

## Exhibit 1

### SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 10th day of August, 2016, by and among Hampton Bagdasarian ("Bagdasarian"), Bagdasarian Property Holdings, LLC, a Massachusetts limited liability company with a principal place of business at 26 Meena Drive, Worcester, MA ("LLC"), the Franklin Housing Authority, a public body politic and corporate, with a principal place of business at 1000 Central Park Terrace, Franklin, MA 02038, and the Town of Franklin, a Massachusetts municipal corporation with a principal place of business at 355 East Central Street, Franklin, MA 02038, by and through its Treasurer and City Council (the "Town").

### RECITATIONS

WHEREAS, on October 15, 1982, the Town of Franklin Tax Collector executed an Instrument of Taking for nonpayment of real estate taxes on a parcel of land on Plain Street in Franklin identified as Lot 7 on Assessor's Map 6, Block 114 (the "Locus"), naming Paula A. Milgrim as the assessed owner (the "1982 Taking"). The 1982 Taking was for nonpayment of taxes in fiscal years 1981 and 1982, and was recorded on November 5, 1982 with Norfolk Registry of Deeds in Book 6072, Page 445.

WHEREAS, on February 10, 1973 an interest in a certain parcel of land located on Plain Street in Franklin, identified as Lot 7 on Assessor's Map 6, Block 114 (the "Locus"), was conveyed to Paula A. Milgrim (who later married Edwin Cerel and became "Paula A. Cerel"), by deed from Edwin Cerel, which deed was recorded in Book 4911, Page 291.

WHEREAS, Edwin Cerel had derived his interest in the Locus by deed from Abraham T. Handverger, as Executor of the Estate of Joseph Cerel, dated March 7, 1959 and recorded in Book 3709, Page 157.

WHEREAS, Joseph Cerel had derived his interest in the Locus by virtue of an Instrument of Assignment, dated January 6, 1954 and recorded with said Deeds in Book 3389, Page 366, by which the Town assigned its interest in a certain Instrument of Taking dated November 6, 1953, which Instrument of Taking was recorded in Book 3218, Page 487 (the "1953 Taking").

WHEREAS, on January 18, 1985, the Town filed a Complaint in Land Court to foreclose the right redemption under the 1982 Taking pursuant to G.L. c. 60, §65, naming Paula A. Milgrim as the defendant, which proceeding was designated as Docket No. TL 73888 (the "Tax Foreclosure Proceeding").

WHEREAS, the Land Court entered judgment on the Town's tax title foreclosure petition based on the 1982 Taking on October 24, 1988, which Judgment was recorded at the Norfolk County Registry of Deeds on February 15, 2006 in Book 23397, Page 531 (the "Judgment").

WHEREAS, the Town prepared a plan dated October 4, 2006 (the "2006 Plan") dividing the Locus into two lots, "Lot 1" and "Parcel A," which plan was approved by the Franklin Planning Board and recorded with said Deeds in Plan Book 564, Page 8.

WHEREAS, on October 15, 2014, the Town executed a Deed to Lot 1 of the Locus to the Franklin Housing Authority (the "FHA"), which Deed was recorded on September 14, 2015 in Book 33476, Page 315.

WHEREAS, Bagdasarian, an heir to the last record owner of the Locus, Kirkor Stepanian, executed a Deed to the Locus to Bagdasarian Property Holdings, LLC (the "LLC") on November 23, 2015, which Deed was recorded in Book 33671, Page 528.

WHEREAS, the LLC has alleged that the 1982 Taking and subsequent Land Court foreclosure proceeding failed to provide adequate notice to Kirkor Stepanian and therefore violated principles of due process.

WHEREAS, The Town denies any due process deprivation took place.

WHEREAS, The FHA denies that any due process violations have occurred and contends that it is the sole rightful and true owner of Lot 1.

