

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by Plaintiffs Jim Soliz and Rosemarie Sanchez-Fraser ("Plaintiffs") and the City of Santa Clarita ("City"). Plaintiffs and the City are collectively referred to herein as the "Parties." This Agreement shall be effective on the day the Agreement is signed by the City ("Effective Date").

RECITALS

A. On June 20, 2013, Plaintiffs filed a Complaint in the Los Angeles County Superior Court against the City designated Case Number BC 512735, which has been assigned to the Honorable Terry A. Green ("Lawsuit").

B. The Lawsuit alleges that the City is in violation of the California Voting Rights Act of 2001 (hereafter "CVRA") contained in California Elections Code Sections 14025 through 14032.

C. The City disputed the allegations of the Lawsuit and denied that the City violated the CVRA.

D. The City is a General Law City and is governed by the California Constitution and the laws of the State of California applicable to general law cities.

E. The City is governed by a five member City Council.

F. Currently, Council Members are elected in April of even numbered years with two Council seats open for election at one election and then two years thereafter three Council seats are open for election.

G. There will be three Council seats open for election in April 2014.

H. The Council seats are elected "at large" meaning that a Council Member can live anywhere within the City and be elected to the City Council by voters living anywhere within the City, as compared to a by-district election system in which Council Members are elected from designated districts within the City by voters living within such districts.

I. Voters in City Council elections are entitled to one vote for each of the Council seats up for election and may only cast one vote per candidate ("Current Voting Method").

J. Statewide general elections in California are held in November of even numbered years.

K. Plaintiffs and the City desire to settle fully and finally all differences between them with regard to the Lawsuit.

NOW, THEREFORE, in consideration of the promises herein contained, IT IS AGREED BY THE PARTIES AS FOLLOWS:

1. The Parties hereby incorporate by reference the foregoing Recitals and agree that said Recitals are true and correct.

2. The City will agendize for City Council consideration an ordinance changing City Council elections, pursuant to Elections Code section 1301, from April to November of even numbered years to coincide with statewide general elections ("Ordinance"). The second reading of the Ordinance will be held within 60 days of the execution of this Agreement by the City. The provisions of the Ordinance will include, but not be limited to, the following:

A. City Council elections will be changed from April of even numbered years to November of even numbered years to coincide with statewide general elections.

B. The City will operate the November City Council election as a concurrent election unless, in connection with any future November election, Los Angeles County approves the consolidation of the City Council election with the statewide general election, in which event the City Council election will be consolidated with the County election.

C. The Ordinance will provide that the first City Council election to be held in November shall be November 2016 or the first Council election that is at least one year after Los Angeles County allows the City Council elections to be changed from April to November, whichever is later.

D. The term of incumbent City Council Members who would otherwise be up for election in April of the year that Council elections are changed to November shall be extended from the April to the date in December of that year when Council Members elected in November take office.

E. The Ordinance is being considered pursuant to a negotiated settlement of the Lawsuit.

F. If the City Council in its discretion does not adopt the Ordinance contemplated herein, then this Settlement Agreement shall be null and void and Court shall vacate the Judgment.

3. If adopted by the City Council, the City will submit the Ordinance to the Los Angeles County Board of Supervisors and request approval of the Ordinance by the County pursuant to Elections Code Section 1301(b).

4. If the Los Angeles County Board of Supervisors does not approve the Ordinance and asserts that the County is entitled to prohibit City from holding a concurrent, but not consolidated, election, then Plaintiffs, at their sole expense, reserve the right to file a separate legal action against the County seeking to compel the County

to approve the Ordinance which must be filed no later than 180 days from the date of the County refusal to approve the Ordinance.

5. If the Los Angeles County Board of Supervisors approves the Ordinance, with or without court order compelling Los Angeles County to do so, or otherwise indicates that the City may hold Council elections in November of even numbered years, then the City will change the Council elections to November of even numbered years in accordance with the provisions of the Ordinance and Elections Code Sections 1301(c) and 10403.5.

