

Actual and Pro Forma Statement of
Capitalization as of December 31, 2012
and September 30, 2013

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White Rock et al.
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**WHITE ROCK WATER COMPANY,
STATEMENT OF CAPITALIZATION AS OF DECEMBER 31, 2012**

	Balances	As a % of Capitalization	Cost	Weighted Cost
Capitalization:				
Long-term Debt	-	0.00%	0.00%	0.00%
Equity	119,016	100.00%	10.00%	10.00%
	<u>119,016</u>			<u>10.00%</u>

**LAKELAND MANAGEMENT COMPANY
STATEMENT OF CAPITALIZATION AS OF DECEMBER 31, 2012**

	Balances	As a % of Capitalization	Cost	Weighted Cost
Capitalization:				
Long-term Debt	103,476	23.04%	5.51% *	1.27%
Equity	345,551	76.96%	10.00%	7.70%
	<u>449,027</u>			<u>8.97%</u>

**WHITE ROCK AND LAKELAND MERGED
STATEMENT OF CAPITALIZATION AS OF DECEMBER 31, 2012**

	Balances	As a % of Capitalization	Cost	Weighted Cost
Capitalization:				
Long-term Debt	103,476	18.22%	5.51% *	1.00%
Equity	464,567	81.78%	10.00%	8.18%
	<u>568,043</u>			<u>9.18%</u>

**WHITE ROCK AND LAKELAND MERGED
PRO FORMA STATEMENT OF CAPITALIZATION AS OF SEPTEMBER 30, 2013**

	Balances	As a % of Capitalization	Cost	Weighted Cost
Capitalization:				
Long-term Debt	38,000	7.15%	3.10% **	0.22%
Equity	493,292	92.85%	10.00%	9.28%
	<u>531,292</u>			<u>9.51%</u>

**ABENAKI WATER COMPANY, INC.
PRO FORMA STATEMENT OF CAPITALIZATION AS OF SEPTEMBER 30, 2013**

	Balances	As a % of Capitalization	Cost	Weighted Cost
Capitalization:				
Long-term Debt	260,000	50.00%	3.45% ***	1.73%
Equity	260,000	50.00%	10.00%	5.00%
	<u>520,000</u>			<u>6.73%</u>

* Average cost of debt of \$63,919 in loans from C&C at 7% interest, and \$39,557 from the SRF loan at 3.104% interest

** Interest rate for SRF loan only; C&C loans should be paid off

*** Today's interest rate for CoBank loan, not including the .75% in patronage basis points

Lakeland and White Rock Individual
and Merged Balance Sheet as of
December 31, 2012

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	LAKELAND MANAGEMENT COMPANY BALANCE SHEET DECEMBER 31, 2012 <i>UNAUDITED</i>	WHITE ROCK WATER COMPANY BALANCE SHEET DECEMBER 31, 2012 <i>UNAUDITED</i>	LAKELAND AND WHITE ROCK MERGED BALANCE SHEET DECEMBER 31, 2012 <i>UNAUDITED</i>
ASSETS			
Utility plant	\$633,072	\$394,493	\$1,027,565
Less: Accumulated Depreciation	250,839	192,772	443,611
Net Utility Plant	<u>382,233</u>	<u>201,721</u>	<u>583,954</u>
Current Assets:			
Cash	56,969	2,703	59,672
Accounts receivable	55,435	17,678	73,113
Materials and supplies	7,931	424	8,355
Prepaid expenses	2,318	1,879	4,197
Total current assets	<u>122,653</u>	<u>22,684</u>	<u>145,337</u>
Other assets:			
Preliminary survey & investigation	-	-	-
Other deferred debits	28,917	-	28,917
Unfunded Deferred Taxes	-	-	-
Total other assets	<u>28,917</u>	<u>-</u>	<u>28,917</u>
TOTAL ASSETS	<u>\$533,803</u>	<u>\$224,405</u>	<u>\$758,208</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Stockholders' Equity:			
Common stock equity	\$0	\$60,000	\$60,000
Additional paid-in capital	212,987	-	212,987
Retained earnings	132,564	59,016	191,580
Total Stockholder's Equity	<u>345,551</u>	<u>119,016</u>	<u>464,567</u>
Long-term debt			
	103,476	-	103,476
Total Long-term debt	<u>103,476</u>	<u>-</u>	<u>103,476</u>
Current Liabilities:			
Line of Credit Payable	-	-	-
Accounts payable	-	-	-
Accrued taxes	178	-	178
Accrued interest	4,124	-	4,124
Other current liabilities	12,559	32	12,591
Total current liabilities	<u>16,861</u>	<u>32</u>	<u>16,893</u>
Deferred Credits:			
Deferred income taxes and credits	28,432	-	28,432
Customer construction advances	-	-	-
Other deferred credits	-	-	-
Contributions in aid of construction - Net	39,483	105,357	144,840
Total deferred credits	<u>67,915</u>	<u>105,357</u>	<u>173,272</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$533,803</u>	<u>\$224,405</u>	<u>\$758,208</u>

