility, the City will not be obligated to provide any funds that may be needed to redeem all Bonds of the Authority outstanding under the Indenture. The Lease will provide that if less than all or less than substantially all of the Facility is taken and if the City is not entitled to exercise its right to require the Authority to redeem all Bonds outstanding under the Indenture, or being so entitled, does not exercise such right, the Authority will restore or rearrange the Facility in accordance with the directions of the City, and the Trustee will apply the condemnation award to payment of the costs of such restoration or rearrangement. The Lease will not obligate the City to pay any costs of such restoration or rearrangement that are in excess of the condemnation award. If the condemnation award exceeds the costs of such restoration or rearrangement, such excess shall be paid into the Debt Service Fund and applied to the redemption of Bonds on the earliest date on which they are by their terms subject to redemption.

Certain Covenants of the City

General. The City will agree in the Lease (i) that it will not do or permit anything to be done in or about the Facility that will impair or contravene any policies of insurance carried on the Facility against loss or damage, and (ii) that it will, in the use of the Facility, comply with all applicable lawful requirements of all governmental bodies.

Indemnification of Authority. The City will agree in the Lease to indemnify the Authority, to the extent permitted by applicable law, against loss or damage caused or resulting from any defect in the Facility, and it will further agree to insure any liability for which it shall be obligated to indemnify the Authority; provided, that the City will have no indemnity liability under the Lease unless such liability is fixed during a period in which the Lease is in effect and then only out of current revenues.

Inspection of Facility. The City will agree in the Lease to permit the Authority, the Trustee and their duly authorized agents to inspect the Facility at all reasonable times.

Covenant Not to Acquire, Use or Construct New Facilities Useful for the Purposes for which the Facility is to Be Used. In the Lease, the City will covenant that during any period in which the Series 2025 Bonds are outstanding and the City has not renewed the term of the Lease, the City will not construct any new facilities, or lease any new space, in any building, structure or other facility in or about the City for the same purpose for which the Facility was leased except pursuant to a supplemental lease agreement entered into between the City and the Authority pursuant to the provisions of the Indenture. The City currently owns and operates, and leases space within, other facilities in the City in which city hall operations (including, without limitation, headquarter facilities for the operations of Huntsville Utilities and other facilities for the conduct of business and operations of the City) and related parking are conducted and, in the future, will be conducted. Anything in the foregoing to the contrary notwithstanding,

the City reserves the right to continue the conduct of such business, operations and activities in such other facilities without regard to the Lease, the Indenture, or the Series 2025 Bonds.

Right of the City to Require Redemption of Series 2025 Bonds

The Lease gives the City the right to require the redemption of the Series 2022 Bonds, the Series 2025 Bonds, and any other Additional Parity Bonds outstanding under the Indenture if any of the following events shall have occurred:

(a) The Facility or any part thereof is damaged or destroyed to such extent that, in the opinion of an independent engineer expressed in a written certificate (such certificate to be filed with the Authority and the Trustee), the property so damaged or destroyed cannot reasonably be restored within a period of six (6) consecutive months to the condition thereof immediately preceding the event causing such damage or destruction, or the City will thereby be prevented, or is likely to be thereby prevented, from using the Facility for a period of not less than six (6) consecutive months, or the cost of restoring the property so damaged or destroyed would exceed the net proceeds of insurance referable to such damage or destruction;

(b) Under the exercise of the power of eminent domain by any governmental authority, (i) title to all or substantially all the Facility is taken, or (ii) the temporary use of all or a part of the Facility or title to part of the Facility is taken, and such taking or takings result (or, in the opinion of an independent engineer expressed in a certificate to be filed with the Authority and the Trustee, are likely to result) in the City being thereby prevented from using the Facility for a period of not less than six (6) consecutive months; or

(c) As a result of any changes in the Constitution of Alabama or the Constitution of the United States of America or as a result of legislative or administrative action (whether state or Federal) or by final decree, judgment or order of any court or administrative body (whether state or Federal) entered after the contest thereof by the City in good faith, the Lease shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties or unreasonable burdens or excessive liabilities shall have been imposed on the Authority or the City.

In order to exercise the right to require the Authority to redeem all bonds outstanding under the Indenture, the City will be required to pay to the Authority an amount which, when added to the total of the amounts then on deposit in the special trust funds created under the Indenture plus the amount of any insurance proceeds or condemnation award in the hands of the Trustee and referable to any damage, destruction or condemnation authorizing the exercise of such right, will be sufficient to pay and redeem (under the extraordinary redemption provisions pertaining to the Series 2022 Bonds, the Series 2025 Bonds, and any Additional Parity Bonds hereafter issued) all such outstanding bonds, including, without limitation, principal, premium (if any), accrued interest, expenses of redemption and the Trustee's fees.

Events of Default and Remedies on Default under the Lease

Under the Lease, a default shall mean any one or more of the following events:

(a) Failure by the City to pay the Basic Rent applicable to the Current Term or applicable to any Renewal Term, or to appropriate funds required to comply with the Lease which failure shall result in moneys on deposit in the Debt Service Fund being insufficient to pay the principal of and interest on the Series 2022 Bonds and the Series 2025 Bonds as the same shall respectively become due and payable;

(b) Failure by the City to observe and perform any covenant or agreement, other than those referred to in clause (a) above, which failure shall have continued for a period of sixty (60) days after written notice, specifying such failure and requiring it to be remedied, has been given the City by the Authority or the Trustee unless (i) the Authority and the Trustee shall agree to an extension of such period prior to its expiration, or (ii) during such period the City shall have commenced and be diligently pursuing action to remedy such failure, or (iii) the City is prevented by force majeure (as defined in the Lease) from remedying such failure; or

(c) Failure of the City to appropriate any amounts due under the Lease for any annual term then in effect.

Whenever any event of default shall have happened and be continuing, the Authority and the Trustee (or the Trustee on behalf of the Authority) may take whatever actions at law or in equity may appear necessary or desirable to collect the rent then due, or to enforce any obligation, covenant or agreement of the City under the Lease.

THE INDENTURE

Prospective investors in the Series 2025 Bonds should carefully examine all terms of the Indenture. See APPENDIX I – "THE BASE INDENTURE AND THE FORM OF FIRST SUPPLEMENTAL INDENTURE" hereto.

CONTINUING DISCLOSURE

General

The City will be deemed an "Obligated Person" respecting the Series 2025 Bonds for purposes of the Rule (defined below). Contemporaneously with issuance of the Series 2025 Bonds, the City will enter into a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Series 2025 Bonds wherein the City will agree to provide annually certain financial information and operating data relating to the City (the "Annual Report") through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board (the "MSRB") (or such other system as may be subsequently authorized by the MSRB).

The specific nature of the information to be contained in the Annual Report or the event notices and the other provisions of the Continuing Disclosure Agreement are summarized in Appendix E – "SUMMARY OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Prior Compliance

The City has entered continuing disclosure agreements for various series of obligations of the City and other obligations for which the City is an obligated person for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission of the United States of America (collectively, the "Prior Undertakings"). In these Prior Undertakings, the City agreed to provide, annually, its audited financial statements and certain financial and operating data relating to the City, and to provide notices of the occurrence of certain events specified therein. During the preceding five years, the City failed to comply with the provisions of the Prior Undertakings, as follows:

During the last five years, the City did not file its audited financial statements for each of the fiscal years ended September 30, 2019, September 30, 2021, September 30, 2022, and September 30, 2023, on or before the due dates therefor as provided in the Prior Undertakings, and also did not timely post certain financial information and operating data for each of the fiscal years ended September 30, 2019, September 30, 2021, September 30, 2022, and September 30, 2023, on or before the due dates therefor as provided in the Prior Undertakings. In addition, the City did not file certain fiscal year 2019 and fiscal year 2020 financial information and operating data tables as required in the Prior Undertakings.

The City did not file certain financial and operational information with respect to its sewer system for the fiscal year ended September 30, 2020 (the obligations for which such filing is required to be made are no longer outstanding), and with respect to certain ad valorem tax information for its fiscal year ended September 30, 2021, until February 22, 2023.

The City did not timely file notice of the issuance of (i) a financial obligation in the form of an up to \$2.0 million Taxable Limited Obligation TIF Warrant, TIF5 – Series 2020-A, dated April 17, 2020, (ii) a financial obligation in the form of an up to \$6.0 million Taxable Limited Obligation TIF Revenue Warrant, TIF-5 – Series 2021-A, dated June 3, 2021, and (iii) a financial obligation in the form of an \$11,000,000 General Obligation Warrant, Series 2023-E, dated August 16, 2023.

Other than audited financial information and financial and operating information not timely filed for the fiscal years ended September 30, 2022 and September 30, 2023, during the last five years the City did not timely file a notice of its failure to file the items described in the preceding paragraphs as required under its Prior Undertakings.

LITIGATION AND OTHER MATTERS

There is no litigation pending or, to the knowledge of the Authority, threatened, contesting the validity of the Series 2025 Bonds or relating to the organization of the Authority, the right of the Authority to construct or finance the Facility, the incumbency of any of the Authority's officers, or the issuance or sale of the Series 2025 Bonds. Simultaneously with the delivery of the Series 2025 Bonds, the Authority will deliver a certificate to the effect that no such litigation is pending or, to the knowledge of the Authority, threatened.

AUDITED FINANCIAL STATEMENTS OF THE CITY

The financial statements of the City described in the following paragraph are included as an appendix to this Official Statement solely to provide financial information concerning such current revenues of the City for the period described below.

The City's financial statements as of and for the fiscal year of the City ended September 30, 2023, included as APPENDIX G – "AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023" to this Official Statement, have been audited by Mauldin & Jenkins, LLC ("Mauldin"), as stated in its report dated July 14, 2023. Mauldin has not been engaged to perform and has not performed, since the date of its report described above, any procedures on the financial statements addressed in its report and included in this Official Statement. Mauldin also has not performed any procedures relating to this Official Statement.

The City's financial statements for prior fiscal years, including without limitation those fiscal years, other than the fiscal year ended September 30, 2021, for which audited financial information is herein provided, were audited by Warren Averett, LLC, Certified Public Accountants, Huntsville, Alabama. Early in the 2022 calendar year the City conducted a request for proposals (the "RFP") respecting auditing services for the City. As a result of that process, the City determined to engage Mauldin to audit the financial statements of the City (other than financial statements respecting operations of Huntsville Utilities, which were not part of the RFP), commencing with the fiscal year ending September 30, 2021.

Mauldin & Jenkins, LLC has not been engaged to perform and has not performed, since the date of its report described above, any procedures on the financial statements addressed in its report and included in this Official Statement. Mauldin & Jenkins, LLC, also has not performed any procedures relating to this Official Statement.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned underlying ratings of "Aa1" and "AA+", respectively, to the Series 2025 Bonds. Such credit ratings reflect only the view of such credit rating agencies, and an explanation of the significance of such credit ratings may be obtained only from the credit rating agencies furnishing the same. There is no assurance that either such credit rating will remain in effect for any given period of time or that either may not be lowered or withdrawn entirely if, in the judgment of the credit rating agency in question, circumstances should warrant such action. Any such downward revision or withdrawal of any credit rating assigned to the Series 2025 Bonds may have an adverse effect on the market price of the Series 2025 Bonds.

FEDERAL BANKRUPTCY ACT

Under certain conditions, title 11 of the United States Code, 11 U.S.C. §§101 et seq. (the "Bankruptcy Code"), permits a municipality to file a petition for relief in federal bankruptcy court to adjust debts under Chapter 9 of the Bankruptcy Code. Debt adjustment may include restructuring, reduction or other impairment of debt, subject to various conditions and limitations set forth in the Bankruptcy Code. Section 101 of the Bankruptcy Code defines "municipality" to mean a political subdivision, public agency or instrumentality of a State. To be eligible to file a Chapter 9 bankruptcy petition under section 109 of the Bankruptcy Code, a municipality must be "specifically authorized, in its capacity as a municipality or by name, to be a debtor under [Chapter 9], or by a governmental officer

or organization empowered by State law to authorize such entity to be a debtor under [Chapter 9]." Section 109 of the Bankruptcy Code imposes additional requirements for a municipality to be eligible to file bankruptcy. Without limitation, the municipality must (a) be insolvent (either unable to pay debts as they come due or generally not paying debts as they come due); (b) desire to effect a debt adjustment plan; and (c) meet certain requirements regarding negotiations with creditors (or certain exceptions to such requirements). Alabama law authorizes municipalities, counties and certain public authorities to file petitions under the Bankruptcy Code. However, there is no legislation currently in effect in Alabama authorizing corporations formed under the Act to file such petitions for relief. Such legislation authorizing public building authorities formed under the Act to file petitions for relief under the Bankruptcy Code may well be enacted by the Legislature of Alabama in the future. The other conditions to eligibility are fact-specific to the time of filing the petition.

Section 922(d) of Chapter 9 of the Bankruptcy Code provides that a bankruptcy petition does not operate as a stay of "application of pledged special revenues" to the payment of indebtedness secured by such revenues in a manner consistent with other provisions of the Bankruptcy Code. Without limitation, Section 928 of the Bankruptcy Code provides that special revenues acquired by the debtor after commencement of a chapter 9 case remain subject to any lien resulting from any security agreement entered into by the debtor before commencement of the case, but further provides that any such lien on special revenues (other than municipal betterment assessments) derived from a project or system shall be subject to "the necessary operating expenses of such project or system." It is not clear whether the pledge of the rentals derived from the Lease made by the Authority for the benefit of the Series 2025 Bonds would constitute "special revenues" as that term is defined in Section 902(2) of the Bankruptcy Code. Moreover, the phrase "application of pledged special revenues" has given rise to arguments that the provisions of Section 922(d) apply only to funds in possession and control of the debtholders, or their trustee. Therefore, it is uncertain whether or not the filing of a Chapter 9 petition would affect application of such rentals for the payment of principal and interest on the Series 2025 Bonds. Similarly, it is uncertain whether Section 928 of the Bankruptcy Code would control the claims of holders of the Series 2025 Bonds with respect to such rentals.

The approving legal opinion of Bond Counsel will contain the customary reservation that the rights of the holders of the Series 2025 Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases. See the proposed form of approving legal opinion set forth in APPENDIX D – "PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE AUTHORITY".

FINANCIAL ADVISOR

PFM Financial Advisors LLC, Huntsville, Alabama (the "Financial Advisor") is serving as financial advisor to the Authority and the City in connection with the issuance of the Series 2025 Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2025 Bonds, and provided other advice to the Authority and the City. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2025 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, and is not obligated to review or ensure compliance with the undertaking by the City to provide continuing secondary market disclosure.

UNDERWRITING

The Series 2025 Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter") at a purchase price of \$6,480,089.00 (which price reflects the original principal amount of the Series 2025 Bonds, plus net original issue premium of \$200,353.20, less an underwriting discount of \$25,264.20). The Series 2025 Bonds may be sold and offered to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the said purchaser.

TAX MATTERS

General

In the opinion of Bond Counsel to the Authority, under the Internal Revenue Code of 1986, as

amended (the "Code"), as presently construed and administered, and assuming compliance by the Authority with its covenants pertaining to certain requirements of federal tax law that are described herein and set forth in the Indenture and in the Tax Compliance Agreement and Certificate executed by the Authority in connection with the issuance of the Series 2025 Bonds, the interest on the Series 2025 Bonds will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code, and the interest on the Series 2025 Bonds will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code.

Bond Counsel to the Authority expresses no opinion regarding any other federal or any state tax consequences with respect to the Series 2025 Bonds. Bond Counsel to the Authority renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel to the Authority expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

Bond Counsel to the Authority is also of the opinion that interest on the Series 2025 Bonds is exempt from present state income taxation under the laws of the State of Alabama as enacted and construed on the date of issuance of the Series 2025 Bonds.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2025 Bonds. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a Series 2025 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2025 Bonds.

Prospective owners of the Series 2025 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the Series 2025 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Premium

The initial public offering price to be paid for certain of the Series 2025 Bonds (the "Original Issue Premium Bonds") is greater than the principal amount thereof. Under existing law, any owner who has purchased an Original Issue Premium Bond in the initial public offering of the Series 2025 Bonds is required to reduce his basis in such Original Issue Premium Bond by the amount of premium allocable to periods during which he holds such Original Issue Premium Bond, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Bond and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Bond.

Original Issue Discount

The initial public offering price to be paid for certain of the Series 2025 Bonds (the "Original Issue Discount Series 2025 Bonds") is less than the principal amount thereof. Under existing law, the difference between (i) the amount payable at the maturity of each Original Issue Discount Series 2025 Bond, and (ii) the initial offering price to the public of such Original Issue Discount Series 2025 Bond constitutes original issue discount with respect to such Original Issue Discount Series 2025 Bond in the hands of any owner who has purchased such Original Issue Discount Series 2025 Bond in the initial public offering of the Series 2025 Bonds. Such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Series 2025 Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Series 2025 Bond continues to be owned by such owner. In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Series 2025 Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Series 2025 Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Series 2025 Bond was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Series 2025 Bond is accrued daily to its stated maturity (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary date of the Series 2025 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Series 2025 Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other taxable disposition thereof. The amount (if any) to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods (if any) multiplied by the yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such bonds.

The federal income tax consequences of the purchase, ownership, redemption, sale or other

disposition of Original Issue Discount Series 2025 Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Series 2025 Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Series 2025 Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Discount Series 2025 Bonds.

Future Tax Legislation

There can be no assurance that additional legislation will not be introduced or enacted after issuance and delivery of the Series 2025 Bonds so as to cause interest on the Series 2025 Bonds to be or become included in gross income for purposes of federal income taxation or to impose additional requirements as a condition to the exclusion of such interest from gross income, nor that the introduction or enactment of any such legislation will not adversely affect the marketability of the Series 2025 Bonds.

Post-Issuance Compliance

The tax-exempt status of the Series 2025 Bonds could be affected by post-issuance events. Various requirements of the Code must be observed or satisfied after the issuance of the Series 2025 Bonds in order for such interest to remain excludable from gross income of the holders thereof. These requirements include restrictions on use of the proceeds of the Series 2025 Bonds, use of the facilities financed by the Series 2025 Bonds, investment of proceeds of the Series 2025 Bonds, and the rebate of so-called excess arbitrage earnings. The Authority is primarily responsible for such compliance, and a failure to comply could result in the inclusion of interest on the Series 2025 Bonds in gross income retroactive to the date of issuance of the Series 2025 Bonds.

Likewise, the Internal Revenue Service (the "IRS") conducts an audit program to examine compliance with the requirements applicable to tax-exempt obligations. If the Series 2025 Bonds become the subject of an audit, under current IRS procedures, the Authority would be treated as the taxpayer in the initial stages of the audit, and the owners of the Series 2025 Bonds would have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2025 Bonds could adversely affect the market value and liquidity of the Series 2025 Bonds, even though no final determination about the tax-exempt status would have been made. If an audit were to result in a final determination that the Series 2025 Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2025 Bonds.

Series 2025 Bonds are not Bank Qualified

The Series 2025 Bonds have not been designated as "qualified tax-exempt obligations" under Section 265 of the Code.

No Mandatory Redemption due to Event of Taxability

The Indenture does not provide for mandatory redemption of the Series 2025 Bonds or payment of any additional interest or penalty if a determination is made that the Series 2025 Bonds do not comply with the existing requirements of the Code or if a subsequent change in law adversely affects the tax-exempt status of the Series 2025 Bonds or the economic benefit of investing in the Series 2025 Bonds.

LEGAL MATTERS

The legality and validity of the Series 2025 Bonds will be approved by Bradley Arant Boult Cummings LLP, Bond Counsel to the Authority, whose approving opinion will be in substantially the form attached hereto as Appendix D – "PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE AUTHORITY". Bond Counsel's participation in connection with the issuance of the Series 2025 Bonds is limited to the preparation of certain legal documents and supporting certificates, to a review of the transcript of proceedings by which the Series 2025 Bonds have been authorized to be issued and to the issuance of an approving opinion in substantially the form set forth in Appendix D hereto.

APPENDIX A
CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION OF THE CITY OF HUNTSVILLE

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CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION
OF THE CITY OF HUNTSVILLE

General Information

The City of Huntsville (the "City"), the county seat of Madison County (the "County"), was incorporated in 1811 and is one of the oldest incorporated municipalities in the State of Alabama (the "State"). Centrally situated in the Tennessee River Valley of north Alabama (the Tennessee River being the southern boundary of Madison County), the City is located approximately 95 miles north of Birmingham, approximately 103 miles south of Nashville, Tennessee, and approximately 180 miles northwest of Atlanta, Georgia.

The City is the central economic base of the State's second largest Metropolitan Statistical Area ("MSA") and is the economic engine for the Northern Alabama and Southern Tennessee region. The eight counties adjoining Huntsville/Madison County form a thriving regional market.