WHEREAS, the Parties desire to resolve their disputes, and thereby avoid the costs and uncertainty of litigation;

NOW, THEREFORE, in consideration of the foregoing, and of the mutual promises contained herein, the Parties agree as follows:

1. The Settlement Sum shall be \$81,157.54 (the "Settlement Sum"). Of this amount, \$18,657.54 (the "Offset Sum") shall be retained by the Town in accordance with the provisions of Chapter 60, § 93 as payment for the partial redemption of the 1982 Taking.
2. Upon the execution of this agreement by all parties, the Town, through its attorney and in accordance with the provisions of M.G.L. c. 60, § 76A, will execute the Motion to Partially Vacate Foreclosure Judgment in Docket No. TL 73888 in the form of Exhibit A hereto, and deliver said Motion to Vacate to the LLC's counsel ("Escrow Agent") to hold in escrow pursuant to the terms of this Agreement.
3. Upon the execution of this agreement by all parties, the Town, through its Treasurer, will execute, under notary, a Certificate of Partial Redemption for the 1982 Taking, for purposes of releasing the lien secured by the 1982 Taking as to Parcel A as shown on the 2006 Plan, and deliver said Certificate of Partial Redemption to the Escrow Agent to hold in escrow pursuant to the terms of this Agreement.
4. Upon the execution of this agreement by all parties, the LLC will execute under notary a Quitclaim Deed to "Lot 1" as depicted on the 2006 Plan in the form of Exhibit B hereto, conveying Lot 1 to the Franklin Housing Authority, and deliver said Deed to the Escrow Agent to hold in escrow pursuant to the terms of this Agreement.
5. Upon the execution of this agreement by all parties, the Town shall provide evidence to the parties of the appropriation of the \$62,500 non-offset portion of the Settlement Sum, said sum to be segregated by the Town Treasurer under the terms of this Agreement (the "Town's Payment"). Upon the execution of this agreement by all parties, the LLC shall pay the Town the

sum of \$56.59 for the partial redemption of the 1953 Taking for Parcel A (the "1953 Redemption Payment") to be held by the Escrow Agent pursuant to the terms of this Agreement.

6. Upon receipt of the 1953 Redemption Payment, the Town, through its Treasurer, will execute, under notary, a Certificate of Partial Redemption for the 1953 Taking, for purposes of releasing the lien secured by the 1953 Taking as to Parcel A as shown on the 2006 Plan, and deliver said Certificate of Partial Redemption to the Escrow Agent to hold in escrow pursuant to the terms of this Agreement.

7. Within thirty (30) days of the execution of this Agreement by all parties, the LLC may prepare and file an application with the Franklin Planning Board for definitive subdivision approval concerning Parcel A on the 2006 Plan, dividing Parcel A into two lots, only one of which shall be a buildable lot for a single-family residence, and which application shall request waivers from the Board's subdivision rules and regulations to allow for the construction of a private way that does not conform to the Board's road design standards, but which provides safe and adequate vehicular access to the lots from Plain Street.

8. The Town, through its Town Council, shall file a letter of support of said application with the Planning Board in the form of Exhibit C hereto.

9. If: (a) the LLC does not file an application for subdivision approval within said 30 days of this Agreement, or (b) the Planning Board follows all required public notice and hearing requirements on the application, and approves the plan with the requested waivers, and an appeal from the subdivision approval is not timely made, then the Escrow Agent shall (i) file the Motion to Partially Vacate Foreclosure Judgment with the Land Court; (ii) upon the issuance of the Partial Vacation of Judgment from the Land Court, record the Vacation of Judgment, the Certificates of Partial Redemption and the Deed at the Registry of Deeds; and (iii) deliver the 1953 Redemption Payment to the Town Treasurer. Concurrent with the events above, the Town Treasurer shall deliver the Town's Payment to the LLC.

10. If the Planning Board does not follow all of the required public notice and hearing requirements on the subdivision application, and/or doesn't issue or denies the requested waivers and subdivision approval, or doesn't issue a decision on the subdivision application within three months of the date of the filing of the application, then the LLC may elect to terminate this Agreement by written notice to the Town and the Escrow Agent; in which case the Escrow Agent shall destroy the documents he is holding in escrow and return the 1953 Redemption Payment to the LLC. If the LLC affirmatively elects not to terminate this Agreement, or does not take any action within thirty (30) days following the date of the Planning Board's denial or failure to issue a decision, as aforesaid, then the Escrow Agent shall (i) file the Motion to Partially Vacate Foreclosure Judgment with the Land Court; (ii) upon the issuance of the Partial Vacation of Judgment from the Land Court, record the Partial Vacation of Judgment, the Certificates of Partial Redemption and the Deed at the Registry of Deeds; and (iii) deliver the 1953 Redemption Payment to the Town Treasurer. Concurrent with the events above, the Town Treasurer shall deliver the Town's Payment to the LLC.

