

McElroy & Donaldson

Michael R. McElroy
Leah J. Donaldson

Attorneys at Law

Michael@McElroyLawOffice.com
Leah@McElroyLawOffice.com

Members of the Rhode Island
and Massachusetts Bars

Office: 21 Dryden Lane
Providence, RI 02904
Mail: 3 Cedar Meadows Drive
Smithfield, RI 02917

(401) 351-4100
fax (401) 421-5696

March 19, 2024

Luly Massaro
Clerk
Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: A&R Marine Corp. d/b/a Prudence & Bay Islands Transport
Application to Division for Authorization to Incur Debt

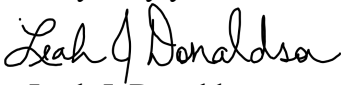
Dear Luly:

As you know, this office represents A&R Marine Corp. d/b/a Prudence & Bay Islands Transport ("A&R"). Enclosed please find an original and four (4) copies of the following:

1. A&R's application for expedited Division authorization pursuant to R.I.G.L. § 39-3-15 *et seq.* to incur \$650,000 of debt with BankRI.
2. Draft notice of hearing as required by Division Rule 1.14(A)(4). Please review it and let me know if it is acceptable, and whether you want me to publish it or if you would prefer to publish it yourself in the usual fashion.
3. Supporting testimony of (a) Daniel Antaya, A&R Vice President of Engineering and Treasurer, and (b) David G. Bebyn, CPA, containing information required by R.I.G.L. § 39-3-17 and Division Rule 1.14.

It would be appreciated if you could have this matter set for hearing as soon as possible.

If you need any further information, please do not hesitate to contact me.

Very truly yours,

Leah J. Donaldson

Encl.

Cc: Gregory Schultz, Esq.
Mark Simpkins, Esq.

STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: A&R MARINE CORP. D/B/A
PRUDENCE & BAY ISLANDS TRANSPORT

:
:
:

Docket No. D-24-_____


APPLICATION FOR AUTHORIZATION TO INCUR DEBT

NOW COMES the A&R Marine Corp. d/b/a Prudence & Bay Islands Transport ("A&R"), pursuant to R.I.G.L. §39-3-15, §39-3-17, 815-RICR-00-00-1.14 ("Rule 14") of the Rules of Practice and Procedure of the Division of Public Utilities and Carriers ("Division"), and requests authorization from the Division to incur \$650,000 in debt (1) for improvements to *M/V Roanoke*; (2) to refinance an existing line of credit; and (3) to purchase equipment and working capital.

The information required by R.I.G.L. § 39-3-17 and Rule 1.14 is included in the written testimony of (1) Daniel Antaya, A&R Vice President of Engineering and Treasurer, and (2) David G. Bebyn, CPA, which is filed simultaneously herewith and is incorporated by reference herein.

WHEREFORE, A&R respectfully requests that the Division approve the loan.

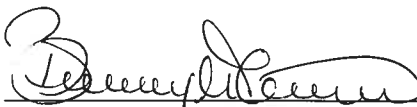
Dated: March 19, 2024



Daniel Antaya
Vice President of Engineering and Treasurer

STATE OF RHODE ISLAND
COUNTY OF BRISTOL

On the 19 day of March, 2024, before me personally appeared the above named, Daniel Antaya, to me known and known by me to be the party executing the foregoing instrument, and he/she acknowledged said instrument, executed, to be his/her free act and deed, and the free act and deed of A&R Marine Corp.



Bethany Fuller
Notary Public
My Commission Expires: March 2 2026

BETHANY FULLER
Notary Public, State of Rhode Island
My Commission Expires **MAR. 02, 2026**
Commission # **768338**

STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: A&R MARINE CORP. D/B/A PRUDENCE :
& BAY ISLANDS TRANSPORT APPLICATION : Docket No. D-24-____
FOR AUTHORIZATION TO INCUR DEBT :

NOTICE OF HEARING

Pursuant to the provisions of R.I.G.L. §§ 39-1-1, 39-3-15, and 39-3-17 of the Rhode Island General Laws, as amended, the Division of Public Utilities and Carriers will conduct a public hearing on _____, 2024, at _____ in a hearing room of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888. The hearing may continue thereafter from day to day and from time to time as required.

In this docket, the Division of Public Utilities and Carriers will consider an application by A&R Marine Corp. d/b/a Prudence & Bay Islands Transport seeking expedited consent and authorization to incur \$650,000 in debt with BankRI.

