

SETTLEMENT AGREEMENT

This Settlement Agreement is entered by and between Chevron, U.S.A., Inc. ("Chevron"), and the District of Columbia, by and through the District Department of the Environment ("District"), to resolve potential or anticipated litigation, with no admission of fault, liability, or error by Chevron or the District, in consideration of the mutual promises and commitments recited herein. Chevron and the District may be referred to individually herein as a "Party" or collectively as the "Parties."

1. Background

(a) The District has asserted claims against Chevron for costs incurred or to be incurred by the District in responding to and evaluating releases of one or more pollutants, including petroleum and Perchloroethylene (PCE) into the groundwater of, and underneath, a community known as Riggs Park. The District presented its claims to Chevron by letter June 1, 2010 (the "Demand Letter"), and those claims were based on (i) the District of Columbia Hazardous Waste Management Act of 1977 (D.C. Official Code §§ 8-1301, 8-1311(a)(1))(HWMA); (ii) the Underground Storage Tank Management Act of 1990 (D.C. Official Code) §§ 8-113, 8-113.09(a)(USTMA)); and (iii) the Brownfield Revitalization Amendment Act of 2000 (D.C. Official Code §§ 8-6304.02(a),(b); 8-635.01)(BRAA);

(b) The District has asserted that the petroleum release was first discovered in October 1989 (the "October 1989 Release"), when Chevron conducted an underground storage tank tightness test on its underground storage tanks at a gas station formerly owned by Chevron, located at 5801 Riggs Road, in Chillum, Prince George's County, Maryland, abutting the District, that indicated the release of gasoline products from the gas station, and the presence of gasoline-related products in the groundwater at the service station.

(c) Following the discovery of such releases in October 1989, Chevron responded to the October 1989 Release and cooperated with District, State and Federal agencies in undertaking response actions, and such conduct and cooperation by Chevron is viewed favorably by the District in the exercise of its enforcement discretion. Through the combined, collective and cooperative efforts of the District, Chevron, Maryland Department of the Environment, United States Environmental Protection Agency Region

3 (USEPA), and the Agency for Toxic Substances and Disease Registry (ATSDR), the potential for adverse impact to the environment and the residents of the District was substantially mitigated by response activities and subsequent investigation, assessment, monitoring, and remediation activities performed by Chevron.

(d) The District, following review by the Attorney General, and Chevron, following review by its counsel, agree that the terms of this Settlement Agreement are fair, reasonable, and in the public interest, and that execution of this Settlement Agreement and avoidance of litigation is the most appropriate means of resolving this matter pursuant to the terms hereof.

2. Parties Bound. The Parties agree that the provisions of this Settlement Agreement shall apply to and be binding upon the District and Chevron, and each and any of its officers, employees, contractors, agents, successors, and assigns.

3. Enforcement. This Settlement Agreement shall be enforceable by either party in the Courts of the District of Columbia. Solely with respect to an action to enforce this Settlement Agreement or the terms thereof, Chevron waives any and all objections and defenses it might have as to the jurisdiction of the District of Columbia Courts and consents to service of a summons and complaint by mail. Such waiver and consent do not constitute a waiver or limitation of any jurisdictional, procedural, or substantive entitlements, defenses, or claims Chevron may have with respect to any administrative or judicial action that pertains, in whole or in part, to matters other than enforcement of the terms of this Settlement Agreement.

4. Terms of Settlement. Considering the nature of the release giving rise to alleged violations, and the factors set forth by statute and regulation, including Chevron's extensive efforts to mitigate the effects of the release, the Parties have agreed to enter a comprehensive and final settlement of the District's claims for relief through Chevron's one-time payment to the District of five hundred thousand dollars (\$500,000.00) ("Payment") and for no other consideration except as recited herein.

5. Time of Payment. Chevron shall make the Payment provided by paragraph 4, above, not more than thirty (30) calendar days after execution of this Settlement Agreement by the last party to sign. Chevron shall make the payment as directed by the District or, if not otherwise directed, by submitting a check, payable to the order of the District of Columbia Enforcement Revenue Fund 0663 at the address provided in

paragraph 16 herein. Chevron's check shall bear reference to "Riggs Park Settlement." A copy thereof shall be sent to the District as set forth in paragraph 16.