Lakeland and White Rock Individual
and Merged Income Statements as of
December 31, 2012

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LAKELAND MANAGEMENT COMPANY
INCOME STATEMENT
FOR THE PERIOD ENDED 12/31/12
UNAUDITED

WHITE ROCK WATER COMPANY
INCOME STATEMENT
FOR THE PERIOD ENDED 12/31/12
UNAUDITED

LAKELAND AND WHITE ROCK
MERGED INCOME STATEMENT
FOR THE PERIOD ENDED 12/31/12
UNAUDITED

REVENUES:

Total Sales (Includes Water and Sewer)	<u>\$238,573</u>	<u>\$66,949</u>	<u>\$305,522</u>
TOTAL OPER REVENUES	<u>238,573</u>	<u>66,949</u>	<u>305,522</u>

OPERATING EXPENSES:

Operation and Maintenance	147,432	52,381	199,813
Depreciation	18,363	12,590	30,953
Amortization of CIAC	(1,419)	(5,139)	(6,558)
Taxes other than Income	8,595	7,787	16,382
Income Taxes	14,390	-	14,390
TOTAL OPER EXPENSES	<u>187,361</u>	<u>67,619</u>	<u>254,980</u>

UTILITY OPER INCOME

	<u>51,212</u>	<u>(670)</u>	<u>50,542</u>
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OTHER INCOME (DEDUCTIONS)

Interest and Dividend Income	117	-	117
AFUDC	-	-	-
Non-Utility Income	-	-	-
Gain (Loss) from Disposition of Non-utility Property	-	-	-
Miscellaneous Non-utility Expenses	-	-	-
Interest Expense	(5,873)	-	(5,873)
TOTAL OTHER INCOME (DED)	<u>(5,756)</u>	<u>-</u>	<u>(5,756)</u>

NET INCOME

	<u>\$45,456</u>	<u>(\$670)</u>	<u>\$44,786</u>
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WHITE ROCK AND LAKELAND MERGED ACTUAL AND
 PRO FORMA BALANCE SHEETS AS OF DECEMBER 31, 2012, AND SEPTEMBER 30, 2013*
 (UNAUDITED)

	12/31/2012	Adjustments	9/30/2013
ASSETS			
Utility plant	1,027,565	-	1,027,565
Less: Accumulated Depreciation	443,611	23,215 (1)	466,826
Net Utility Plant	583,954		560,739
Current Assets:			
Cash	59,672	19,530 (2)	79,202
Accounts receivable	73,113	(8,516) (3)	64,597
Materials and supplies	8,355	-	8,355
Prepaid expenses	4,197	-	4,197
Total current assets	145,337		156,351
Other assets:			
Preliminary survey & investigation	-	-	-
Other deferred debits	28,917	-	28,917
Unfunded Deferred Taxes	-	-	-
Total other assets	28,917		28,917
TOTAL ASSETS	758,208		746,007
LIABILITIES AND STOCKHOLDERS' EQUITY			
Stockholders' Equity:			
Common stock equity	60,000	-	60,000
Additional paid-in capital	212,987	-	212,987
Retained earnings	191,580	28,725 (1)	220,305
Total Stockholder's Equity	464,567		493,292
Long-term debt	103,476	(65,476) (4)	38,000
Total Long-term debt	103,476		38,000
Current Liabilities:			
Line of Credit Payable	-	-	-
Accounts payable	-	12,348 (5)	12,348
Accrued taxes	178	17,121 (6)	17,299
Accrued interest	4,124	-	4,124
Other current liabilities	12,591	-	12,591
Total current liabilities	16,893		46,362
Deferred Credits:			
Deferred income taxes and credits	28,432	-	28,432
Customer construction advances	-	-	-
Other deferred credits	-	-	-
Contributions in aid of construction - Net	144,840	(4,919) (1)	139,922
Total deferred credits	173,272		168,354
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	758,208		746,007

