



Legislation Details (With Text)

File #: 2018-099 **Version:** 1 **Name:**

Type: Executive Session - Contract and Competitive Matters **Status:** Agenda Ready

File created: 2/28/2018 **In control:** Board of Directors

On agenda: 4/16/2018 **Final action:** 4/16/2018

Title: Resolution - Approval and Authorizing a Loan Agreement with National Rural Utilities Cooperative Finance Corporation (CFC), a Supplemental Indenture and Note - F Wolff

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
4/16/2018	1	Board of Directors	approved	Pass

Resolution - Approval and Authorizing a Loan Agreement with National Rural Utilities Cooperative Finance Corporation (CFC), a Supplemental Indenture and Note - F Wolff

Submitted By: Freddy Wolff

Department: Financial Services

Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session

Pedernales Electric Cooperative, Inc. (the "Cooperative") has previously entered into that certain Master Indenture of Trust (as amended and supplemented to the date hereof, the "Existing Indenture"), dated as of January 1, 1993, with The Bank of New York Mellon (successor to The Frost National Bank of San Antonio), as trustee (the "Trustee"), pursuant to which all secured debt of the Cooperative issued thereunder shall be secured on a parity basis.

The Board of Directors of the Cooperative (the "Board") has determined that it is in the best interest of the Cooperative to obtain a loan from the National Rural Utilities Cooperative Finance Corporation ("CFC"), in an amount not to exceed \$100,000,000 (the "Loan"), pursuant to a loan agreement (the "Loan Agreement") to be entered into between the Cooperative and CFC.

The Board previously entered into the Seventh Supplemental Indenture of Trust with the Trustee (the "Seventh Supplemental Indenture") in 2014, amending and supplementing the Existing Indenture (such Existing Indenture as amended and supplemented by the Seventh Supplemental Indenture, the "Indenture") which permitted additional obligations to be secured under the Indenture, subject to Board approval.

The obligations of the Cooperative with respect to the Loan will be evidenced by promissory notes payable by the Cooperative to CFC (collectively, the "Series 2018 Notes"), such notes to be issued as "Additional Obligations" under the Seventh Supplemental Indenture and secured as "Obligations" under the Indenture.

The Board has been presented with the principal terms of the Loan and desires to delegate to the Authorized Officers (as defined herein) to negotiate and approve the final forms of the Financing Documents (as defined herein) setting forth such terms.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative obtain the Loan from CFC and enter into the Loan Agreement, subject to approval of the final terms of such document by one or more Authorized Officers.

BE IT FURTHER RESOLVED, that the Cooperative issue the Series 2018 Notes as Additional Obligations under the Indenture to evidence and secure the obligations of the Cooperative with respect to the Loan, subject to the approval of the final terms of such documents by one or more Authorized Officers.

BE IT FURTHER RESOLVED, that the amount outstanding at any time under the Loan Agreement with respect to the Loan shall be an amount up to \$100,000,000.

BE IT FURTHER RESOLVED, that the Board hereby finds that it is in the best interest of the Cooperative to authorize and approve the execution and delivery of the Financing Documents (as defined herein) and the approval of the final terms of the Loan Agreement and the Series 2018 Notes, and the certificates, orders and other documents to be delivered in connection therewith (collectively, the "Financing Documents") by any Authorized Officer shall be evidenced by the execution and delivery thereof by any such Authorized Officer.

BE IT FURTHER RESOLVED, that the President and Vice President of the Board and the Chief Executive Officer, Chief Financial Officer, or Acting Chief Financial Officer of the Cooperative (each an "Authorized Officer") are hereby each authorized (acting together or alone) in the name of and on behalf of the Cooperative to execute and deliver the Financing Documents, and the Secretary is hereby authorized to attest and to affix the Cooperative's seal thereto, if required.

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized, empowered and directed from time to time to do and perform all acts and things and to execute, acknowledge and deliver, in the name and on behalf of the Cooperative all such documents, certificates, financing statements, instruments, and notices concerning the financing (including, without limitation, those required or permitted to be given to the Trustee or CFC in connection with the Financing Documents) and other documents, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of these Resolutions and of the Financing Documents, and to perform the obligations of the Cooperative under all instruments executed in connection with the Loan, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such document.

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized and empowered from time to time to approve, execute and deliver on behalf of the Cooperative any amendments to the Seventh Supplemental Indenture, the Loan Agreement or the Series 2018 Notes as such officer may determine to be necessary or desirable to, and in the best interests of, the Cooperative, such determination to be conclusively evidenced by the execution of any such amendment or supplement.

BE IT FURTHER RESOLVED, that the execution by any of the Authorized Officers of any document authorized by the foregoing Resolutions or any document executed in the accomplishment of any action or actions so authorized, is (or shall become upon delivery) the enforceable and binding act and obligation of the Cooperative, without the necessity of the signature or attestation of any other officer of the Cooperative or the affixing of the corporate seal.

BE IT FURTHER RESOLVED, that all actions undertaken prior to the adoption of these Resolutions by any of the officers or representatives of the Cooperative in its name and for its account with CFC in connection with the foregoing matters are hereby ratified, confirmed and adopted by the Board.

These Resolutions shall be effective on and from the date of their adoption, passage, and approval.