The application and related documents are on file at the office of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888 and at the office of McElroy & Donaldson, 21 Dryden Lane, Providence, RI 02904 and may be examined there.

Reference is made to Chapters 39-1, 39-3, and 42-35 of the General Laws; also specific sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-16, 39-1-18, 39-1-20, 39-3-24, 39-3-25, 39-3-30, 42-35-8, 42-35-9, and 42-35-10.

THE DIVISION OF PUBLIC UTILITIES AND CARRIERS IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING IMPAIRED MUST NOTIFY THE CLERK'S OFFICE AT 401-941-4500 FIVE DAYS IN ADVANCE OF HEARING DATE.

Linda D. George, Administrator
_____, 2024

**DIRECT TESTIMONY
of
DANIEL ANTAYA**

**in support of
A&R MARINE CORP. d/b/a
PRUDENCE & BAY ISLANDS TRANSPORT'S
APPLICATION FOR AUTHORIZATION TO BORROW**

**Before
RHODE ISLAND DIVISION OF
PUBLIC UTILITIES AND CARRIERS**

Docket No. D-24-_____

March 2024

1 **Q. Please state your name and your position.**

2 A. My name is Daniel Antaya. I am the Vice President of Engineering and Treasurer for A&R
3 Marine Corp. d/b/a Prudence and Bay Island Transport (“A&R”). I am responsible for vessel and
4 facilities maintenance and improvements, maintaining compliance with regulatory agencies,
5 monitoring the financial wellbeing of the company, and various administrative tasks.

6

7 **Q. Please describe your educational background and work experience.**

8 A. I graduated with a Bachelor of Science in marine affairs from the University of Rhode Island
9 in 2013. I founded A&R in 2013 alongside my father, Stephen Antaya, and business partner,
10 Ethan Rossi. In 2020, Ethan and I acquired majority ownership of A&R. We have operated a
11 safe and reliable lifeline service since September 2014.

12

13 **Q. What is the purpose of your testimony?**

14 A. My testimony will provide details to support A&R’s application for approval to obtain
15 financing in the amount of \$650,000 to help pay (1) for improvements to *M/V Roanoke*; (2) to
16 refinance an existing line of credit; and (3) to purchase equipment and working capital.

17

18 **Q. Can you describe A&R’s plans for *M/V Roanoke*?**

19 A. Yes. The Prudence Island community has experienced an increase in year-round residents,
20 limitations of our current winter vessel, *M/V Prudence Ferry*, have become apparent. While the
21 *Prudence Ferry* typically accommodates 8 to 9 small vehicles per run, this capacity drops to only
22 4 smaller vehicles when larger commercial vehicles, such as trash trucks or lumber deliveries,
23 are aboard. This shortfall poses a significant challenge during the winter months.

24

25 We had been exploring options to replace *M/V Prudence Ferry* when the opportunity arose to
26 buy *M/V Roanoke*, which accommodates 23 vehicles, at a reasonable price. Using equity that
27 was put into the company, we purchased the *Roanoke* at auction from the State of North
28 Carolina. The addition of *M/V Roanoke* to our fleet will boost our overall vehicle capacity.

29

30 We plan to run *M/V Herbert C. Bonner* in the fall, winter, and spring, while the *Roanoke* will
31 operate in the peak season. This will allow a much-increased vehicle capacity in the slower

1 months (18-19 cars on the *Herbert C. Bonner*) and an increase in the peak season (23 cars on the
2 *Roanoke*). Extra capacity in the summer will be put to good use as we see more fully booked
3 trips beyond weekends and holidays. Moreover, having two boats of similar size will allow us to
4 swap between the two without a reduction in vehicle capacity.

5
6 **Q. Please describe the improvements planned for *M/V Roanoke*.**

7 A. To make the *Roanoke* suitable for our operation, we need to undertake a tonnage conversion
8 and obtain a new Certificate of Inspection from the U.S. Coast Guard. Additionally, we plan to
9 install a new deckhouse to offer walk-on passengers shelter from inclement weather on the main
10 deck. These crucial modifications are underway at a shipyard located in Quonset Point.