6. City will implement cumulative voting subject to, and upon, the following conditions being satisfied and actions taken:

A. The Net Cost for the initial election implementing cumulative voting does not exceed \$400,000. "Net Cost" is defined as the reasonable and necessary expenditures by the City in order to implement cumulative voting, including: (1) any increase in cost between the City's Current Voting Method for the April 2012 Council Election and the least expensive legally permissible cumulative voting method; and (2) the cost to obtain all necessary Federal and State Certifications and approvals ("Certifications"), if any such Certifications are required under the law and required to be borne by the City.

B. The Parties will cooperate in good faith to estimate the Net Cost ("Estimated Net Cost"). In the event of any dispute between the Parties regarding the amount of the Estimated Net Cost, the Court shall resolve such dispute pursuant to its authority under Code of Civil Procedure Section 664.6. If the Estimated Net Cost is more than \$400,000, then there will be no further action taken by City to implement cumulative voting. If the Estimated Net Cost is \$400,000 or less, then the Parties shall proceed with the actions described below in this Paragraph 6.

C. The Parties will request the trial court set a hearing limited to the following legal issue ("Legal Issue"): May a California City adopt a cumulative voting method pursuant to a settlement of a lawsuit alleging violations of the California Voting Rights Act?

D. The trial court hearing is completed on the Legal Issue and the trial court issues an order ("Order") finding that the City may legally change to a cumulative voting method pursuant to a settlement of a lawsuit alleging violations of the California Voting Rights Act. The parties shall jointly schedule a hearing date and briefing schedule with the trial court. The order of the briefing will be as follows: (1) Plaintiffs will begin by filing an Opening Brief on the Legal Issue. (2) City will file an Opposition Brief within 20 days of service of the Plaintiffs Opening Brief. (3) Plaintiffs will file a Reply Brief within 10 days of service of the City's Opposition Brief. The Briefs of the Parties shall be served by electronic mail. There will be no declarations filed by the Parties with the trial court on the Legal Issue. Following the submission of the briefs described herein, the trial

court will hold a hearing on the Legal Issue and there shall be no witnesses permitted at the hearing. The trial court's determination on the Legal Issue (the "Order") shall be final and binding on the Parties. In recognition of the fact that the City is not in any way admitting fault or a violation of the CVRA by virtue of this Settlement Agreement, the Parties agree that neither party will argue to the trial court that cumulative voting is not legally permissible based upon a lack of finding of a violation by the City of the CVRA or that any violation of the CVRA has or has not occurred.

E. If, and once, the trial court issues an Order finding that the City may legally change to a cumulative voting method, then the City will retain a vendor to apply to the State of California to obtain any necessary Certifications for cumulative voting in the event that the California Secretary of State determines that such Certifications are necessary.

F. All necessary Certifications have been obtained, if Certifications are required under the applicable law.

G. After any necessary Certifications are obtained, if any such Certifications are necessary, the Parties will cooperate in good faith to determine the actual Net Cost ("Actual Net Cost"). In the event of any dispute between the Parties regarding the amount of the Actual Net Cost, the Court shall resolve such dispute pursuant to its authority under Code of Civil Procedure Section 664.6. If the Actual Net Cost is more than \$400,000, then there will be no further action required to be taken by the City to implement cumulative voting. However, the City may choose to implement cumulative voting even if the Actual Net Cost is more than \$400,000. If the Actual Net Cost is \$400,000 or less, then the Parties shall be governed by the provisions of Paragraph 11 of this Agreement.

H. If the Actual Net Cost is \$400,000 or less and the trial court Order finds that the City may legally change to a cumulative voting method, then the City will change to cumulative voting for the next scheduled election that is at least one year after the later of the following dates: (1) The date the Order is issued or (2) The date that any and all necessary Certifications are obtained.

7. If there is a lawsuit filed by any person challenging any of the terms of this Agreement ("Legal Challenge") and the trial court in that Legal Challenge issues a judgment finding that the City may not legally comply with one or more of the terms of this Agreement, then the City may, in its sole discretion, comply with such judgment upon the judgment becoming final or, in the alternative, the City may file an appeal from that court judgment. The City agrees that if Plaintiffs seek to intervene in the Legal Challenge, that the City will not oppose such intervention. If the Plaintiffs do intervene in the Legal Challenge, then such intervention and all costs associated therewith incurred at the trial court and any appellate court level, including, but not limited to, attorney fees, shall be borne by Plaintiffs and the City shall have no obligation for payment of any of those costs.

