



## Edgar Filing: CADIZ INC - Form 8-K

converted into Cadiz common stock at \$18.15 per share, and \$26.375 million of principal and accrued interest thereon may be converted into Cadiz common stock at \$23.10 per share. These conversion prices are set for the entire term of the loan, subject only to normal adjustments in the event of stock splits, stock dividends and other recapitalization events, and subject to further adjustment in the event of a change in control of the company (whereupon the conversion price will be adjusted pursuant to a formula which takes into account the amount of time that the loan has been outstanding and the value of the Company's stock at the time of the change of control, but in no event shall the adjusted conversion price be less than \$16.50 per share).

The loan is secured by substantially all of the Company's assets and provides the lenders with certain demand and piggyback registration rights. The credit agreement also allows Peloton to designate one member of the Cadiz board of directors.

The proceeds of the new loan have been used by the Company to retire its existing secured credit facility with ING Capital LLC (the "ING Loan"), with the remainder to be used to supplement its working capital.

### ITEM 1.02. TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT

The information required by this item regarding the repayment in full of the Company's senior revolving credit facility with ING is included under Item 1.01 and incorporated by reference into this Item 1.02.

With the pay off and termination of the ING Loan, the Company will incur a one-time non-cash charge of approximately \$877,000 for the write-off of certain deferred financing costs and prepaid interest expense associated with the terminated credit facility.

### ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

The information required by this item regarding the creation of a direct financial obligation is included under Item 1.01 and incorporated by reference into this Item 2.03.

### ITEM 3.02. UNREGISTERED SALES OF EQUITY SECURITIES

The information required by this item regarding the unregistered sales of equity securities is included under Item 1.01 and incorporated by reference into this Item 3.02.

The issuance of convertible debt as described in Item 1.01 above was not registered under the Securities Act of 1933, as amended (the "Securities Act"), but was exempt from the registration requirements of the Securities Act by virtue of Section 4(2) of the Securities Act as the transactions did not involve public offerings, the number of investors was limited, the investors were provided with information about us, and we placed restrictions on the resale of the securities.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Cadiz Inc.

By: /s/ O'Donnell Iselin II

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O'Donnell Iselin II  
Chief Financial Officer

Dated: June 30, 2006