11
12 **Q. Please describe the line of credit A&R proposes to refinance.**

13 A. The line of credit was established in 2021 to finance a portion of the *M/V Herbert C. Bonner*
14 repowering project. Unfortunately, the project went over budget. As such, reimbursement funds
15 from the EPA and RIDEM were insufficient to fully settle the line of credit as originally planned.
16 Consequently, we have mainly been covering interest payments on the line of credit at a high
17 interest rate. Refinancing will enable us to lower the interest rate.

18
19 **Q. Can you describe how the remaining borrowing will be used by A&R?**

20 A. Yes. The remaining portion will go toward additional pilings in Bristol to allow for easier
21 docking of the *Roanoke* and *Herbert C. Bonner*. It will also provide some working capital as we
22 come out of our slow season.

23
24 **Q. Is there a need for expedited approval?**

25 A. Yes. A&R requests expedited approval because we aim to have *M/V Roanoke* in service for
26 the summer of 2024. To do this, we will need to complete the refit and tonnage conversion and
27 complete the necessary inspections and trials to receive her Certificate of Inspection. As our busy
28 season approaches, we need as much time as we can to get everything in place.

29
30 **Q. Does that conclude your testimony?**

31 A. Yes.

**FINANCE TESTIMONY
of
DAVID G. BEBYN CPA**

**For
A&R MARINE CORP. d/b/a
PRUDENCE & BAY ISLANDS TRANSPORT'S
APPLICATION FOR AUTHORIZATION TO BORROW**

**Before
RHODE ISLAND DIVISION OF
PUBLIC UTILITIES AND CARRIERS**

Docket No. D-24-_____

March 2024

1 **Q. Please state your name and business address for the record.**

2 A. My name is David G. Bebyn, CPA and my business address is 21 Dryden Lane, Providence,
3 Rhode Island 02904.

4
5 **Q. By whom are you employed and in what capacity?**

6 A. I am the President of B&E Consulting LLC (“B&E”). B&E is a CPA firm that specializes
7 in utility regulation, expert rate and accounting testimony, tax and accounting services.

8
9 **Q. Mr. Bebyn, have you testified as an expert accounting witness prior to this docket?**

10 A. Yes. I have provided testimony on rate-related matters before utility commissions in Rhode
11 Island and Connecticut.

12
13 Regarding the Rhode Island Public Utilities Commission (“Commission”), I have prepared
14 testimony and testified in the Block Island Utility District d/b/a Block Island Power Company
15 (“BIUD”) last rate filings in Docket #4690 in support of the Power Procurement Plan and Last
16 Resort and Transmission Tariffs. In addition, I provided testimony covering the test year and rate
17 year supporting BIUD’s last major rate filing in Docket #4975. I also prepared testimony on
18 behalf of the Pascoag Utility District (“PUD”) in Dockets #5134 and #4341 to support the
19 adjusted test year, rate year and rate design.

20
21 In addition to rate filings before the Commission, I have prepared testimony and testified before
22 the Division of Public Utilities and Carriers (“Division”). I provided testimony supporting PUD's
23 last financing request with the Division in #D-20-11 and BIUD's last financing requests in
24 Dockets #D-19-11 and #D-22-01. Dockets #4975 and #D-19-11 covered the rates and financing
25 as part of the transition from the old investor owner Block Island Power Company (“BIPCo”) to
26 the new non-profit BIUD. Division in Docket #D-22-01 covered the financing of BIUD's voltage
27 conversion project and a contingency liability of BIUD regarding litigation from the transition
28 from the old investor owner BIPCo to the new non-profit BIUD.

29
30 **Q. What is your knowledge of A&R Marine Corp.?**

31 A. I presented expert testimony for A&R Marine Corp.’s (“A&R”) last two rate filing

1 Dockets #4499 and #4586. Also, I provided expert testimony in support of A&R's
2 financing requests in Dockets #D-14-62, #D-14-180 and #D-17-29.

3

4 **Q. Mr. Bebyn, what is the purpose of your testimony?**

5 A. As part of this testimony, I will provide background information on new debt relating to
6 A&R's Bristol dock leasehold repairs and improvements, ferry engine and transmission repairs,
7 acquisition of equipment and working capital infusion for \$650,000. I will also provide the
8 reasoning behind A&R's selection of the financing terms for the \$650,000 loan. Lastly, I will
9 present information required by the Division Rules, so that the Division can review and evaluate
10 the proposed financing package.