8. If the City implements a cumulative voting system pursuant to this Agreement, then the City reserves the right to change to another voting method at a future date, no less than ten (10) years following the Effective Date of this Agreement, without further order from the court.

9. If there is a change by the City to a by-district election system (as that term is defined in Government Code Section 34871 (a) or (c), whether by legislation or otherwise, then the City is not required to change to a cumulative voting method or, if the City has already changed to a cumulative voting method under this Agreement, then the City may stop using cumulative voting for City Council elections without further order from this Court.

10. The City will pay attorneys fees to counsel for Plaintiffs in the amount of \$400,000 within 30 calendar days of the earlier of the following two dates:

A. The date that Los Angeles County approves the Ordinance or otherwise indicates that the City may hold its elections on a date coinciding with the statewide general elections, whether consolidated with the Los Angeles County ballot or not, or there is a final judgment by a court of competent jurisdiction declaring that the City Council elections may be held in November of even numbered years notwithstanding any opposition by Los Angeles County, or

B. Any and all necessary Certifications have been obtained for the change to a cumulative voting system, there is an Order issued by the trial court finding the City may legally change to a cumulative voting method, and the Actual Net Cost is determined to be \$400,000 or less either by agreement of the Parties or by the trial court.

11. If payment of attorneys fees to counsel for Plaintiffs is required by Paragraph 10 of this Agreement and if the Actual Net Cost is \$400,000 or less, then the Parties agree:

A. If the County of Los Angeles approves changing the Council Elections to November of even numbered years or otherwise indicates that the City may hold its elections on a date coinciding with the statewide general elections, whether consolidated with the Los Angeles County ballot or not, or there is a final judgment by a court of competent jurisdiction declaring that the City Council elections may be held in November of even numbered years notwithstanding any opposition by Los Angeles County, then the City will pay attorneys fees to counsel for Plaintiffs in the additional amount of \$200,000 within 30 calendar days of the date an Order is issued by the trial court that the City may not legally change to a cumulative voting method.

B. If the trial court Order finds on the Legal Issue that the City may legally change to cumulative voting, then the City shall pay attorneys fees to counsel for Plaintiffs in the additional amount of \$200,000 less 50% of the Actual Net Cost as defined above within 30 calendar days of the later of the following

dates: (1) The date the Order is issued by the trial court or (2) The date the Parties agree in writing on the Actual Net Costs or, if the Parties are unable to agree on the Actual Net Cost, then the date of the decision by the trial court setting the amount of the Actual Net Cost.

12. This Settlement Agreement shall be null and void unless at least one of the following two events occurs:

A. The City Council elections are changed to November of even numbered years.

B. There is an Order issued by the trial court on the Legal Issue that the City may legally change to a cumulative voting method (as discussed above), any and all necessary Certifications are obtained, and the Actual Net Cost is determined to be \$400,000 or less either by the agreement of the Parties or by the trial court.

13. Except for the attorneys fees payable to counsel for Plaintiffs as provided in this Agreement, the Parties agree that all other costs incurred both before and after the Effective Date of this Agreement including, but not limited to, attorney fees and expert fees, shall be borne by the party who incurred those costs.

14. The Parties agree that this Agreement will be presented to the City Council for approval following signature of this Agreement by the Plaintiffs and their counsel. If the City Council approves this Agreement, then the Agreement will be signed by the City Manager and the City Council will announce the approval of this Agreement during an open session of the City Council and present to the public at that open session a statement regarding the Agreement.

15. Plaintiffs acknowledge and agree that, as a material inducement to the City to enter into this Agreement that, except as otherwise provided in this Agreement, this Agreement is intended as a full and complete release and discharge of any and all claims that Plaintiffs may or might have or had by reason of the happening of the incidents alleged in the Lawsuit or based upon any other matter between the Parties arising on or before the Effective Date of this Agreement. Plaintiffs understand and agree FURTHER, THAT ALL THEIR RIGHTS UNDER SECTION 1542 OF THE CALIFORNIA CIVIL CODE ARE HEREBY EXPRESSLY WAIVED. Plaintiffs understand that Section 1542 of the California Civil Code provides as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

16. Plaintiffs understand and agree that this settlement and the entering into of this Agreement by the City is not an admission of any liability whatsoever for any wrongdoing with respect to Plaintiffs, or any other person or entity, by the City or by any person, firm, officer, official, employee, agent, association, public entity or corporation, but is in compromise of a disputed claim.

