

OFFICIAL NOTICE OF SALE

\$35,000,000*

CITY OF BERKELEY
(Alameda County, California)

2025 GENERAL OBLIGATION BONDS, SERIES C
(2018 ELECTION MEASURE O: AFFORDABLE HOUSING)
(FEDERALLY TAXABLE)

NOTICE IS HEREBY GIVEN by the City of Berkeley (the "City"), that bids will be received by a representative of the City for the purchase of \$35,000,000* principal amount of bonds of the City designated the "City of Berkeley 2025 General Obligation Bonds, Series C (2018 Election Measure O: Affordable Housing) (Federally Taxable)" (the "Bonds"). Bids will be received in electronic form through BiDCOMP™/Parity® ("Parity") on:

TUESDAY, JUNE 17, 2025

starting at 8:00 a.m. and ending at 8:30 a.m. Pacific Time.

The City reserves the right to postpone or change the time or sale date upon 20 hours' notice delivered via Bloomberg News Service or London Stock Exchange Group ("LSEG") The Municipal Market Monitor ("TM3").

The Bonds will be issued under the provisions of a resolution adopted by the City Council of the City on May 20, 2025 (the "Bond Resolution"), and under the laws of the State of California. The Bonds are more particularly described in the proposed form of the Bond Resolution on file with the City (which is incorporated herein by reference) and copies thereof will be furnished to the bidder upon request.

DESCRIPTION OF THE BONDS

PURPOSE: The proceeds of the Bonds will be applied by the City for the purpose of financing the acquisition and improvement of affordable housing, in accordance with the ballot proposition under which the issuance of the Bonds has been authorized.

ISSUE; BOOK-ENTRY FORM: The Bonds will be issued in the aggregate principal amount of \$35,000,000* in the form of fully registered Bonds without coupons. The Bonds will be dated as of as of their original delivery, and will be issued in minimum denominations of \$5,000. The Bonds will be issued in a book entry only system with no physical distribution of the Bonds made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Bonds which will be immobilized in its custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds.

* Preliminary, subject to change.

MATURITIES: The Bonds will mature, or be subject to mandatory sinking fund redemption, on September 1 in each of the years, and in the amounts, as set forth in the following table. The final principal amount of the Bonds, and the final amount of each maturity of the Bonds, is subject to increase or reduction as described below under the heading “ADJUSTMENT OF PRINCIPAL MATURITIES”. *Each bidder must specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
9/1/2025	1,675,000
9/1/2026	465,000
9/1/2027	490,000
9/1/2028	515,000
9/1/2029	540,000
9/1/2030	570,000
9/1/2031	600,000
9/1/2032	630,000
9/1/2033	665,000
9/1/2034	700,000
9/1/2035	735,000
9/1/2036	775,000
9/1/2037	815,000
9/1/2038	855,000
9/1/2039	900,000
9/1/2040	950,000
9/1/2041	995,000
9/1/2042	1,060,000
9/1/2043	1,130,000
9/1/2044	1,205,000
9/1/2045	1,285,000
9/1/2046	1,365,000
9/1/2047	1,440,000
9/1/2048	1,515,000
9/1/2049	1,595,000
9/1/2050	1,680,000
9/1/2051	1,770,000
9/1/2052	1,865,000
9/1/2053	1,965,000
9/1/2054	2,070,000
9/1/2055	2,180,000

PAYMENT PROVISIONS: Interest on the Bonds will be payable on September 1, 2025, and on succeeding March 1 and September 1 (the “Interest Payment Dates”), to the registered owners by check or draft of The Bank of New York Mellon Trust Company, N.A., as paying agent (the “Paying Agent”) or, in the case of the owner of Bonds in an aggregate principal amount of at least \$1,000,000, at the written request of such owner by wire transfer. Principal of and premium (if any) on any Bond will be paid upon presentation and surrender thereof at the office of the Paying Agent. Principal, interest and premium (if any) on the Bonds are payable in lawful money of the United States of America.

OPTIONAL REDEMPTION: The Bonds maturing on or before September 1, 2035, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after September 1, 2036, are subject to redemption prior to maturity, at the option of the City, in whole or in part among maturities on such basis as designated by the City and by lot within a maturity, from any available source of funds, on September 1, 2035, and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption, without premium.

SINKING FUND REDEMPTION: *Any bidder may, at its option, specify that one or more maturities of the Bonds will consist of term Bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder.* If the bid of the winning bidder specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on September 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES", at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.

SECURITY: The Bonds are general obligations of the City, and the City will direct the appropriate officials of Alameda County to levy ad valorem taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount for the payment of the Bonds and the interest thereon.

TAX-EXEMPT STATUS: **The City does not intend for the interest on the Bonds to be excluded from gross income for federal income tax purposes.** In the opinion of Bond Counsel, such interest is exempt from California personal income taxes.

LEGAL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds, will be furnished to the purchaser of the Bonds without cost. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond at the expense of the City.