* Estimated closing date

(1) Amount taken directly from 9/30/13 Pro Forma Income Statement for White Rock and Lakeland Merged (Exhibit __)

(2) Total sales of \$229,142 from the 9/30/13 Income Statement, assuming 75% collection; less total 9/30/13 Operations and Maintenance Expense of \$154,356, assuming 92% paid; less \$12,655 from 9/30/13 Taxes Other than Income, assuming 50% paid (all property taxes); less \$63,919 in C&C loans that are to be paid off; less \$1,557 from SRF loan; less 9/30/13 Interest Expense of \$4,405; plus 9/30/13 Interest Income of \$88; plus 12/31/12 Accounts Receivable of \$73,113; assuming 90% collection

(3) Adjustment calculated by multiplying 12/31/12 Accounts Receivable of \$73,113 by 10%; plus 9/30/13 Pro Forma revenues of \$229,142 multiplied by 25%

(4) Adjustment calculated by adding \$63,919 (balance of C&C loans that Lakeland is to have paid off by 9/30/13) and \$1,557 in principal estimated to be paid on SRF loan

(5) Adjustment calculated by multiplying 9/30/13 Pro forma Operations and Maintenance Expense of \$154,356 by 8%

(6) Adjustment calculated by adding 9/30/13 Pro Forma Income Taxes of \$10,793 and the remaining 50% of the 9/30/13 Pro Forma Taxes other than Income of \$12,655

**WHITE ROCK AND LAKELAND MERGED ACTUAL AND
PRO FORMA INCOME STATEMENTS AS OF DECEMBER 31, 2012, AND SEPTEMBER 30, 2013*
(UNAUDITED)**

	12/31/2012	Adjustments	9/30/2013
REVENUES:			
Total Sales (Includes Water and Sewer)	305,522	(76,381) (1)	229,142
TOTAL OPER REVENUES	<u>305,522</u>		<u>229,142</u>
OPERATING EXPENSES:			
Operation and Maintenance	199,813	(45,457) (2)	154,356
Depreciation	30,953	(7,738) (1)	23,215
Amortization of CIAC	(6,558)	1,640 (1)	(4,919)
Taxes other than Income	16,382	(3,727) (2)	12,655
Income Taxes	14,390	(3,598) (1)	10,793
TOTAL OPER EXPENSES	<u>254,980</u>		<u>196,099</u>
UTILITY OPER INCOME	50,542		33,042
OTHER INCOME (DEDUCTIONS)			
Interest and Dividend Income	117	(29) (1)	88
AFUDC	-	-	-
Non-Utility Income	-	-	-
Gain (Loss) from Disposition of Non-utility Property	-	-	-
Miscellaneous Non-utility Expenses	-	-	-
Interest Expense	(5,873)	1,468 (1)	(4,405)
TOTAL OTHER INCOME (DED)	<u>(5,756)</u>		<u>(4,317)</u>
NET INCOME	44,786		28,725

* Estimated closing date

(1) Adjustment was calculated by multiplying the 2012 amount by 0.75 to account for 9 months in 2013, then subtracting the 2012 total from 2013

(2) Adjustment was calculated by multiplying the 2012 amount by 0.75 to account for 9 months in 2013; and multiplied by 1.03 to account for a typical 3% annual increase in expenses, then subtracting the 2012 total from 2013

WHITE ROCK AND LAKELAND MERGED AND ABENAKI WATER
PRO FORMA BALANCE SHEETS AS OF SEPTEMBER 30, 2013*
(UNAUDITED)