17. This Agreement shall be binding upon the individuals and entities signing below and upon their successors, heirs, administrators, representatives, executors, and assigns, and shall inure to the benefit of the individuals and entities signing below and to their heirs, administrators, representatives, executors, successors and assigns.

18. The Changes to Council elections described in this Agreement, including the change of the election date to November of even numbered years and to cumulative voting, are intended to increase voter turn out and reduce the vote dilution, if any, alleged by Plaintiffs in the Lawsuit.

19. This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

20. Any notice to be given hereunder shall be in writing and delivered personally or sent by first class mail, postage prepaid, to the addresses set forth below, or to such other address as either party may designate by written notice to the other:

Jim Soliz and
Rosemarie Sanchez-Fraser

R. Rex Parris
R. Rex Parris Law Firm
43364 10th Street West
Lancaster, California 93534

and

Kevin I. Shenkman
Shenkman & Hughes
28905 Wight Road
Malibu, California 90265

City of Santa Clarita

City Manager
City of Santa Clarita
23920 Valencia Blvd
Santa Clarita, California 91355

and

Joseph Montes, City Attorney
Burke, Williams & Sorensen LLP
444 S. Flower Street, Suite 2400
Los Angeles, CA 94612

21. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, was jointly drafted by the Parties and their legal counsel and shall not be strictly construed for or against any of the Parties.

22. This Agreement will be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same Agreement. There shall be three originals of this Agreement with one to be filed with the Court to be attached to a Judgment Pursuant to Settlement, one for the Plaintiffs and one for the City.

23. It is further agreed by the Parties that no term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provisions of this Agreement, except by an express written instrument of the party charged with such a waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

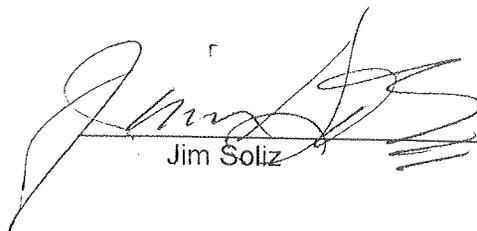
24. This Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior Agreements or understandings between the Parties hereto pertaining to the subject matter hereof.

25. This Agreement cannot be amended, altered, modified or superseded except by a written agreement so stating signed by Plaintiffs and the City.

SIGNATURES APPEAR ON FOLLOWING PAGES

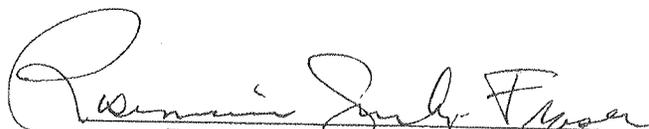
WHEREFORE, the Parties hereby agree to the foregoing terms of this Agreement.

March 8, 2014



Jim Soliz

March 8, 2014



Rosemarie Sanchez-Fraser

City of Santa Clarita

March 11, 2014

by 

Ken Striplin, City Manager

APPROVED AS TO FORM:

Counsel for Jim Soliz and
Rosemarie Sanchez-Fraser

March _____, 2014

R. Rex Parris
R. Rex Parris Law Firm

March 8, 2014



Kevin I. Shenkman
Shenkman & Hughes

Counsel for
City of Santa Clarita

March 11, 2014



Joseph Montes, City Attorney
City of Santa Clarita

APPROVED AS TO FORM:

Counsel for Jim Soliz and
Rosemarie Sanchez-Fraser

March 8, 2014



R. Rex Parris
R. Rex Parris Law Firm

March 6, 2014



Kevin I. Shenkman
Shenkman & Hughes

Counsel for
City of Santa Clarita

March , 2014

Joseph Montes, City Attorney
City of Santa Clarita