

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

The City of Central Falls ("City") and the Central Falls Detention Facility Corporation ("CFDFC"), by and through their duly authorized representatives, hereby enter into this Settlement Agreement and Mutual Release ("Agreement"):

WHEREAS, the City and the CFDFC in the past have disputed the taxability of the property located at 935 High Street in Central Falls, Rhode Island (account # 06-843-50; Map 2, Block 198 in the City Assessor's records), which the parties have referred to as the "Fink Parcel";

WHEREAS, the City has issued a tax bill on the Fink Parcel in the amount of \$35,179.36 for tax year 2019 ("2019 Tax Bill");

WHEREAS, the CFDFC has appealed the 2019 Tax Bill in accordance with applicable Rhode Island law, and has paid advancements of \$10,051.76 on October 10, 2019 and \$8,794.84 on January 10, 2020, for a total of \$18,846.60 in disputed tax payments to the City (the "Advancement"), and this appeal is currently pending determination by the City ("2019 Tax Appeal");

WHEREAS, the City has also indicated its intent to issue tax bills for the Fink Parcel for years prior to 2019 ("Prior Tax Years"), but has not yet issued any tax bills for the Prior Tax Years;

WHEREAS, the City has raised various issues and claims mentioning the Fink Parcel in the pending federal court action styled *UMB Bank, N.A. as Trustee v. City of Central Falls, et al.*, 19-cv-00182-WES-PAS ("Litigation");

WHEREAS, the City sent four invoices of \$1,100 each to the CFDFC for City police details in the fall of 2019, totaling \$4,400 ("Detail Invoices");

WHEREAS, the CFDFC denies and disputes that it or any other person is liable to the City (a) for taxes with respect to the Fink Parcel, the 2019 Tax Bill, and the Prior Tax Years

(collectively, the "Tax Dispute"); and (b) for the Detail Invoices (the "Detail Dispute" and together with the Tax Dispute, the "Disputes");

WHEREAS, the parties have agreed to resolve the Disputes set forth in this Agreement in order to avoid the uncertainty, expense, and distraction of litigation.

NOW, THEREFORE, in consideration of the promises and undertakings set forth herein, the sufficiency of which is hereby expressly acknowledged, the parties agree t as follows:

1. **Settlement of Disputes**

The Parties agree to full and final settlement of the Disputes upon (a) receipt of the Settlement Payment (defined below), dismissal of the Tax Appeal, and (b) granting of the mutual releases as set forth in this Agreement.

a. **Payment by the CFDFC to the City**

The CFDFC shall pay or cause to be paid the aggregate amount of **\$30,000.00** to the City ("Settlement Payment"). The CFDFC agrees to release the Advancement to the City, and pay the balance of \$11,153.40 within ten (10) business days after the complete execution of this Agreement.

b. **Dismissal of the 2019 Tax Appeal**

Upon the City's receipt of the Settlement Payment, the 2019 Tax Appeal shall be deemed dismissed.

2. **Mutual Release**

In consideration for the Settlement Payment and dismissal of the 2019 Tax Appeal, the City and the CFDFC hereby release and forever discharge each other from and against any and all claims, debts, account balances, demands, actions, causes of action, counterclaims, suits, dues, sums of money, damages, expenses, liens, charges, and liabilities and any and all other claims of

every kind, nature, and description, whatsoever, both in law and in equity, existing from the beginning of time through the execution of this Agreement with respect to the Fink Parcel and Disputes.

3. City's Agreements Regarding Taxability of the Fink Parcel and Future Detail Invoices.

Upon receipt of the Settlement Payment, the City agrees that it shall not issue or seek to collect on – and shall forever be barred from issuing or seeking to collect on – any tax bills with respect to the Fink Parcel. The City also agrees and acknowledges that, as of the date of this Agreement, the Fink Parcel is tax exempt under applicable law while it is owned by the CFDFC or another entity exempt from taxation.

4. Effect on Litigation and Future Detail Invoices

Nothing in this Agreement shall be construed to affect or waive the City's and the CFDFC's rights, claims, and defenses in the Litigation or in connection with any other matter except for any claims or causes of action relating to the Fink Parcel or the Disputes. The City's expressly reserves its right to continue to invoice the CFDFC for the future costs of police details and the CFDFC reserves its right to contest the same.

5. Complete Agreement

This Agreement reflects the complete agreement and understanding among the parties on the matters addressed herein, and there are no other oral or written agreements between them other than those set forth in this Agreement.

6. Counterparts

This Agreement may be executed in counterparts and exchanged by electronic means, including electronic mail.

7. **Assignment**

Either party may assign this Agreement to any other person or entity without the need for any other party to this Agreement's prior approval.

8. **Representations and Warranties**

The City represents and warrants to the CFDFC that the City (a) has not transferred, sold, or assigned any of its rights to collect taxes with respect to the Fink Parcel for any tax year to any other person, entity, or agency; and (b) has not commenced any pending litigation or administrative proceeding with respect to the matters addressed in this Agreement relating to the Fink Parcel and the Detail Invoices.

IN WITNESS WHEREOF, each of the undersigned having read this Agreement carefully, and knowing and understanding its contents, duly signs the same as their own free act and deed as of the dates set forth below.

CITY OF CENTRAL FALLS

**CENTRAL FALLS DETENTION
FACILITY CORPORATION**

By: James A. Dossy, Mayor

By: James J. Lombardi, III
Chairman, Board of Directors

Mar. 1
March 3, 2020

March __, 2020

Approved as to form and correctness:

[Signature]

Reviewed
Barbara Addison
Director of FINANCE
CITY OF CENTRAL FALLS

7. Assignment

Either party may assign this Agreement to any other person or entity without the need for any other party to this Agreement's prior approval.

8. Representations and Warranties

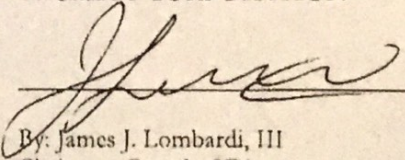
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CITY OF CENTRAL FALLS

CENTRAL FALLS DETENTION FACILITY CORPORATION

By: _____


By: James J. Lombardi, III
Chairman, Board of Directors

March __, 2020

~~March~~ ^{April} 2, 2020