

UCC-1 Form

FILER INFORMATION

Full name: **KELLY SHANAHAN**

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SEND ACKNOWLEDGEMENT TO

Contact name: **DALTON & FINEGOLD, LLP**

Mailing Address: **34 ESSEX STREET**

City, State Zip Country: **ANDOVER, MA 01810 USA**

DEBTOR INFORMATION

Org. Name: **KTY ENTERPRISES, INC.**

Mailing Address: **160 PLEASANT VIEW AVENUE**

City, State Zip Country: **SMITHFIELD, RI 02917 USA**

SECURED PARTY INFORMATION

Org. Name: **BANK OF NEW ENGLAND**

Mailing Address: **31 PELHAM ROAD**

City, State Zip Country: **SALEM, NH 03079 USA**

TRANSACTION TYPE: STANDARD

CUSTOMER REFERENCE: KS - 168 RIVER

COLLATERAL

PLEASE SEE ATTACHED EXHIBIT A.

Exhibit A – UCC

The Borrower hereby assigns to Lender, and hereby grants to Lender a security interest in all of the Borrower's right, title and interest in and to all assets of the Borrower, of every type and description whether now owned or hereafter acquired including, without limitation, the following (the "Collateral"):

1.1. Fixed Assets. All property and equipment in all of its forms, wherever located, now or hereafter existing including, but not limited to, all equipment, machinery, meters, measuring equipment, sampling equipment, furniture, office equipment, computers, leasehold improvements, all fixtures and all parts thereof and all accessions thereto (any and all such equipment, fixtures, parts and accessions being the "Fixed Assets");

1.2. Inventory. All inventory in all of its forms, wherever located, now or hereafter existing of every type and description used in the Borrower's business; and goods in which the Borrower has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Borrower has an interest or right as consignee); and, whether now existing or hereafter acquired by Borrower, (any and all such inventory, accessions, products, work in process and documents being the "Inventory");

1.3. Accounts Receivable, Related Contracts. All accounts, contract rights, chattel paper, notes, bills, drafts, acceptances, instruments, deposit accounts, developer/development fees, management fees, general intangibles, and other obligations of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale of goods or the rendering of services, and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any such accounts, contract rights, chattel paper, instruments, deposit accounts, developer/development fees, management fees, general intangibles, and obligations (any and all such accounts, contract rights, chattel paper, notes, bills, drafts, acceptances, instruments, deposit accounts, developer/development fees, management fees, general intangibles, and obligations being the "Accounts Receivable," and any and all such leases, security agreements, and other contracts being the "Related Contracts");

1.4. Agreement Collateral. All leases and rental agreements entered into by Borrower as lessor, all development agreements, management agreements, partnership agreements, construction agreements, loan agreements and loans, as such agreements may be amended or otherwise modified from time to time (collectively, the "Assigned Agreements") including, without limitation, (a) all rights of the Borrower to receive payments or other funds due and to become due under or pursuant to the Assigned Agreements; (b) all rights of the Borrower to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to the Assigned Agreements; (c) claims of the Borrower for damages arising out of or for breach of or default under the Assigned Agreements; and (d) the right of the Borrower to terminate the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder;

1.5. Intellectual Property Collateral. All patents, customer lists, licenses, permits, copyrights, trademarks, trade names, trade secrets, patents, proprietary processes, blueprints, drawings, designs, manuals, technical data, catalogs, and concepts and ideas related to the sale, marketing, lease or use of any and all goods produced or sold or leased or services rendered by the Borrower in its business (collectively the "Intellectual Property Collateral");

1.6. Intangible Property. All manuals, blueprints, know-how, warranties and records in connection with the Fixed Assets; all documents of title or documents representing the Inventory and all records, files and writings with respect thereto; any and all other rights, claims and causes of action of

Borrower against any other Person and the benefits of any and all collateral or other security given by any other Person in connection therewith; all information, customer lists, identification of suppliers, data, plans, blueprints, specification designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs, and the like pertaining to operations by Borrower; all information relating to sales of services or products now or hereafter offered or distributed by Borrower; all accounting information pertaining to Borrower's operations or any of the Fixed Assets, Inventory, Accounts Receivable or intangibles and all media in which or on which any of the information or knowledge or data or records relating to such operations or any of the Fixed Assets, Inventory, Accounts Receivable or intangibles may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; all licenses, consents, permits, variances, certifications and approvals of governmental agencies now or hereafter held by Borrower pertaining to operations now or hereafter conducted by Borrower; all causes of action, claims and warranties now or hereafter owned or acquired by Borrower; the entire goodwill of Borrower's business and other general intangibles (including know-how, trade secrets, customer lists, proprietary information, inventions, methods, procedures and formulas) connected with the use and symbolized by the trademarks of Borrower; and any other property consisting of a general intangible under the Uniform Commercial Code in effect in any jurisdiction where Borrower maintains its records relating to such property; other than any of the foregoing which by its terms prohibit assignment, transfer or the grant of a security interest by Borrower or give the other party thereto the right to terminate the same upon an assignment, transfer or the grant of security interest thereto (collectively the "Intangible Property");

1.7. Insurance Policies. All insurance policies held by Borrower or naming Borrower as insured, additional insured or loss payee (including, without limitation, casualty insurance, liability insurance, property insurance and business interruption insurance and all such insurance policies entered into after the date hereof (the "Insurance Policies"));

1.8. Licenses. All of Borrower's license agreements with respect to a patent, trademark, service mark or copyright, whether Borrower is a licensor or licensee under any such license agreement, along with any and all (a) renewals, extensions, supplements and continuations thereof, (b) income, royalties, damages, claims and payments now and hereafter due and/or payable to Borrower with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (c) rights to sue for past, present and future infringements thereof, and (d) any other rights to sue, exploit or practice any patent, trademark, service mark or copyright of Borrower (collectively the "Licenses");

1.9. Permits. To the extent a security interest may be granted therein, all of the licenses, variances, special permits, permits and approvals (collectively, "Permits") from federal, state and local governmental authorities having jurisdiction over Borrower's business and property, including, without limitation, any Required Permits and Approvals for the Approved Residential Use (as those terms are defined in the Loan Agreement);

1.10. Investment Property. All "investment property" (as that term is defined in the Rhode Island Uniform Commercial Code, Article 9) of the Borrower ("Investment Property");

1.11. Proceeds. All proceeds of any and all of the foregoing Collateral (including, without limitation, proceeds which constitute property of the types described in Sections 1.1 through 1.10 of this Section 1), and, to the extent not otherwise included, all (a) payments under insurance contracts (whether or not Lender is the loss payee thereof), or any indemnity, warranty, or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, and (b) cash.