Initially, the City prospered as a commercial center in an agricultural area and grew from the manufacture of cotton goods, flour, shoes, lumber, pumps and other products. During World War II, the construction of two arsenals -- Huntsville and Redstone -- gave the City new military and strategic importance as a principal manufacturing site of chemical artillery shells and explosives. Although arsenal activities were sharply curtailed during the immediate postwar period, in 1950 the U.S. Army transferred its missile experts, including the late Dr. Werner Von Braun and a team of German rocket scientists, to the City.

Following the successful launching of a Jupiter C missile in 1958, the U.S. Army's missile program and the Marshall Space Flight Center for the newly created National Aeronautics and Space Administration were located in the City. As a result, the City experienced a rapid influx of population during the decades of the 1950's and 1960's. Beginning in the mid-1960s, cutbacks in the space program slowed growth in Huntsville. However, the 1980 Census showed that the City maintained strong economic indicators and a youthful, well-educated labor force. As the City's economy began to diversify in the 1980's, recovery was swift.

Since the space race of the 1960's, Huntsville has well over doubled in population and quadrupled in square miles. The past four decades have seen significant growth in population increasing by more than 95,000 residents. Between 2000 to 2010, the MSA grew by approximately 20.1%. Based on the 2020 U.S. Census Bureau estimates, Huntsville is now the most populous city in Alabama. The total population for the City of Huntsville as of October 1, 2024 was 227,571, which is an increase of 5.84% from the 2020 Census total of 215,006. The Huntsville MSA was 491,723 according to the 2020 Census Bureau estimates which ranks it second behind the Birmingham MSA. Since 2010, Huntsville has added 45,459 people.

Population Characteristics.

Income, education, and employment levels are all substantially higher in Huntsville than in the state of Alabama and compare favorably to national and regional indices. The Huntsville economy is one of the strongest economies in the Southeast, marked by low unemployment, steady job growth, and income levels that regularly lead the region. Huntsville compares favorably in numerous categories to some of the leading cities in the Southeast and Southwest United States. The local unemployment rate continues to remain below state and national figures. A growing employment rate, while the population is growing, is a positive sign for local business conditions. The median family income of Huntsville residents still exceeds national and state figures.

Annual Unemployment Rate

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	7.0%	3.0%	2.7%	6.2	4.1	2.9	3.3
Charlotte, NC	11.7	3.8	3.5	7.3	4.0	3.4	3.2
Durham, NC	8.1	3.5	3.3	6.1	4.1	3.2	3.0
Huntsville, AL	8.6	3.5	2.6	4.6	2.6	2.1	2.1
Raleigh, NC	8.6	3.5	3.4	6.4	2.5	3.1	3.0
State of Alabama	10.5	3.9	3.0	5.9	3.4	2.6	2.5
United States	9.6	3.9	3.7	8.1	5.3	3.6	3.6

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics as of June 2024

Total Employment

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	785,600	1,075,600	1,118,000	1,086,100	1,165,700	1,329,400	1,346,400
Charlotte, NC	954,200	1,208,100	1,238,200	1,190,700	1,243,800	1,371,600	1,351,000
Durham, NC	270,700	321,300	328,400	315,400	334,400	349,400	346,800
Huntsville, AL	210,000	238,700	245,200	240,900	251,400	273,700	276,500
Raleigh, NC	500,100	630,200	645,900	624,100	660,500	725,200	728,100
State of Alabama	1,890,300	2,044,800	2,074,800	1,986,100	2,039,700	2,161,600	2,161,800
United States	130,362,000	148,908,000	150,905,000	142,185,000	146,124,000	156,945,000	158,269,000

Source: Bureau of Labor Statistics, Current Employment Statistics, Total Nonfarm Employment (place of work), not seasonally adjusted, as of July 2024

Effective Buying Income

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	\$42,416	\$63,191	\$65,950	\$69,001	\$71,186	\$80,412	\$80,284
Charlotte, NC	43,190	49,3979	55,207	56,503	58,317	64,728	65,492
Durham, NC	39,488	49,272	50,933	55,588	56,892	63,495	65,010
Huntsville, AL	39,012	52,968	54,391	56,279	57,815	64,553	66,243
Raleigh, NC	43,455	57,962	63,501	66,090	67,491	74,646	74,637
State of Alabama	34,387	42,756	43,671	45,649	46,504	50,511	52,353
United States	43,252	50,735	52,133	55,303	56,790	64,448	65,326

Source: Nielson/Claritas Survey of Buying Power/Median Household Effective Buying Income, as of October 2024

Mean Annual Wage

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	\$46,130	\$53,810	\$55,190	\$57,830	\$60,260	\$63,890	\$69,150
Charlotte, NC	44,630	51,000	52,150	55,330	57,270	60,550	64,440
Durham, NC	53,220	59,940	61,220	64,430	68,710	71,720	75,590
Huntsville, AL	48,080	55,630	55,980	58,730	61,140	63,790	67,120
Raleigh, NC	44,810	52,580	54,850	56,720	58,550	62,500	66,230
State of Alabama	38,590	44,790	44,930	46,840	48,110	50,620	53,400
United States	44,410	51,960	53,490	56,310	58,260	61,900	65,470

Source: Bureau of Labor Statistics, May 2022 Occupational Employment Statistics

Per Capita Personal Income by Metropolitan Area

MSA	2010	2018	2019	2020	2021	2022
Austin, TX	\$32,862	\$60,764	\$62,460	\$64,913	\$71,372	\$75,119
Charlotte, NC	30,996	52,232	54,086	56,682	62,056	65,156
Durham, NC	31,215	52,243	54,408	56,703	63,375	63,799
Huntsville, AL	28,672	50,044	52,208	55,126	57,815	59,677
Raleigh, NC	34,450	56,139	58,147	60,884	66,428	70,628
State of Alabama	33,696	42,240	44,145	46,479	49,769	51,982
United States	40,278	54,098	56,047	59,510	64,143	66,625

Source: Bureau of Economic Analysis, November 2023 Metropolitan Statistical Area BEARfacts,

As of June 2024, The U.S. Department of Housing and Urban Development estimates that the median family income of families in the United States for 2023 was \$96,200, for families in Alabama is \$79,600, and for families in the Huntsville MSA is \$108,200.

Professional & Business Service Employment

MSA	2010	2018	2019	2020	2021	2022	2023
Austin, TX	113,100	187,700	198,000	199,300	258,800	283,100	286,700
Charlotte, NC	145,700	206,700	212,700	207,700	222,200	226,700	228,900
Durham, NC	35,300	44,800	45,500	46,100	57,000	60,200	61,700
Huntsville, AL	49,200	57,400	60,000	60,800	64,500	68,700	68,900
Raleigh, NC	85,700	120,200	124,100	125,400	136,400	146,800	145,200
Alabama	209,500	245,100	251,100	242,000	259,600	267,100	269,500
United States	16,728,000	20,950,000	21,274,000	20,246,000	22,202,000	22,907,000	22,965,000

Source: Bureau of Labor Statistics, Current Employment Statistics as of July 2024

Population Growth

According to the 2020 Federal Decennial Census 2023 population estimates, the City is both the largest municipality in Madison County and in the State, surpassing the City of Mobile in 2016, the City of Montgomery in 2018, and the City of Birmingham in 2021. Madison County is the third largest county in the State as well. The following table depicts the history of population growth in Madison County, the City of Huntsville, and the Huntsville MSA since 1980. The Huntsville Metro area includes Madison, Limestone and Morgan Counties.

Census	Madison County	City of Huntsville	Huntsville Metro Area (MSA)
1980	196,966	145,604	242,971
1990	238,912	159,789	293,047
2000	276,700	156,216	343,798
2010	336,138	180,924	419,279
2011*	340,111	182,354	425,480
2012*	343,080	183,463	429,876
2013*	346,892	185,662	435,275
2014*	350,299	187,506	440,212
2015*	353,089	189,975	444,373
2016*	356,967	191,956	449,232
2017*	361,046	194,585	455,448
2018*	367,004	198,125	455,448
2019*	372,909	200,574	466,377
2020	389,696	215,043	494,018
2021*	395,211	216,963	502,728
2022*	403,565	222,363	514,465
2023*	412,600	227,571	527,254

* U.S. Census Bureau estimates

Source: U.S. Census Bureau (www.census.gov) as of October 2024

Major Economic Activity

Huntsville has experienced a rapid population rise in the last two decades. With multiple established economic cornerstones in our community like Redstone Arsenal, Huntsville Hospital, and NASA Marshall Space Flight Center, the City remains poised to continue strong growth in all economic sectors. The growth brings financial stimulus and adds revenues as well as increased need for public services provided by the City. However, within the opportunities and challenges, the City has seen financial stability through sound fiscal policy, conservative fiscal practices, and strong economic activities.

The City not only brought industry, federal funding, and commercial employers to the area, but worked to raise the standard quality of life. Recreation and transportation projects which attracted people to live in the City, were prioritized, which caused population expansion in the area, increasing revenue and creating energy that drives economic expansion.

Economic Diversification. Federally funded space and defense programs have a significant impact on the Huntsville region. However, economic analysts for local organizations such as the Huntsville/Madison County Chamber of Commerce and the Alabama State Employment Service point to the increasing shares of trade and services employment as indications that the economy has become more diversified. In addition, the education and technical skills associated with the space and defense programs in the region have been applied in the private sector, as evidenced by the success of numerous high-technology firms that originated in Huntsville. Such firms include: Sanmina/SCI Systems, a Fortune 500 computer manufacturer established in Huntsville in 1961; Intergraph Corporation, a computer graphics firm established in Huntsville in 1969; Nichols Research Corporation, a diversified computer services firm established in 1976 which later merged with Computer Sciences Corporation in 1999 and later merged with DXC Technology in 2017; ADTRAN, Inc., a telecommunications firm founded in 1985; Avocent, a leading provider of KVM switching and remote access devices which was acquired in 2010 by Emerson; Dynetics, an information technology company providing services to the U.S. Government and others since 1974, headquartered in Huntsville; Digium, Inc., established in 1999 and headquartered in Huntsville, which created, owns and is the innovative force behind Asterisk, the most widely used open-source telephony software in the world; Nektar Therapeutics, with headquarters in San Francisco and locations in Huntsville and India, a clinical-stage biopharmaceutical company developing a pipeline of drug candidates that utilize its PEGylation and polymer conjugate technology platforms, which are designed to improve the benefits of drugs for patients; and DIATHERIX Laboratories, Inc., headquartered in Huntsville, which provides clinical laboratory services on a multiplexing platform for the detection of infectious diseases.

HudsonAlpha Institute for Biotechnology is a nonprofit institute dedicated to innovating in the field of genomic technology and sciences across a spectrum of biological problems. HudsonAlpha has a four-fold mission of conducting genomics-based research to improve human health and well-being; implementing genomic medicine, sparking economic development; and providing educational outreach to nurture the next generation of biotech researchers and entrepreneurs, as well as to create a biotech literate public. Since opening in 2008, HudsonAlpha, under the leadership of Dr. Richard M. Myers—a key collaborator on the Human Genome Project—has built a name for itself in genetics and genomics research and biotech education.

HudsonAlpha's 270,000 square-foot facility is the cornerstone of the 152-acre Cummings Research Park Biotechnology Campus. Currently, more than 40 biotechnology businesses reside within the nonprofit institute on the campus and together these organizations employ over 1,100 individuals. This synergistic cluster of life sciences talent promises collaborative innovation to turn knowledge and ideas into commercial products and services for improving human life and strengthening Alabama's progressively diverse economy. The biotech campus currently features three other facilities: the Jackson Center, a full-service conference facility, 701 McMillian Way, which provides an additional 88,000 square feet of lab and office space, and the Paul Propst Center, totaling more than 100,000 square feet and houses the institute's growing education and research programs and its growing biotech companies. McMillian Park, the central green space connecting current facilities and future growth, boasts intertwining walkways that create a double-helix—the structure of DNA and the path to understanding living organisms. Two water features and hundreds of plantings are also contained in the park.

When the world first learned of a new coronavirus infection, HudsonAlpha Institute for Biotechnology Faculty Investigators and Associate Companies that call the biotech campus home pivoted some of their efforts to battle COVID-19. At the outset of the COVID-19 pandemic, companies residing on HudsonAlpha's biotech campus increased laboratory testing capacity and launched point-of-care testing diagnostics and worked tirelessly to produce neutralizing monoclonal antibodies to treat COVID-19 disease symptoms by blocking its viral entry into our cells. Through a project led by the Centers for Disease Control and Prevention, HudsonAlpha is also sequencing the viral

genome from people who have been affected by the disease in an effort to monitor the spread and mutation of the virus. Projects studying the transmission of the virus through the air in enclosed areas, and the detection of dead viral particles in wastewater to monitor pending outbreaks in a community are among some of the environmental monitoring projects ongoing on HudsonAlpha’s campus.

In July 2022, the HudsonAlpha Institute for Biotechnology finished construction a 14,000-square-foot glass greenhouse. The highly sophisticated facility is equipped with two lab spaces, seven grow rooms with fifteen-foot ceilings, and several technologically advanced features rarely found in other greenhouses. The facility will help researchers in the HudsonAlpha Center for Plant Science and Sustainable Agriculture (Plant Center) advance their mission to use genomics to help sustainably feed and fuel our planet. The Hudson Alpha campus now also includes the global headquarters for Discovery Life Sciences, an international market leader in biospecimen analysis, procurement, and distribution for the pharmaceutical, biotechnology, and diagnostics industries. This global headquarters consists of 90,000 square feet and house DLS’s research and development, laboratory and business operations.

In 2022, HudsonAlpha announced the expansion of its physical footprint outside of its longtime home in Cummings Research Park in Huntsville, Alabama. Through a partnership with the city of Dothan, HudsonAlpha launched the HudsonAlpha Wiregrass campus that serves Dothan, Alabama, and the surrounding areas. HudsonAlpha’s agricultural researchers are experts at creating diverse ways to apply genomics to solve challenges in modern plant science and agriculture. A major goal of the HudsonAlpha Wiregrass research mission is to use the power of genomics to develop more drought- and disease-resistant varieties of peanuts and other agriculturally important crops to thrive in the Wiregrass region.

The following table depicts some of the major industrial job growth for previously announced new and expanding companies in Huntsville/Madison County for the period 2005 to 2022. It is interesting to note the continued diversification of the local employment base and that only four of the largest announced developments from 2005-2023 were by federal contractors.

Announced New and Expanding Industry

Year	Total New Jobs	Total New Investment	Largest Single Development
2005	7,017	685,849,435	Hudson-Alpha Inst. Biotech.
2006	3,188	175,350,000	Verizon Wireless
2007	4,181	115,860,000	International Diesel of AL
2008	3,811	96,093,846	BASF Catalysts
2009	2,027	219,290,000	Toyota Motor Manuf. of AL
2010	2,901	152,886,089	Raytheon Company
2011	1,956	133,428,000	Boeing Company
2012	1,189	231,077,749	Toyota Motor Manuf. of AL
2013	1,603	266,545,020	Toyota Motor Manuf. of AL
2014	3,423	323,067,000	Toyota Motor Manuf. of AL
2015	3,546	413,094,000	GE Aviation
2016	2,000	259,201,083	Boeing Company
2017	2,554	600,579,820	Blue Origin
2018	4,666	2,582,293,941	Mazda Toyota Manuf. USA
2019	450	1,829,875,000	Toyota Motor Manuf. of AL
2020	852	1,009,422,692	Mazda Toyota Manuf. USA
2021	1,297	345,740,380	Amazon
2022	580	391,453,500	Toyota Motor Manuf. of AL
2023	597	195,967,420	Toyota Motor Manuf. of AL

Source: Huntsville Chamber of Commerce/Economic Development/New & Expanding Industry

High Technology/Industrial Activity. Research and industrial parks are the center of much of the high-technology and manufacturing activity within or near the city of Huntsville. Those parks include Cummings Research Park (“CRP”), Chase Industrial Park, Jetplex Industrial Park (on Airport property), Lowe Industrial Park, Chelsea Industrial Park, Thornton Research Park, Gateway Research Park, North Huntsville Industrial Park, SouthPoint Industrial Park and Triana Industrial Park. The 3,843-acre Cummings Research Park is the second largest research park in the country and the fourth largest in the world. It is one of the world’s leading science and technology business parks, with a mixture of Fortune 500 companies, local and international high-tech enterprises, U.S. space and defense

agencies, thriving business incubators and competitive higher-education institutions. CRP is the home of more than 300 companies, more than 26,000 employees and 13,500 students. This collection of technical expertise gives the Huntsville community the highest concentration of engineers in the country and is vital to supporting major Department of Defense and NASA contract programs and commercial technology applications. The University of Alabama in Huntsville is also located in the park and is annually ranked among the highest technology research universities in the U.S. The unique synergy of academia, government and industry working together on a global scale makes the Huntsville community a premier technology center of excellence for aerospace and defense research and development.

The Jetplex Industrial Park (JIP) includes 4,000 acres of which approximately 2,882 acres are currently available for immediate development. From this strategic Southeastern location, the Jetplex Industrial Park offers a rare combination of air, rail, and truck transportation. The Park is divided into six sections allowing for various types of economic development opportunities ranging from warehousing/ distribution, office, aviation/aerospace, and light manufacturing/assembly. Major industrial park tenants include The Boeing Company, LG Electronics, Navistar, Northrop Grumman, Yulista Management Services, and SESI. The Jetplex Industrial Park houses more than 70 companies representing seven different countries in a variety of industries including: automotive suppliers, electronics, aviation/aerospace, office and lab, aircraft MRO, unmanned aerial systems, office development -both technical and engineering, and warehouse or distribution centers.

Source: Port of Huntsville

Lowe Industrial Park, Chase Industrial Park and Thornton Research Park house a number of companies including Intergraph Corporation, PPG, Technicolor and BASF. North Huntsville Industrial Park received an AdvantageSite designation in February 2017 and has seen a significant uptick in activity. In addition, the SouthPoint Industrial Park was designed for companies that support the Redstone Arsenal, Army Contracting Command; NASA's Marshall Space Flight Center; and the Southern Automotive corridor.

Toyota Motor Manufacturing Alabama (TMMAL) is the only Toyota plant globally to produce four-cylinder, V-6 and V-8 for the Sequoia SUV, Tacoma, Camry, RAV4, Sienna, Highlander, and Tundra. The plant's total annual engine capacity is more than 900,000, producing one-third of Toyota's engines in the U.S. With more than 2,000 team members and investments totaling more than \$1.2 billion, TMMAL has made a substantial impact on North Alabama for almost 18 years. Toyota announced the Huntsville facility in 2001 and broke ground later that same year. The first Toyota V-8 engine ever made outside of Japan came off the line at TMMAL in 2003. TMMAL has undertaken eight major investment projects worth nearly \$1.5 billion. The most recent was a \$222 million investment made in April 2022 to expand the facility by 114,000 square feet and create a new four-cylinder production line that has the capacity to build engines for combustion and hybrid electric powertrains.

Source: Toyota, External Affairs

Polaris Industries operates a 900,000 square foot manufacturing facility within the Huntsville city limits in Limestone County, which opened in 2016. The Huntsville facility produces the industry's top auto-cycle, the Polaris Slingshot, as well as and the off-road utility vehicle, the RANGER. In April 2023, Polaris began production of the first fully electric RANGER XP Kinetic through a partnership with Zero Motorcycles. The plant employs nearly 2,000 people.

In 2017, Google Fiber brought its services to Huntsville, making it just the 10th US City to receive the service. Google Fiber is the first of possibly many ISPs to lease excess dark fiber on a Huntsville Utilities-constructed network. Construction of the Huntsville Utilities network was complete in 2019. Google Fiber's top speed of its Huntsville network to is currently 8 Gpbs.

In 2019, Aerojet Rocketdyne opened a 136,000 square foot Advanced Manufacturing Facility which is the company's Missile Solutions sector headquarters, establishing Huntsville as Aerojet Rocketdyne's Inert Manufacturing Center of Excellence. In May 2024, Aerojet Rocketdyne announced plans to expand its operations in Huntsville to increase production of inert solid rocket motor components to meet elevated demand. As part of the expansion, the company leased a 379,000 square foot manufacturing facility located in the Jetplex Industrial Park to provide additional manufacturing and office space for Huntsville employees and to transition production of inert components for Javelin and GMLRS missiles from its Camden, AR site to Huntsville. Currently roughly 800 employees work in Huntsville between the Missile Solutions headquarters building and the AMF.

The German auto parts manufacturer BOCAR is considered a Tier 1 auto parts supplier and uses advanced manufacturing techniques to build parts such as intake manifolds, oil pans and oil pumps for a variety of automobile companies. BOCAR's first and only US plant in Huntsville sets itself apart by housing the latest technology in aluminum high pressure die casting automotive structural and powertrain parts. In 2022, BOCAR added a new plant to its manufacturing capacity in Huntsville with an investment of \$176 million for land and construction. The 350,000 square foot plant houses production, offices, quality labs, a training center and employee services BOCAR employs around 500 people.