	White Rock and Lakeland 9/30/2013	Transaction	Abenaki Water 9/30/2013
ASSETS			
Utility plant	\$1,027,565	-	\$1,027,565
Less: Accumulated Depreciation	466,826	-	466,826
Net Utility Plant	560,739		560,739
Current Assets:			
Cash	79,202	6,126 (1)	85,328
Accounts receivable	64,597	(64,597) (2)	-
Materials and supplies	8,355	-	8,355
Prepaid expenses	4,197	(4,197) (2)	-
Total current assets	156,351		93,683
Other assets:			
Preliminary survey & investigation	-	-	-
Other deferred debits	28,917	(23,417) (3)	5,500
Unfunded Deferred Taxes	-	-	-
Total other assets	28,917		5,500
TOTAL ASSETS	\$746,007		\$659,922
LIABILITIES AND STOCKHOLDERS' EQUITY			
Stockholders' Equity:			
Common stock, no par	\$60,000	200,000 (4)	\$260,000
Additional paid-in capital	212,987	(212,987) (2)	-
Retained earnings	220,305	(220,305) (2)	-
Total Stockholder's Equity	493,292		260,000
Long-term debt	38,000	222,000 (5)	260,000
Total Long-term debt	38,000		260,000
Current Liabilities:			
Line of Credit Payable	-	-	-
Accounts payable	12,348	(12,348) (2)	-
Accrued taxes	17,299	(17,299) (2)	-
Accrued interest	4,124	(4,124) (2)	-
Other current liabilities	12,591	(12,591) (2)	-
Total current liabilities	46,362		-
Deferred Credits:			
Deferred income taxes and credits	28,432	(28,432) (2)	-
Customer construction advances	-	-	-
Other deferred credits	-	-	-
Contributions in aid of construction - Net	139,922	-	139,922
Total deferred credits	168,354		139,922
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$746,007		\$659,922

* Estimated closing date

(1) Net of estimated financing costs of \$5,500, plus cash generated by capitalization

(2) Pre-transaction amount will not transfer to new company

(3) Estimated financing costs of \$5,500, less pre-transaction amount of \$28,917 that does not transfer

(4) Equity capital of \$260,000 less the \$60,000 in common stock that will not transfer

(5) Financing of \$260,000 less the estimated SRF loan balance that will be paid off by Lakeland

**CERTIFICATE OF THE SECRETARY
OF
ABENAKI WATER CO., INC.**

The undersigned Secretary of Abenaki Water Co., Inc. (the "Corporation") hereby certifies that, as of July 23, 2013:

That the attached Exhibit A of certain resolutions of the Board of Directors of the Corporation, duly adopted by unanimous written consent of the Board of Directors on July 2, 2013, are true and correct, and such resolutions have not been modified or rescinded and are in full force and effect as of the date hereof.



Robin Cocomo, Secretary

CORPORATE RESOLUTION

NEW ENGLAND SERVICE COMPANY

The undersigned, as Secretary of NEW ENGLAND SERVICE COMPANY, a Connecticut corporation (the "Company"), hereby certifies that the following resolutions were adopted by the unanimous consent of the Board of Directors of the Company on May 16, 2013 and that said resolutions have not been modified or rescinded:

WHEREAS, the Board of Directors has determined that it is advisable and in the best interests of the Company to enter into transactions to purchase substantially all of the assets of the following affiliated New Hampshire corporations: C & C Water Services, Inc., White Rock Water Company, and Lakeland Management Company (the "Acquisition");

WHEREAS, drafts of asset purchase agreements (the "Asset Purchase Agreements"), which are currently being negotiated, have been presented to the Board of Directors and have been reviewed by each of the directors;

WHEREAS, in connection with the Acquisition, the Company will negotiate, execute and deliver each of the Asset Purchase Agreements and certain certificates, agreements, documents and instruments associated with each the Asset Purchase Agreements (collectively, the "Ancillary Documents");

WHEREAS, the Board of Directors has determined that it is advisable and in the best interests of the Company and its shareholders to approve the Acquisition and enter into each of the Asset Purchase Agreements and the respective Ancillary Documents and to consummate the Acquisition substantially in accordance with the proposed Asset Purchase Agreements; and

WHEREAS, the Board of Directors has determined that it is advisable and in the best interests of the Company to form a direct wholly owned subsidiary corporation domiciled in the State of New Hampshire (the "Acquisition Subsidiary") for purposes of purchasing substantially all of the assets of White Rock Water Company and Lakeland Management Company.

NOW, THEREFORE, BE IT:

RESOLVED: To authorize the formation of the Acquisition Subsidiary for purposes of purchasing substantially all of the assets of White Rock Water Company and Lakeland Management Company.