11

12 **Q. How will the proceeds of this borrowing be used?**

13 A. The proceeds of the \$650,000 loan will be used as follows:

14	Refinance existing line of credit	\$150,000.00
15	Improvements to newly acquired M/V Roanoke	350,000.00
16	Equipment purchases/working capital	<u>150,000.00</u>
17	Total	<u>\$650,000.00</u>

18

19 **Q. Mr. Bebyn, what repayment terms are included in the BankRI loan agreement?**

20 A. Attachment DGB-1 is a copy of A&R's loan commitment letter from BankRI which sets
21 forth the repayment terms. The term is 15 years from the date of the loan. There will be no
22 balloon payment at the end of 15 years. The debt service on the loan is designed to have a fixed
23 monthly payment of approximately \$6,095.97 which includes both interest and principal. The
24 debt service on the loan includes annual payments of approximately \$73,151 for the \$650,000
25 loan.

26

27 **Q. What interest rates will be used for the loan?**

28 A. The indicative interest rate is 7.69% per year which reflects the Federal Home Loan Bank of
29 15-year Amortizing Rate, plus 3.00%.

30

1 **Q. What other terms are in the commitment letter?**

2 A. Other terms are as follows:

- 3
- 4 1. The collateral for the loan is a first preferred security interest in all business assets,
5 including ships mortgages on the vessel named “Roanoke.” No additional liens will be
6 permitted without the written approval of the Lender.

7

8 Also, A&R will give the bank a security interest in its business assets, a collateral
9 assignment of its licenses, contracts and permits, and a conditional assignment of leases.

10

11 Lastly, the owners of A&R Marie Corp. Ethan Rossi, Daniel Antaya and Stephen Antaya
12 provided personal guarantees.

- 13
- 14 2. There are prepayment penalties for the loan: 3% in year one, 2% in year two, and 1% in
15 year three.

- 16
- 17 3. A&R is to maintain a Minimum “Operating Cash Flow” coverage of “Total Debt
18 Service”, “Operating Cash Flow” defined as: Earnings before interest, taxes, depreciation
19 and amortization, minus unfunded capital expenditures, less cash taxes paid, less
20 distributions/dividends divided by current maturities of long-term debt plus total interest
21 of all facilities of the operating company – tested annually at fiscal year-end. Minimum
22 debt service coverage required is 1.25x.

23

24 **Q. What is the current capital structure of the company?**

25 A. Schedule DGB-1 shows that A&R had a total capitalization, per the financial statements
26 ending December 31, 2022 as presented in the 2022 annual report, was composed of 33.91
27 percent debt and 71.65 percent common equity. The estimated total capitalization for fiscal year
28 ending December 31, 2023 was composed of 27.92 percent debt and 72.08 percent common
29 equity. The majority of this change for fiscal year 2023 was due to the purchase of newly
30 acquired M/V Roanoke with an infusion of owner equity.

31

1 **Q. What impact will the \$650,000 issuance have on the capital structure of A&R?**

2 A. Schedule DGB-1 shows that A&R's total capitalization will be composed of 35.64 percent
3 debt and 64.36 percent common equity.

4

5 **Q. Is there an impact of this financing on the debt/equity ratio or any of the other**
6 **information required by the Division's rules?**

7 A. Yes. The addition of this borrowing in the amount of \$650,000 changes the debt equity ratio
8 to about .54 to 1 with debt of \$1,663,043 and equity of \$3,002,584. Ideally for most businesses a
9 ratio of less than 1 to 1 is very good. Even with this new borrowing, A&R's debt equity ratio is
10 still very good.

11

12 **Q. In your opinion, will A&R be able to satisfy the minimum debt service coverage**
13 **required of 1.25x?**

14 A. Yes. Schedule DGB-1 shows that estimated minimum debt service coverage based upon FY
15 2022 financial information which is then adjusted to the new borrowing would result in a
16 minimum debt service coverage of 1.27x.

17

18 **Q. Will A&R require an increase in rates to pay the debt service on this new debt?**

19 A. No. There will be no rate impact on the ratepayers because current rates will cover the debt
20 service cost based upon the rate coverage calculation.

