

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement") is made and entered into by and between WNC Citizens for Equality, Inc. ("CWE"), the City of Asheville ("City"), Debra Campbell ("Ms. Campbell"), The Asheville City Schools Foundation ("ACSF") and Copland Rudolph ("Ms. Rudolph") (collectively the "Parties") as of January 11, 2022.

WITNESSETH:

WHEREAS, WNC Citizens for Equality, Inc., filed a lawsuit in the United States District Court for the Western District of North Carolina, against the City, Ms. Campbell, ACSF and Ms. Rudolph, Case No. 1:21-cv-00310 (the "Lawsuit");

WHEREAS, the Lawsuit makes certain allegations regarding the constitutionality of two certain Donation Agreements entered into between the ACSF and the City on May 3, 2021 and June 9, 2021, (the "Donation Agreements"), in which the City agrees to make donations of funds to ACSF for the establishment of two scholarships;

WHEREAS, the Donation Agreements require that the first scholarship be awarded in perpetuity to Black high school students within Asheville City Schools with special consideration given for Black students pursuing a career in education;

WHEREAS, the Donation Agreements require that the second scholarship be for educators and staff of Asheville City Schools who are Black, Indigenous, or People of Color and who are pursuing their next level of education and/or certification;

WHEREAS, the City, ACSF, Ms. Campbell and Ms. Rudolph dispute the allegations made in the Lawsuit; and,

WHEREAS, the Parties have reached an agreement to settle fully and finally all disputes between them related to the Donation Agreements and the allegations contained in the Lawsuit.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth herein, the sufficiency of which the Parties hereby acknowledge, it is agreed as follows:

1. **Amendment of Donation Agreements Paragraph 1.** The City and ACSF agree that within five (5) days of the execution of this Agreement, they will amend the Donation Agreements ("Agreement Amendments"), such amendments to be effective as of the date of this Settlement Agreement, to amend Paragraph 1 of each of the Donation Agreements as follows: Paragraph 1 shall be amended to replace the second and third sentences of Paragraph 1 with the following sentences: "The first is for a scholarship to be awarded in perpetuity to high school students within Asheville City Schools, based on the following criteria: In addition to the criteria set forth for all ACSF scholarships, the scholarship will give preference to applicants whose household members, including parents and/or guardians have a high school education or less, these applicants representing "first generation" college students. Additionally preference will be given to applicants who are committed to pursuing a career in education. The second is for a

scholarship fund for educators and staff of Asheville City Schools who are pursuing their next level of education and/or certification, with a preference for applicants who are or were "first generation" college students."

2. **Amendment of Donation Agreements Paragraph 10.** Additionally, the City and ACSF agree that the Agreement Amendments will amend Paragraph 10 of the Donation Agreements to add the following text: "ACSF shall be prohibited from discriminating based on any of the following characteristics of any applicant for award of the scholarships that are the subject of this Donation Agreement, whether the scholarship be for students of Asheville High School or employees of Asheville City Schools: race, natural hair or hairstyles, ethnicity, creed, color, sex, sexual orientation, gender identity or expression, national origin or ancestry, marital or familiar status, pregnancy, veteran status, religious belief or non-belief, age or disability."

3. **Dismissal of Lawsuit.** Within one(1) day of the amendment of the Donation Agreements as set forth in paragraph 1, CWE agrees to dismiss the Lawsuit with prejudice.

4. **Release by CWE.** For valuable consideration, the receipt and adequacy of which is hereby acknowledged, including the consideration provided in Paragraphs 1 and 2 herein, WNC Citizens for Equality, Inc., on behalf of itself and its members, hereby releases and forever discharges the City of Asheville, Debra Campbell, the Asheville City Schools Foundation, and Copland Rudolph, from any and all claims, demands, damages, actions, causes of actions, suits, costs (including court costs), expenses, attorneys' fees, judgments, sums of money or claims, whether known or unknown, related to the Donation Agreements or the awarding of the scholarships referenced therein, as of the date this Agreement is signed. These claims include, but are not limited to, claims arising under federal, state, and local statutory or common law, and the law of contract and tort. This release shall not prohibit Plaintiff from exercising any rights or actions available pursuant to NCGS Chapter 132.

5. **Modification of Advertisement.** Within one (1) business day of the Agreement Amendments, ACSF agrees to amend its website to indicate availability of the scholarships to all persons who are eligible consistent with the Agreement Amendments. ACSF further agrees that any printed or other materials that describe or otherwise advertise the scholarships that are created after the Agreement Amendments will indicate the availability to all persons who are eligible consistent with the Agreement Amendments.

6. **No Admission of Liability.** The terms and conditions outlined herein are not to be construed as an admission of any liability or violation of any federal, state, or local statute or regulation or of any duty owed by and between the Parties, and the City, ACSF, Ms. Campbell and Ms. Rudolph expressly deny and continue to deny any and all liability. The Parties agree that the amendments made to the Donation Agreements as set forth herein are made to settle disputes and that this Agreement is entered into in order to avoid further dispute between the Parties.

7. **Acknowledgment.** The Parties acknowledge by signing below that each has full authority to enter into this Agreement and to commit each of the referenced entities and affiliates to the terms of this Agreement. Each Party has been advised to consult with an attorney prior to

executing this Agreement and has had the opportunity to have counsel of its choosing in negotiating and reviewing this Agreement.

8. **Execution by the Parties.** This Agreement may be executed in multiple counterparts, all of which taken together shall collectively constitute one agreement binding the Parties.

9. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina and applicable federal law.

10. **Amendments, Changes and Modifications.** This Agreement may not be amended, changed, modified or altered except by written agreement signed by both Parties.

11. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties, superseding all prior written and oral agreements between the Parties with respect to the subject matter referenced herein.

12. **Severability.** Each provision of this Agreement is intended to be severable. If any provision or any part of any provision of this Agreement shall for any reason be held invalid, unenforceable, or contrary to public policy or any law, then the remainder of this Agreement shall not be affected thereby.

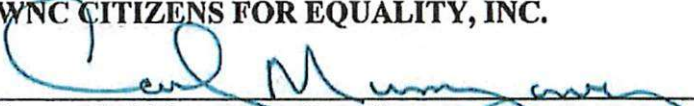
13. **Interpretation.** For purpose of construction or interpretation of the provisions of this Agreement, it is stipulated and agreed that this document has been jointly prepared and drafted by counsel to all of the Parties hereto.

14. **Binding Effect.** This Agreement shall be binding upon each of the Parties and their successors in interest, and shall inure to the benefit of each of the Parties and their respective successors and assigns.

15. **Voluntary Execution.** The Parties intending to be legally bound, apply their signatures voluntarily and with full understanding of the contents of this Agreement and after having had ample time to review and study this Agreement with counsel.


IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date indicated below.

WNC CITIZENS FOR EQUALITY, INC.


By: Carl Mumpower, President

Date: 1-6-22

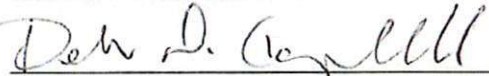
CITY OF ASHEVILLE

By: 

Title: Brad Branham - City Attorney


Date: 1/11/2022

DEBRA CAMPBELL



Date: _____

THE ASHEVILLE CITY SCHOOLS FOUNDATION

By: 

Title: Executive Director

Date: 1/12/2022

COPLAND RUDOLPH



Date: 1/12/2022