Blue Origin, the aerospace company owned by Jeff Bezos opened its 400,000 square foot state-of-the-art production facility in 2020 in Cummings Research Park to manufacture its BE-4 and BE-3U engines. Blue Origin employs over 300 people in this facility. The BE-3, the smaller of Blue Origin's two engine lines, powers the company's New Shepard rocket and will help lift its bigger New Glenn rocket. The larger BE-4 engine is also the designated main engine for the big new Vulcan rocket United Launch Alliance is building in Decatur. In 2022, Blue Origin completed a 200,000 square foot expansion and in 2023 it announced a 3rd expansion that will essentially duplicate the existing 400,000 square foot facility. In 2023 Blue Origin was selected by NASA to build the lunar lander for the Artemis V moon mission scheduled for launch in 2029. The Huntsville-built BE-3 engine will power the New Glen rocket that is in development for the mission.

In 2018, Japanese automobile manufacturers Toyota Motor Corporation and Mazda Motor Corporation announced a new North American plant for the manufacture of vehicles pursuant to a \$1.6 billion joint venture between the two companies (Mazda Toyota Manufacturing "MTM") on a site within the City and Limestone County. The plant became fully operational in 2022 employing 3,500 people. The plant's two production lines are building Toyota's Corolla Cross and Mazda's CX-50. Both production lines include both gas powered and hybrid vehicle production. Since announcing its original plans, MTM has expanded the scope of the project to a total investment of \$2.4 billion. Several suppliers are located onsite and adjacent, which are expected to create more than 2,000 jobs in the region.

BAE Systems, the third-largest defense contractor in the world, has opened a new \$45.5 million facility in Huntsville including a new 83,000 square foot manufacturing and office facility in Cummings Research Park. It provides workspace for more than 200 high-tech employees. BAE announced the expansion in 2018 as an opportunity to establish a close working relationship with the U.S. Army and Redstone Arsenal and attract key local talent to develop and deliver important new capabilities to its customers. In August 2022, BAE Systems received a contract from Lockheed Martin to design and manufacture next-generation infrared seeker technology for the Terminal High Altitude Area Defense (THAAD) interceptor missile. The THAAD seeker provides critical sensing and guidance capabilities that help protect the U.S. and global allies from ballistic missiles. In October 2022, BAE Systems successfully fired its Long-Range Precision Guidance Kit (LR-PGK) for 155mm artillery projectiles from the U.S. Army's Extended Range Cannon Artillery (ERCA) at Yuma Proving Ground, demonstrating airframe structural survivability under extreme firing conditions. The LR-PGK improves the accuracy of unguided artillery projectiles with low-cost navigation and guidance technology.

In December 2022, J.H. Berry & Gilbert, Inc. announced that land has been acquired for the new Huntsville Logistics Center. The 132-acre class A industrial development is comprised of four buildings totaling up to 2.2 million square feet available for lease. The new industrial park is conveniently located with easy access to I-565, the Mazda Toyota Manufacturing campus and the Huntsville International Airport. Buildings 1 & 2 are now complete and ready for tenant buildout,

With more than 3,000 talented employees, Boeing is one of the largest aerospace companies in AL and have played a vital role in the U.S. space and defense program for nearly 60 years, including developing missile and weapons systems, as well as the Space Launch System and the International Space Station. Boeing's aerospace operations are headquartered in Huntsville. In November 2023, Boeing broke ground on an expansion of its Huntsville factory that produces the Patriot Advanced Capability – (PAC-3) seeker, which will increase annual production by more than 30%. The 35,000 square foot project, expected to be operational in 2027, will help meet worldwide demand for the seeker, which enables the identification, tracking and interception of air and missile threats. Since 2010, the company has spent more than \$100 million in Huntsville in support of the PAC-3 program. Boeing employs more than 3,400 people in Huntsville and the annual impact on the State is estimated at \$2.7 billion.

Meta, the parent company of Facebook, unveiled plans in June 2018 for a \$750 million center in Huntsville. The first two buildings of the Facebook Data Center in Huntsville went online Sept. 15, 2021. In June 2022, Meta announced that it is expanding its Huntsville Data Center campus. The two new buildings put the entire facility at almost 3.5 million square feet and bring total employment to more than 300 jobs. The expansion put Meta's investment in the center to more than \$1.5 billion, according to the company. In addition, Meta also announced two new grants

amounting to a total of \$300,000 in support of local schools and STEM education. Meta is providing \$225,000 in support of the Raise Your Hand program with the Schools Foundation and \$75,000 to the Alabama School of Cyber Technology and Engineering.

Retail. While high technology research and manufacturing continue to dominate Huntsville's economy, retailing has been steadily growing in recent years. This is especially significant since Huntsville derives a significant portion of its operating budget from sales tax collections. A major factor in this growth is Huntsville's above-average per capita and median family incomes. This healthy buying power has attracted many national retailers to the area.

In June 2016, work began on a \$70 million mixed-use project called CityCentre at Big Spring near Big Spring International Park and Von Braun Center in downtown Huntsville. The project features two hotels, 270 multi-family units and an artisanal food hall inspired by Ponce City Market and Krog Street in Atlanta, Eataly in Chicago and The Source in Denver. Phase I includes a 150-unit new-to-market AC Hotel, a six-story Marriott hotel including a rooftop deck for the public and hotel patrons, 31,000 square feet of retail stores and restaurants, 53,000 square feet of office loft space and 270 multi-family apartments. This is the 10th AC Marriott in the world, the first in Alabama, which are all custom designed for their specific location. The AC Hotel began accepting reservations in April of 2019. Phase II represents a \$30 million investment with a 100-key urban hotel and 50,000 square feet of mixed-commercial and office loft space. The addition of these 250 units will bring the city one-step closer to its goal of attaining 1,000 rooms in the downtown area. Phase III is currently under construction and will include a new hotel (Moxy), and a mixed-use development with apartments, office and retail space, as well as a food hall. In addition, the City will construct a six-level, 430 space parking garage. The City will fund up to \$11 million of the cost of the garage and the developers will contribute \$3 million. The developers will make lease payments to the City for spaces to support the Moxy and AC Marriott hotels and the remaining spaces will be metered by the City.

In 2017, work began on a mixed-use project called MidCity District, then a \$350 million development that has since expanded to \$2.2 billion. Built on land formerly occupied by a regional mall, MidCity District is a carefully and thoroughly planned community built on decades of experience and research into how people congregate, what communities look for in a place, and how venues, buildings, parks and public spaces can be used to support and drive growth. The District not only serves as a civic and commercial hub, but an iconic new mixed-use environment strategically located at the gateway of Redstone Arsenal and Cummings Research Park Fitness, recreation, public gathering spaces, walkable streets, inviting architecture, vibrant amenities, and intimate thoroughfares form the 140-acre MidCity District. The District is adjacent to a 40-acre, City-owned park that integrates a kayaking lake, the award-winning Orion Amphitheater, TopGolf, an outdoor climbing area, and a one-mile biking and running trail. This trail will connect to the City of Huntsville's Master Greenway Plan, the University of Alabama in Huntsville's campus expansion, and the trail system in Cummings Research Park. Once complete, the development will include 350,000 square feet of retail, dining, and entertainment space; approximately 400,000 square feet of high-tech office space; 1,600 residential units; and approximately 650 hotel rooms. Building on the reputation of the City of Huntsville, MidCity is a workforce recruitment tool for North Alabama and serves as an entertainment and innovation powerhouse for locals and new residents. Already operational at MidCity District includes Dave & Buster's, Trader Joe's, and a 2,500 square foot Starbucks as well as many other shops and restaurants. Metronome, MidCity's first apartment community opened in May 2023 with 296 units. Three other multifamily developments are in various phases of construction totaling nearly 1,200 available units once complete. One of those projects, Wellory Living, is a \$108M mixed-use development to bring future forward, sustainable living and dining options – all with a net zero energy status and reduced carbon footprint.

National Aeronautics and Space Administration. For six decades, NASA and its partners have relied on the experience, capabilities, and state-of-the-art facilities at the Marshall Space Flight Center to solve spaceflight's most complex and technical problems.

Founded July 1, 1960, Marshall is one of NASA's largest field centers, with a total workforce of nearly 7,000 employees and an annual budget of approximately \$5 billion. Marshall also manages NASA's Michoud Assembly Facility in New Orleans, offering state-of-the-art manufacturing, fabrication and welding capabilities, and is home to the National Center for Advanced Manufacturing, a partnership with the state of Louisiana, Louisiana State University in Baton Rouge, and the University of New Orleans. More than 3,000 are employed on-site, including government and contractor employees and commercial tenants.

Today, Marshall is developing NASA's advanced, heavy-lift Space Launch System to loft Artemis missions back to the Moon and to destinations across the solar system. The Marshall workforce is also leading the development, testing and delivery of human-rated landers to descend to the Moon's surface for NASA's Human Landing System Program.

From inside the Payload Operations Integration Center, the Marshall team coordinates and integrates all scientific and commercial experiments on the International Space Station, as well as Earth-to-station science communications, 24 hours a day, 365 days a year.

Marshall space scientists conduct scientific research, design, and development in support of NASA exploration missions, while our Earth scientists use satellite data to tackle global challenges such as climate variability, weather prediction, and natural disaster response.

Source: Marshall Space Flight Center Office of Stakeholder Relations

Military. Since the early 1950s, Huntsville, Alabama has been one of the United States' principal centers for space and defense technology. Home to the work of Dr. Werner von Braun and America's rocket development programs, the Huntsville community and Redstone Arsenal became the location of choice for the country's best and brightest aerospace engineers and scientists during the 1960s. Rocket City USA, as the region was known, gave original meaning to the term "rocket science".

Today, Redstone Arsenal is a diverse federal campus for more than 60 major federal agencies and organizations providing the highest level of technology development for national defense and space exploration. Army commands manage key logistics, missile and aviation programs while NASA's Marshall Space Flight Center is responsible for large components of America's space program. Roughly half of the Army's weapons procurement budget is managed on Redstone Arsenal, including all US Army aviation systems, missile systems and missile defense systems. With a renewed emphasis on technological modernization, Redstone Arsenal tenant organizations are poised for new missions. As part of the Army Futures Command, Redstone Arsenal organizations are taking a lead on two primary focus areas: Future Vertical Lift and Air & Missile Defense.

Other federal agencies perform a wide variety of intelligence and homeland defense functions on Redstone. Cummings Research Park, one of the country's original and largest science and technology parks, is home to many of the 300+ national and international aerospace and defense contractors that call Huntsville home.

There is a significant military presence in Huntsville/Madison County. As of September 2023, Redstone employed some 50,000 DOD civilians and contractor employees and a little over 700 active military personnel (this does not include construction workers on base). Activities in the area involve a number of different organizations including:

U.S. Army Materiel Command (AMC) is an Army Major Command responsible for materiel readiness including technology, acquisition support, materiel development, logistics power projection and sustainment. The Command's missions range from development of sophisticated weapon systems and cutting-edge research to maintenance and distribution of spare parts and supplies to US Army units located around the globe. If a soldier shoots it, drives it, flies it, wears it, communicates with it, or eats it, AMC provides it.

U.S. Army Space & Missile Defense Command (SMDC) is responsible for developing the Army's missile defense systems including support of space and ground-based midcourse defense and assuring the Army's access to and utilization of space assets in the execution of their mission.

U.S. Army Aviation & Missile Command (AMCOM) provides support to joint warfighters and allies to ensure aviation and missile system readiness for combat operations. The Command is responsible for the development, acquisition and fielding of aviation and missile systems and the integration of aviation and missile technology. AMCOM develops, acquires, fields and sustains aviation, missile and unmanned vehicle systems, ensuring readiness with a seamless transition to combat operations.

U.S. Army Security Assistance Command (USASAC) is responsible for managing security assistance programs and Foreign Military Sales (FMS) for the Army. USASAC is known as

the "Army's Face to the World" because it serves as the primary entry point for US Army materiel and service related FMS requirements.

Army Contracting Command (ACC) supports the warfighter worldwide through the acquisition of equipment, supplies and services vital to the soldier's mission and well-being. The Command Headquarters relocated to Redstone Arsenal in 2011.

Expeditionary Contracting Command (ECC) is responsible for expeditionary contracting across all military operations for Army Service Component Commanders and the Joint Warfighter and support to Army and other joint operations as well as other defense organizations outside the continental United States.

Program Executive Office – Aviation (PEO AVN) is the Army manager responsible for providing overall direction and guidance for the development, acquisition, testing, product improvement and fielding of Army aviation programs of record including the Apache Attack Helicopter, Cargo Helicopter, Utility Helicopter, Non-Standard Rotary Wing Aircraft, Fixed Wing Aircraft, Aviation Systems, Unmanned Aircraft System and Armed Scout Helicopter.

Program Executive Office – Missiles & Space (PEO M&S) provides centralized management for all Army tactical and air defense missile programs and selected Army space programs. The PEO was established in January 2005 with the merger of the PEO Air, Space and Missile Defense and the PEO Tactical Missiles.

U.S. Army Combat Capabilities Development Command Aviation & Missile Center is the Army's focal point for providing research, development and engineering technology and services for aviation and missile platforms. CCDC Aviation & Missile Center manages and conducts research, exploratory and advanced development, and provides one-stop lifecycle engineering and scientific support for aviation and missile systems and UAV platforms.

Redstone Test Center (RTC) was created through the merger of the Redstone Technical Test Center (RTTC) and the Aviation Technical test Center (ATTC) in 2010. RTC specializes in line-of-sight missile and rocket testing, guidance system testing, optical and electro optical systems, air-armament component tests and electromagnetic environmental effects testing of aircraft systems. RTC is the designated DOD lighting effects tester for explosive ordnance and munitions. RTC also tests and certifies all modifications to the Army aviation fleet.

U.S. Army Garrison (USAG) Redstone executes daily operations effectively and efficiently with a qualified and professional workforce. The focus of its workforce is the continued viability and sustainability of the installation, achieved through deliberate strategic planning and appropriate execution of services and programs. The Garrison strives for excellence every day to make certain its tenant organizations can execute their peacetime and wartime missions without concern for any interruption in home-station support.

2nd Recruiting Brigade conducts recruiting operations for non-prior and prior service recruits for the Active Army and Army Reserves in several states across the Southeast, Puerto Rico and the Virgin Islands. The brigade is supported by numerous recruiting battalions and recruiting companies and partners with a wide range of colleges, ROTC programs, high schools, and vocational trade schools.

Fox Army Health Center (FAHC) is part of the Southern Regional Medical Command which provides access to quality and cost-effective primary care for patients while maintaining a state of readiness for mobilization. FAHC provides many types of services for Redstone, including direct healthcare, public health and education, occupational medicine and industrial hygiene.

Logistics Support Activity (LOGSA) supports Army operations through timely and integrated life cycle logistics information, knowledge and expertise. LOGSA maintains the Army's official single authoritative logistics data repository. LOGSA provides critical logistics information capabilities through analytical tools and business intelligence solutions to effectively acquire, manage, equip, and sustain the materiel requirements of the U.S. Army.

Missile Defense Agency (MDA) is the Department of Defense agency that facilitates the research, development, acquisition and integration of multi-service capabilities into seamless theater and national missile defense systems.

Defense Intelligence Agency – Missile & Space Intelligence Center (MSIC), is an intelligence organization charged with producing scientific and technological intelligence on adversary surface-to-air missiles and ballistic missile systems and directed energy systems. This intelligence includes characteristics, capabilities and limitations of foreign military systems.

U. S. Army Engineering and Support Center, Huntsville, is a specialized agency of the U.S. Corps of Engineers. The Huntsville Center manages national programs that have a broad scope, require standardization across corps of engineers' boundaries, or are otherwise complex in nature.

FBI Terrorist Explosive Device Analytical Center (TEDAC), was formally established in 2003 and moved to Huntsville in 2015 to serve as the single interagency organization to receive, fully analyze, and exploit all terrorist improvised explosive devices, or IEDs, of interest to the United States. TEDAC coordinates the efforts of the entire government, from law enforcement to intelligence to military, to gather and share intelligence about these devices—helping to disarm and disrupt IEDs, link them to their makers, and, most importantly, prevent future attacks. To date, TEDAC has received tens of thousands of IED submissions, primarily from Iraq and Afghanistan.

Source: Redstone Arsenal Public Affairs Office; www.garrison.redstonearmy.mil

BRAC. There have been five previous rounds of Base Realignment and Closure (BRAC) – a congressionally approved process for consolidating military infrastructure. Redstone Arsenal has consistently gained significant roles, missions and personnel through this process. The most recent BRAC was in 2005 and it relocated the Army Materiel Command's headquarters to Redstone Arsenal from Fort Belvoir, Va., along with more than 1,350 AMC positions and the AMC commander, a four-star command which is the first for Alabama.

In April 2024, Raytheon launched a \$115 million expansion of its Redstone Raytheon Missile Integration Facility, which will increase the factory's space for integrating and delivering on critical defense programs by more than 50%. The 26,000 sq ft expansion will also bring an estimated 185 new jobs to Huntsville, growing the employee footprint in Huntsville to over 2,200 people. The Huntsville facility currently handles the integration of nine variants of the Standard Missile family, including the Standard Missile-3 and Standard Missile -6, and will accommodate additional defense programs, including the Glide Phase Interceptor (GPI) which will be the first ever interceptor to defeat the emerging threat of hypersonic glide vehicles.

Source: MadeInAlabama.com

New Missions to Redstone Arsenal

The growth of the Federal Bureau of Investigation (the "FBI") has also been significant. The FBI is currently undergoing significant capital projects for specialized facilities at Redstone Arsenal serving, essentially, as a second headquarters. In addition to much of the back-office work, expertise in cyber security, data analytics, innovation, and training for agents will occur on its Redstone Arsenal campus. The FBI is currently building a sprawling, college-like campus on Redstone Arsenal, part of a multi-year effort to expand its presence at Redstone Arsenal. The Innovation Center, which broke ground in June of 2021, is a key part of that campus, which will top \$3 billion in investment by its completion. Initial announcements by the FBI indicated as many as 1,350 employees would be relocated to Huntsville, however recent announcements have indicated between 4,000 and 5,000 jobs could eventually be shifted to Redstone Arsenal over the next 10 years. Approximately 2,000 employees are currently located in Huntsville. The FBI now has eight major construction projects, five of which are training venues. The current "marquee project" is the Innovation Center and Kinetic Cyber Range, which is scheduled to be completed in late 2024. Other big projects now underway include Tech Buildings 2 and 3, a shared services warehouse, and a shipping and receiving expansion which will further aid the logistics capabilities of FBI Redstone. The Multi-purpose Range Complex and Practical Problem Venues are currently in design. Upon completion, the Range Complex will be able to accommodate both small- and large-scale training events. The Practical Problem Venues will provide a controlled, realistic, tech-forward

testing and training environment for the FBI and its partners. The Academic Zone will provide graduate-level classroom training and a complementary platform on which to complete advanced research. Another project, the National Security and Intelligence Center of Excellence, will be the centralized location for advanced training delivery, curriculum development, and instructional design.

Labor Force Characteristics

According to the 2022 American Community Survey 5 Year Estimates, the City had a "labor force participation rate" of 65.3%, compared with 58.6% for the State of Alabama and 63.5% for the United States.

The quality of the City's work force is enhanced by the educational attainments of a significant portion of the work force. The following table compares the educational attainments, for persons over 25 years of age, with respect to the City, the State of Alabama, and the United States.

Educational Attainment

	City of Huntsville	State of Alabama	United States
Percentage high school graduates or higher	92.0%	89.1%	89.8%
Percentage bachelor's degree or higher	47.7%	28.9%	32.2%

Source: U.S. Department of Commerce, Bureau of the Census, 2023 ACS 1 Year Estimates

Employment Data

Civilian Labor Force. The following table provides statistics regarding the average civilian labor force and unemployment rates of Huntsville/Madison County in the years indicated:

	2000	2010	2020	2021	2022	2023
Labor Force	175,460	208,154	231,870	313,220	268,271	255,991
Unemployment Rates						
Huntsville/Madison County	2.8%	8.6%	4.6%	3.6%	2.4%	2.1%
State of Alabama	4.6	10.5	5.9	5.3	2.5	2.5
United States	4.0	9.6	8.1	6.3	3.6	3.6

Source: U.S. Department of Commerce, Bureau of the Census, 2023 ACS 1 Year Estimates

Major Employers in the Huntsville Region

As shown in the following table, there are 12 private sector firms with employment in excess of 1,000 employees. The major private sector employers in the Huntsville Region include Mazda Toyota Manufacturing USA, Inc and The Boeing Company (aerospace) each with more than 3,000 employees in 2023. Most of the major employers are involved in high-technology research and manufacturing, previously noted as a leading source of economic activity in the Huntsville Region.

