

AMENDMENT TO CONDITIONAL SETTLEMENT AGREEMENT AND RELEASE

WHEREAS, Petitioners and Plaintiffs Summer Parada and Vincent Parada ("the Paradas"), and Respondent and Defendant City of Riverside ("the City") (together, "the Parties") entered a Conditional Settlement Agreement and Release ("Settlement Agreement") on May 17, 2021;

WHEREAS, the Settlement Agreement required the City to place on its November 2021 ballot a measure to approve the City's General Fund Transfer practices as a general tax ("Ballot Measure");

WHEREAS, the City held an election in November 2021 and voters approved the Ballot Measure at that election;

WHEREAS, a third party Riversiders Against Increased Taxes ("RAIT") filed an action in September 2021 to challenge the validity of the Ballot Measure in Riverside Superior Court case number CVRI2104120 ("the RAIT action");

WHEREAS, Riverside Superior Court entered an order on April 26, 2022 deciding the RAIT action;

WHEREAS, the City intends to appeal the trial court's ruling in the RAIT action;

WHEREAS, on May 11, 2022, RAIT and third party Sharon Mateja filed a motion to intervene ("Intervention Motion") in the present action;

WHEREAS, section 2.5 allows amendment to the Settlement Agreement by written agreement so stating and signed by both Parties or their representatives;

WHEREAS, the Parties desire to amend the Settlement Agreement as follows:

1. The Parties agree to delete Recital C, Recital D, section 1.1.3, and Exhibit A from the Settlement Agreement.
2. The City agrees to perform all obligations pursuant to section 1.2.2 of the Settlement Agreement, specifically including all obligations under sections 1.2.2.1 through 1.2.2.4.4, as amended by this Amendment regardless of the result of the RAIT action, subject to paragraph 12 below. The Parties amend section 1.2.2.2.1 to state that: (1) the City will retain a consultant to implement the settlement and coordinate refunds by on-bill credits no later than July 31, 2022; (2) the City anticipates beginning implementation of on-bill credits no later than October 1, 2022; and (3) if the City's consultant needs additional time beyond October 1, 2022 to implement the on-bill credits, the parties will

meet and confer to adjust the implementation schedule and other terms of the Settlement Agreement and Amendment, as necessary. The City shall exercise diligence and good faith in meeting the deadlines in this paragraph.

3. The Parties agree to amend section 1.2.2.4 to remove the phrase “If the Court does not require review and approval of a fee award to Parada’s counsel” from the first sentence and “However, if, the Court requires that it review and/or approve Paradas’ counsels fee, Paradas’ counsel agree to submit their fee request to the Court as directed” from the last sentence. The Parties agree to delete section 1.2.2.4.2 in its entirety.
4. The Parties agree to amend section 1.2.2.4.1 to state the Paradas’ counsel will provide the timekeeping records identified in that section no later than 7 days after the clerk enters the dismissal identified in paragraph 11 of this Amendment. The Parties further agree to amend section 1.2.2.4.1 to state the City shall remit payment no later than 30 days after the clerk enters the dismissal identified in paragraph 11 of this Amendment.
5. The Parties agree to delete section 1.2.3 and its subsection.
6. The Parties agree to amend section 1.3.1 to remove the phrase “the Paradas agree to make no public statements regarding this Settlement Agreement or the Ballot Measure beyond the agreed statement referenced in Section 1.1.1.”
7. The Paradas agree to perform all obligations and other terms stated in section 1.3.2, specifically including all obligations and other terms under sections 1.3.2.1 through 1.3.2.5, regardless of the result of the RAIT action.
8. The Parties agree to delete section 1.3.3 and its subsection.
9. Should the final judgment on the City’s appeal of the RAIT action state that the City’s November 2021 election on the Ballot Measure complied with the Proposition 218 requirements for approval of a general tax, the City shall have no obligation to satisfy the terms stated in paragraphs 10, 10.1, 10.2, 10.3, and 10.4 of this Amendment, and paragraphs 10, 10.1, 10.2, 10.3, and 10.4 of this Amendment shall become null and void.
10. Should the final judgment on the City’s appeal of the RAIT action not state that the City’s November 2021 election on the Ballot Measure complied with the Proposition 218 requirements for approval of a general tax, the Parties agree that, in addition to any other obligations paid by the City pursuant to sections 1.2.2.1 through 1.2.2.4.4, as amended by this Amendment, the City shall also satisfy the following obligations:

10.1 Fund an additional amount as refunds to customers distributed to customers in the same manner described in section 1.2.2.2 of the Settlement Agreement and its subsections, as amended by this Amendment. The additional amount shall equal \$705,882 multiplied by the number of months beginning November 1, 2021 until the earlier of: (1) the effective date of new electric rates set by the City’s repeal of Resolution No. 23307 and adoption of new electric rates replacing the current rates as set by Resolution No. 23307; (2) the date the City’s voters approve a valid ballot

measure approving the General Fund Transfer practices as a general tax pursuant to Proposition 218; or (3) the City otherwise stops collecting an amount from electric customers to fund the General Fund Transfer.