6. Use of Funds. Chevron and the District agree that the use of the Settlement Payment funds exclusively to address public health and environmental issues affecting the residents of the District of Columbia neighborhood of Riggs Park, for such specific purposes as the District shall determine in its sole discretion, is a material and enforceable term of this Settlement Agreement. In the event that the Payment is diverted or appropriated to other uses, Chevron's remedies shall be limited to declaratory and injunctive relief, and shall not extend to damages, recoupment, or other remedies.

7. No relief from compliance; no endorsement by the District. This Settlement Agreement shall not relieve Chevron of its obligation to comply with all applicable provisions of federal, state or local law; nor shall it be construed to be a prospective ruling on, or determination of, any issue related to any federal, state or local permit, approval or other requirement.

8. No private right of action for third parties. Nothing in this Settlement Agreement is intended to, or does, create a private right of action or defense in any person or entity other than the District and Chevron. No person or entity may assert any claim or right as a third-party or other beneficiary, or as a member of a protected class, under this Settlement Agreement in any civil, criminal, or administrative action, against Chevron or the District.

9. District's Release and Covenant Not to Sue. The District releases Chevron and holds Chevron harmless, and the District covenants not to sue nor to take any other form of administrative or judicial enforcement against Chevron, with respect to any and all acts or omissions within the scope of, arising from, or otherwise related to the following (the Scope of Release): the October 1989 Release; claims or demands presented to Chevron in the Demand Letter; implementation of the District's Final Remedy Selection and Response to Comments, as released on May 3, 2010 or as later amended; and any subsequent investigation, monitoring or other response or remedial costs associated with or otherwise arising from the 1989 release or the District's Final Remedy selection. The release shall extend to all claims within the Scope of Release regardless of whether those claims were discovered or discoverable by the District at the

time of execution of this Settlement Agreement, and shall take effect upon the execution of this Settlement Agreement by the last party to sign. This release shall not extend to any action brought by any third party, including USEPA, for any violations, acts, or omissions alleged to have been committed by Chevron pertaining to petroleum contamination at Riggs Park.

10. Chevron's Release and Covenant not to Sue. Chevron hereby waives any right it has to an administrative hearing arising from Chevron's letter to the District dated June 3, 2010 or otherwise relating to matters within the Scope of Release. Chevron covenants not to sue or to commence any other form of administrative or judicial action against the District with respect to any and all acts or omissions within the scope of, arising from, or otherwise related to the Scope of Release.

11. Breach. If Chevron breaches any provision of this Settlement Agreement, and fails to cure the asserted breach within fourteen (14) days of written notice from the District, the foregoing release and covenant and all other terms of this Settlement Agreement shall be deemed null and void. Further, nothing in this Settlement Agreement is intended to nor shall be construed to operate in any way to limit or otherwise preclude the District from taking civil enforcement action with regard to Chevron or any other person with respect to acts or omissions beyond the Scope of Release.

12. Modification. There shall be no modification of this Settlement Agreement except in writing and signed by authorized representatives of the District and Chevron.

13. Capacity and Authority of Signatories. The undersigned representatives of Chevron certify that they are fully authorized to enter into the terms and conditions of this Settlement Agreement and to execute and legally bind Chevron. The District certifies that signature of the Settlement Agreement by all of its undersigned representatives constitutes full authorization, pursuant to D.C. Official Code § 2-406 and Mayor's Order 92-54 (May 6, 1992), to enter into the terms and conditions of this Settlement Agreement, to execute the Settlement Agreement on behalf of the District, and to legally bind the District.

14. Construction. This Settlement Agreement shall be construed without regard to any presumption or other rule of law requiring construction against the party who caused it to have been drafted.

15. Governing Law. This Settlement Agreement shall be governed by and construed and enforced in accordance with the laws of the District of Columbia and enforceable in the Superior Court for the District of Columbia.