21

22 **Q. Are the terms of the borrowing in the best interest of A&R and its ratepayers?**

23 A. Absolutely.

24

25 **Q. Does that conclude your testimony?**

26 A. Yes.

Capital Structure
A&R Marine Corp

Schedule DGB-1

Proposed Capital Structure

	Per Annual Report FY 2022 Balance	FY 2023 Activity	As of Dec 31, 2023		Financing	After Financing		
			Balance	Ratio		Balance	Ratio	
Long-term Debt	28.35% \$ 1,063,216	(92,465)	\$ 970,751	23.30%	\$ 650,000	\$ 1,620,751	34.74%	0.54
Short-term Debt	5.56% 208,646	(16,354)	192,292	4.62%	(150,000)	42,292	0.91%	
Common Equity	71.65% 2,629,282	16,000	3,002,584	72.08%	-	3,002,584	64.36%	1
Total Capital structure	\$ 3,750,442		\$ 4,165,627	100.00%	\$ 500,000	\$ 4,665,627	100.00%	

<u>Common Equity</u>			
Common Stock	-		-
Other Paid-in Capital	2,929,287	350,000	3,279,287
Treasury Stock	-		-
Unappropriated Retained Earnin	(300,005)	16,000	(276,703)
Total	2,629,282	366,000	3,002,584

Minimum debt service coverage

	FY 2022	Refinanced Line	New Loan	After Financing
Gross Income (Loss)	\$ 350,250			\$ 350,250
Interest Income	266			266
Extraordinary Items (net of tax)	(4,405)			(4,405)
Federal Income Taxes Paid	-			-
	<u>346,111</u>			<u>346,111</u>
<u>Interest</u>				
1.5M loan	61,321			61,321
300k loan	11,486			11,486
Working Capital	1,428			1,428
Line of Credit	6,611	(6,611)		-
New 650k Loan	-		49,150	49,150
	<u>80,846</u>	<u>(6,611)</u>	<u>49,150</u>	<u>123,385</u>
<u>Principal</u>				
1.5M loan	92,374			92,374
300k loan	16,884			16,884
Working Capital	16,354			16,354
Line of Credit	-	-		-
New 650k Loan	-		24,000	24,000
	<u>125,612</u>	<u>-</u>	<u>24,000</u>	<u>149,612</u>
	<u>206,458</u>	<u>(6,611)</u>	<u>73,150</u>	<u>272,997</u>
Coverage	<u>1.68</u>			<u>1.27</u>
		monthly Pymt	6,095.83	



March 12, 2024

Extended Commitment

Mr. Daniel Antaya
A & R Marine Corp
855 Narragansett Ave
Prudence Island, RI 02872

Dear Mr. Antaya:

On behalf of Bank Rhode Island (BankRI), I am pleased to provide this commitment for financing which outlines the basic terms and conditions upon which BankRI is willing to provide a \$650,000 Term Loan to A & R Marine Corp.

Co-Borrowers:	A & R Marine Corp A & R Marine Construction, Inc.
Lender:	Bank Rhode Island (BankRI) a subsidiary of Bancorp Rhode Island Corporation.
Credit Facility:	Term Loan for \$650,000
Purpose:	Fund various improvements to the newly acquired M/V Roanoke, refinance \$150,000 from existing line of credit, as well as fund dock and terminal projects.
Maturity Date:	Fifteen (15) years from closing
Interest Rate:	Fixed rate based on the Federal Home Loan Bank's 15-year amortizing rate plus 300 basis points. The indicative rate as of today would be 7.69%.
Repayment Source/Amortization:	Principal and interest payments based on 15 year amortization schedule. Monthly payments based on a rate of 7.69% would be \$6,095.97.
Prepayment:	3% in year 1, 2% in year two and 1% in year three.
Commitment and closing fees:	Origination fee has been waived. However, borrower is responsible for all closing costs associated with the facility.
Collateral/Security:	The BankRI term loan will be collateralized by a perfected security interest in all business assets, including ships mortgages on the vessel named "Roanoke" No additional liens will be permitted without the written approval of the Lender.
Guaranty:	Repayment of the Loan shall be guaranteed by the joint and several unlimited and unconditional guaranty of Ethan Rossi, Daniel Antaya and Stephen Antaya "Personal Guarantors".

Attachment DGB-1.