RESOLVED: That the purchase by the Company of substantially all the assets of C & C Water Services, Inc., pursuant to terms and conditions substantially as set forth in a certain Asset Purchase Agreement by and between the Company and C & C Water Services, Inc. (the "C & C Purchase Agreement"), a copy of which has been provided to the Board of Directors, is in the best interests of the Company and its shareholders and is hereby authorized, confirmed, ratified, adopted, and approved, together with such amendments, modifications, or supplements thereto as the President of the Company shall deem advisable, necessary, or appropriate, the execution and delivery of any such amendment, modification, or supplement by the President of the Company being conclusive evidence of such approval; and be it further

RESOLVED: That the purchase by the Company's to-be-formed Subsidiary of substantially all the assets of White Rock Water Company, pursuant to terms and conditions substantially as set forth in a certain Asset Purchase Agreement by and between the Company's to-be-formed Subsidiary and White Rock Water Company (the "White Rock Purchase Agreement"), a copy of which has been provided to the Board of Directors, is in the best interests of the Company and its shareholders and is hereby authorized, confirmed, ratified, adopted, and approved, together with such amendments, modifications, or supplements thereto as the President of the Company shall deem advisable, necessary, or appropriate, the execution and delivery of any such amendment, modification, or supplement by the President of the Company being conclusive evidence of such approval; and be it further

RESOLVED: That the purchase by the Company's to-be-formed Subsidiary of substantially all the assets of Lakeland Management Company, pursuant to terms and conditions substantially as set forth in a certain Asset Purchase Agreement by and between the Company's to-be-formed Subsidiary and Lakeland Management Company (the "Lakeland Purchase Agreement"), a copy of which has been provided to the Board of Directors, is in the best interests of the Company and its shareholders and is hereby authorized, confirmed, ratified, adopted, and approved, together with such amendments, modifications, or supplements thereto as the President of the Company shall deem advisable, necessary, or appropriate, the execution and delivery of any such amendment, modification, or supplement by the President of the Company being conclusive evidence of such approval; and be it further

RESOLVED: That Donald J.E. Vaughan, President of the Company, be and hereby is authorized and directed, on behalf of, and in the name of the Company, to negotiate, finalize, execute, deliver and perform under the terms of the C & C Purchase Agreement, the White Rock Purchase Agreement, and the Lakeland Purchase Agreement, respectively and the Ancillary Documents, including making changes or amendments to any of the C & C Purchase Agreement, the White Rock Purchase Agreement, and the Lakeland Purchase Agreement, respectively and the Ancillary Documents, and to do all such other acts and things as, in the judgment of the President of the Company, may be necessary or advisable in connection with the execution, delivery, or performance of the C & C Purchase Agreement, the White Rock Purchase Agreement, and the Lakeland Purchase Agreement, respectively and the Ancillary Documents, or to carry out the intent of the resolutions contained herein.

RESOLVED: That any and all actions of the President of the Company heretofore taken in order to carry out and accomplish any of the actions set forth in the foregoing resolutions are hereby approved, ratified and confirmed.

Dated at Plainville, Connecticut, this 24th day of June, 2013.

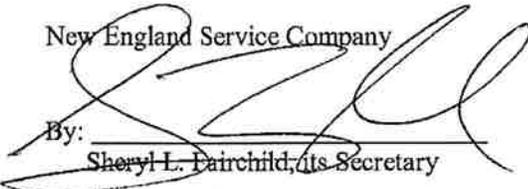
New England Service Company
By: 
Sheryl L. Fairchild, its Secretary

Exhibit A

WHEREAS, the Board of Directors of Abenaki Water Co., Inc., a New Hampshire corporation (the "Company") has assembled in a duly called and constituted meeting on the date written above, and hereby waives any notice required in connection therewith;

WHEREAS, the Board of Directors has determined that it is advisable and in the best interests of the Company to enter into transactions to purchase substantially all of the assets of the following affiliated New Hampshire corporations: White Rock Water Company and Lakeland Management Company (the "Acquisition");

WHEREAS, drafts of asset purchase agreements (the "Asset Purchase Agreements"), which are currently being negotiated, have been presented to the Board of Directors and have been reviewed by each of the directors;

WHEREAS, in connection with the Acquisition, the Company will negotiate, execute, and deliver each of the Asset Purchase Agreements and certain certificates, agreements, documents and instruments associated with each the Asset Purchase Agreements (collectively, the "Ancillary Documents");

WHEREAS, the Board of Directors has determined that it is advisable and in the best interests of the Company and its shareholder to approve the Acquisition and enter into each of the Asset Purchase Agreements and the respective Ancillary Documents and to consummate the Acquisition substantially in accordance with the proposed Asset Purchase Agreements;

WHEREAS, in connection with the Acquisition, the Company intends to apply to the New Hampshire Public Utilities Commission to obtain the required approvals and consent for the Acquisition; and

WHEREAS, the Board of Directors has determined that it is advisable and in the best interests of the Company to enter into a loan transaction with CoBank for purposes of financing the Acquisition.