16. Notice. Written communications submitted under this Settlement Agreement shall be addressed as follows, unless the listed individuals or their successors give written notice of change(s) to the parties:

District of Columbia

Jared Piaggione
Assistant Attorney General
Government of the District of Columbia
District Department of the Environment
1200 First Street, N.E., 5th Floor
Washington, DC 20002

Chevron

Richard T. Hughes
Environmental Practice Group
Law Department
Chevron U.S.A. Inc.
1400 Smith Street 7th Floor
Houston, Texas 77002

with a copy to:

Retail Team Lead
Chevron Environmental Management Co.
4800 Fournace Place, 5th Floor, East
Bellaire, Texas 77401

And a copy to:

Bradley M. Campbell, LLC
50 West State Street, Suite 1100
Trenton, New Jersey 08608

17. Entire Agreement. This Settlement Agreement constitutes the entire understanding between the Parties hereto and is intended as the complete and exclusive statement of the agreement between the Parties with respect to the subject matter hereof, and supersedes all prior agreements, negotiations, and understandings.

18. Counterparts. Provided that all parties hereto execute a copy of this Settlement Agreement, the Settlement Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Executed copies of this Settlement Agreement may be delivered by facsimile transmission or other comparable means. This Settlement Agreement shall be deemed fully executed and entered into on the date of execution by the last signatory required hereby.

19. Consultation with Counsel and Understanding of Terms. The Parties have read this Settlement Agreement, have had a full opportunity to consult (and have in fact consulted) with legal counsel with regard to it, and have signed this Settlement Agreement voluntarily and freely and with the full understanding of its terms. The Parties further understand and agree that each has relied wholly upon its own judgment, belief and knowledge of the nature, extent, effect and duration of the settlement, and enter into this Settlement Agreement without reliance upon any statements or representations by any other Party or its representatives except those expressly set forth herein. Each Party waives and assumes the risk of any and all claims which exist as of the date of this Settlement Agreement or in the future, which that Party does not know of or suspect to exist, whether through ignorance, oversight, error, negligence or otherwise with respect to either facts or law, and which, if known, would materially affect its decision to enter into this Settlement Agreement.

20. Non-assignment. None of the obligations and duties of any Party set forth in this Settlement Agreement may be assigned or delegated to any other person without the express, prior written consent of all other Parties.

21. Press release. Neither Chevron nor the District shall issue a press release in connection with this settlement. Provided however, that compliance with the District's transparency laws (including public notice and comment) shall not be considered a press release for purposes of this section.

22. Severability. This Settlement Agreement is not severable.

FOR THE DISTRICT:

RESPECTFULLY SUBMITTED,

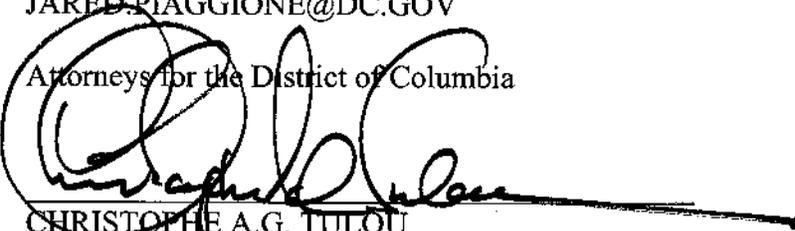
IRVIN NATHAN
ATTORNEY GENERAL FOR THE
DISTRICT OF COLUMBIA

ELLEN EFROS
DEPUTY ATTORNEY GENERAL
PUBLIC INTEREST DIVISION


KIMBERLY KATZENBARGER (DC BAR # 476049)
GENERAL COUNSEL
DISTRICT DEPARTMENT OF THE ENVIRONMENT
1200 FIRST STREET, N.E., 5TH FLOOR
WASHINGTON, D.C. 20002


JARED PIAGGIONE (DC BAR # 991558)
ASSISTANT ATTORNEY GENERAL
DISTRICT DEPARTMENT OF THE ENVIRONMENT
1200 FIRST STREET, N.E., 5TH FLOOR
WASHINGTON, D.C. 20002
TELEPHONE NUMBER: (202) 299-3346
JARED.PIAGGIONE@DC.GOV

Attorneys for the District of Columbia


CHRISTOPHE A.G. TULOÛ
DIRECTOR
DISTRICT DEPARTMENT OF THE ENVIRONMENT
1200 FIRST STREET N.E., 5TH FLOOR
WASHINGTON, D.C. 20002

FOR CHEVRON U.S.A. INC.

By: *Jeanne G. Suminski*
JEANNE G. SUMINSKI
Assistant Secretary

Date *Dec. 5, 2011*