11. If the Planning Board follows all required public notice and hearing requirements on the subdivision application and issues the requested subdivision approval with waivers, and an appeal from the approval is timely made, then the LLC shall diligently defend the approval in court.

If the reviewing court annuls the approval or otherwise reverses the Planning Board's decision to issue the approval following an appeal, then the LLC may elect to pursue further appeals to the Appeals Court and the Supreme Judicial Court. If the judgment of the trial court is affirmed after all elected appeals and the approval remains annulled or otherwise void, or if the LLC elects not to take any further appeals from the trial court's adverse ruling, the LLC may elect to terminate within thirty (30) days from the date of the last judgment or appellate ruling this Agreement by written notice to the Town and the Escrow Agent, in which case the Escrow Agent shall destroy the documents he is holding in escrow and return the 1953 Redemption Payment to the LLC. If the LLC does not elect to terminate this Agreement within the timeframes discussed in this paragraph, then the Escrow Agent shall (i) file the Motion to Partially Vacate Foreclosure Judgment; (ii) upon the issuance of the Partial Vacation of Judgment from the Land Court, record the Vacation of Judgment, the Certificates of Partial Redemption and the Deed at the Registry of Deeds; and (iii) deliver the 1953 Redemption Payment to the Town Treasurer. Concurrent with the events above, the Town Treasurer shall deliver the Town's Payment to the LLC.

12. The parties hereby acknowledge that it is the parties' intention that: (a) the Offset Sum shall be sufficient to release the tax lien secured by the 1982 Taking as to Parcel A, including any subsequent unpaid taxes that have been or could be certified to the tax title account secured by the 1982 Taking as to Parcel A, and that no taxes are owed for Parcel A for fiscal year 2016 or any preceding fiscal year; (b) the execution and recording of the Certificates of Partial Redemption shall release the tax liens secured by the 1982 Taking and the 1953 Taking as to Parcel A of the Locus; and (c) the effect of the Partial Vacation of Judgment and Certificates of Partial Redemption is to restore title to Parcel A of the Locus in the heirs of Kirkor Stepanian and/or their successors in title (Bagdasarian), and that the LLC's property tax obligations on the Locus shall be limited to Parcel A, and shall accrue upon the assessment of Parcel A as a separate parcel by the Franklin Board of Assessors under G.L. c. 59.

13. If the Land Court requires any changes to the documents contemplated to be filed with the Court hereunder, or if the Land Court denies the Motion to Partially Vacate Foreclosure Judgment the parties will work together cooperatively to ensure that title to Parcel A is restored to the heirs of Kirkor Stepanian and/or their successors in title (Bagdasarian), as contemplated herein.

14. If the LLC does not timely invoke its rights to terminate this Agreement, then the LLC and Bagdasarian, individually, and as sole heir of Kirkor Stepanian, shall be deemed to have acknowledged the validity of both the 1982 Taking and the Judgment in all respects and shall be deemed to have waived any and all of their respective rights to contest the legality or validity of the 1982 Taking, or the Judgment.

15. In the event that the terms of this Agreement are effectuated such that the LLC obtains ownership of Parcel A and Lot 1 is conveyed to the FHA; or in the event that the LLC waives its rights, as set forth in the preceding paragraph, then (a) the LLC, Bagdasarian, the FHA, and the Town shall hereby remise, release and forever discharge each other from any and all debts, demands, actions, causes of action, suits, agreements, promises, doings, omissions, variances, damages, payments, monetary obligations, executions and liabilities and any and all other claims of every kind, nature and description whatsoever, both in law and equity, concerning the Locus from the beginning of time to the date of this Agreement, excepting only such as may arise out of this Agreement or the breach thereof; (b) the FHA and David Patterson, 19 Plain Street, Franklin, MA ("Patterson") and his present and former attorneys shall hereby further remise, release and forever

discharge each other from any and all debts, demands, actions, causes of action, suits, agreements, promises, doings, omissions, variances, damages, payments, monetary obligations, executions and liabilities and any and all other claims of every kind, nature and description whatsoever, both in law and equity, concerning the Locus from the beginning of time to the date of this Agreement excepting only such as may arise out of this Agreement or the breach thereof; and (c) Patterson shall not challenge, object, or protest, including but not limited to initiating or prosecuting any legal process to challenge, the use of the Lot 1 as a group home for mentally-disabled individuals as such use was approved under a Chapter 40B comprehensive permit issued by the Franklin Zoning Board of Appeals in 2009, as amended in 2011 (the FHA Project”), so long as the FHA Project is in compliance with the comprehensive permit and not in violation of any laws, and further provided that this provision shall not prevent Patterson from objecting in any form or manner to any modification of the FHA Project, including but not limited to an expansion of the FHA Project, or to any proposed new use or structure on Lot 1 that was not approved under the comprehensive permit.