FURTHER INFORMATION: A copy of the Preliminary Official Statement describing the Bonds, and any other information concerning the proposed financing, will be furnished upon request to the municipal advisor to the City as follows ("Municipal Advisor"): NHA Advisors, LLC, 4040 Civic Center Drive, Suite 200, San Rafael, California 94903, telephone: (415) 785-2025 ext. 2006 (Rob Schmidt) or Rob@NHAadvisors.com, website: www.NHAadvisors.com. The Official Notice of Sale and Preliminary Official Statement are available from the Municipal Advisor.

MUNICIPAL BOND INSURANCE; BIDDER'S OPTION: The City has applied to certain bond insurance companies for a commitment to issue a policy insuring the payment when due of principal of and interest on the Bonds. Information concerning the availability of municipal bond insurance may be also obtained by contacting the Municipal Advisor as described above. In the event the City obtains a commitment for municipal bond insurance, each bidder has the option to elect whether such insurance will be issued. If the winning bidder elects to obtain any policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the winning bidder, and the City will have no responsibility for payment of such premium and costs.

CERTIFICATE REGARDING MUNICIPAL BOND INSURANCE: If the winning bidder elects to obtain a policy of municipal bond insurance for the Bonds, the bidder will be required to execute and deliver to the City a certificate, in form and substance acceptable to bond counsel, stating that (a) the present value of the fees for the municipal bond insurance policy is less than the present value of expected interest savings as a result of the insurance, determined by using the yield of the Bonds as the discount rate in computing present value; and (b) based on the experience of the purchaser in assisting issuers to obtain municipal bond insurance, the fees for the bond insurance policy do not exceed a reasonable arm's length charge for transfer of the credit risk represented by the insurance and do not include any payment for any direct or indirect services other than the transfer of credit risk.

TERMS OF SALE

RIGHT TO CANCEL, POSTPONE OR RESCHEDULE SALE: The City reserves the right to cancel, postpone or reschedule the sale of the Bonds upon 20 hours' notice delivered via Bloomberg News Service or LSEG TM3. If the sale is postponed, bids will be received at the above place at such date and hour as set forth in the notice. Failure of any bidder to receive such notice or any other form of notice of canceled, postponed or rescheduled sale will not affect the legality or validity of any sale.

SUBMISSION OF BIDS: Bids will be received electronically as described below, provided that such electronic bid must be received no later than the date and time set for receipt of bids. All bidders, by submitting a bid, acknowledge that they have an established industry reputation for underwriting new issuances of municipal bonds.

ELECTRONIC BIDS: Solely as an accommodation to bidders, the City will accept bids in electronic form solely from Ipreo, a KKR portfolio company, through its BidCOMP Competitive Bid Calculation System and Parity Electronic Bid Submission System ("Ipreo"). For information about Ipreo, bidders may contact Ipreo at 395 Hudson Street, New York, New York 10014, telephone (212) 849-5023. If any provision of this Notice of Sale conflicts with information provided by Ipreo, this Notice of Sale shall control. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with Ipreo, that the City does not encourage the use of Ipreo, and that Ipreo is not acting as an agent of the City. Instructions for submitting electronic bids must be obtained from Ipreo, and the City does not assume any responsibility for ensuring or verifying bidder compliance with Ipreo procedures. Ipreo has advised the City that bidders must subscribe to Ipreo if such bidders intend to use Ipreo to submit bids. The City shall be entitled to assume that any bid received via Ipreo has been made by a duly authorized agent of the bidder.

Neither the City, the Municipal Advisor nor Bond Counsel has any responsibility for proper functioning of the Ipreo system, for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted, received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the City at the place of bid opening, and the City will not be required to accept the time kept by Parity as the official time. The City assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete, or not received.

FORM OF BID; MINIMUM PURCHASE PRICE: Each proposal must be for not less than all of the Bonds hereby offered for sale. The purchase price to be paid for the Bonds may not be less than the par value thereof **and must include net original issue premium, equal to the sum of no less than (i) \$195,000 PLUS (ii) the purchaser's discount** (for example, if the purchaser's discount is \$300,000, the net original issue premium would be no less than \$495,000). If the winning bidder elects to obtain any policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the winning bidder (see "DESCRIPTION OF THE BONDS – MUNICIPAL BOND INSURANCE; BIDDER'S OPTION" above).

DESIGNATION OF INTEREST RATES: Each bidder must specify the rate or rates of interest which the Bonds will bear. The maximum rate bid on any Bonds may not exceed 8.00% per annum. A bidder will be permitted to bid different rates of interest for each maturity of Bonds, but:

- each interest rate specified must be in a multiple of 1/20% or 1/8%;
- no Bond may bear more than one rate of interest;
- interest on each Bond will be computed from the date of original delivery to its stated maturity at the interest rate specified in the proposal, payable on the Interest Payment Dates as set forth above; and
- all Bonds maturing at any one time will bear the same rate of interest.

