

**RESOLUTION NO. 2025-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EUREKA AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A GROUND LEASE, A LEASE AGREEMENT, AN INDENTURE, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION WITH THE ISSUANCE OF EUREKA PUBLIC FINANCING AUTHORITY LEASE REVENUE BONDS (CITY FACILITIES), SERIES 2025, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$32,000,000, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, the City of Eureka (the “City”) desires to finance costs of the acquisition, design, engineering, construction, improvement, and installation of certain public capital facilities, consisting primarily of a new corporation yard and operations complex and improvements to the city hall and municipal auditorium facilities (the “Project”);

**WHEREAS**, the Eureka Public Financing Authority (the “Authority”) desires to assist the City with such financing;

**WHEREAS**, in order to finance the Project, the City will lease certain real property, and the improvements thereto (the “Property”), to the Authority pursuant to a Ground Lease (such Ground Lease, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Ground Lease”);

**WHEREAS**, the City will sublease the Property back from the Authority pursuant to a Lease Agreement (such Lease Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Lease Agreement”);

**WHEREAS**, in order to provide the funds necessary to finance the Project, the City and the Authority desire that the Authority issue its Eureka Public Financing Authority Lease Revenue Bonds (City Facilities), Series 2025 (the “Bonds”), in an aggregate principal amount not to exceed \$32,000,000, payable from the base rental payments (the “Base Rental Payments”) to be made by the City pursuant to the Lease Agreement;

**WHEREAS**, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”);

**WHEREAS**, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the City, the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), propose to enter into an Indenture (such Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Indenture”);

**WHEREAS**, all rights to receive the Base Rental Payments will be assigned without recourse by the Authority to the Trustee pursuant to the Indenture;

**WHEREAS**, Oppenheimer & Co. Inc. (the “Underwriter”), has presented a proposal, in the form of a Bond Purchase Agreement by and among the Underwriter, the Authority and the City, to purchase the Bonds from the Authority (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the underwriters thereof must have reasonably determined that the issuer thereof has, or one or more appropriate obligated persons have, undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis;

**WHEREAS**, in order to cause such requirement to be satisfied, the City desires to execute and deliver a Continuing Disclosure Certificate (such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Certificate”);

**WHEREAS**, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

**WHEREAS**, the City Council has adopted a Debt Management Policy for the City (the “Debt Management Policy”), as adopted February 7, 2017, that complies with Government Code Section 8855(i), and the sale and issuance of the Bonds as contemplated by this Resolution is in compliance with the Debt Management Policy;

**WHEREAS**, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the City obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Bonds, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds;

**WHEREAS**, in compliance with SB 450, the City has obtained from its Municipal Advisor, the required good faith estimates and such estimates are disclosed at this meeting;

**WHEREAS**, the City is a member of the Authority and the Project is to be located within the boundaries of the City;

**WHEREAS**, there have been prepared and submitted to this meeting forms of:

- (a) the Ground Lease;

- (b) the Lease Agreement;
- (c) the Indenture;
- (d) the Purchase Agreement;
- (e) the Continuing Disclosure Certificate; and
- (f) the Preliminary Official Statement;

**WHEREAS**, the City desires to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Bonds; and

**WHEREAS**, all acts, conditions and things required by the Constitution, laws of the State of California and the City Charter of the City to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Eureka, as follows:

**Section 1.** The foregoing recitals are true and correct, and the City Council of the City (the “City Council”) so finds and determines.

**Section 2.** The City Council, on behalf of the City, hereby finds that the use of the Act to assist the City in financing the Project will result in significant public benefits to the citizens of the City because it is expected that such use will provide demonstrable savings in effective interest rate costs.

**Section 3.** The form of the Ground Lease, on file with the City Clerk of the City (the “City Clerk”), is hereby approved. Each of the Mayor, the Mayor Pro Tem, the City Manager of the City, the Deputy City Manager, the Finance Director or any officer designated in writing by the City Manager (each, an “Authorized Officer”) is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the Ground Lease in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Ground Lease by such Authorized Officer.

**Section 4.** The form of the Lease Agreement, on file with the City Clerk, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the Lease Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Lease Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate principal amount of the Bonds payable from the Base Rental Payments in excess of \$32,000,000, shall not result in the term of the Lease Agreement terminating later than January 1, 2057 (provided that such term may be extended as provided therein) and shall not result in a true interest cost attributable to the Base Rental Payments in excess of 6.25%.

**Section 5.** Subject to the provisions of Section 6 hereof, the issuance of the Bonds, in an aggregate principal amount of not to exceed \$32,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, be and the same is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

**Section 6.** The form of the Indenture, on file with the City Clerk, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate principal amount of the Bonds payable from the Base Rental Payments in excess of \$32,000,000, shall not result in the term of the Lease Agreement terminating later than January 1, 2057 (provided that such term may be extended as provided therein) and shall not result in a true interest cost attributable to the Base Rental Payments in excess of 6.25%.

**Section 7.** The form of the Purchase Agreement, on file with the City Clerk, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount) from the principal amount of the Bonds in excess of 0.80% of the aggregate principal amount of the Bonds.

**Section 8.** The form of the Continuing Disclosure Certificate, on file with the City Clerk, is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the Continuing Disclosure Certificate in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

**Section 9.** The form of the Preliminary Official Statement, on file with the City Clerk, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

**Section 10.** The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for

and in the name of the City, to execute the final Official Statement and any amendment or supplement thereto.

**Section 11.** With the passage of this Resolution, the City hereby certifies that the City's Debt Management Policy complies with Government Code Section 8855(i), and that the Bonds authorized to be issued pursuant to this Resolution are consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the City, with respect to the Bonds issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the City, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

**Section 12.** In accordance with SB 450, good faith estimates of the following have been obtained from the Municipal Advisor and have been disclosed at this meeting: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

**Section 13.** The Authorized Officers are hereby authorized to retain, in connection with the transactions contemplated by this Resolution, the firm of PFM Financial Advisors LLC, as Municipal Advisor, the firm of Orrick, Herrington & Sutcliffe LLP, as Bond Counsel and Disclosure Counsel, and to execute professional services agreement with each such firm. Additionally, the selection of U.S. Bank Trust Company, National Association, as trustee, is hereby confirmed.

**Section 14.** The City Council hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

**Section 15.** The Authorized Officers and the officers and employees of the City are, and each of them is, hereby authorized and directed, for and in the name of the City to do any and all things and to execute and deliver any and all certificates, escrow agreements, tax certificates, and other documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

**Section 16.** All actions heretofore taken by the officers and employees of the City with respect to the issuance and sale of the Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed and ratified.

**Section 17.** This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Eureka, California, at a regular meeting held on the 17th day of June, 2025, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

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Mayor

[Seal]

ATTEST:

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City Clerk

APPROVED AS TO FORM:

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City Attorney

**CITY CLERK'S CERTIFICATE**

I, the undersigned, duly appointed and qualified City Clerk of the City of Eureka (the "City"), certify that attached is a full, true and correct copy of Resolution No. \_\_\_\_\_, adopted June 17, 2025, during a regular meeting of the City Council of the City. Such meeting was duly and legally held at the regular meeting place of the City Council. All of the members of said council had due notice of such meeting and a majority thereof was present at such meeting.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of such resolution adopted at said meeting and entered in said minutes. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
City Clerk