

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

(Northern Division)

CAROLINE COUNTY BRANCH OF THE
NATIONAL ASSOCIATION FOR THE
ADVANCEMENT OF COLORED PEOPLE, *et al.*,

Plaintiffs,

v.

TOWN OF FEDERALSBURG, MARYLAND,

Defendant.

Civil Action No. 23-cv-00484-SAG

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (the “Agreement”) is made and entered into this 1st day of April, 2024, by, between, and among Caroline County Branch of the National Association for the Advancement of Colored People, the Caucus of African American Leaders, Roberta Butler, Sherone Lewis, Darlene Pitt Hammond, Elaine Hubbard, Nikendra Bordley, Ryan Haynes, and Lywanda Johnson (collectively, the “Releasing Parties”), and the Town of Federalsburg, Maryland (the “Released Party”). The Released Party together with the Releasing Parties are referred to herein as the “Settling Parties.”

RECITALS

WHEREAS, the Releasing Parties filed a Complaint in the United States District Court for the District of Maryland against the Released Party styled *Caroline County NAACP, et al. v. Federalsburg*, Case No. 1:23-cv-00484 (the “Litigation”); and

WHEREAS, the Complaint alleges that Federalsburg's at-large, staggered-term election system violated Section 2 of the Voting Rights Act and denied Black voters in Federalsburg the ability to participate equally in the political process and to elect the candidates of their choice, with the result that no Black person had ever been elected to any Federalsburg municipal office in its 200-year history; and

WHEREAS, the Plaintiffs suffered harms resulting from the Town's discriminatory election system; and

WHEREAS, through this litigation and the efforts of the Settling Parties, Federalsburg adopted a two-district election map, with one majority-Black district; and

WHEREAS, in September 2023, under the newly adopted election map, the voting residents of Federalsburg elected two Black residents to the Town Council—the first Black residents to be elected to the Town Council in the Town's 200-year existence; and

WHEREAS, the Settling Parties are desirous of settling all existing or future claims, disputes, and actions between and among them of whatever nature, arising from or in any way connected with the Litigation or the prior election system and bring complete resolution to this matter.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises and agreements set forth herein, the receipt and sufficiency of which is hereby acknowledged, the Settling Parties hereby covenant and agree as follows:

1. **Recitals**: The foregoing recitals are incorporated into and made part of this Agreement.
2. **Payment**: In consideration of the Settling Parties' entry into this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged

by the Settling Parties, within thirty (30) days of the date of this agreement, the Released Party shall remit to the American Civil Liberties Union of Maryland Foundation (“ACLU”) Fifty Thousand Dollars and no cents (\$50,000.00). Additionally, by October 1, 2025 and by every October 1 thereafter until October 1, 2030, the Released Party shall remit to the ACLU \$35,000.00, until the Released Party has paid a total of \$260,000.00 (the “Settlement Sum”). The Settlement Sum represents full and final payment for all litigation costs of any type incurred by the Releasing Parties in connection with the claims alleged in the Litigation, as well as all other fees, including attorneys’ fees.

3. **Non-Monetary Relief**: In consideration of the settlement of the Releasing Parties’ claims, the Released Party agrees to the following non-monetary damages:

- The Released Party will by May 1, 2024 deliver to counsel for the Releasing Parties an official signed written apology, addressed to the Releasing Parties in a form previously agreed upon by the Parties. The Town will frame the Apology and permanently post it at Town Hall. The Apology is attached hereto as Exhibit A.
- The Released Party will commission a plaque to be affixed to the building at Town Hall marking the Town's historic voting rights victory brought about through the contributions of the Plaintiffs in this case. Text for the plaque is attached hereto as Exhibit B.
- The Released Party will install a photo display at Town Hall, in collaboration with the historical society and the Plaintiffs in this litigation, featuring Black community contributions to the Town;

- The Released Party will rename Gerardi Boulevard in the Black district as Brooklyn Avenue;
- The Released Party will erect a historical marker in the Black community of Brooklyn celebrating the contributions of the neighborhood's residents and their ancestors;
- The Released Party will issue a Proclamation naming September 26 of each year as Voting Rights Day in recognition of Black voters' historic win on that day in 2023, the Town's bicentennial year;
- The Released Party will establish a Town Unity Committee to focus on community engagement in future elections and matters related to the promotion, engagement, and enhancement of the Town's diverse community. The Committee shall include at least one Town elected official and two community members from each election district; and
- The Released Party will establish an annual multicultural celebration.