16. The FHA hereby agrees not to oppose the above-described application to the Planning Board by the LLC; and hereby agrees not to appeal the same unless the Planning Board imposes conditions that material impacts the FHA’s use of Lot 1.

17. Notices: All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when delivered by hand or when mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party (or its successor) may from time to time designate by written notice:

**Town:**

Franklin Town Council  
Franklin Municipal Building  
355 East Central Street  
Franklin, MA 02038

and

Treasurer, Town of Franklin  
Franklin Municipal Building  
355 East Central Street  
Franklin, MA 02038

with a copy to:

Mark Cerel, Esq.  
Franklin Municipal Building  
355 East Central St.  
Franklin, MA 02038

**The LLC and Bagdasarian:**

Bagdasarian Property Holdings, LLC  
c/o Paul Pellegrino, Esq.  
26 Meena Drive  
Worcester, MA 01603

with a copy to:

Paul Pellegrino, Esq.  
26 Meena Drive  
Worcester, MA 01603

**Franklin Housing Authority:**

1000 Central Park Terrace,  
Franklin, MA 02038

with a copy to:

Jason R. Talerman, Esq.  
Blatman, Bobrowski, Mead &  
Talerman, LLC  
730 Main Street, Suite 2B  
Millis, MA 02054

18. Miscellaneous
- a. This agreement shall inure to the benefit of and be binding upon the parties and their respective successors, assigns, and any person or entity claiming through or under them. Specifically and without limitation, all of the parties' obligations herein shall be binding on their respective officers, managers, members, employees, affiliates, agents, assignees, and transferees, and these obligations shall be incorporated in any purchase and sale agreement, lease, or other instrument of conveyance of the parties' interests in the Locus.
  - b. This agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to choice of laws principles, and the courts of Middlesex County, including the Land Court Department of the Trial Court, shall have exclusive jurisdiction over any claims arising hereunder.
  - c. No modification, amendment, or waiver of any provision of this agreement shall be effective unless in writing specifically referring hereto and signed by the parties to which such modification, amendment, or waiver applies, or by their respective representatives, successors, assigns, or heirs or other person or entity claiming through or under them, as the case may be.
  - d. This agreement constitutes the entire agreement among the parties with respect to the subject matter hereof, and supersedes all other agreements between them, whether oral or in writing, with respect to the subject matter hereof.
  - e. The failure to enforce at any time any provision of this agreement or to require at any time the performance by another party of any provision will not affect either the validity of this agreement or any part hereof or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this agreement.
  - f. This agreement may be executed in multiple counterparts, each of which counterpart copy shall be deemed to be an original for all purposes.

- g. The parties each acknowledge that in entering this agreement, each is acting with the benefit of and on the advice of counsel of its own choosing.
- h. The exhibits to this agreement are hereby incorporated into this agreement as if fully set forth herein.
- i. Each of the undersigned hereby authorize and agree that they have signed this agreement on behalf of and as a duly authorized agent/representative of the entity for which they have signed, and that no certificate of vote, resolution or other evidence of authority shall be necessary to establish the individual signer's authority or bind the entity to the provisions hereof.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this settlement agreement as an instrument under seal as of the date first set forth above:

BAGDASARIAN PROPERTY HOLDINGS, LLC, TOWN OF FRANKLIN:

By: \_\_\_\_\_  
Paul Pellegrino,  
Its Manager

By: \_\_\_\_\_  
James Dacey, Treasurer

By: \_\_\_\_\_  
Jeffrey D. Nutting, Town Administrator,  
authorized by vote of the Town Council

Approved as to form:

\_\_\_\_\_  
Mark Cerel, Town Counsel

HAMPTON BAGDASARIAN:

\_\_\_\_\_

FRANKLIN HOUSING AUTHORITY:

By: \_\_\_\_\_  
George A. Danello, Chair  
Duly Authorized

Approved as to form:

\_\_\_\_\_  
Jason Talerman, Counsel