



Legislation Text

File #: 2020-462, Version: 2

Resolution - Approval of Authorization for Long-Term Debt Financing for the Cooperative - R Kruger

Submitted By: Robyn Miller on behalf Randy Kruger

Department: Chief Financial Officer

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

The Cooperative has various existing long-term and short-term debt (secured and unsecured) to finance the operations and expenses of the Cooperative.

To continue to fund its capital improvement budget and operating budget, the Cooperative is assessing its ongoing financial structure and options available in consideration of the financial health of the Cooperative and in the best interests of the Cooperative.

The Cooperative has obtained or expects to issue or incur additional long-term debt in an amount necessary to defease all or any portion of the Cooperative's outstanding Series 2002 Bonds but not to exceed an aggregate principal amount up to \$400,000,000, which debt will be secured under the Indenture by the assets of the Cooperative.

WHEREAS, to continue to fund its capital improvement budget and operating budget in the next five-years and in the best interests of the Cooperative, the Cooperative requires commitments for long-term debt financings; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative authorizes the issuance or incurrence of long-term debt in the aggregate principal amount up to \$400,000,000, which debt may be secured under the Indenture by substantially all the assets of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the long-term debt authorized herein may include the issuance of bonds, notes or other obligations in one or more series or tranches on behalf the Cooperative (the issuance of which bonds, notes or other obligations is hereby approved), with the delivery of offering memoranda by the Cooperative to be offered through limited offerings or private-placements to accredited investors or qualified institutional buyers (the form, terms, provisions, and delivery of which offering memoranda are hereby approved), and may require obtaining a rating by a rating agency and certain documentation with the Depository Trust Company, each of which is hereby approved; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that Authorized Officers are hereby authorized to engage BofA Securities Inc. and/or one or more affiliates ("BofA"), and/or one or more other entities to serve as placement agents for such bonds or other long-term debt; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that such bonds, notes or other obligations will be secured under the Indenture and require the execution and delivery by the Cooperative of one or more Supplemental Indentures of Trust (each a "Supplement") to the Indenture, and the performance by the Cooperative of the transactions contemplated by each Supplement, and the form, terms, and provisions of each Supplement between the Cooperative and the Trustee is hereby approved in all

respects, and any one or more of the Authorized Officers are hereby authorized to execute and deliver such Supplements on behalf of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the form, terms, and provisions of one or more loan agreements, credit agreements, note purchase agreements, bond purchase agreements, placement agreements, or other agreements providing for (or necessary in connection with) the issuance or incurrence of long-term debt, are hereby approved in all respects, and any one or more Authorized Officers of the Cooperative are hereby authorized to negotiate the final terms of such agreements, and to execute and deliver such agreements on behalf of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer and the Chief Financial Officer of the Cooperative or any person designated in writing for such purpose by either of such officers (the "Authorized Officers"), are each hereby authorized (whether acting together or alone) as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate, execute and deliver or acknowledge the aforementioned documents and any other agreements that may be required with a credit bank, placement agent, purchaser, trustee, or depository institution, and any other agreements, certificates, consents, affidavits, opinions, and other instruments of any nature necessary or appropriate to give effect to such documents or agreements or the long term financings described in this resolution, in each case in such form and containing such terms and conditions as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers (whether acting together or alone) shall be authorized from time to time to negotiate, execute and deliver renewals, extensions, supplements and/or amendments to any of the aforementioned documents, in each case as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers are each hereby authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to do any and all acts deemed by such officer in such officer's judgment to be necessary or appropriate in the best interests of the Cooperative to give effect to the foregoing resolutions; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing resolutions be and are hereby ratified, confirmed, and approved.