MAJOR EMPLOYERS IN HUNTSVILLE/MADISON COUNTY, AL

Private Employers	Number of Employees
Mazda Toyota Manufacturing USA, Inc	4,000
The Boeing Company	3,411
Dynetics, Inc	2,946
Northrop Grumman Corporation	2,850
SAIC	2,746
Toyota Alabama	1,994
Polaris	1,932
Lockheed Martin Corporation	1,685
Crestwood Medical Center	1,287
Blue Origin	1,235

Amazon	1,100
Redstone Federal Credit Union	1,095
PPG	983
KBR	964
Raytheon Technologies	945
Hexagon	924
Yulista	923
Kohler Company	870
Teledyne Brown Engineering	832
Aerojet Rocketdyne	829
Axient	800
ADTRAN, Inc.	786
Target Distribution Center	770
COLSA Corporation	739
Mazda North America Operations	735
Sanmina	726
Science and Engineering Services (SES)	719
SCI Technology, Inc.	700
Torch Technologies	695
Astrion	676
YKTA	656
Jacobs Space Exploration Group	618
Parsons	586
BASF Corporation	580
Phoenix	557
Radianc Technologies, Inc.	507
Tyonek Native Corporation	506

Public Employers

U.S. Army/Redstone Arsenal*	45,700
Huntsville Hospital System **	11,149
NASA/Marshall Space Flight Center *	7,000
Huntsville City Schools	3,000
City of Huntsville	2,589
Madison County Schools	2,389
University of Alabama in Huntsville	1,979
Alabama A&M University	1,207
Madison County Commission	1,071
Madison City Schools	976
Huntsville Utilities	680
Calhoun Community College	579
U.S. Space & Rocket Center	508

* Includes contractors

**Employees in Madison County

Source: Chamber of Commerce Huntsville/Madison County, May 2024

Employment Data

The total number of persons employed in Huntsville/Madison County in nonagricultural wage and salary employment has consistently increased since 2014. The three largest sectors of employment are (in descending order) Manufacturing (107,956), Retail Trade (66,715), and Health Care and Social Assistance (66,666) in the Huntsville Region during 2022.

**Huntsville Metropolitan Area
Employment by Industry Sector
(in thousands)**

2010 2020 2021 2022 2023

Manufacturing	23.7	26.2	28.9	32.4	34.8
Durable	20.5	22.5	22.5	28.0	30.6
Non-Durable	3.2	3.7	3.7	4.4	4.2
Construction & Mining	7.5	9.7	10.5	10.7	10.4
Transportation/Utilities	2.6	3.6	3.8	5.8	6.3
Wholesale Trade	5.4	6.2	6.3	6.4	6.5
Retail Trade	22.0	24.5	25.6	26.8	27.1
Finance/Insurance/Real Estate	6.1	7.1	7.6	8.4	8.7
Professional & Business Services	49.2	61.0	63.3	65.5	67.7
Government	48.6	51.7	52.7	54.0	56.0
Total Nonagricultural Employment	210.0	240.9	251.4	273.7	276.5

Source: Huntsville/Madison County Chamber of Commerce - Alabama Department of Labor, Bureau of Labor Statistics

Construction Activity

The following table shows the value of new building permits issued in the City for the fiscal years indicated.

Value of Building Permits* (Residential, Apartment and Commercial/Industrial)

Year	Residential	Apartment	Commercial/ Industrial	Total
2006	\$59,193,692	\$12,284,320	\$289,268,058	306,746,070
2007	69,324,698	73,366,333	257,689,367	400,380,398
2008	45,055,563	37,108,158	197,117,416	279,281,137
2009	46,014,460	24,624,748	111,635,798	182,275,006
2010	45,385,091	--	136,237,193	181,622,284
2011	67,349,833	23,890,934	199,764,460	291,005,227
2012	72,510,679	37,965,634	201,958,518	312,434,831
2013	76,153,776	31,493,814	258,148,571	365,796,161
2014	68,232,945	24,971,287	260,554,000	393,758,232
2015	50,480,824	25,086,049	146,238,696	221,805,569
2016	51,902,779	45,546,068	144,199,219	241,648,066
2017	55,176,401	32,675,273	165,076,154	252,927,828
2018	62,452,059	47,378,131	248,175,919	358,006,109
2019	71,989,506	58,894,007	420,081,963	550,965,476
2020	83,616,940	160,688,487	638,146,981	882,452,408
2021	126,727,217	318,311,624	1,226,553,374	1,671,592,215
2022	135,473,372	393,442,330	1,389,650,595	1,918,566,297
2023	154,944,564	152,732,108	1,424,017,310	1,731,693,980

*Exclusive of "Moving and Demolition Permits" and consists of new construction only

Source: City of Huntsville, Inspection Department

Education

Primary and Secondary Education. The City school system is now comprised of 43 schools: six high schools, 11 middle and junior high schools, and twenty-six Pre-K through elementary schools. Seven of the district's schools are also home to various magnet programs, with one high school and two P-8 facilities dedicated as fully established magnet schools. These magnet programs emphasize science, foreign language, creative and performing arts, pre-Engineering and international education. Students of City schools consistently score above national and state averages on standardized achievement tests and on the American College Test (ACT). Enrollment for the City School System for the 2024-2025 school year is 24,050 with 2,819 teachers and support personnel employed.

Madison County and the City of Madison also have public school systems, and in addition to public schools, there are approximately fifty private kindergartens and private schools (including church-related or parochial schools) in the City and the County.

The Alabama School of Cyber Technology and Engineering, the state's only fully public, residential high school for students interested in engineering and cyber technology, opened for its first year in Huntsville in August 2020. The school moved from a temporary location at Oakwood University to its 26-acre campus in September 2022. For the 2023-2024 school year, the school has total enrollment of 334 students from 75 Alabama cities and towns. 214 of those are commuter students and 120 are boarding students. 100% of students get free tuition. The school is the first cyber and engineering school in the nation.

Higher Education. There are three state-supported four-year colleges and universities located within or near the City: the University of Alabama in Huntsville, a campus of the University of Alabama system; Alabama A & M University; Athens State University, located in the City of Athens, Alabama, approximately 20 miles west of the City; and Oakwood University, a private four-year university. Other area institutions include John C. Calhoun State Community College, and J. F. Drake State Community and Technical College.

Source: City of Huntsville School System and Alabama State Department of Education

Medical and Health Services

Huntsville Hospital is the second largest hospital in Alabama with 881 licensed beds on two campuses, Huntsville Hospital-Main and Women & Children Hospital. It serves as the regional referral center for North Alabama and southern Tennessee and is home to one of only three statewide Level I Trauma Centers. In recent years, the hospital has expanded its service throughout North Alabama with the development of Huntsville Hospital Health System, making it one of the top 5 largest publicly owned hospital system in the nation with more than 2,500 beds, 19,500 employees, 13 hospitals and several outpatient facilities. Huntsville Hospital Health System has grown to include hospitals in a 14-county service area in North Alabama and Southern Tennessee.

Huntsville Hospital Main serves as a teaching facility for UAB's Family Practice Residency Program, and is also assisting to establish a nursing program at the Huntsville campus of Calhoun Community College. Huntsville Hospital for Women & Children offers the most advanced pediatric health care in the region including pediatric emergency services, pediatric intensive care, level III neonatal intensive care and pediatric surgery as well as providing specialized health care for women. Madison Hospital is a full service 90-bed hospital offering medical, surgical, obstetrical, non-invasive cardiac care, special procedures, emergency care, imaging, and therapy services.

Huntsville Hospital is governed by a volunteer board appointed by the City Council through the Health Care Authority of the City of Huntsville.

Source: www.huntsvillehospital.org

The City also hosts a 180-bed full service acute care hospital, Crestwood Medical Center, which has approximately 1,000 healthcare professionals representing more than 50 different specialties.

Source: www.crestwoodmedcenter.com

The U.S. Space and Rocket Center

The U.S. Space and Rocket Center, a state agency operated by the Alabama Space Science Exhibit Commission, which opened in 1969, is regularly the state's top paid tourist attractions in Alabama, attracting some 650,000 visitors annually. Recent additions include a full-scale space shuttle and a Saturn V and portions of the Space Station. A related activity of the Space and Rocket Center is U.S. Space Camp, a hands-on educational experience for young people and, in special corporate camps, adults. The U.S. Space Camp attracts approximately 35,000 young people and adults each year for its Space Camp and Corporate Camp programs. Additional programs include Aviation Challenge, Robotics Camp, U.S. Cyber Camp and a host of traveling exhibits.

Transportation

The City of Huntsville is accessed by highway, railway, waterways and a modern airport facility. U.S. Interstate Highway 65, which runs between Chicago and Mobile, is connected to the City by I-565. There are four major highways 231 (North-South), 431 (North-South), 72 (East-West) and 72 Alternate (East-West) which traverse

the City and provide access to outlying areas. The City is served by numerous common carriers, including the Norfolk Southern Railway. In 2004 Huntsville built a new public transit center just off I-565 which is home to the offices of the Public Transit and Parking Services, Greyhound Bus, and the Convention and Visitor's Bureau. It serves as the central transfer point for the city's shuttle bus service. After years of community input and public sessions, the City of Huntsville's work on the new downtown transit center officially opened on September 3, 2024. In addition to the new center, the City has added a brand-new route south of the City, bringing the current total to 11 available routes. Huntsville transit enhancement came from a notable increase in ridership, surging since 2023. Fixed route ridership reached 94% of pre-pandemic levels, while paratransit routes saw an impressive 97% return. The Orbit fixed-route buses carried 630,569 passengers in 2023, the highest figure since the pre-pandemic peak of 671,459 riders in 2019. This represents a remarkable 29% increase from the lowest traffic year of 2021 and a notable 13% rise compared to 2022. Similarly, Access paratransit served 100,832 riders in 2023, the most since 2019, indicating a robust 38% surge from the pandemic's onset in 2020 and a significant 20% rise from 2022.

The Huntsville-Madison County Airport Authority (a joint authority of the City and Madison County) operates the Huntsville International Airport located approximately twelve miles west of the downtown area of the City, which is the principal airport serving northern Alabama and parts of Tennessee and Georgia. Airport operations are conducted on approximately 3,400 acres of land and include two active runways, associated taxiways and an industrial park. The airport is served by numerous carriers including: American, Delta, United, Silver Airlines and Breeze Airways.

Quality of Life

Huntsville is situated in the foothills of the Appalachian Mountains, and the natural beauty of the area contains many opportunities for hiking, biking, golfing, outdoor exploration and water sports on the Tennessee River and nearby Lake Guntersville. The mild climate allows for outdoor enjoyment throughout much of the year. Huntsville offers a number of parks, natural reserves, nature trails and a stop on the Robert Trent Jones Golf Trail.

Huntsville's downtown is undergoing a renaissance with a growing and vibrant nightlife. The arts are fully covered between Huntsville's Broadway Theatre League, the Huntsville Ballet Company and the Huntsville Symphony Orchestra. Downtown Huntsville now has three hotels, with the AC Hotel by Marriott and Embassy Suites Huntsville conveniently located right in the heart of downtown and connected by a sky bridge to the city's convention center space, the Von Braun Center, and to the city's sports arena, concert hall and playhouse.

Originally constructed in 1975, the Von Braun Center underwent major renovations in 2010 which transformed the Arena. The renovations changed the facade of the Arena to a modern glass frontage overlooking Big Spring Park as well as expanded the lobby by adding more pre-function space and a pub. The project also added over 1,000 seats to concert setups, VIP suites, and additional restrooms. The Von Braun Center Concert Hall has also recently undergone a major renovation. In 2019, the Von Braun Center opened a new music venue, Mars Music Hall, which includes a restaurant area and rooftop bar located at the corner Clinton Avenue and Monroe Street. It is a "plug-and-play" venue with permanent stage, lighting and sound systems for the artists' use. The second phase of the renovation is now underway and will include a large convention center expansion, a new state-of-the-art ballroom, and a full renovation of the North Hall. A new kitchen complex is going in, as well as a new break out rooms to support larger conventions and groups, and there will be many interior improvements to existing areas. The renovation and renaming of North Hall to Saturn Ballroom was completed in 2023.

Source: <https://www.vonbrauncenter.com/improvements/>

In 2021, the plans were announced to develop a new urban center in the heart of downtown. Located on Clinton Ave across from the Von Braun Center, Front Row will be an 11+ acre mixed-use development delivering high-end residential, Class A office space, and a dynamic blend of retail, destination-worthy dining, and entertainment. Plans for the former Coca-Cola Bottling plant site include 545 luxury apartments 47,000 sq.ft. of retail space including a mix of indoor and outdoor spaces, and 34,500 sq.ft. of office space. The project is slated to cost around \$325 million. Groundbreaking on the project occurred in April 2024.

In July 2024, the City of Huntsville and the Huntsville Housing Authority were awarded a \$50 million Choice Neighborhood Implementation (CNI) Grant from the US Department of Housing and Urban Development to revitalize and transform the area surrounding 2 of Huntsville's oldest standing public housing communities. The grant sets the stage for a \$350 million investment to redevelop the 27-acre site, now known as Mill Creek, into a mixed-income community with workforce housing, medical and childcare services and retail options. The Mill Creek projected is located adjacent to downtown in a growing area of the City. The multi-year plan will replace distressed public and

assisted housing with high-quality, mixed-income housing that is well-managed and responsive to the neighborhood. The funding includes a \$27 million investment by Huntsville Hospital to create 125 workforce housing units and to operate a health care clinic on-site. The property will be redeveloped in 5 phases over 8 years to ultimately provide 705 mixed-income units.

Among the many museums and historic sites are the U.S. Space and Rocket Center, Huntsville Botanical Garden, Monte Sano State Park, Big Spring Park, the Huntsville Museum of Art and several children's museums.

Huntsville is home to Lowe Mill ARTS & Entertainment, America's largest independent center for the arts. With over 200 working artists, 7 galleries, 152 working studios, small businesses, restaurants, and 4 performance venues, this huge historic textile mill is now a rising home for music, art, and culture. Lowe Mill completed a 37,000 square foot expansion in December 2014.

In sports, Huntsville hosts a minor league hockey (SPHL) team And in 2023, Huntsville's professional soccer team, Huntsville City Football Club started play at the renovated Joe Davis Stadium. The team is affiliated with the Nashville Soccer Club. MLS Next Pro is a men's professional soccer league in the United States and Canada and is affiliated with Major League Soccer. College athletics such as UAH and Alabama A&M are also popular.

APPENDIX B
GOVERNMENTAL ORGANIZATION AND FUNCTIONS OF THE CITY OF HUNTSVILLE

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Governmental Organization

The City is a municipal corporation under the laws of the State of Alabama. The municipal government may be characterized as a "strong" mayor-council form of government, wherein the mayor is elected at large for a four-year term to serve as the full-time administrative head of the City government. The Mayor is assisted in the day-to-day management of the City by an administrative assistant and a professional staff who oversee the various departments of the City.

The City Council, which consists of five members elected for staggered terms of four years each, operates exclusively as a legislative body and acts with respect to the executive branch of the City government (including all appointive officers, department directors and employees) only through ordinances and resolutions formally adopted at Council meetings. Members of the City Council are elected from five electoral districts. Each member of the City Council is required to reside in the district which he or she represents and to be elected by the qualified electors residing in such district.

The present Mayor and members of the City Council, and the dates of beginning and ending of their respective current terms of office, are as follows:

Name	Date of Beginning of Current Term	Date of Ending of Current Term
Tommy Battle, Mayor	November 4, 2024	November 6, 2028
John Meredith	November 4, 2024	November 6, 2028
Bill Kling, Jr.	November 7, 2022	November 2, 2026
Dr. Jennie Robinson	November 7, 2022	November 2, 2026
David Little	November 7, 2022	November 2, 2026
Michelle Watkins	November 4, 2024	November 4, 2028

Colonel (Ret.) John Hamilton became City Administrator effective as of October 1, 2013. Mr. Hamilton received a Bachelor of Science in Business Management in 1990 from Florida State University and a Masters in Logistics Management from the Florida Institute of Technology in 1999. He served for 23 years in the United States Army and retired a full Colonel in 2013. His final position was as Garrison Commander of Redstone Arsenal.

In the Fall of 2019, Penny L. Smith, CPA, became the Finance Director of the City. She also serves as City Treasurer. Previously, Mrs. Smith was the Finance Director for the City of Auburn, a position she had held since 2011 after spending seven years as that city's Deputy Finance Director. Mrs. Smith is a graduate of Auburn University, from which she received a bachelor's degree in accounting. She is a Certified Public Accountant, Certified Government Financial Manager and Chartered Global Management Accountant. Mrs. Smith is a past president of Governmental Finance Officers Association of Alabama and previously served on the Security for Alabama Funds Enhancement (SAFE) Board of Directors. She has more than 30 years' experience in public and governmental accounting and auditing.

Shaundrika Edwards has served as City Clerk of the City since March of 2023. Mrs. Edwards holds a master's and bachelor's degree in human resource management. She joined the Human Resources Department of the City in 2017 where she worked until becoming City Clerk in 2023.

Marion "Trey" Riley is the City Attorney. Mr. Riley was appointed as City Attorney in the Fall of 2015. Mr. Riley received a Bachelor in Business Administration degree from Auburn University in 1977, and his Juris Doctorate degree from the University of Alabama School of Law in 1980. Upon graduating from law school, Mr. Riley served a brief tenure as an Assistant District Attorney, and thereafter engaged in the solo practice of law for almost 35 years, representing a broad cross-section of individuals in a wide variety of legal matters before numerous different tribunals, primarily in Alabama but also in surrounding states.

The City Administrator, the Finance Director, the City Attorney, and the City Clerk are appointed by the Mayor, subject to the approval of the Council, for four-year terms concurrent with that of the Mayor.

Certain City Officials

Tommy Battle, Mayor. Mr. Battle is currently serving his fifth term as Mayor of the City. Mayor Battle was first elected Mayor in 2008, and before then served on the City Council between 1984 and 1988. A commercial real estate developer, Mayor Battle has served on various local boards within the City, including the Huntsville Emergency Medical Services, Inc., board, EarlyWorks Children's Museum board and the administrative council of Trinity United Methodist Church. Mayor Battle received his B.S. degree in Business Administration from the University of Alabama.

Michelle Watkins, Council Member. Michelle Watkins, representing District 1, was first elected to the City Council in 2024. Michelle Watkins is a lifelong resident of Huntsville, Alabama. Upon graduating from James Oliver Johnson High School of the Huntsville City School System, she furthered her education at Alabama Agricultural and Mechanical University by completing a Bachelor of Science in Business Administration, a Masters of Secondary Education, and an Education Specialist Degree. She is also a graduate of Leadership Huntsville Focus Class 27 and a Certified Oracle Instructor. Michelle has taught at Johnson High School and J. F. Drake State Technical College and has been actively involved in various community organizations and activities in the Huntsville City and Madison County area. She presided as PTSA President for Johnson High School during its last school year, and has worked with the Junior League of Huntsville, the United Way of Madison County, the City of Huntsville Community Development Citizens Advisory Council, and the Alabama A&M University Youth Motivational Task Force. Currently, Michelle Watkins is a Management & Program Analyst for the United States Army Garrison at Redstone Arsenal.

David Little, Council Member. Mr. Little, representing District 2, was elected to the City Council in 2022. He currently serves as President of the City Council. Mr. Little was born and raised in Huntsville. After graduating high school, he spent four years in the United States Marine Corps before earning degrees from Calhoun Community College and Athens State University. His professional background includes aerial photography, owning his own small business and sales management with a local technology firm before joining the investment community in 2005. Mr. Little presently works with a local wealth management and financial planning firm.

Dr. Jennie Robinson, Council Member. Dr. Robinson, representing District 3, was first elected to the City Council in 2014. Prior to her election to the City Council, Dr. Robinson served three terms on the Huntsville City Schools Board of Education. Before being elected to the School Board in 2002, Dr. Robinson served five times as a PTA president in Huntsville city schools. She has also served on the Executive Committee of the Alabama Association of School Boards (AASB) and chaired the State Legislative Committee for AASB. Dr. Robinson received her Doctor of Philosophy and Master's Degree in Consumer Behavior from Purdue University, and she owns a management consulting firm specializing in strategic planning and leadership development for corporations and non-profits. She is a graduate of Leadership Alabama and Leadership Huntsville. She received the Distinguished Leadership Award from Leadership Huntsville Madison County in 2006. She also serves on the boards of Leadership Huntsville Madison County and the Rotary Club of Greater Huntsville.

Bill Kling, Jr., Council Member. Mr. Kling, representing District 4, was first elected to the City Council in 1988. He received a B.S. degree in Mass Media Communications and Public Administration from the University of Alabama, and an M.S. degree in Urban Studies from Alabama A & M University. Mr. Kling was a recipient of Troy State University's "Grover C. Hall" journalism fellowship. He is professionally accredited by the Southern Public Relations Federation. Mr. Kling previously served as a member of the Huntsville City Board of Education. Mr. Kling has held numerous positions in the broadcast and public relations field including public relations director, radio announcer and newscaster for a public radio station and broadcast instructor and public relations specialist for John C. Calhoun Junior College. Mr. Kling is a past President of the Huntsville Press Club.