Key Financial Covenants:	<p>This shall include but not be limited to certain financial covenants pertaining to minimum debt service coverage and distributions. This will include the following:</p> <p><u>Minimum “Operating Cash Flow” coverage of “Total Debt Service”.</u> “Operating Cash Flow” defined as: Earnings before interest, taxes, depreciation and amortization, minus unfunded capital expenditures, less cash taxes paid, less distributions/dividends divided by current maturities of long term debt plus total interest of all facilities of the operating company – tested annually at fiscal year end.</p> <p>Minimum debt service coverage required is 1.25x.</p>
Required Financial Statements:	<p>Financial statements shall include, but are not limited to the following, and receipt must occur on a timely basis:</p> <ul style="list-style-type: none">• Submission of Borrowers FYE financial statements, prepared by a CPA, within 120 days of each fiscal year end.• Submission of an updated personal financial statement and tax returns for each guarantor, within 120 days of each year calendar year end.
Operating Accounts:	<p>The Borrower will maintain its primary operating accounts with BankRI.</p>
Subordination of Debt:	<p>Existing or new debt to shareholders and related parties will be subordinated to Lender. Lender reserves the right to stop all scheduled principal and interest payments to the subordinated note holder if an event of default occurs.</p>
Insurance	<p>Borrower will maintain general liability, property, hazard and/or other insurance in an amount and type acceptable to BankRI, naming BankRI as loss payee and additionally insured containing an unconditional non-cancellation provision without thirty (30) days prior written notice to BankRI.</p>
Conditions Precedent:	<p>Standard for transactions of this type including but not limited to:</p> <ul style="list-style-type: none">• The borrower agrees that they will not take on any additional secured or unsecured debt or guarantee any debt to any party other than BankRI without BankRI’s explicit permission.
No Adverse Change:	<p>The Bank’s intention to make the loans available is contingent upon there being, prior to time of closing, no adverse change in the Borrowers’ financial condition or financial and business prospects from those represented in any financial statement or other information submitted to the Bank or upon which the Bank has relied.</p>
Representations and Warranties:	<p>Typical for transactions of this type.</p>
Events of Default:	<p>Typical for transactions of this type, including (without limitation) payments, misrepresentations, covenant defaults, bankruptcy, ERISA, judgments, and change of control.</p>
Documentation:	<p>The Facility will be subject to BRI’s standard legal documentation for loans of this type.</p>

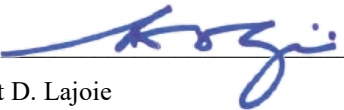
Expenses: The Borrower will reimburse BRI's for attorney's fees and appraisal fees incurred by BRI's in connection with the negotiation, execution and administration of the proposed credit facility, regardless of whether or not the transaction contemplated herein is actually completed or loan documentation is signed.

Governing Law: The State of Rhode Island

Please sign below and return this letter to me in order to indicate your acceptance of these terms and conditions. This commitment will expire on **May 4, 2024**.

If you have any questions or comments please do not hesitate to contact me directly at (401) 574-1657. All of us at BankRI look forward to a long and mutually advantageous relationship.

Sincerely,
BANK RHODE ISLAND

By: 
Scott D. Lajoie
Senior Vice President

A & R MARINE CORP

By: _____
Ethan Rossi, President

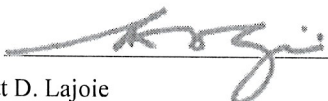
Expenses: The Borrower will reimburse BRI's for attorney's fees and appraisal fees incurred by BRI's in connection with the negotiation, execution and administration of the proposed credit facility, regardless of whether or not the transaction contemplated herein is actually completed or loan documentation is signed.

Governing Law: The State of Rhode Island


Please sign below and return this letter to me in order to indicate your acceptance of these terms and conditions. This commitment will expire on **May 4, 2024**.

If you have any questions or comments please do not hesitate to contact me directly at (401) 574-1657. All of us at BankRI look forward to a long and mutually advantageous relationship.

Sincerely,
BANK RHODE ISLAND

By: 
Scott D. Lajoie
Senior Vice President

A & R MARINE CORP

By: 
Ethan Rossi, President

Attachment DGB-1.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter in to a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is: **Federal Reserve Consumer Help Center, P.O. Box 1200, Minneapolis, MN 55480.**

If you do not accept this term sheet or any subsequent term sheet by the designated date, or if you choose not to provide information requested by the Bank, it will be assumed that you have withdrawn any inquiry that you may have made for credit from Bank Rhode Island.

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact Bank Rhode Island (One Turks Head Place, Providence, RI 02903, 401-456-5000) within 60 days from the date you are notified of the Bank's decision. Bank Rhode Island will send you a written statement of reasons for the denial within 30 days of receiving your request.