

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [Optional] Ellen M. Corneau, Esquire	
B. SEND ACKNOWLEDGMENT TO: [Name and Address] Ellen M. Corneau, Esquire Edwards Angell Palmer & Dodge LLP 2800 Financial Plaza Providence, Rhode Island 02903	
THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY	

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names				
1a. ORGANIZATION'S NAME Town of Middletown, Rhode Island				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 350 East Main Road				
CITY Middletown		STATE RI	POSTAL CODE 02842	COUNTRY USA
1d. TAX ID #: SSN OR EIN NOT REQUIRED IN RHODE ISLAND	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Municipality	1f. JURISDICTION OF ORGANIZATION Rhode Island	1g. ORGANIZATIONAL ID #, if any ☒ NONE
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME: - insert only one debtor name (2a or 2b) - do not abbreviate or combine names				
2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS				
CITY		STATE	POSTAL CODE	COUNTRY
2d. TAX ID #: SSN OR EIN NOT REQUIRED IN RHODE ISLAND	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any ☐ NONE
3. SECURED PARTY'S NAME: (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)				
3a. ORGANIZATION'S NAME Wells Fargo Bank, N.A.				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 155 Westminster Street				
CITY Providence		STATE RI	POSTAL CODE 02903	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

All of the Debtor's right, title and interest with respect to the Trust Estate as defined and described in that certain Trust Indenture dated December 21, 2006, as amended and supplemented to the date hereof, including by a First Supplemental Indenture dated December 21, 2006, by and between Debtor and the Secured Party, and as more particularly described in Exhibit A attached hereto and made a part hereof.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG.LIEN ☐ NON-UCC FILING	
6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. TO REQUEST A SEARCH REPORT, FILE A UCC11
8. OPTIONAL FILER REFERENCE DATA: Filed with Rhode Island Secretary of State	
FILING OFFICE COPY— RHODE ISLAND UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/01/06)	

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
9a. ORGANIZATION'S NAME		
Town of Middletown, Rhode Island		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME SUFFIX
11c. MAILING ADDRESS			CITY	STATE POSTAL CODE COUNTRY
11d. TAX ID #: SSN OR EIN NOT REQUIRED IN RHODE ISLAND	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any ☐ NONE

12. ☐ ADDITIONAL SECURED PARTY or ☐ ASSIGNOR S/P'S Name - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME SUFFIX
12c. MAILING ADDRESS			CITY	STATE POSTAL CODE COUNTRY

13. This FINANCING STATEMENT Covers ☐ timber to be cut or ☐ as extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.
Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.
☐ Debtor is a TRANSMITTING UTILITY
☐ Filed in connection with a Manufactured-Home Transaction—effective 30 years
☒ Filed in connection with a Public-Finance Transaction—effective 30 years

Exhibit A to UCC-1 Financing Statement (p. 1 of 3)

This Financing Statement covers the pledge and security interest made by the Debtor to the Secured Party for the benefit of the Rhode Island Clean Water Finance Agency, as purchaser of the Bonds (the "Purchaser") pursuant to a Trust Indenture dated December 21, 2006, as amended and supplemented to the date hereof, including by the First Supplemental Trust Indenture dated December 21, 2006, (as amended, supplemented or otherwise modified from time to time, the "Indenture"), between the Debtor and the Secured Party and which pledge and security interest consist of the following (the "Trust Estate"):

(i) all right, title and interest of the Debtor in and to (i) all Revenues, and (ii) all monies, securities and Reserve Deposits in all funds and accounts established by or pursuant to the Indenture except the Operating Fund, the Rebate Fund and the Unrestricted Fund, if established.

As used herein, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Authorized Officer" shall mean the Town Administrator, the Finance Director or the President of the Town Council of the Debtor, and, when used in reference to an act or document, shall also mean any other person authorized by resolution of the Town Council to perform such act or sign such document.

"Debt Service Assistance" shall mean any money received by or on behalf of the Debtor under or pursuant to any agreement or on account of a grant or contribution, heretofore or hereafter made, in aid of, with respect to, or on account of debt service on debt incurred with respect to the System excluding any interest subsidiaries received from the Purchaser on account of any of its leveraged loan programs.

"Depository" shall mean any bank or trust company selected in accordance with Section 803 of the Indenture as a depository of moneys to be held under the provisions of the Indenture, and may include the Secured Party.