John Meredith, Council Member. Mr. Meredith, CASE (Ret.), representing District 5, was first elected to the City Council in 2020. Mr. Meredith earned an Associate's Degree from Hinds Junior College, a Bachelor's Degree from the University of Cincinnati, and a Master's Degree from Mississippi College. He serves as the Chair of the Madison County American Red Cross Board, Vice Chair of the Drake State Foundation Board, Board Member of Leadership Greater Huntsville and Advisory Board Member of Burritt on the Mountain and the Junior League. Mr. Meredith spent a majority of his professional career as a lobbyist and legislative advocate in various business sectors and for various public initiatives. During his distinguished lobbying career, Mr. Meredith was the recipient of two national awards for advocacy – the Legislative Champion Award and the Advancing Arboriculture Award. He has served as a National Co-Chair of Minority Outreach for the Voting Integrity Project and Executive Committee member of the National Council of Agricultural Employers ("NCAE"). At NCAE, he was the Moderator for the 2005 NCAE Immigration Roundtable in Washington, D.C. Mr. Meredith is the son of civil rights icon James

H. Meredith, the first African American to enroll and graduate from the previously segregated University of Mississippi.

Employees

As of September 30, 2024, the City employed 2,705 people and the City-owned but separately operated Huntsville Utilities employed 812 people. The employees of the City are administered under a separate personnel system from that of Huntsville Utilities.

Municipal Powers and Functions

The City provides police and fire protection, streets and highways, garbage and refuse collection and disposal, sanitary sewage and disposal service and certain recreational and cultural services. It is only in the area of law enforcement, where state and county officers have concurrent jurisdiction, that there is any significant overlap in City-furnished governmental-type services. The City (through the City-owned Huntsville Utilities) also provides, subject to policies established by the several utilities boards, electric, water and natural gas service for its citizens. For information as to a change in the furnishing of garbage and refuse disposal service, see "Refuse-to-Energy Plant", below.

Several municipal functions have been delegated, by statute or authorized City ordinance or resolution, to municipal boards or commissions, such as the several utilities boards, including the following functions: industrial development, solid waste disposal, health care, library services, museum and civic center operations and public housing. Some, but not all, of these boards or authorities may issue revenue debt. Policy decisions concerning these functions are in most cases made by the applicable board or commission (the members of which are appointed by the Mayor or the City Council) and implemented by an administrative head or staff responsible to such board or commission.

Certain municipal or public functions are performed jointly with Madison County (the "County") through statutory authorities or boards whose members are appointed by the governing bodies of both the City and the County. Such authorities or boards include The Huntsville-Madison County Airport Authority (which is responsible for the operation of Huntsville International Airport), the Huntsville-Madison County Mental Health Board, the Huntsville-Madison County Civil Defense Board and The Huntsville and Madison County Railroad Authority. In addition, the City and County governing bodies jointly elect the members of the Huntsville-Madison County Marina and Port Authority, a public corporation created under an act of the Alabama Legislature to construct and operate marina and port facilities.

Funding for certain municipal boards or commissions is provided, in whole or in part, by the City, and in other cases, such boards or commissions operate as separate public corporations created by the City, but funded entirely through revenues generated by the particular municipal functions involved.

Annexation Program

The City annexes land considered important to its future growth and economic expansion, which has included significant acreage in the past twenty years. Madison County annexations in excess of 40,000 acres have primarily been in the east, with mostly mixed, higher value residential developments occurring. The annexation in Limestone County, which is west of Madison County, primarily borders the Huntsville International Airport and Interstate 565, and is generally planned for industrial and commercial development. Smaller tracts are regularly being annexed, however, for residential and commercial uses.

With very few exceptions, the City's annexations have been accomplished by petition of the landowner requesting annexation. There is no pending or threatened legal action contesting the validity or legality of any of the City's annexations.

The City, in concert with the Metropolitan Planning Organization (MPO), has adopted a major street plan for the entire City. The rights of way for the streets shown on the master street plan are being protected from development as provided by Alabama law. The expansion and extension of these major streets will be the major expenditure for the City resulting from the City's annexation programs. Most of the local streets in the annexed areas will be constructed to City standards and specifications by developers as subdivision of property and development occur.

The City has in operation sufficient sewer treatment capacity for the annexed areas and future annexations. The City generally extends sewer outfall lines and facilities into annexed areas when there is a finding of sufficient economic return to justify such extension. The City's extension policy and its sewer rate structure are, in general, a significant part of its economic development policy.

The rate of growth in the annexed areas is unpredictable, and the full extent of any impact on the City's finances and resources cannot be measured. While the City cannot make a definite prediction or offer assurances that development will in fact occur in these areas, the City does expect that, as a result of the annexations and the services offered by the City in those areas, considerable industrial and commercial development and supporting residential development will occur.

Huntsville Utilities

The City's municipally-owned water, electric, gas and sanitary sewer systems are operated by separate boards of directors which are responsible for their supervision and control and the members of which are appointed by the City Council. These three systems are owned by the City, but operate separately from the City under the name of Huntsville Utilities and are managed by Wes Kelly, President and CEO of Huntsville Utilities. The employees of Huntsville Utilities are subject to personnel rules established by the respective utilities boards and administered by a separate Personnel Department of Huntsville Utilities. The financial statements of the City attached as APPENDIX C include the water, electric and natural gas systems, although it should be noted that the City's independent auditors have not examined these financial statements and that their opinion thereon is based solely on reports of other auditors.

Refuse-to-Energy Plant

The Solid Waste Disposal Authority of the City of Huntsville (the "Authority") constructed a solid waste resource recovery plant to assist the City in its solid waste disposal program. The plant, which was completed in July of 1990, was designed to convert garbage and other solid waste into energy (steam), primarily for use by and sale to the Department of the Army at Redstone Arsenal, an Army facility near the City. The Authority is a public corporation separate from the City, the members of the Board of Directors of which are appointed by the City Council. In 1987 the City Council adopted an ordinance authorizing the transfer and conveyance by the City to the Authority, without the payment of any pecuniary consideration, of the City's existing landfill, which, along with the plant and recycling programs, constitutes an integrated system for the disposal of solid waste and other refuse operated by or for the account of the Authority. Such transfer and conveyance was effected in August, 1988, when the Authority authorized the issuance of bonds to finance the construction of the plant. Pursuant to an agreement with the Authority, Ogden Martin Systems of Huntsville, Inc. now known as Covanta Huntsville, Inc. (an affiliate of Ogden Corporation, now known as Covanta Energy, Inc.) designed, constructed, and is operating the plant for the Authority.

In the ordinance authorizing the transfer and conveyance of the City's existing landfill to the Authority, the City Council also authorized the execution of a Solid Waste Delivery Agreement between the City and the Authority, under which the City agreed (a) to deliver to the Authority, for processing or other disposal, substantially all solid waste and other refuse collected by the City through its solid waste collection system (as well as substantially all the sewage sludge generated through the operation of the City's sanitary sewer or wastewater system) and (b) to pay to the Authority, for such processing or other disposal, such tipping fees as the Authority may from time to time impose and charge. This Agreement provides that all tipping fees and any other moneys due by the City under the Agreement are to be payable solely out of the current or general operating revenues or funds of the City received or receivable by it for or during the fiscal year during which such tipping fees or other moneys are required to be paid. The current rates are \$39.90 per ton for municipal solid waste and \$26.50 per ton for construction and demolition waste and may be adjusted in the future. The many variable factors on which any such adjustments in the future will depend (including, for example, plant operating results, landfill acquisition, if any, and operating costs, the effect of existing and future environmental laws and landfill regulations, and general economic conditions) are such that the City cannot accurately predict the extent of such adjustments, but it does expect increases in the amount of tipping fees over the next 25 to 30 years.

The City has taken steps to reduce the waste stream by instituting the following recycling programs: (1) the recycling of white goods at the landfill and (2) the first citywide curbside recycling program in the State of Alabama, for the removal and recycling of newspaper, plastics, metals, magazines, motor oil, and batteries. The Authority also operates a separate hazardous household wastes program. These recycling programs are expected to allow the City to meet any currently anticipated changes in environmental law which may mandate a reduction in the waste stream. The Authority expects that, even after such reductions in the waste stream are made, the amount of

solid waste to be delivered by the City, together with amounts to be delivered by the Army, will continue to be in excess of the required minimum amount the Authority has agreed to deliver to the plant.

The Authority has entered into a steam sales agreement with the Department of the Army, providing for the sale of steam by the Authority to the Army for use at Redstone Arsenal. The agreement between the Authority and the Army is not, however, a take-or-pay contract and does not obligate the Army to pay for steam that is not delivered or available for delivery. While the City expects that revenues from tipping fees and from the sale of steam to the Army will be sufficient to pay the costs of operating the plant and the landfill there can be no assurance that such tipping fees and steam sale revenues will be sufficient to pay all such expenses and any future debt service and that the payment by the City to the Authority of substantial tipping fees, as authorized in the Solid Waste Delivery Agreement, may be necessary. At this point in time, all of the debt of the Authority has been repaid and there is no current debt service requirement for the Authority.

The failure of the plant to operate in the manner expected, as well as any substantial plant "downtime", would adversely affect expected steam sale revenues and thus result in tipping fee increases substantially in excess of those otherwise expected. However, the plant has complete redundancy; it has four fossil-fuel-fired boilers which could supply steam to the Army if the failure to operate in the manner expected is related to the incineration of solid waste.

Miscellaneous Municipal Functions

The City, the County and the State of Alabama have coextensive law enforcement jurisdiction. The City operates a misdemeanor court system.

The State is responsible for maintaining state and federal highways in the City. Further, pursuant to an understanding between the County and the City, the County maintains certain roads and streets in the Green Mountain area annexed by the City in 1973.

While public health service is principally a state function, the City historically has made annual contributions to the Madison County Department of Public Health.

The City finances all major public recreation facilities in the City except for (a) Ditto Landing and Marina, which has received some appropriations from Madison County, and (b) Monte Sano State Park, which is located adjacent to the City and is owned and operated by the State of Alabama.

Huntsville International Airport is owned and operated by The Huntsville-Madison County Airport Authority, the members of the Board of Directors of which are appointed by the governing bodies of the City and the County.

APPENDIX C
CERTAIN FINANCIAL, DEBT AND RELATED INFORMATION OF THE CITY OF HUNTSVILLE

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CERTAIN FINANCIAL, DEBT AND RELATED INFORMATION
OF THE CITY OF HUNTSVILLE

FINANCIAL SYSTEM

General

The City maintains a financial reporting system designed to provide timely and accurate reports of receipts and expenditures. Internal accounting controls, which are developed and monitored by the City Finance Department, are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. Activities of the City are monitored internally on a monthly basis and are audited annually, as required by law, by independent certified public accountants. The report of such accountants for the fiscal year ended September 30, 2023 (the City's most recent audit), is included as APPENDIX G.

Budget System

Prior to the commencement of each fiscal year, the Mayor, in conjunction with the administrative staff and the City's department heads, prepares an annual operating budget for City Council approval. The budget represents a complete financial plan for the City and reflects the projection of all receipts and disbursements from all sources, including all revenues, expenditures and the surplus or deficit in the General Fund and all special funds of the City. Any expenditure request that results in budget increases, overruns or transfers between departments or funds must, under existing procedures, have City Council approval.

The budget for the General Fund is customarily adopted on a categorical basis consistent with generally accepted accounting principles ("GAAP"). Budgetary control is maintained at the departmental line-item level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. By ordinance, the City is required to maintain at all times an undesignated General Fund balance of 11.5% of the current fiscal year's General Fund recurring revenues. The fund balance was at the required policy amount at the close of each of the last five fiscal years. The City expects to satisfy this requirement for its fiscal year ending September 30, 2025.

The City maintains a ten (10) year Capital Improvement Plan which forecasts expenditures for capital improvements for each of the City's capital improvement funds (1990 Capital Improvement Fund and the 2014 Capital Improvement Fund). These plans include (a) construction and improvement of local roads and the City's financing share of non-local roads, (b) drainage projects and projects for the preservation of the natural environment, (c) acquisition and improvement of public safety equipment and facilities, and (d) acquisition of land for industrial growth.

During the budget process, the Mayor requests that each department head assign priorities to department capital improvements, by year, for the number of years to be budgeted. These requests are consolidated and reviewed, then the Mayor proposes a Capital Improvements Programs to the City Council for its consideration. Capital expenditures have been and will be funded with borrowings or with internally generated funds.

Accounting System

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The various funds designated in the City's financial statements (attached as APPENDIX G) include the following:

General Fund. The General Fund, which is the general operating fund of the City, is the largest and most important accounting activity of the City and accounts for the current operations of the general government and all financial resources except those required to be accounted for in another fund. Expenditures from the General Fund are financed from a variety of revenue sources, including ad valorem and sales and use taxes, licenses and permits, charges for services, and fines and forfeitures. See "SOURCES OF REVENUES" in this appendix.

Grants Fund. The Grants Fund is used to account for various federal, state and local grant revenues and related expenditures.

Capital Improvements Fund. The Capital Improvements Fund represents the City's primary fund for accounting for a variety of capital projects of the City funded by internally generated revenues along with sales and use taxes and intergovernmental revenues. The two primary funds within the Capital Improvements Fund are as follows:

1990 Capital Improvement Fund. In fiscal year 1990, the City established the 1990 Capital Improvement Fund to account primarily capital projects and maintenance related to municipal facility construction and improvements, public parks and recreational facilities, street resurfacing and maintenance, as well as fleet and other durable equipment. These activities are funded by 18% of 3.5 of the 4.5% sales and use tax rate.

2014 Capital Improvement Fund. In fiscal year 2014, the City established the 2014 Capital Improvement Fund, a capital projects fund, to account for the proceeds of a one-percent sales and use tax levied by the City effective March 1, 2014. This fund accounts for the capital and economic development expenditures authorized for this fund, and the debt service on projects intended to be paid from the taxes.

Special Revenue Fund. The Special Revenue Fund is used to account for the proceeds of restricted property taxes, state gasoline taxes and seizure/forfeiture revenues, which are as follows:

Public Building Authority - accounts for the payment of debt service and related leasing arrangement in respect to construction of the jail facilities and amphitheater owned by the Authority.

Lodging Special Revenue Fund - accounts for the special lodging taxes levied within the City and the related expenditures of those funds.

Public Safety Fund - accounts for the funds received from State of Alabama required court fees and Federal, State and Local forfeitures to be used for public safety law enforcement and municipal court administration.

6.5 Mill Debt Property Tax Fund - accounts for the 6.5 mills of ad valorem taxes restricted for debt service payments of the City's projects.

6.5 Mill School Property Tax Fund - accounts for 6.5 mills of ad valorem taxes, restricted for the furtherance of education. Taxes are primarily allocated to the debt service payments on school facility projects.

1990 School Support Fund - accounts for the appropriation of sales and use taxes allocated to the Huntsville City Schools at 14.7% of 3.5 pennies of City sales and use taxes.

Gas Tax Fund - accounts for the City's share of the State four, five, and seven cents gas taxes and the related restricted expenditures.

Emergency Management Fund - accounts for the restricted revenues for the operation of the City's Emergency Management Agency.

Public Library - accounts for funds received from the City, donations and other governmental entities to be used for the operations of the public libraries in the City.

Burritt Museum - accounts for the operations of a park and museum. Financing is provided by the City, admission fees and public donations.

Alabama Constitution Village - accounts for the operation of historical tourist attractions in the City. Financing is provided by the City, admission fees and public donations.

Art Museum - accounts for the operation of the art museum in the City. Financing is provided by the City, admission fees and public donations.

Huntsville Tennis Center - accounts for the operation of a tennis center in the City. Financing is provided by the City and admission fees.

Cemetery Perpetual Care Fund - accounts for the collection of cemetery revenues earmarked by local ordinance for the long-term care of City-owned cemeteries.

TIF Special Revenue Fund - accounts for tax incremental financing districts established within the city. Revenues are restricted within specifically established tax increment districts throughout the city.

Debt Service Fund. The Debt Service Fund is used to account for the accumulation of moneys for, and the payment of, principal of and interest on long-term debt and related costs, other than long-term debt payable from special assessments and debt issued for and serviced primarily by City-owned enterprises.

Capital Projects Funds. Capital Project Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds and TIF taxes of the Special Revenue Fund). In most cases, the City uses the Capital Projects Fund to account for the expenditure of the proceeds from all warrant issues, and uses separate accounts within that to show that the proceeds of the issues were spent only on the project or projects and for the purpose or purposes authorized, and that any unused warrant proceeds or project deficits were properly handled and accounted for in accordance with applicable legal, budgetary and policy provisions.

Proceeds from warrants or other obligations issued by the City to pay for capital improvements will be accounted for in capital project funds, as will the expenditures of the proceeds of warrants and other City obligations.

There are instances in which the General Fund or a Special Revenue Fund budgets and expends its own resources for long-term improvements, which may involve general long-term borrowing, and such outlays are properly accounted for in those funds without a separate Capital Projects Fund. The City also maintains other capital projects funds to account for the expansion and development of an industrial park, which is financed by revenues other than long-term debt.

Enterprise Funds. Enterprise Funds are used to account for operations that provide goods or services to the general public on a continuing basis and that are financed and operated similarly to private business enterprises, *i.e.*, those the costs of which are to be financed or recovered primarily through user charges, or those for which it is deemed advisable (for capital maintenance, public policy, management control, accountability, or other purposes) that periodic determinations be made of revenues earned, expenses incurred, and net income. The City currently maintains Enterprise Funds for the operation of the City's Sanitary Sewer System, the Municipal Iceplex, the Von Braun Center, Orion Amphitheater, and Sanitation, and accounts for the operations of one of its "discrete component units" (Huntsville Utilities) as an Enterprise Fund. With the exception of the Enterprise Funds, which may be characterized as "proprietary" funds, all above-mentioned funds currently maintained by the City are categorized as "governmental" funds.

SOURCES OF REVENUES

Introduction

Sales and use taxes, business licenses and permits are directly related to changes in personal income rate, price levels and general economic conditions and have in the past (subject to certain exceptions) increased at a more rapid rate than ad valorem taxes. Shared state, local and intergovernmental revenue is not subject to periodic

appropriations, but results from general statutory allocation to the City of a portion of certain taxes collected by the State of Alabama, Madison County, Limestone County and Morgan County. Additional information on the principal City revenue sources is provided in the following paragraphs. While the following paragraphs show the rates at which certain of these tax proceeds have increased, the City makes no representation that future increases will be at the same or greater rates or that there will, in fact, be any such increases.

Property Taxes and Payments in Lieu of Taxes

Property or ad valorem taxes are levied under various provisions of the constitution and statutes of Alabama and, except for the 6.5-mill general purpose tax, may be used only for the purpose or purposes for which they are levied. Under present law, the rates at which local ad valorem taxes are levied may be increased only after approval by the Alabama Legislature and a majority vote of the qualified electors of the affected jurisdiction. See "AD VALOREM TAXES" herein.

Payments in lieu of taxes, calculated on various bases, are made to the General Fund by Huntsville Utilities with respect to the City-owned electric, water and natural gas systems. Under the City's contract with the Tennessee Valley Authority (TVA) for the purchase of electric power, payments in lieu of taxes with respect to the electric system will be made at an agreed upon six percent (6%) of net book value of the electric system's properties. Payments in lieu of taxes are also received by the General Fund in lesser amounts from the water and natural gas systems, computed on the basis of gross revenues. All such payments are made, at the option of the City Council, in lieu of taxes which would be due if such utility systems were subject to ad valorem taxation. The City also receives certain payments in lieu of taxes from the TVA and from the Huntsville Housing Authority. Ad valorem property taxes paid on real property are subject to periodic adjustment based upon reappraisals required by the State Department of Revenue. See "Property Re-Evaluation Program" under "AD VALOREM TAXES" herein.

The following table shows the receipts from the 6.5-mill general purpose tax and from payments in lieu of property taxes for fiscal years shown:

Fiscal Year	6.5 Mill Tax General Fund General Purpose	TVA Payments in Lieu of Property Taxes	Huntsville Utilities Electric System Payments in Lieu of Property Taxes⁽¹⁾	Total
2024*	\$30,995,211	\$3,171,440	\$21,787,652	\$55,954,303
2023	26,228,000	3,256,334	18,842,021	48,326,355
2022	22,470,322	2,697,905	18,224,671	43,392,898
2021	20,409,023	2,864,376	18,396,408	41,669,807
2020	19,565,805	2,827,779	21,172,061	43,565,645
2019	18,299,987	2,494,464	18,836,298	39,630,749

* Unaudited

⁽¹⁾ Huntsville Utilities expanded its electric system and services during 2019, resulting in additional capital improvements that increased payments in lieu of taxes to the City in 2020. The increase is also due to accounting adjustments.

Source: Annual Comprehensive Financial Reports of the City for Fiscal Years 2019-2023 (modified accrual basis of accounting).

