

STATE OF RHODE ISLAND
CITY OF CENTRAL FALLS
OFFICE OF THE RECEIVER

580 BROAD STREET
CENTRAL FALLS, RI 02863

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July 27, 2012

Allan M. Shine
c/o Chace Ruttenger & Freedman
1 Park Row
Suite 300
Providence, RI 02903

RE: Letter Form Agreement Regarding Appointment of Allan M. Shine as Claims Recovery Trustee

This letter will serve as an agreement by and between John F. McJennett III, in his capacity as Receiver (the "Receiver") of the City of Central Falls (the "City"), the Department of Revenue, State of Rhode Island and Allan M. Shine. Any terms not defined herein, shall have the meanings ascribed to them in the Third Amended Plan for the Adjustment of Debts of City of Central Falls, Rhode Island, as may be amended from time to time.

Reference is made to the Section IV(S)(2) of the Fourth Amended Plan for the Adjustment of Debts of the City of Central Falls, Rhode Island which provides, in pertinent part:

On the Effective Date, a trust (the "Trust") shall be deemed created for the benefit of the State, and all of the City's claims against Elected Officials shall be deemed transferred into the Trust including, without limitation, the City's claims against Elected Officials under any Final Order in *Flanders vs. Moreau et al.*, P.B. No 10-5615 ("*Flanders vs. Moreau*").

Also, on the Effective Date, Allan M. Shine shall be deemed appointed as "Trustee" of the Trust. The Trustee (and successor Trustees, if any), shall be impressed with the duty to make a good faith effort to collect the maximum amount reasonably attainable from any Final Order against Elected Officials, including a Final Order in *Flanders vs. Moreau*. Notwithstanding anything set forth below, the Trustee, not the City's or State's counsel, shall be responsible for **collecting** any Final Order against any Elected Official.

The Trustee shall be compensated at the rate of twenty percent (20%) of any recovery by the Trust, plus reasonable out of pocket expenses, and the Trustee shall be authorized to immediately pay himself (or if a successor Trustee is a woman, herself) said amount from any recovery, subject to final review and approval by the Bankruptcy Court as part of the Trustee's Final Report. The Trustee may seek instructions from the Bankruptcy Court regarding any issue relative to his trusteeship. Within fourteen (14) days of any recovery obtained by the Trustee, the Trustee shall pay the balance of said recovery to the State, and said payment shall be treated as a credit against the balance owing to the State on account of the State's Allowed Class 19 State of Rhode Island Claim.

In the event that the Trustee resigns or is no longer able to serve, the Bankruptcy Court may appoint a successor Trustee.

In that event that there has not been a Final Order in *Flanders vs. Moreau* on the Effective Date, the City's attorney shall act as counsel to the Trust until a Final Order is obtained in *Flanders vs. Moreau*. The State shall advance the costs of City's counsel for such services subject to reimbursement of those costs pursuant to the treatment of the Class 19 State of Rhode Island Claim, as described aforesaid.

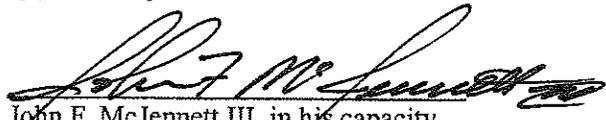
If the State believes that the City has additional claims against Elected Officials, it may send a letter to the Trustee requesting that the Trust pursue those claims. Depending upon the Trustee's evaluation of any such claims, the Trustee may cause the Trust to pursue those claims, to decline to pursue those claims, and/or seek instructions from the Bankruptcy Court as to whether the Trust should or should not pursue those claims.

If the Trust pursues claims pursuant to the terms of the preceding paragraph, the State may offer the use of its counsel to litigate those claims. If the Trust elects to use the State's counsel to litigate those claims, the State shall advance the costs of its counsel for such services subject to reimbursement by the City pursuant to the treatment of the Class 19 State of Rhode Island as described aforesaid.

When the Trustee determines that no further amounts can be reasonably attained from Elected Officials, the Trustee shall file a Final Report with the Bankruptcy Court. At such time as the Final Report is approved by the Bankruptcy Court, the Trustee shall be discharged and the Trust shall be deemed dissolved.

In the event that after dissolution of the Trust, the Trustee discovers that there may be additional funds to be recovered for the benefit of the State, or there are additional claims that may be pursued against Elected Officials, the Trustee may file a motion with the Bankruptcy Court seeking to revive the Trust for that purpose, subject to all of the same terms and conditions set forth above.

It is our understanding that you are willing to serve as "Trustee" according to the above terms and conditions. Please countersign below indicating your acceptance.

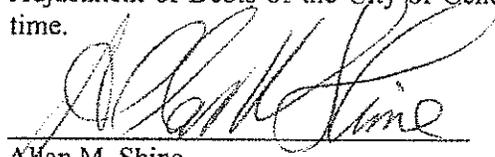


John F. McJennett III, in his capacity
as and only as Receiver of the City of
Central Falls, and not individually

Department of Revenue, State of Rhode Island

By: _____
Rosemary Booth Gallogly, Director

I, Allan M. Shine, hereby accept my appointment as Trustee pursuant to the terms and conditions as set forth above and as more specifically set forth in the Fourth Amended Plan for the Adjustment of Debts of the City of Central Falls, Rhode Island, as may be amended from time to time.



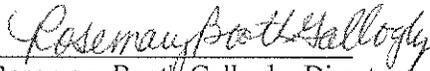
Allan M. Shine

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John F. McJennett III, in his capacity
as and only as Receiver of the City of
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Department of Revenue, State of Rhode Island

By: 
Rosemary Booth Gallogly, Director

I, Allan M. Shine, hereby accept my appointment as Trustee pursuant to the terms and conditions as set forth above and as more specifically set forth in the Fourth Amended Plan for the Adjustment of Debts of the City of Central Falls, Rhode Island, as may be amended from time to time.

Allan M. Shine