10.2 Upon remittitur, the sum of refunds then accrued and owing shall be calculated by the City, and shall be distributed in addition to, and in the same manner as, the refunds already being paid by the City pursuant to Section 1.2.2.2 of the Settlement Agreement and its subsections, as amended herein. For the sake of clarity, such additional refunds shall be fully distributed no later than October 1, 2027.

10.3 Each three month period thereafter, until the termination of the City's refund obligation occurs due to any of the three conditions in paragraph 10.1 above, the City shall increase the refund amount to be distributed by an additional \$2,117,646 to be immediately applied to the refunds being provided pursuant to the Settlement Agreement and shall be distributed in addition to, and in the same manner as, the refunds the City pays pursuant to Section 1.2.2.2 of the Settlement Agreement and its subsections, as amended herein.

10.4 Should the termination of the City's refund obligation continue after October 1, 2027 because none of the conditions in paragraph 10.1 has occurred as of that date, for each three month period thereafter, the City shall immediately distribute an additional refund amount of \$2,117,646 in the manner described by Section 1.2.2.2 of the Settlement Agreement and its subsections, as amended herein. This subsection shall continue until one of the conditions in paragraph 10.1 has occurred. Should one of the conditions in paragraph 10.1 occur and less than three months have elapsed since the last distribution according to this subparagraph, the City shall make a final distribution on a prorated basis.

11. No later than five days after this Amendment is signed by all Parties, the Parties shall file a joint request for dismissal of this action with prejudice.
12. The Paradas shall timely file and serve a good-faith opposition to the Intervention Motion. Notwithstanding anything to the contrary stated in the Settlement Agreement or this Amendment, if the final result of the Intervention Motion allows one or more persons or entities to pursue: (1) the claims the Paradas stated in their First Amended Verified Petition and Complaint; or (2) those claims identified in the Proposed Verified Complaint in Intervention filed with the Intervention Motion, the City's obligations under sections 1.2.2.1, 1.2.2.2, and their subsections, as amended by this Amendment, and the City's obligations identified in paragraphs 10, 10.1, 10.2, 10.3, and 10.4 of this Amendment, shall become null and void. The right to awards and fees pursuant to

paragraphs 1.2.2.3 and 1.2.2.4 respectively (as amended) shall not be affected in any way by a successful intervention.

13. Other than as stated herein, all other obligations and duties of the Parties under the Settlement Agreement shall remain in full force and effect.
14. The City shall not file the motion to enforce the Settlement Agreement (i.e., as it exists prior to this amendment) contemplated at the May 10, 2022 status conference in this matter, which the Court ordered the City to file no later than May 24, 2022. Either party may file a motion to enforce the Settlement Agreement, as amended herein, after this Amendment is executed, if the party contends a breach has occurred.
15. The City shall, upon periodic and reasonable requests of the Paradas, provide proof that it has complied with the terms of the Agreement.

IN WITNESS WHEREOF, the parties have hereto caused this Amendment to be duly executed the date and year below written.

CITY

CITY OF RIVERSIDE,
a California charter city and municipal
corporation

By: Michael J. Morro

Interim City Manager

Dated: 6-15-22

ATTESTED TO:

By: Erin Arsen

City Clerk

Dated: 06-20-2022

APPROVED AS TO FORM:

By: Paula A. Mink

Assistant City Attorney

PARADAS

By: Summer Parada

Summer Parada

Dated: 5/12/22

By: V. Parada

Vincent Parada

Dated: 5-12-22

APPROVED AS TO FORM:

By: _____

Attorneys for Summer Parada
and Vincent Parada

paragraphs 1.2.2.3 and 1.2.2.4 respectively (as amended) shall not be affected in any way by a successful intervention.

13. Other than as stated herein, all other obligations and duties of the Parties under the Settlement Agreement shall remain in full force and effect.
14. The City shall not file the motion to enforce the Settlement Agreement (i.e., as it exists prior to this amendment) contemplated at the May 10, 2022 status conference in this matter, which the Court ordered the City to file no later than May 24, 2022. Either party may file a motion to enforce the Settlement Agreement, as amended herein, after this Amendment is executed, if the party contends a breach has occurred.
15. The City shall, upon periodic and reasonable requests of the Paradases, provide proof that it has complied with the terms of the Agreement.

IN WITNESS WHEREOF, the parties have hereto caused this Amendment to be duly executed the date and year below written.

CITY

CITY OF RIVERSIDE,
a California charter city and municipal
corporation

By: _____
City Manager

Dated: _____

ATTESTED TO:

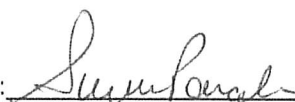
By: _____
City Clerk

Dated: _____

APPROVED AS TO FORM:

By: _____
Assistant City Attorney

PARADAS

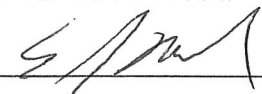
By: 
Summer Parada

Dated: 5/12/22

By: 
Vincent Parada

Dated: 5-12-22

APPROVED AS TO FORM:



By: ERIC BENINK
Attorneys for Summer Parada
and Vincent Parada