Each element of the above-listed non-monetary relief will be implemented by September 26, 2024, to the extent practicable. If any of these items cannot be implemented by September 26, 2024, the Released Party will provide to Plaintiffs and post on its website a statement documenting the steps taken toward implementing such relief and an estimated date on which such relief would be implemented.

4. **Warranty of Capacity to Enter Into Release:** The Releasing Parties represent and warrant that no other person or entity has any interest in the claims, demands, allegations or causes of action referred to in this Settlement Agreement except as otherwise set forth herein and that

they have the sole right and exclusive authority to execute this Settlement Agreement, to receive the sum specified in it and to release all claims on their behalf, and that they have not sold, assigned, transferred, conveyed or otherwise disposed of any claim, demand, obligation or causes of action referred to in this Settlement Agreement. If any person should assert a claim on behalf of the Releasing Parties for damages against the Released Party claiming that the Releasing Parties did not have the right or authority to enter into this Settlement Agreement or receive the monies hereunder, the Releasing Parties agree to indemnify, defend and hold harmless the Released Party from any and all claims or contentions, damages, costs, liability and attorneys' fees as a consequence or result of such claim or lawsuit.

5. **General Release and Covenant not to Sue:** In consideration of the payment of the Settlement Sum and other good and valuable consideration, the Releasing Parties, their heirs, assigns, agents, representatives, attorneys and successors in interest shall be deemed to have fully finally, and forever released, relinquished, and discharged, and covenant not to sue the Released Party, its officials, agents, employees, employers, agencies, departments, directors, officers, members, representatives, assigns, attorneys, successors in interest, from any and all Claims which the Releasing Parties may now or hereafter have or claim to have, arising out of, or in any way related to, the allegations or claims asserted, or that could have been asserted, in the Litigation, provided, however, the obligations of the Settling Parties under this Agreement shall continue in full force and effect.

6. **Costs and Expenses:** Except as provided in Paragraph 2 of this Agreement, the Settling parties will be responsible for their respective costs and expenses incurred in connection with the prosecution, defense, and settlement of the Litigation.

7. **Voting Rights Act Compliance:** The Settling Parties agree and admit that the

election system adopted as a result of this Litigation and in place at the time of the execution of this Agreement is compliant with Section 2 of the Voting Rights Act, the U.S. Constitution, and any other applicable law or right related to voting rights.

8. **Entire Agreement of the Settling Parties**: It is understood and agreed by the Settling Parties that this Agreement constitutes the entire Agreement among the Settling Parties with respect to the subject matter hereof and supersedes all other prior and contemporaneous written or oral agreements and discussions. This Agreement may only be amended by a writing signed by all parties hereto.

9. **Attachments**: The Attachments to this Agreement are material and integral parts of the Agreement, and are fully incorporated herein as if set forth in full in this Agreement.

10. **Drafting of the Agreement**: The Settling Parties acknowledge and agree that this Agreement represents the products of negotiations and shall not be deemed to have been drafted exclusively by any one party. In the event of a dispute regarding the meaning of any language contained in this Agreement, the Settling Parties agree that the same shall be accorded a reasonable construction and shall not be construed more strongly against one party other than the other.

11. **Severability**: In the event that any covenant, condition, or other provisions contained in this Agreement is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other covenant, condition or other provision contained herein. If such condition, covenant or other provision shall be deemed invalid due to its scope of breadth, such covenant, condition or other provision shall be deemed valid to the extent of the scope of breadth permitted by law.

12. **WAIVER OF JURY TRIAL: TO THE EXTENT AN ACTION IS FILED IN**

ANY COURT FOR A BREACH OF ANY COVENANT, TERM OR CONDITION OF THIS AGREEMENT, THE SETTLING PARTIES HEREBY VOLUNTARILY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY.

13. **Knowing and Voluntary Act**: Each of the Settling Parties represents that each has read this Agreement and acknowledges that each has been represented or had the opportunity to be represented by legal counsel of their own choice throughout all of the negotiations which preceded the execution of this Agreement and that each party has voluntarily executed this Agreement with the consent and/or on the advice of such legal counsel. Each of the Settling Parties further acknowledges that each and such party's counsel have had adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of this Agreement prior to the execution hereof and the delivery and acceptance of the considerations specified herein.