Sales and License Taxes

Sales and Use Taxes. The largest sources of General Fund revenues are the sales and use taxes levied by ordinance of the City. Retailers are required to collect the sales tax on sales of tangible personal property at retail from the consumer and to pay collections to the City, monthly. The use tax is levied upon the use of tangible personal property brought into the City and upon which the sales tax has not previously been paid. The sales and use tax was increased effective November 1, 1989, when the basic rate was raised from 3% to 3.5% and the automobile rate was increased from 1.5% to 1.75% (certain manufacturing machinery being exempt). Additionally, the general sales and use tax rate was raised from 3.5% to 4.5% effective March 1, 2014. The total sales tax rate paid by persons purchasing items in the City in Madison County is 9% – 4% being collected for the State and 0.5% for Madison County; the rate is 10.5% in those portions of the City within Limestone County – 4% being collected for the State and 2% for Limestone County.

The following table shows sales and use tax receipts levied by and collected for the City (at a total rate of 4.5%) for the fiscal years shown includes:

Fiscal Year	Receipts⁽¹⁾	Percentage Increase
2024	\$333,281,791*	2.9%
2023	324,001,554	7.3
2022	303,110,210	12.9
2021	268,438,074	13.2
2020	237,141,754	4.6
2019	226,685,473	--

* Unaudited

⁽¹⁾ Includes receipts from the Simplified Sellers Use Tax (the "SSUT"), which allows sellers of tangible personal property or service in the State of Alabama from inventory or locations outside the State (typically, on-line sellers) to collect, report, and remit a flat 8.0% sales and use tax. For the fiscal year ended September 30, 2022, unaudited SSUT receipts accounted for 4.39% of the \$303,110,210 sales and use tax receipts shown above, for the fiscal year ended September 30, 2023, SSUT receipts accounted for 4.81% of the \$324,001,554 sales and use tax receipts shown above, and for the fiscal year ended September 30, 2024, unaudited SSUT receipts accounted for 5.29% of the \$333,281,791 unaudited sales and use tax receipts shown above.

The following table shows the allocation and deposit of total sales and use tax receipts levied by and collected for the City (at a total rate of 4.5%) for the fiscal years shown:

Fiscal Year	General Fund	City Schools	Capital Improvements Fund	2014 Capital Improvement Fund	Total Receipts
2024	\$185,560,074*	\$36,682,413*	\$44,917,363*	\$66,121,841*	\$333,281,791*
2023	179,742,173	35,858,217	43,908,021	64,493,143	324,001,554
2022	167,970,846	33,548,667	41,080,002	60,510,695	303,110,210
2021	147,774,579	29,963,646	36,690,179	54,009,669	268,438,073
2020	129,911,237	26,566,516	32,530,427	48,133,575	237,141,755
2019	122,432,577	25,786,533	31,575,346	46,891,016	226,685,472

* Unaudited

By ordinance, the City designates the below special annual appropriations from the gross proceeds of sales and use taxes levied by the City:

(1) For the 3.5% general sales and use tax and 1.75% automotive rates, 18.0% of sales and use taxes are appropriated in the year earned from the General Fund to the Capital Improvements Fund.

(2) For the 3.5% general sales and use tax and 1.75% automotive rates, 14.7% of sales and use taxes are appropriated in the year earned from the General Fund to the Huntsville City Board of Education.

(3) For the 1.0% general sales and use tax rate effective March 1, 2014, 100% of sales and use taxes are reported as revenue in the 2014 Capital Improvement Fund and earmarked for certain capital and economic development purposes.

There is no express constitutional or statutory maximum on the rates at which sales and use taxes may be levied by the City. Except for limitations concerning the rates at which privilege or business license taxes may be levied on certain types of business (such as banks and insurance companies), there are no express constitutional or statutory limitations upon the rates at which privilege or business license taxes may be levied by the City. The statements made in this paragraph concerning sales and use taxes and privilege or business license taxes are subject, however, to the qualification that, under applicable judicial precedents, none of such taxes may be levied at rates that are confiscatory or "unreasonable".

Licenses and Permits. Under general authority granted to cities and towns in Alabama by the Alabama Legislature, the City levies privilege license taxes on the privilege of engaging in certain businesses and professions within the corporate limits of the City. Most license taxes are computed as a stated amount plus a percentage of gross receipts based on a graduated scale. The following table shows receipts from licenses and permits for the fiscal years shown, and the percentage increase or decrease, as the case may be, in such receipts over those for the preceding fiscal year:

Fiscal Year	Receipts	Percentage Increase
2024	\$40,601,348*	(5.7)%
2023	43,051,868	3.6
2022	41,565,147	13.8
2021	36,532,679	12.4
2020	32,514,504	10.4
2019	29,448,382	--

* Unaudited

Source: Annual Comprehensive Financial Reports of the City for Fiscal Years 2019-2023. General Fund Statement of Revenues, Expenditures and Changes in Fund Balance (modified accrual basis of accounting).

Tax Increment Financing Districts

From fiscal years 2000 through 2006, the City created five (5) tax increment financing districts as a part of the City's long-range economic development plan. Two of those districts (formerly known as "TIF 1" and "TIF 3" have since been closed and all debt obligations associated therewith have been retired. Remaining from that initial group of tax increment financing districts are "TIF2" and "TIF4". The City has since created three (3) additional tax increment districts, as follows.

In fiscal year 2010, the City created a tax increment financing district ("TIF5") in connection with the obligations of the City under an Annexation and Development Agreement dated March 25, 2010 (the "Annexation and Development Agreement") between the City and L W Redstone Company, LLC. TIF5 was adopted by the City Council on May 13, 2010, and the Madison County Commission on May 17, 2010.

In fiscal year 2016, the City created a tax increment financing district ("TIF6") in connection with the development of public infrastructure improvements and related work to real property to foster industrial and economic development.

In fiscal year 2018, the City created a tax increment financing direct ("TIF7") with respect to the financing of certain improvements and obligations of the City incident to the development of the North American plant on a site within the City and Limestone County for the manufacture of vehicles by a joint venture between Toyota Motor Corporation and Mazda Motor Corporation. See APPENDIX A – "CITY OF HUNTSVILLE – CERTAIN DEMOGRAPHIC INFORMATION – Major Economic Activity".

Accordingly, there are five (5) tax increment districts of the City that are currently open, consisting of TIF2, TIF4, TIF5, TIF6 and TIF7.

REVENUES AND EXPENDITURES

The following table sets forth the audited revenues, expenditures and changes in fund balance for the City for all governmental fund types for the fiscal years ended September 30, 2019, through September 30, 2023, inclusive, which such information has been extracted from the audited financial statements of the City for such fiscal years and should be read in conjunction with the financial statements of the City attached as APPENDIX G.

Revenues	2023	2022	2021	2020	2019
Taxes	\$501,515,567	\$460,027,279	\$402,717,697	\$358,726,446	\$344,378,077
Licenses & permits	43,051,868	41,565,147	36,532,679	32,514,504	29,448,382
Fines & forfeitures	3,897,342	4,139,564	4,019,550	3,382,013	3,507,915

Revenues from money & property	--	--	--	5,316,225	9,717,987
Charges for services	13,231,902	12,923,044	24,975,983	22,274,966	37,161,056
Intergovernmental	62,362,019	29,734,218	54,119,202	20,131,353	17,595,641
Gifts & donations	--	--	--	2,111,362	3,408,869
Interest	12,915,912	926,861	--	--	--
Other revenues	<u>8,962,387</u>	<u>9,313,749</u>	<u>24,014,030</u>	<u>10,336,324</u>	<u>3,330,072</u>
Total Revenues	645,936,997	558,629,862	546,379,141	454,793,193	448,547,999
Expenditures					
Current					
General government	68,629,902	48,356,163	41,557,082	39,293,215	39,778,460
Public safety	126,916,642	106,975,146	100,668,628	97,451,844	95,034,927
Public services	141,760,138	106,077,977	103,473,513	95,438,193	106,397,516
Urban development	34,553,728	30,612,180	26,490,111	30,623,574	26,419,907
Debt Service					
Principal	68,868,789	53,133,143	39,885,183	40,675,086	37,462,146
Interest	39,988,329	33,956,323	32,783,046	34,881,073	34,041,366
Fiscal charges	--	--	--	469	724
Debt issuance costs	885,841	571,639	1,166,670	6,500	514,302
Capital outlay	196,075,912	157,257,470	167,373,664	153,287,127	95,846,575
Intergovernmental assistance	<u>36,557,258</u>	<u>33,899,856</u>	<u>29,961,029</u>	<u>31,198,551</u>	<u>34,137,648</u>
Total Expenditures	714,236,539	570,839,897	543,358,926	522,855,632	469,633,571
Excess of revenues over (under) expenditures	(68,299,542)	(12,210,035)	3,020,215	(68,062,439)	(21,085,572)
Other financing sources (uses)					
Sale of capital assets	3,192,598	1,887,199	--	--	--
Long-term debt issued	131,437,860	87,853,036	159,598,374	16,582,628	80,078,908
Premium on debt issue	16,712,054	16,251,573	--	--	17,514,638
Payment to escrow agent	--	--	(114,349,148)	--	--
Issuance of subscription payable	5,164,271	--	--	--	--
Capital lease payable	877,779	2,013,031	1,978,636	--	--
Transfers in	167,477,258	155,002,389	108,686,564	107,648,922	85,058,749
Transfers (out)	<u>(143,212,662)</u>	<u>(162,692,875)</u>	<u>(113,767,843)</u>	<u>(114,834,843)</u>	<u>(99,295,656)</u>
Total other financing sources (uses)	181,649,158	100,314,353	42,146,583	9,396,707	83,356,639
Net change in fund balances	113,349,616	88,104,318	45,166,798	(58,665,732)	62,271,067
Fund Balance, Beginning	432,525,819	344,421,501	290,018,684	349,137,549	292,982,886
Prior Period Adjustment	--	--	9,236,019 ⁽¹⁾	(453,133)	(6,116,404)
Fund Balance, Ending	<u>\$545,875,435</u>	<u>\$432,525,819</u>	<u>\$344,421,501</u>	<u>\$290,018,684</u>	<u>\$349,137,549</u>

⁽¹⁾ In fiscal year 2021, the City reorganized its financial statements to better aggregate and present fund information. Although bottom line totals did not change, the presentation of fund combination and major fund calculation were altered and fund balances for fiscal year 2020 have been restated.

DEBT MANAGEMENT

General

The principal forms of indebtedness that the City is authorized to incur include general obligation bonds, general obligation warrants, general obligation bond anticipation notes, revenue anticipation notes, gasoline tax anticipation warrants, and various revenue anticipation bonds and warrants relating to enterprises. In addition, the City has the power to enter into certain leases which constitute a charge upon the general credit of the City. General obligation warrants, general and special obligation bonds financing street, sidewalk and sewer improvements and supported (wholly or in part) by assessments therefor, certain revenue anticipation bonds and notes and capitalized lease obligations may be issued or incurred without voter approval.

Existing statutes also permit the City, without the approval of the electorate, to enter into certain financing lease arrangements with county and municipal public building authorities with respect to needed municipal buildings and facilities; such lease arrangements are required to be on a year-to-year basis and may be considered as

essentially "off-balance sheet" debt. No such financing lease arrangements on the part of the City are now in effect other than the City's leases with the Authority respecting the Series 2017 Bonds, the Series 2021 Bonds, and the Series 2022 Bonds.

There follows, in the discussion and tables below, various references to the existing City indebtedness. All such references exclude debt for the full retirement of which irrevocable deposits of funds or U.S. Government securities have been made. Included in the material under section entitled "DEBT MANAGEMENT" are several references to the amount of assessed value of property in the City. The amount stated in each case includes and refers to City property in Madison County, Limestone County and Morgan County.

Most of the Limestone County land was agricultural in nature, but in recent years there have been located thereon several industrial projects, including among other the North American plant constructed for the manufacture of vehicles by a joint venture between Toyota Motor Corporation and Mazda Motor Corporation. See APPENDIX A – "CITY OF HUNTSVILLE - CERTAIN DEMOGRAPHIC INFORMATION – Major Economic Activity".

Long-Term General Obligation Indebtedness of the City

The City's long-term indebtedness consists of (1) general obligation warrants and bonds, (2) warrants payable solely from revenues of the sanitary sewer system of the City, (3) warrants payable solely from revenues derived from the water system the ("Water System"), electric system (the "Electric System"), and natural gas system (the "Gas System") of the City operated by Huntsville Utilities, and (4) TIF5 Revenue Warrants.

Indebtedness payable from the City's (i) Water System is issued under a Trust Indenture dated as of May 1, 2008, as supplemented and amended (the "Water System Indenture") between the City and The Bank of New York Mellon Trust Company, N.A. ("BONY"), (ii) Electric System is issued under a Trust Indenture dated July 27, 2017, as supplemented and amended (the "Electric System Indenture") between the City and BONY, and (iii) Gas System is issued under a Trust Indenture dated August 1, 2019 (the "Gas System Indenture") between the City and BONY.

General Obligation Warrants and Authority Bonds. The following table lists the estimated maximum amount of all long-term general obligation warrants of the City, including estimated debt to be issued by the City around the time of issuance of the Series 2025 Bonds (see "Future Borrowings" below) and excluding City debt refinanced thereby, and of long-term limited obligation bonds of the Authority for which the City makes lease payments, following issuance of the Series 2025 Bonds:

Description	Principal Amount Originally Issued	Principal Outstanding (not in excess of)
Series 2017 Bonds ⁽¹⁾	\$46,965,000	\$35,735,000
General Obligation Refunding Warrants, Series 2013-B	14,580,000	13,730,000
General Obligation Warrants, Series 2014-A	54,110,000	28,370,000
General Oblig. Lease Ref. & Cap. Improvement Warrants, Series 2014-B	19,345,000	12,150,000
General Obligation Warrants, Series 2015-A	61,390,000	2,840,000
Taxable General Obligation Warrants, Series 2015-B	8,185,000	6,510,000
General Obligation Warrants, Series 2016-A	35,725,000	28,000,000
General Obligation School Warrants, Series 2016-B	29,890,000	29,315,000
General Obligation Warrants, Series 2016-C	36,030,000	19,075,000
General Obligation School Warrants, Series 2016-D	31,550,000	22,810,000
General Obligation School Warrants, Series 2017-A	17,355,000	13,175,000
General Obligation Warrants, Series 2017-B	8,560,000	3,945,000
Taxable General Obligation Warrants, Series 2017-C	11,045,000	8,000,000
General Obligation Refunding Warrants, Series 2017-D	20,055,000	17,140,000
General Obligation Refunding School Warrants, Series 2017-E	49,195,000	47,575,000
2017 IDB Guaranty Agreement ⁽²⁾	21,000,000	16,436,844
General Obligation Warrants, Series 2018-A	50,590,000	44,415,000

Description	Principal Amount Originally Issued	Principal Outstanding (not in excess of)
General Obligation Warrants, Series 2018-B	61,985,000	49,645,000
Taxable General Obligation Warrants, Series 2018-C	5,385,000	4,650,000
General Obligation Warrants, Series 2019-A	77,000,000	63,775,000
General Obligation Warrants, Series 2020-A	34,630,000	12,415,000
General Obligation School Warrants, Series 2020-B	13,265,000	7,430,000
Taxable General Obligation Warrants, Series 2020-C	31,210,000	18,030,000
Taxable General Obligation School Warrants, Series 2020-D	27,610,000	22,245,000
General Obligation Warrant, Series 2020-E	15,047,500	11,391,536
General Obligation Warrant, Series 2021	7,000,000	5,695,548
Series 2021 Bonds ⁽³⁾	37,000,000	31,980,000
Series 2022 Bonds ⁽⁴⁾	74,285,000	70,805,000
General Obligation Warrant, Series 2022	16,574,000	15,630,000
General Obligation Warrants, Series 2023-A	66,835,000	64,840,000
General Obligation Warrants, Series 2023-B	26,790,000	25,990,000
General Obligation Sewer Warrants, Series 2023-C	44,605,000	43,275,000
General Obligation School Warrants, Series 2023-D	45,425,000	44,755,000
General Obligation Warrant, Series 2023-E	11,000,000	10,242,000
General Obligation School Warrants, Series 2024-A	75,840,000	75,840,000
Taxable General Obligation School Warrants, Series 2024-B	16,000,000	16,000,000
Anticipated Series 2025-A Warrants ⁽⁵⁾	27,175,000	27,175,000
Anticipated Series 2025-B Warrants ⁽⁶⁾	34,285,000	34,285,000
Series 2025 Bonds	6,305,000	6,305,000
Total	<u>\$1,270,821,500</u>	<u>\$1,011,620,928</u>

⁽¹⁾ Represents principal of the Series 2017 Bonds, which are revenue bond obligations issued by the Authority paid by lease payments made by the City for use of a municipal public safety and corrections facility in the City.

⁽²⁾ On December 1, 2017, The Industrial Development Board of the City of Huntsville (the "IDB") issued its \$21,000,000 Industrial Revenue Bond, Series 2017 (the "2017 IDB Bond") to pay the costs of constructing a manufacturing facility to be owned by the IDB. The initial tenant of the facility is Aerojet Rocketdyne, Inc. ("AR"). Under a lease agreement between the IDB and AR (the "2017 IDB Lease"), AR agreed to make certain lease payments to the IDB including, among others, payments at such times and in such amounts as shall be equal maturing installments of debt service on the 2017 IDB Bond. The 2017 IDB Bond was sold in a private placement to Regions Bank. The City has entered a guaranty agreement to Regions Bank pursuant to which the City has agreed to pay Regions Bank whatever is owed as debt service on the Series 2017 Bond in the event the IDB lacks funds from the 2017 IDB Lease for the same. The 2017 IDB Bond bears interest at a per annum rate of 4.61% and matures over a period of 21 years.

⁽³⁾ Represents principal of the Series 2021 Bonds, which are revenue bond obligations issued by the Authority paid by lease payments made by the City for use of a public amphitheater in the City.

⁽⁴⁾ Represents principal of the Series 2022 Bonds, which are revenue bond obligations issued by the Authority paid by lease payments made by the City for use of a city hall and related administrative and parking facilities in the City.

⁽⁵⁾⁽⁶⁾ The City intends to issue, around the time the Series 2025 Bonds are issued, two series of general obligation warrants hereinafter defined as the "Anticipated Series 2025 Warrants" to finance the costs of certain capital improvements to the Von Braun Center and to refinance certain indebtedness of the City. The amounts shown represent the principal amount of the Anticipated Series 2025 Warrants which were sold on February 13, 2025, and are scheduled to be issued on February 27, 2025.

Sewer Revenue Warrants. The City has issued warrants payable to the Alabama Water Pollution Control Authority to finance improvements to the City's sanitary sewer system (the "Sewer System"). The City has the following outstanding indebtedness payable to Alabama Water Pollution Control Authority as of February 1, 2025, all of which are payable solely out of the revenues derived from the operation of the Sewer System.

Sewer Revenue Warrant Description	Principal Outstanding
Sewer Revenue Warrant, Series 2011-CWSRF-DL	\$1,005,000

Warrants Payable from Water, Electric and Natural Gas System Revenues. The following tables list all outstanding bonds and warrants as of February 1, 2025, of the City payable solely out of revenues from the Water System, Electric System and Gas System of the City, each of which is operated by Huntsville Utilities:

Obligations Payable from Water System Revenues	Principal Outstanding
Water Revenue Warrants, Series 2024	\$14,335,000
Taxable Water Revenue Warrants, Series 2021-B	66,715,000
Water Revenue Warrants, Series 2021-A	4,185,000
Water Revenue Warrants, Series 2016	6,020,000
Subordinated Water Revenue Warrant, Series 2013-DWSRF-DL	90,000
Subordinated Water Revenue Warrant, Series 2021-DWSRF-DL	9,300,000
Subordinated Water Revenue Warrant, Series 2021-B-DWSRF-DL	13,770,000
Subordinated Water Revenue Warrant, Series 2023-DWSRF-DL	5,400,000
Subordinated Water Revenue Warrant, Series 2024-DWSRF-DL	6,810,000
Obligations Payable from Electric System Revenues	Principal Outstanding
Electric Revenue Warrants, Series 2024	\$57,680,000
Electric Revenue Warrants, Series 2017-B	11,090,000
Electric Revenue Warrants, Series 2017-A	47,425,000
Obligations Payable from Natural Gas System Revenues	Principal Outstanding
Gas System Revenue Warrant, Series 2019-A	2,266,808

TIF Revenue Warrants. In connection with the obligations of the City under an Annexation and Development Agreement dated March 25, 2010, as amended (the "Annexation and Development Agreement") between the City and L W Redstone Company, LLC ("L W Redstone"), the City has issued to L W Redstone fourteen (14) series of taxable limited obligation revenue warrants in the aggregate initial principal amount of \$76,000,000 (the "TIF5 Revenue Warrants") payable solely out of tax increment revenues generated in connection with TIF5, hereinafter described, in order to pay the costs of various public infrastructure improvements referable to the project described in the Annexation and Development Agreement. TIF5 Revenue Warrants are payable solely out of TIF revenues generated within TIF5, and in that regard do not constitute an indebtedness of the City for purposes of the City's constitutional debt limit. Under the Annexation and Development Agreement, the City had the right to issue up to \$76,000,000 of TIF5 Revenue Warrants; therefore, the City has no obligation to issue any additional TIF5 Revenue Warrants under the Annexation and Development Agreement.