NOW, THEREFORE, BE IT:

I. AUTHORIZATION TO ENTER INTO ASSET PURCHASE AGREEMENTS

RESOLVED: That the purchase by the Company of substantially all the assets of White Rock Water Company, pursuant to terms and conditions substantially as set forth in a certain Asset Purchase Agreement by and between the Company and White Rock Water Company (the "White Rock Purchase Agreement"), a copy of which has been provided to the Board of Directors, is in the best interests of the Company and its shareholder and is hereby authorized, confirmed, ratified, adopted, and approved, together with such amendments, modifications, or supplements thereto as the President of the Company shall deem advisable, necessary, or appropriate, the execution and delivery of any such amendment, modification, or supplement by the President of the Company being conclusive evidence of such approval; and be it further

RESOLVED: That the purchase by the Company of substantially all the assets of Lakeland Management Company, pursuant to terms and conditions substantially as set forth in a certain Asset Purchase Agreement by and between the Company and

Lakeland Management Company (the "Lakeland Purchase Agreement"), a copy of which has been provided to the Board of Directors, is in the best interests of the Company and its shareholder and is hereby authorized, confirmed, ratified, adopted, and approved, together with such amendments, modifications, or supplements thereto as the President of the Company shall deem advisable, necessary, or appropriate, the execution and delivery of any such amendment, modification, or supplement by the President of the Company being conclusive evidence of such approval; and be it further

RESOLVED: That Donald J.E. Vaughan, President of the Company, be and hereby is authorized and directed, on behalf of, and in the name of the Company, to negotiate, finalize, execute, deliver and perform under the terms of the White Rock Purchase Agreement and the Lakeland Purchase Agreement, respectively and the Ancillary Documents, including making changes or amendments to any of the White Rock Purchase Agreement and the Lakeland Purchase Agreement, respectively and the Ancillary Documents, and to do all such other acts and things as, in the judgment of the President of the Company, may be necessary or advisable in connection with the execution, delivery, or performance of the White Rock Purchase Agreement and the Lakeland Purchase Agreement, respectively and the Ancillary Documents, or to carry out the intent of the resolutions contained herein.

RESOLVED: That any and all actions of the President of the Company heretofore taken in order to carry out and accomplish any of the actions set forth in the foregoing resolutions are hereby approved, ratified and confirmed.

II. AUTHORIZATION TO SUBMIT APPLICATIONS TO THE PUBLIC UTILITIES COMMISSION

RESOLVED: That the Company is hereby authorized to submit applications seeking any required approvals and consent of the New Hampshire Public Utilities Commission to the Acquisition (the "Applications").

RESOLVED: That Donald J.E. Vaughan, President of the Company, is hereby authorized and directed, on behalf of the Company, to execute and submit and to take any and all other steps deemed necessary, in his sole discretion, in order to complete and submit the Applications.

RESOLVED: That any and all actions of the President of the Company heretofore taken in order to carry out and accomplish any of the actions set forth in the foregoing resolutions are hereby approved, ratified and confirmed.

III. AUTHORIZATION TO ENTER INTO LOAN

RESOLVED: That the Company is hereby authorized to enter into a certain secured term loan with CoBank (the "Bank") in the principle amount of Three Hundred Thousand Dollars (\$300,000) and substantially upon the terms and conditions described in the term sheet dated June 5, 2013 from the Bank to the Company (the "Loan") and pursuant to the terms and conditions contained in the loan documents to be

executed in connection with the consummation of the Loan (hereinafter the "Loan Documents").

RESOLVED: That Donald J.E. Vaughan, President of the Company, is hereby authorized and directed, on behalf of the Company, to execute the Loan Documents and to take any and all other steps deemed necessary, in his sole discretion, in order to effect the aforesaid borrowing and to carry out the intent of the Loan Documents.

RESOLVED: That any and all actions of the President of the Company heretofore taken in order to carry out and accomplish any of the actions set forth in the foregoing resolutions are hereby approved, ratified and confirmed.