14. **Survival of Terms**: The Settling Parties agree that this Agreement shall upon approval inure to the benefit of the Settling Parties and their respective agents, assigns, partners, heirs, executors, administrators, and personal or legal representatives. The Settling Parties understand and agree that the terms, covenants, and conditions set forth in this Agreement shall survive the closing of the Agreement.

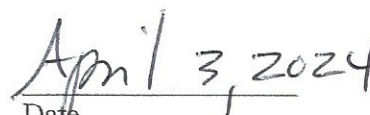
15. **Governing Law**: This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without giving effect to its conflicts of law provisions, and any disputes arising out of or under this Agreement shall be subject to the exclusive jurisdiction of the state or federal courts having venue with respect to Caroline County, Maryland.

16. **Counterparts**: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and


the same instrument. An emailed, facsimile or copy signature will be binding and legal in all respects as if it were an original signature to this Agreement.

FOR PLAINTIFFS Caroline County Branch of the NAACP, Caucus of African American Leaders, Nikendra Bordley, Roberta Butler, Darlene Pitt Hammond, Ryan Haynes, Elaine Hubbard, Lywanda Johnson, and Sherone Lewis:


Counsel for Plaintiffs


Date

FOR DEFENDANT Town of Federalsburg, Maryland:


Kimberly Abner, Mayor

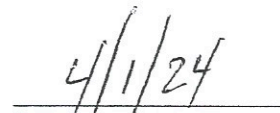

Date

EXHIBIT A

TOWN OF FEDERALSBURG

OFFICIAL APOLOGY FOR HISTORICAL RACISM

By this writing, the Town of Federalsburg formally acknowledges responsibility and expresses its deep regret for actions and inactions contributing to racial discrimination and exclusion of Black residents, including its use of an election system that prevented any Black person from holding a position on the Town Council over 200 years. As officials of the Town, we accept moral accountability for the harms these actions inflicted upon Black residents, their families and ancestors before them.

Black residents have lived in Federalsburg since the Town's founding in 1823, and today make up a much-valued share of our diverse community. In times past, however, the Town excluded Black residents from full participation in the Town's political life, working a grave injustice for which we are deeply sorry. As officials and residents of the Town of Federalsburg, we have collective responsibility to build a community based firmly on the principle of equality of opportunity, regardless of one's race or ethnic origin.

Through this expression of regret to those who endured race-based hardship and injustice, we seek to turn the page on this shameful history, and to begin a process of reconciliation among all of the Town's residents. Our deep sorrow for past wrongs inspires our unwavering commitment to build a better future for all Federalsburg residents. Going forward, we pledge to do all within our power to ensure that such injustices never happen here again, and to embrace all residents of our Town in an inclusive and vibrant community.

Dated: 4/1/2024

Mayor and Council
Mayor and Council of Federalsburg

EXHIBIT B

FROM PROTEST TO PROGRESS: EVENTS THAT CHANGED THE FACE OF FEDERALSBURG

In the Town of Federalsburg's Bicentennial year 2023, the culmination of efforts of Federalsburg's own Wanda Molock, Roberta Butler, Sherone Lewis, Elaine Hubbard, Darlene Pitt Hammond, Nikendra Bordley, Ryan Haynes, Lywanda Johnson, and Rev. Jeffrey Butler; the Caroline County Branch of the NAACP, under the leadership of Dr. Willie Woods; and the Caucus of African American Leaders, under the leadership of the Hon. Carl Snowden and Rev. James Jones, in coordination with the Mayor and Council of Federalsburg, created the opportunity for Federalsburg's Black community to elect two representatives to the Federalsburg Town Council. Through their efforts, with the support of the ACLU of Maryland, and guidance from the United States District Court, the Town adopted and implemented a new and fair election system, undoing the 200-year exclusion of Black residents from Town government.

Federalsburg's historic election on September 26, 2023 resulted in two Black women winning seats to the Town Council: Darlene Pitt Hammond and Brandy James. This day forever marks a turning point in Federalsburg, beginning a new chapter that celebrates Federalsburg's diverse community.