TIF5 Revenue Warrants are deemed satisfied and paid in full at maturity to the extent not covered by tax increment revenues generated within the boundary of TIF5 during the term of such obligations.

As permitted under the Annexation and Development Agreement, certain of these TIF5 Revenue Warrants heretofore issued have been subsequently refinanced with general obligation warrants of the City (and, as permitted by the Annexation and Development Agreement, the City covers debt service on such general obligation warrants with TIF revenues collected within TIF5).

Future Borrowings. Pursuant to its ten-year Capital Improvement Plan and other initiatives, the City currently anticipates borrowing approximately \$150.0 million for City capital improvements over the next 24 months. The City also expects to borrow approximately \$250.0 million for public school capital improvements over the next 24 months.

The City may from time to time borrow additional money in connection with various City projects, at the request of the Huntsville School System based on its administration of the School Tax, or as needs for which may otherwise arise and be merited in the discretion of the City.

Around the time of issuance of the Series 2025 Bonds it is expected that the City will issue two series of general obligation warrants, one such series to be described as General Obligation Warrants, Series 2025-A (the "Anticipated Series 2025-A Warrants"), which the City estimates will be issued in the principal amount of \$27,175,000 to pay the costs of various public capital improvements to the Von Braun Center owned and operated by the City, and the other such series to be described as General Obligation Refunding Warrants, Series 2025-B (the "Anticipated Series 2025-B Warrants" and, together with the Anticipated Series 2025-A Warrants, the "Anticipated Series 2025 Warrants"), which the City estimates will be issued in the principal amount of \$34,285,000 to refinance certain outstanding indebtedness of the City.

Payment Record. The City has never defaulted in the payment of debt service on its warrants, bonds or other funded indebtedness, nor has it refunded indebtedness for the purpose of preventing or avoiding such a default.

Legal Debt Margin

The City's constitutional debt limit is an amount equal to twenty percent (20%) of the assessed value of the property therein. However, the following, among other types of indebtedness, are under existing general law not chargeable to the City's constitutional debt limit: obligations issued for the purpose of acquiring, providing or constructing schools, waterworks or sewers; obligations incurred for street or sidewalk improvements where the costs thereof, in whole or in part, are to be assessed against the property abutting such improvements; subject to certain conditions, tax anticipation notes; certain lease obligations; and revenue securities issued for the purpose of extending, enlarging or improving water, electric, gas or sewer systems and payable solely from the revenues of one or more of such systems. Further, by virtue of certain constitutional provision respecting economic development, including, without limitation, Amendment 772 to the Constitution of Alabama of 1901, as amended, certain debt issued for industrial and economic development purposes are also not chargeable to the generally applicable 20% debt limit. The City does not have any such obligations outstanding.

The following sets forth the City's estimated constitutional debt margin following issuance of the Series 2025 Bonds:

Assessed value (real and personal property) ⁽¹⁾	\$5,921,706,000
Debt limit (20% of assessed value)	1,184,341,200
Maximum principal amount outstanding of direct outstanding debt ⁽²⁾	1,011,620,928
Less those portions not chargeable to debt limit:	
Lease revenue bonds of the PBA ⁽³⁾	144,825,500
Series 2018-A Warrants ⁽⁴⁾	44,415,000
Sewer and school purpose direct debt:	
General obligation sewer warrants	59,481,858
Warrants issued for school purposes	193,465,000
Total debt not chargeable to debt limit	<u>442,186,858</u>
Maximum amount of debt chargeable to debt limit	569,434,070
Estimated constitutional debt margin (not less than)	<u>\$614,907,130</u>

⁽¹⁾ The total reported by the Madison County Tax Assessor on the abstract for the city district tax, which is the basis for collection of the 6.5 mill general fund and 6.5 mill special revenue fund tax, along with the total reported by the Limestone County Tax Assessor and the Morgan County Tax Assessor. The most recent assessment date pertinent to this calculation is October 1, 2022.

⁽²⁾ See the chart under "General Obligation Warrants and Authority Bonds" in the section entitled "Long-Term General Obligation Indebtedness of the City" above. All other long-term indebtedness of the City, consisting of (i) warrants payable solely from Sewer System revenues, (ii) warrants payable from the water, electric or natural gas systems of the City operated by Huntsville Utilities, and (iii) TIF Revenue Warrants payable solely from TIF revenues are exempt from the constitutional debt limit and are not included in this figure.

⁽³⁾ The Series 2017 Bonds, the Series 2021 Bonds, the Series 2022 Bonds, and the proposed Series 2025 Bonds.

⁽⁴⁾ The Series 2018-A Warrants were issued under and in accordance with Amendment 919 to the Constitution of Alabama of 1901, under which the said warrants are exempt from the City's constitutional debt limit.

Direct and Overlapping Tax-Supported Debt

The following schedule reflects the estimated maximum amount of direct and overlapping tax-supported debt of the City following issuance of the Series 2025 Bonds:

	Net Direct Debt Outstanding	Percent of Debt Applicable to the City	City's Share of Debt
Direct Debt			
General Obligation Warrants & PBA bonds	\$1,011,620,928*	100%	\$1,011,620,928*
Overlapping Debt			
Madison County, general obligation debt	\$37,325,392 ⁽¹⁾	56.91% ⁽¹⁾	\$21,241,881
Limestone County, general obligation debt	\$6,345,000 ⁽²⁾	5.49% ⁽²⁾	\$348,341
Morgan County, general obligation debt	\$17,700,000 ⁽³⁾	0.00% ⁽³⁾	\$0.00
Total			\$1,033,211,150

* Includes outstanding principal of general obligation warrants of the City (including the Anticipated Series 2025 Warrants), as well as outstanding principal referable to the Series 2017 Bonds (assuming renewal of the leases by the City related thereto through final maturity of the said bonds), the Series 2021 Bonds (assuming renewal of the leases by the City related thereto through final maturity of the said bonds), the Series 2022 Bonds (assuming renewal of the leases by the City related thereto through final maturity of the said bonds), and the Series 2025 Bonds (assuming renewal of the leases by the City related thereto through final maturity of the said bonds). All other long-term indebtedness of the City, consisting of (i) warrants payable solely from the Sewer System, (ii) warrants payable from the water, electric and natural gas systems of the City operated by Huntsville Utilities, and (ii) TIF Revenue Warrants.

⁽¹⁾ Outstanding debt as presented in audited financial statements of Madison County for the fiscal year ended September 30, 2023. The Madison County percentage reflects the ratio of the population estimated by the City as of July 1, 2024 as residing in the City and living in Madison County (234,821) and the estimated total population of Madison County estimated for 2023 (412,600).

⁽²⁾ Outstanding debt as presented in audited financial statements of Limestone County for the fiscal year ended September 30, 2023. The Limestone County percentage reflects the ratio of the population estimated by the City as of July 1, 2024 as residing in the City and living in Limestone County (6,293) and the total population of Limestone County estimated for July 1, 2023 (114,654).

⁽³⁾ Outstanding debt as presented in audited financial statements of Morgan County for the fiscal year ended September 30, 2022. The Morgan County percentage reflects the ratio of the population estimated by the City as of July 1, 2024 as residing in the City and living in Morgan County (0) and the total population of Morgan County estimated for July 1, 2023 (125,133).

The following schedule shows the percentage of maximum direct and overlapping tax-supported debt to assessed value per capita in the City following issuance of the Series 2025 Bonds:

Direct general obligation debt	\$1,011,620,928
Overlapping	\$21,590,222
Total (direct and overlapping debt)	\$1,033,211,150
Assessed value of property in City	\$5,921,706,000
Ratio of direct debt to City's assessed value	17.08%
Ratio of direct and overlapping debt to City's assessed value	17.45%
Population of City (estimated as of October 2024)	227,571
Per capita direct debt	\$4,445
Per capita direct and overlapping debt	\$4,540

SCHEDULED GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS OF THE CITY

**Annual Debt Service Requirements for all General Obligation Warrants
of the City and Bonds of the Authority**

The following table reflects the scheduled annual debt service requirements on a fiscal year basis respecting all general obligation warrants of the City and all Authority bonds payable through lease payments by the City, scheduled debt service on the Anticipated Series 2025 Warrants, and scheduled debt service respecting the Series 2025 Bonds:

Fiscal Year	Existing Fixed Rate Debt⁽¹⁾	Anticipated Series 2025 Warrants	Series 2025 Bonds⁽²⁾	Total Debt Service
2025	\$97,212,504	\$1,314,561	\$115,589	\$ 98,642,654
2026	95,443,585	6,500,125	400,075	102,343,785
2027	91,030,152	6,514,500	398,950	\$97,943,602
2028	93,544,543	6,504,500	402,450	100,451,493
2029	88,567,825	6,505,000	400,575	95,473,400
2030	84,549,718	6,505,250	399,538	91,454,506
2031	81,900,231	6,499,875	399,375	88,799,481
2032	78,638,225	6,508,125	402,750	85,549,100
2033	81,189,887	6,509,250	399,625	88,098,762
2034	73,725,348	6,503,000	401,125	80,629,473
2035	65,939,427	6,498,875	402,125	72,840,427
2036	65,287,017	2,147,625	397,750	67,832,392
2037	57,717,415	2,149,125	398,000	60,264,540
2038	46,559,121	2,152,000	397,750	49,108,871
2039	36,144,023	2,151,125	401,875	38,697,023
2040	29,999,772	2,151,375	400,375	32,551,522
2041	29,998,492	2,147,625	399,600	32,545,717
2042	27,549,434	2,149,625	399,600	30,098,659
2043	27,542,901	2,152,000	399,200	30,094,101
2044	16,613,752	2,149,625	398,056	19,161,433
2045	16,614,563	2,147,375	401,050	19,162,988
2046	7,703,375	--	398,513	8,101,888
2047	7,698,250	--	400,444	8,098,694
2048	7,698,875	--	401,531	8,100,406
2049	7,704,250	--	401,766	8,106,016
2050	7,703,625	--	401,344	8,104,969
2051	7,701,375	--	400,266	8,101,641
2052	7,696,750	--	398,531	8,095,281
2053	2,921,250	--	--	2,921,250

⁽¹⁾ Includes: the Series 2013-B Warrants, the Series 2014-A Warrants, the Series 2015-A Warrants, the Series 2015-B Warrants, the Series 2016-A Warrants, the Series 2016-B Warrants, the Series 2016-C Warrants, the Series 2016-D Warrants, the Series 2017-A Warrants, Series 2017-B Warrants, the Series 2017-C Warrants, the Series 2017-D Warrants, the Series 2017-E Warrants, the Series 2018-A Warrants, the Series 2018-B Warrants, the Series 2018-C Warrants, the Series 2019-A Warrants, the Series 2020-A Warrants, the Series 2020-B Warrants, the Series 2020-C Warrants, the Series 2020-D Warrants, the Series 2020-E Warrant, the Series 2021 Warrant, the Series 2022 Warrant, the Series 2023-A Warrants, the Series 2023-B Warrants, the Series 2023-C Warrants, the Series 2023-D Warrants, the Series 2023-E Warrant, the Series 2024-A Warrants, and the Series 2024-B Warrants. Also includes annual debt service (assuming renewal of the lease related thereto through final scheduled maturity of the Series 2017 Bonds) on the Series 2017 Bonds, annual debt service (assuming renewal of the lease related thereto through final scheduled maturity of the Series 2021 Bonds) on the Series 2021 Bonds, and annual debt service (assuming renewal of the lease related thereto through final scheduled maturity of the Series 2022 Bonds) on the Series 2022 Bonds. Does not include the 2017 IDB Bond, payment of which is guaranteed by the City.

⁽²⁾ Consists of annual debt service (assuming renewal of the lease related thereto) through final scheduled maturity of the Series 2025 Bonds.

AD VALOREM TAXES

General

The levy and collection of ad valorem taxes in Alabama are subject to the provisions of the Constitution of Alabama of 1901, which limits the ratios at which property may be assessed, specifies the maximum millage rates that may be levied on property and limits total ad valorem taxes on any property in any year. Recent constitutional changes and statutory enactments, summarized below, have caused significant changes in Alabama's ad valorem tax structure.

Classification of Taxable Property

For purposes of ad valorem taxation, all taxable property in Alabama is required under current law to be divided into the following four classes:

Class I	-	All property of utilities used in their business*
Class II	-	All property not otherwise classified*
Class III	-	All agricultural, forest and single family, owner-occupied residential property, and historic buildings and sites
Class IV	-	Private passenger automobiles and pickup trucks

*Under applicable law, railroad property is not considered Class I (utility) property and is instead Class II.

Taxable property designated as "Class III" may, upon the request of the owner of such property, be appraised at its "current use value" rather than its "fair and reasonable market value". "Current use value" was originally defined in a legislative act as the value of such property based on the use being made of it on October 1 of the preceding year, without taking into consideration the "prospective value such property might have if it were put to some other possible use." Amendatory legislation, effective since the beginning of the 1981-82 tax year, extensively revised the formulas and methods to be used in computing the current use property value of agricultural and forest property. However, the original statutory definition, though somewhat modified, remains applicable to residential and historical property. There are exempted from all ad valorem taxes household and kitchen furniture, farm tractors, farming implements when used exclusively in connection with agricultural property, and inventories of goods, wares and merchandise.

Assessment Ratios

The following are the assessment ratios now in effect in the City for purposes of state and local taxation:

Class	I	-	30%
Class	II	-	20
Class	III	-	10
Class	IV	-	15

Although current law provides in effect that with respect to ad valorem taxes levied by the City, the governing body of the City may, subject to the approval of the Legislature and of a majority of the electorate of the City at a special election, and in accordance with criteria established by legislative act, adjust (by increasing or decreasing) the ratio of assessed value of any class of taxable property to its fair and reasonable market value or its current use value (as the case may be), the governing body of the City has not heretofore sought to make any adjustment of the assessment ratio applicable to any class of taxable property in the City and has no present plans for any such adjustment. The Legislature has no power over the adjustment of assessment ratios pertaining to local taxes except to approve or disapprove an adjustment proposed by a local taxing authority. The assessment ratio applicable

to each class of taxable property must in any event be uniform with respect to ad valorem taxes levied by the City.

Current Ad Valorem Tax Rates

Existing law provides that the rate of any ad valorem tax levied by the City may be increased only after the approval of the Alabama Legislature and of a majority of the electorate of the City at a special election. A general constitutional limitation on the total ad valorem taxes (*i.e.*, state, county, municipal, school district, etc.) on any property in any one year to certain percentages of the fair and reasonable market value of such property is by its terms not applicable to property in the City.

The City is located within each of Limestone County, Alabama ("Limestone County"), Madison County, Alabama ("Madison County"), and Morgan County, Alabama ("Morgan County"). Ad valorem taxes on property in the City within each of the aforesaid three counties are currently levied (*i.e.*, for the tax year ending September 30, 2022) as follows:

Limestone County

Levying Entity	Rates in Mills (Dollars per \$1,000 of Assessed Value)
State of Alabama	6.5
Limestone County:	
General	7.0
Road and Bridge/Public Building	3.5
Hospital	3.0
County-wide School	5.5
City of Huntsville:	
General	6.5
Amendment 8 Capital Projects Tax	6.5
School Tax	<u>22.0</u>
Total Mills	59.5

Source: Alabama Department of Revenue

Madison County

Levying Entity	Rates in Mills (Dollars per \$1,000 of Assessed Value)
State of Alabama	6.5
Madison County:	
General	7.0
Road and Bridge	4.0
County-wide School	5.5
District School	15.5
City of Huntsville:	
General	6.5
Amendment 8 Capital Projects Tax	6.5
School Tax	<u>6.5</u>
Total Mills	58.0

Source: Alabama Department of Revenue

Morgan County

Levying Entity	Rates in Mills (Dollars per \$1,000 of Assessed Value)
State of Alabama	6.5
Morgan County:	
General	7.2
Road and Bridge	3.6
Fire Protection	3.0
County-wide School	5.8
City of Huntsville:	
General	6.5
Amendment 8 Capital Projects Tax	6.5
School Tax	<u>10.7</u>
Total Mills	49.8

Source: Alabama Department of Revenue

Homestead Exemption

The governing body of the City is authorized by law to grant a homestead exemption of not exceeding \$4,000 in assessed value against any City ad valorem tax except one "earmarked for public school purposes." The City Council has not heretofore granted any such homestead exemption against any of the ad valorem taxes currently levied by the City.

Property Tax Litigation

The validity of the levy, assessment and collection of ad valorem taxes in Alabama have been from time to time the subject of significant litigation in both state and federal courts, which has on occasion resulted in substantial changes in Alabama's property tax system affecting ad valorem tax receipts of the various taxing authorities (including the City). However, no such litigation is, to the City's knowledge, presently pending. The City has not been a party to any such litigation that relates solely to ad valorem taxes levied by the City.

Assessment and Collection

Ad valorem taxes on taxable properties are assessed by the relevant county tax assessor or other county official, and collected by the relevant county tax collector or other county official. Ad valorem taxes on public utility properties are assessed by the State Department of Revenue and collected by the relevant county tax collector.

Ad valorem taxes are due and payable on October 1 and delinquent after December 31 in each year (except for taxes with respect to motor vehicles, which have varying due dates), after which a penalty and interest are required to be charged. If real property taxes are not paid by the March 1 following the due date, a tax sale is required to be held.

Property Re-Evaluation Program

Under existing procedures of the State Department of Revenue, each county in the State is effectively required to carry out a property reappraisal program at least once every five years. The Department of Revenue also annually reviews the appraised values and the fair market values of a representative sample of taxable property in each county in the State. A county property reappraisal program is customarily ordered by the Department of Revenue if such annual review indicates that the appraised value of property in such county has fallen below 85% of its then current fair market value.

The current level of property tax collection is dependent on many factors, including possible taxpayer appeals from increased property assessments. There can be no assurance that the current level of property tax collection will continue.

Assessed Valuations

The City is located mainly within Madison County, but smaller portions of the City exist in Limestone County and Morgan County. Historically, the City presented its assessed values based solely from those portions of the City located in Madison County because the vast majority of the City and its citizens are located in Madison County. However, over the past several years the City experienced substantial industrial and commercial growth and development within Limestone County, and the City has determined to include those portions of the City located within Limestone County and Morgan County, commencing with the 2021 tax year (for which assessments were made as of October 1, 2020), when presenting information regarding City assessed values in this Official Statement.

Madison County. The following table shows the estimated assessed values, by category, of properties within the corporate limits of the City located within Madison County as of the indicated assessment dates (*i.e.*, for the tax year commencing as of the date indicated):

Real and Personal Property Assessed Values (in thousands)*

Assessment Date October 1	Residential/ Corporate	Public Utilities	Motor Vehicles	Exemptions	Total
2023	\$6,349,787	\$17,471	\$497,561	(\$1,328,483)	\$5,536,336
2022	5,728,469	14,764	455,661	(1,136,089)	5,062,805
2021	4,676,897	19,541	393,791	(736,109)	4,354,120
2020	4,015,281	16,919	350,461	(578,597)	3,804,064
2019	3,631,402	17,621	318,648	(385,376)	3,582,295

Limestone County. The following table shows the estimated assessed values, by category, of properties within the corporate limits of the City located within Limestone County as of the indicated assessment dates (*i.e.*, for the tax year commencing as of the date indicated):

Real and Personal Property Assessed Values (in thousands)*

Assessment Date October 1	Residential/ Corporate	Public Utilities	Motor Vehicles	Exemptions	Total
2023	\$905,636	\$278	\$18,928	(\$539,752)	\$385,090
2022	952,240	280	17,371	(655,292)	314,599
2021	736,404	280	13,567	(544,491)	205,760
2020	532,687	274	10,436	(377,511)	165,886
2019	199,543	243	8,732	(57,406)	150,752

Morgan County. The following table shows the estimated assessed values, by category, of properties within the corporate limits of the City located within Morgan County as of the indicated assessment dates (*i.e.*, for the tax year commencing as of the date indicated):

Real and Personal Property Assessed Values (in thousands)*

Assessment Date October 1	Residential/ Corporate	Public Utilities	Motor Vehicles	Exemptions	Total
2023	\$340	\$0.00	N/A	(\$60)	\$280
2022	328	0.00	N/A	(55)	273
2021	306	0.00	N/A	(50)	256
2020	256	0.00	N/A	(0.00)	256
2019	257	0.00	N/A	(0.00)	257

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

Defined Benefit Pension Plan

The City participates in the Employees' Retirement System of Alabama (the "State System") which is operated by the State of Alabama. Contributions are made by employees and the City to the State System. Membership is compulsory for all employees of the City and the State System acts only in an administrative capacity with respect to the City plan. The information given below respecting the participation of the City in the State System relates only to the administration of the local plan by the State System and should not be interpreted as indicating that the State System is in any way responsible for the funding of any benefits payable to employees of the City.