DETERMINATION OF BEST BID: The Bonds will be awarded to the responsible bidder whose bid produces the lowest true interest cost on the Bonds. The true interest cost specified in any bid will be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on all Bonds from the date of original delivery (which is assumed to be July 1, 2025) to their respective maturity dates or mandatory sinking fund redemption dates, produces an amount equal to the purchase price specified in such bid. For purposes of computing the true interest cost represented by any proposal, the purchase price specified in such proposal shall be equal to the par amount of the Bonds plus any premium specified in such proposal, and the true interest cost shall be calculated by the use of a semiannual interval of compounding interest based on the Interest Payment Dates for the Bonds. **Each proposal should include net original issue premium, equal to the sum of no less than \$195,000 PLUS the purchaser's discount.** See "Form of Bid; Minimum Purchase Price" above.

ADJUSTMENT OF PRINCIPAL MATURITIES: In order to achieve the financial goals of the City, the City may need to adjust the schedule of principal maturities for the Bonds based on the bids that are received. Therefore, the City reserves the right to increase or decrease the principal amount of any maturity of the Bonds (or, in the case of the term Bonds, the principal amount thereof which is subject to mandatory sinking fund redemption on September 1 in any year). The aggregate principal amount of the Bonds may be reduced as a result of such adjustment, in an amount not exceeding 10% of the amount of Bonds hereby offered for sale. Notice of such increase or decrease shall be given to the winning bidder as soon as practicable following the notification of award, as described below. The City will attempt to maintain total underwriter compensation when adjusting

maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined.

RIGHT OF REJECTION: The City reserves the right, in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

PROMPT AWARD: An authorized representative of the City will accept the best responsible bid for the purchase of the Bonds by notice to the winning bidder. If two or more bids setting forth identical interest rates and premium, if any, are received, such officer may exercise discretion and judgment in making the award and may award the Bonds on a pro rata basis in such denominations as he or she determines. Such authorized representative of the City may also reject any and all bids and waive any irregularity or informality in any bid. Sale of the Bonds will be awarded or all bids will be rejected not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the winning bidder; provided, that the award may be made after the expiration of the specified time if the bidder does not notify the City in writing of the withdrawal of its proposal.

PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that the Bonds will be delivered to DTC for the account of the winning bidder on July 1, 2025. The winning bidder has the right, at the winning bidder's option, to cancel the contract of purchase if the Bonds are not tendered for delivery within 60 days from the date of the sale thereof, and in such event the winning bidder shall be entitled to the return of the deposit accompanying its bid.

NO GOOD FAITH DEPOSIT: The City does not require a good faith deposit to be submitted in connection with bids for the Bonds.

PAYMENT OF PURCHASE PRICE: The winning bidder will be required to pay the purchase price of the Bonds in funds that are immediately available to the City. Such payment shall be made on the date of original delivery of the Bonds to DTC.

STATEMENT OF TRUE INTEREST COST: Each bidder is requested, but not required, to state in its proposal the percentage true interest cost represented by its proposal, determined as described above, which will be considered as informative only and not binding on either the bidder or the City.

NO LITIGATION: There is no litigation pending concerning the validity of the Bonds, the corporate existence of the City or the entitlement of the officers thereof to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the delivery of the Bonds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the City, except that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and shall be paid for by the purchaser.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEES: All fees payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds are the sole responsibility of the purchaser of the Bonds.

OFFICIAL STATEMENT: The City has approved a preliminary Official Statement relating to the Bonds. Copies of such preliminary Official Statement will be distributed to any bidder, upon request, prior to the sale in a form “deemed final” by the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). Within seven business days from the sale date, the City will deliver to the purchaser copies of the final Official Statement, executed by an authorized representative of the City and the City and dated the date of delivery thereof to the purchaser, in sufficient number to allow the purchaser to comply with paragraph (b)(4) of the Rule and to satisfy the Municipal Securities Rulemaking Board (the “MSRB”) Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as are been approved by the City (the “Final Official Statement”). The purchaser agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement. Upon request, the City will furnish to the winning bidder, at no charge, not in excess of 10 printed copies of the Official Statement for use in connection with any resale of the Bonds.

CERTIFICATE REGARDING OFFICIAL STATEMENT: A responsible officer of the City will certify to the original purchaser of the Bonds, as a condition of closing, that based on such officer’s participation in the preparation of the Official Statement, nothing has come to his or her attention to lead him or her to believe that the Official Statement (except for certain financial statements, statistical data and other information) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE. In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the City will execute and deliver a Continuing Disclosure Certificate, under which the City undertakes to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement. Such Continuing Disclosure Certificate will be a document required to be delivered at closing by the City, and the failure by the City to deliver such document in form and substance acceptable to Bond Counsel and the winning bidder will relieve the winning bidder of its obligation to purchase the Bonds.

ACKNOWLEDGEMENT OF NO FIDUCIARY DUTY. The City acknowledges and agrees that (i) the purchase and sale of the Bonds is an arm’s-length commercial transaction between the City and the underwriter, (ii) in connection with such transaction, the underwriter is acting solely as a principal and not as an advisor, (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the City, (iii) the underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not the underwriter, or any affiliate of an underwriter, has advised or is currently advising the City on other matters) or any other obligation to the City except as described in this Notice of Sale, (iv) the underwriter has financial and other interests that differ from those

of the City and (v) the City has consulted with its own legal and municipal advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

GIVEN by order of the City Council of the City of Berkeley by a resolution adopted on May 20, 2025.