"Operating Expenses" shall mean any expenses incurred by or for the account of the Debtor or reimbursable by or to the Debtor for operation, maintenance, renewal and repair of the System including, without limiting the generality of the foregoing, administrative expenses, financial, legal and auditing expenses, insurance premiums, payments on claims against the Debtor to the extent monies are unavailable therefor in the Insurance Reserve Fund or to the extent such claims shall fall within such reasonable deductible limits as may be determined by the Debtor, if any, payments in lieu of taxes, if any, payments of rates, assessments or other charges to the Debtor with respect to the System, legal and engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization and sick leave benefits for employees of the Debtor allocable to the System and any other similar expenses required to be paid by the Debtor, all to the extent properly and directly attributable to the System, and the expenses, liabilities and compensation of the Fiduciaries required to be paid under the Indenture, but does not include the Cost of any Capital Improvement or any provision for interest, depreciation, amortization or similar charges on any indebtedness except for (i) interest paid on notes, and renewals thereof, issued in accordance

Exhibit A to UCC-1 Financing Statement (p. 2 of 3)

with Section 607(2) of the Indenture (to the extent not included in the Cost of any Project), and (ii) payments made with respect to any indebtedness represented by leases, mortgages, security interests and other encumbrances permitted by Section 604(3) of the Indenture.

“Rates and Charges” shall mean, except as otherwise expressly provided herein, all fees, rates, rents, assessments and other charges established by or on behalf of the Debtor for the services, facilities and commodities furnished or supplied by it from the operation of the System;

“Reserve Deposits” shall mean one or more of the following:

- (i) irrevocable, unexpired letters of credit issued by banking institutions the senior long-term debt obligations of which (or of the holding company of such banking institution) have (at the time of issue of such letter of credit) a rating within the two highest rating categories generally available to banking institutions by each Rating Agency rating such debt without regard to any gradations within such categories; or
- (ii) irrevocable and unconditional policies of insurance in full force and effect issued by municipal bond insurers the obligations insured by which are eligible for a rating at the time of issuance of such policies within the two highest rating categories available to insurers generally issuing such insurance by each Rating Agency rating such insurance without regard to any gradations within such categories.

“Revenues” shall mean and include (except as otherwise expressly provided herein) (i) all income, fees, revenues, rates, receipts, assessments, rents, charges and other moneys, including any unrestricted funds balance attributable to the operation of the System, (a) derived by the Debtor from its ownership and operation of the System (including collections by or on behalf of the Debtor on account of services and commodities furnished or supplied by the System prior to the effective date of the Indenture) or (b) derived from any other source, to the extent such moneys are deposited or required to be deposited to the Revenue Fund by the Debtor from time to time pursuant to a Supplemental Indenture (provided that any such moneys shall not be considered Revenues for purposes of Section 603(2) of the Indenture unless at the time of the deposit thereof to the Revenue Fund an Authorized Officer shall have submitted to the Secured Party a certificate designating such moneys as Revenues for such purpose) and

(ii) all accounts, receivables, general intangibles and contract or other rights to receive the Revenues described in clause (i), whether existing at the effective date of the Indenture or thereafter coming into existence and whether held by the Debtor at the effective date of the Indenture or thereafter acquired, and the proceeds thereof, including, without limiting the generality of the foregoing, receipts from Rates and Charges and from the earnings on the investment of any moneys held under the Indenture by the Secured Party, a Depository or the Debtor or remitted to the Debtor by the Agency (other than moneys held in the Rebate Fund and the Unrestricted Fund), receipts from fees, rates, assessments and other charges to any political subdivision of the State for services or commodities furnished or supplied by the System, proceeds of any grant or appropriation for or on account of Operating Expenses received by the

Exhibit A to UCC-1 Financing Statement (p. 3 of 3)

Debtor from the United States or the State or from any agency, instrumentality or political subdivision of either thereof, Debt Service Assistance and except to the extent otherwise provided herein, proceeds of the sale or other disposition of all or any part of the System and of insurance and condemnation awards received with respect to the System or any part thereof, but not including any amounts not deemed "Revenues" pursuant to Section 504(1) of the Indenture.

"System" shall mean the wastewater system of the Debtor, together with any Capital Improvements or other additions thereto and substitutions for any part thereof heretofore or hereafter acquired or made by or on behalf of the Debtor, and all other properties of the Debtor used in, or necessary or desirable for, the operation of such system; provided that, on such date, if any, as the Debtor consolidates its water works system operationally or financially with its wastewater system and pledges the revenues thereof to the Secured Party pursuant to a Supplemental Indenture, references to the System shall include such water works system.