In general, employees of the City participating in the State System are entitled to the same benefits provided for State employees as though those local employees were State employees having comparable years of covered service. Upon such election, the State System administers the local plan and the rates of contributions to be made by the City are determined by the actuary for the State System. The cost of providing benefits is borne by the City and no part of such cost is paid by the State System.

Employees of Huntsville Utilities are subject to separate contribution rates established by the Water, Electric and Natural Gas Boards, respectively, and the Employees' Retirement System. Funding for such retirement plans is derived from revenues of Huntsville Utilities and not from general funds of the City.

See Note #12 - "Pension Plans" to the audited financial statements of the City attached as APPENDIX G hereto for more information about the City's participation in the State System and the City's pension plans, pension liability and related information.

Retirement plans for teachers in the City's school system are funded by the State Teachers' Retirement System (the "Teachers' System"), maintained by the State of Alabama. Because the State of Alabama has assumed responsibility for providing retirement plans for public school teachers, the City historically has had no direct responsibility in this area.

Unlike the Teachers' System, the State System does not undertake to fund the retirement plans of participating local governments and acts only in an administrative capacity, and then only upon the election of local governments. The statute permitting such election provides that the "retirement system shall not be liable for the payment of any pensions or other benefits on account of the employees or pensioners of any employers under this section, for which reserves have not been previously created from funds contributed by such employer or its employees for such benefits." The statute further provides that the agreement of the City to contribute to the Employees' System on account of its employees is irrevocable, but should it become financially unable to make the normal and accrued liability contribution, the City would be deemed to be in default under the State System.

Other Post-Employment Benefits

The City provides certain post-retirement health insurance benefits (the "OPEB Plan") to qualifying retired employees (generally, those employees age 55 or older with 25 years of consecutive service or those employees with 30 consecutive years of service, regardless of age).

See Note #13 "Other Post-Employment Benefits (OPEB)" to the audited financial statements of the City attached as APPENDIX G hereto for more information about the OPEB Plan.

LITIGATION AND OTHER MATTERS

The City is a defendant in various lawsuits, and there are various other claims pending or threatened against the City with respect to which lawsuits may be filed, including several under Section 1983 of Title 42 of the United States Code. The City does not, on account of availability, costs and coverages offered, carry any general or professional liability insurance (though the City does carry general liability insurance for public transit vehicles and

drivers). Except as stated in the last paragraph under this heading, in the opinion of the City Attorney, the maximum probable liability of the City with respect to all the lawsuits and claims that are pending or threatened against the City, taken together, will not have a material adverse effect on the financial condition of the City.

Court decisions have substantially eroded the immunity from tort liability formerly enjoyed by local governmental units in Alabama. However, Chapter 93 of Title 11 of the Code of Alabama 1975, as amended, now prescribes certain maximum limits on the liability of local governmental units (such as the City) for bodily injury, sickness, disease or death sustained by a person and for injury or destruction of tangible property. These limits are presently \$100,000 in the case of bodily injury or death of one person in any single occurrence, \$300,000 in aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence, and \$100,000 in the case of property damage arising out of a single occurrence. Applicable decisions of the Supreme Court of Alabama have upheld the constitutionality of Chapter 93 (although indicating that there is no statutory "aggregate limit" with respect to property damage arising out of a single occurrence comparable to that specified for personal injury or death claims) and have limited the applicability of Chapter 93 to causes of action arising after its effective date, May 23, 1977. While the matter may not be free from doubt, it should be assumed that the liability limitations of Chapter 93 are not applicable to causes of action under Section 1983 of Title 42 of the United States Code.

APPENDIX D
PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE AUTHORITY

APPENDIX D
PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE AUTHORITY

We have examined certified copies of proceedings and other documents showing the organization under the laws of Alabama of **THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE** (herein sometimes called the "Authority"), together with certified copies of proceedings of the Authority and other documents submitted to us pertaining to the issuance and validity of

\$6,305,000
THE PUBLIC BUILDING AUTHORITY
OF THE CITY OF HUNTSVILLE
Lease Revenue Bonds
Series 2025

(herein called the "Series 2025 Bonds"). We have not examined the title of the Authority to the real property hereinafter referred to, but we have, for purposes of this opinion, assumed that the Authority has good and marketable title to said real property subject only to Permitted Encumbrances (as defined in the Indenture hereinafter referred to and herein called "Permitted Encumbrances"). The statements hereinafter made and the opinions hereinafter expressed are based upon our examination of said proceedings, documents and said assumption of title.

The documents submitted to us show as follows:

(a) that the Authority has heretofore issued its \$74,285,000 initial principal amount Lease Revenue Bonds, Series 2022, dated March 3, 2022 (herein called the "Series 2022 Bonds") under and pursuant to that certain Mortgage Indenture and Deed of Trust dated March 3, 2022 (herein called the "Base Indenture"), between the Authority and Regions Bank, as trustee (herein called the "Trustee"); and

(b) that the Series 2025 Bonds have been issued as Additional Parity Bonds under and pursuant to the Base Indenture, as supplemented and amended by a First Supplemental Mortgage Indenture and Deed of Trust dated the date of the Series 2025 Bonds (herein called the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Authority and the Trustee; and

(c) that the Authority and the City of Huntsville (herein called the "City") have entered into a Lease Agreement dated March 3, 2022 (herein called the "Base Lease"), as supplemented and amended by a First Supplemental Lease dated the date of the Series 2025 Bonds (herein called the "First Supplemental Lease" and, together with the Base Lease, herein called the "Lease"), wherein the Authority has leased to the City certain real property (herein called the "Real Property") and the city hall facility, parking facility, and related improvements and facilities to be located thereon (herein called the "Facility" and, together with the Real Property, the "Leased Property"); and

(d) that the Lease provides for the lease of the Leased Property by the City for a current term ending September 30, 2025, and further provides for the renewal of the Lease thereafter, at the sole option of the City, for the successive annual terms coinciding with the fiscal year of the City (such fiscal year being a period of twelve consecutive months beginning on each October 1 and continuing until the next succeeding September 30 and being herein called a "Fiscal Year") until and including the Fiscal Year (or part thereof) during which the Series 2022 Bonds and the Series 2025 Bonds shall be paid in full; and

(e) that the Lease provides that, during each Fiscal Year for which it shall be in effect, the City will pay to the Authority certain amounts, including such amount as shall equal debt service on the Series 2022 Bonds and the Series 2025 Bonds coming due in such Fiscal Year, all such payments by the City for each Fiscal Year to be made solely from current revenues of the City for the same Fiscal Year; and

(f) that in the Indenture the Authority has reserved the right to issue Additional Bonds (herein called the "Additional Parity Bonds"), without express limit as to principal amount, on a parity with the Series 2022

Bonds and the Series 2025 Bonds as respects the security afforded by the Indenture, but only upon compliance with the applicable conditions specified in the Indenture.

We are of the following opinion:

(1) that the Authority has been duly organized as and is a validly existing public corporation pursuant to and under the laws of Alabama and has corporate power to issue the Series 2025 Bonds, to execute and deliver the Lease and the Indenture and to perform the agreements on its part contained in each of said instruments;

(2) that the Series 2025 Bonds have been duly authorized, sold, executed, authenticated and issued in the manner provided by the applicable provisions of the constitution and laws of Alabama, are in due and legal form and evidence valid and binding limited obligations of the Authority payable, as to principal, interest and premium (if any), solely out of revenues to be derived by the Authority from the Leased Property, as it may at any time exist;

(3) that the Indenture and the Lease have been duly authorized by the Authority and constitute valid and binding obligations of the Authority;

(4) that payment of the principal of and the interest (and premium, if any) on the Series 2025 Bonds is secured, pro rata and without preference or priority of one over another or of any of the Series 2025 Bonds over any of the Series 2022 Bonds or any Additional Parity Bonds hereafter issued, by the lien of the Indenture and by a valid pledge of payments of Basic Rent, as defined in the Lease, which the Lease requires the City to pay directly to the Trustee for the benefit of the Series 2022 Bonds, the Series 2025 Bonds and any Additional Parity Bonds hereafter issued;

(5) that the aforesaid pledge for the benefit of the Series 2025 Bonds is a valid pledge of said revenues;

(6) that the Lease has been duly authorized, executed and delivered on behalf of the City;

(7) that for each Fiscal Year in which it shall be renewed by the City, the Lease will constitute a valid, binding and enforceable agreement of the City, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally; and

(8) that the interest on the Series 2025 Bonds is, under existing statutes, exempt from Alabama income taxation.

We are further of the opinion that, under the Internal Revenue Code of 1986, as amended (herein called the "Code"), as presently construed and administered, and assuming compliance by each of the Authority and the City with its covenants pertaining to certain requirements of federal tax law that are set forth in the proceedings authorizing the issuance of the Series 2025 Bonds and in the tax compliance agreement and certificate executed by the Authority and the City in connection with the Series 2025 Bonds, the interest on the Series 2025 Bonds will be excludable from gross income of the recipients thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code, and the interest on the Series 2025 Bonds will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code. We express no opinion with respect to the federal tax consequences to the recipients of the interest on the Series 2025 Bonds under any provision of the Code not referred to above.

The Indenture provides that in the event the Authority should default in any of the provisions thereof in the manner and for the time therein provided, the Trustee may declare all the bonds secured thereby and then outstanding thereunder forthwith due and payable, and the Trustee shall be entitled to exercise the rights specified in the Indenture. The mortgage lien of the Indenture, however, is not foreclosable, and the remedies available to the Trustee and the holders of the bonds issued under the Indenture will not include foreclosure or sale of the Leased Property or any part thereof.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2025 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the holders of the Series 2025 Bonds and the enforceability thereof and of the Indenture and the Lease may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2025 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Series 2025 Bonds other than as expressly set forth herein.

The rights of the holders of the Series 2025 Bonds and the enforceability thereof and of the Indenture and the Lease may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof and we assume no obligation to or update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours very truly,

APPENDIX E
SUMMARY OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E
SUMMARY OF CONTINUING DISCLOSURE AGREEMENT

General. The following is a summary of the Continuing Disclosure Agreement (the "Agreement") entered into by the City for the benefit of the holders of the Series 2025 Bonds, in order to assist the Underwriter in complying with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission of the United States of America (the "Commission") pursuant to the Securities Exchange Act of 1934. Except where otherwise defined in this Appendix, all capitalized terms have the meaning assigned in the front portion of this Official Statement.

Annual Report of the City. The City agrees, in accordance with the provisions of the Rule, to provide or cause to be provided through EMMA (or such other system as may be subsequently authorized by the MSRB), not later than 270 days after the close of each fiscal year of the City (October 1 – September 30), commencing with the fiscal year ending September 30, 2024, a report (the "City's Annual Report") containing:

(i) the audited general purpose financial statements of the City, prepared in accordance with accounting principles generally accepted in the United States of America, and the notes thereto, and

(ii) if not otherwise contained in the Annual Report, the following information for the fiscal year being reported:

(a) receipts of (i) the 6.5 mill general purpose ad valorem tax levied by the City, (ii) TVA Payments in Lieu of Property Taxes and (iii) Huntsville Utilities Electric Payments in Lieu of Property Taxes, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Property Taxes and Payments in Lieu of Taxes" in APPENDIX C;

(b) collections of sales and use taxes levied by the City, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Sales Taxes and License Fees – Sales and Use Taxes" in APPENDIX C;

(c) collections of privilege license taxes levied by the City, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Sales Taxes and License Fees – Licenses and Permits" in APPENDIX C; and

(d) to the extent available from applicable taxing authorities, the assessed value of real property in the City, or, to the extent actual assessed values are not available, estimated assessed values of such real property, in format substantially similar (with respect to such real property) to the tables shown under the heading "AD VALOREM TAXES – Assessed Valuations" in APPENDIX C.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of the City's Annual Report, to the extent necessary or appropriate in the judgment of the City; provided, that the City agrees that any such modification will be done in a manner consistent with the Rule.

Notice of Certain Events. The City agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, through EMMA (or such other system subsequently authorized by the MSRB), notice of the occurrence of any of the following events with respect to the Series 2025 Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;
7. modifications to rights of security holders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Series 2025 Bonds, if material;
11. rating change;
12. bankruptcy, insolvency, receivership or similar event of the obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. failure of the City to timely file its Annual Report;
16. incurrence of a financial obligation of the City or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or obligated person, any of which affect security holders, if material; or
17. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City or obligated person, any of which reflect financial difficulties.

Additional Information. The City may from time to time choose to provide other information in addition to the information and notices listed above, but the City does not undertake in the Agreement to commit to provide any such additional information or to update or to continue to provide such additional information or notices once provided.

Amendment; Waiver

The City may amend the Agreement and any provision of the Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings therein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

Beneficiaries and Enforcement

The City agrees that its undertakings pursuant to the Rule set forth in the Agreement are intended to be for the benefit of the holders of the Series 2025 Bonds and shall be enforceable by such holders. No failure by the City to comply with its obligations under the Agreement shall constitute an event of default under the Indenture or under the Lease.

APPENDIX F
BOOK-ENTRY ONLY SYSTEM

APPENDIX F
BOOK-ENTRY ONLY SYSTEM

Portions of the following information concerning The Depository Trust Company ("DTC") and DTC's book-entry system have been obtained from DTC. The Authority and the Underwriter make no representation as to the accuracy of such information. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

Initially, DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds initially will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Initially, one fully-registered bond certificate for each maturity will be issued for the Series 2025 Bonds, in the aggregate principal amount of the Series 2025 Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Trusteeing Law, a "Trusteeing organization" within the meaning of the New York Trusteeing Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, Trustees, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, Trustees, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. So long as the Series 2025 Bonds are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the Series 2025 Bonds.

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2025 Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

As long as the book-entry system is used for the Series 2025 Bonds, redemption notices will be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

As long as the book-entry system is used for the Series 2025 Bonds, principal, premium, if any, and interest payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, and disbursement of such payments to the Participants or the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Authority or the Trustee. In addition, the Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Under either of such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Authority and the Trustee will have no responsibility or obligation to any securities depository, any Participants in the book-entry system, or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the securities depository or any Participant; (ii) the payment by the securities depository or by any Participant of any amount due to any Participant or Beneficial Owner, respectively, in respect of the principal amount or redemption or purchase price of, or interest on, any of the Series 2025 Bonds; (iii) the delivery of any notice by the securities depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2025 Bonds; or (v) any other action taken by the securities depository or any Participant.

APPENDIX G
AUDITED FINANCIAL STATEMENTS OF THE CITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

APPENDIX H
THE BASE LEASE AND FORM OF FIRST SUPPLEMENTAL LEASE

APPENDIX I
THE BASE INDENTURE AND FORM OF FIRST SUPPLEMENTAL INDENTURE

Exhibit V
Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

by

CITY OF HUNTSVILLE, ALABAMA

for the benefit of

BENEFICIAL OWNERS OF

THE PUBLIC BUILDING AUTHORITY OF THE CITY OF HUNTSVILLE

**\$6,305,000
LEASE REVENUE BONDS
SERIES 2025**

DATED MARCH 4, 2025

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") dated March 4, 2025, is entered into by the **CITY OF HUNTSVILLE, ALABAMA**, a municipal corporation under the laws of the State of Alabama (the "City"), for the benefit of the beneficial owners of the Series 2025 Bonds described herein.

RECITALS:

Contemporaneously with the execution and delivery of this Agreement by the City, The Public Building Authority of the City of Huntsville (the "Authority") will issue its \$6,305,000 Lease Revenue Bonds, Series 2025, dated March 4, 2025 (the "Series 2025 Bonds"), pursuant to the provisions of a Mortgage Indenture and Deed of Trust dated March 3, 2022, as supplemented and amended by a First Supplemental Indenture dated March 4, 2025 (collectively, the "Indenture"). The Series 2025 Bonds are being issued for the purpose of (i) financing the final costs of designing, developing, constructing, equipping and installing on certain real property within the City a new city hall facility and related parking improvements (together with such real property, the "Project"), and (ii) paying the costs of issuing the Series 2025 Bonds. The Series 2025 Bonds are payable from and secured by certain rental payments to be made by the City under that certain Lease Agreement dated March 3, 2022, as supplemented and amended by a First Supplemental Lease Agreement dated March 4, 2025, between the Authority and the City (collectively, the "Lease Agreement").

The Series 2025 Bonds are subject to the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission of the United States of America (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended. The Series 2025 Bonds have been issued to Raymond James & Associates, Inc. (the "Underwriter"), and the Authority has delivered to the Underwriter its Official Statement with respect to the Series 2025 Bonds dated February 18, 2025 (the "Official Statement"). There are no "obligated persons," as defined in the Rule, with respect to the Series 2025 Bonds, other than the City.

The parties hereto have entered into the Agreement in order to assist the Underwriter in complying with the Rule.

NOW, THEREFORE, the City does hereby undertake and agree with the beneficial owners of the Series 2025 Bonds as follows:

Section 1. Annual Report of the City. The City agrees, in accordance with the provisions of the Rule, to provide or cause to be provided through EMMA (or such other system subsequently authorized by the MSRB), as designated by the Commission in accordance with the Rule, not later than 270 days after the close of each fiscal year of the City (October 1 – September 30), commencing with the fiscal year ending September 30, 2024, a report (the "City's Annual Report") containing:

(i) the audited general purpose financial statements of the City, prepared in accordance with accounting principles generally accepted in the United States of America, and the notes thereto, and

(ii) if not otherwise contained in the Annual Report, the following information for the fiscal year being reported:

(a) receipts of (i) the 6.5 mill general purpose ad valorem tax levied by the City, (ii) TVA Payments in Lieu of Property Taxes, and (iii) Huntsville Utilities Electric Payments in Lieu of Property Taxes, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Property Taxes and Payments in Lieu of Taxes" in Appendix C of the Official Statement;

(b) collections of sales and use taxes levied by the City, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Sales Taxes and License Fees – Sales and Use Taxes" in Appendix C of the Official Statement;

(c) collections of privilege license taxes levied by the City, in format substantially similar to the table shown under the heading "SOURCES OF REVENUES – Sales Taxes and License Fees – Licenses and Permits" in Appendix C of the Official Statement; and

(d) to the extent available from applicable taxing authorities, the assessed value of real property in the City, or, to the extent actual assessed values are not available, estimated assessed values of such real property, in format substantially similar (with respect to such real property) to the tableS shown under the heading "AD VALOREM TAXES – Assessed Valuations" in Appendix C of the Official Statement.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of the City's Annual Report, to the extent necessary or appropriate in the judgment of the City; provided, that the City agrees that any such modification will be done in a manner consistent with the Rule.

Section 2. Notice of Certain Events. The City agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, through the EMMA system (or any such other system subsequently authorized by the MSRB), notice of the occurrence of any of the following events (the "Listed Events") with respect to the Series 2025 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;
- (7) modifications of the rights of holders of the Series 2025 Bonds;
- (8) calls for redemption, other than scheduled mandatory redemption, of any of the Series 2025 Bonds if material, and notice of tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Series 2025 Bonds;
- (11) any change in rating on the Series 2025 Bonds;
- (12) bankruptcy, insolvency, receivership or similar event of the City or of any obligated person respecting the Series 2025 Bonds;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or any obligated person respecting the Series 2025 Bonds (each, an "Obligated Person") or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinance course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement related to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial

Obligation of an Obligated Person, any of which affect security holders, if material; and

- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

As used herein, "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term financial obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

Section 3. Failure to Timely File Annual Reports. The City, in a timely manner, shall file notice in accordance with the Rule of a failure to timely file the Annual Report, respectively, by the dates herein specified.

Section 4. Additional Information. Nothing in this Agreement shall be deemed to prevent the parties hereto from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If any of the parties hereto choose to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, such parties shall have no obligation under this Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

Section 5. Beneficiaries and Enforcement. The parties hereto agree that their undertakings pursuant to the Rule set forth in the Agreement are intended to be for the benefit of the holders and beneficial owners of the Series 2025 Bonds and shall be enforceable by such holders and beneficial owners. No failure by the City to comply with its obligations under the Agreement shall constitute an event of default under the Indenture or the Lease.

Section 6. Amendment. This Agreement may be amended without the consent of any holders of the Series 2025 Bonds if:

- (a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City;

- (b) this Agreement, as so amended, would have complied with the requirements of the Rule at the time of the execution thereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

- (c) the City receives an opinion of nationally recognized bond counsel that such amendment does not materially impair the interests of any of the holders of the Series 2025 Bonds.

IN WITNESS WHEREOF, this Agreement has been duly authorized and executed by the City dated this 4th day of March, 2025.

CITY OF HUNTSVILLE, ALABAMA

By: _____
Mayor

