

**SETTLEMENT AGREEMENT AND RELEASE**

This Settlement Agreement (“Agreement”) is made and entered into upon the date of the last signature written below (“the Effective Date”) by Chevron <sup>Corporation</sup> ~~Corp.~~ (“Chevron”) and Chevron U.S.A. Inc. (“Chevron U.S.A.”) (collectively, the “Chevron Defendants”) and the City of Richmond, a charter city in the State of California (“Richmond”). The Chevron Defendants and Richmond are at times referred to individually as “Party” and collectively as the “Parties.”



WHEREAS, Chevron U.S.A. owns and operates a petroleum refinery in Richmond, California (the “Refinery”);

WHEREAS, on August 6, 2012, a fire occurred at the Refinery (the “Fire”);

WHEREAS, a dispute arose between Richmond and the Chevron Defendants concerning the impact of the Fire on and in Richmond;

WHEREAS, Richmond sued the Chevron Defendants in connection with the Fire in the Superior Court of the State of California In and For the County of Contra Costa, in an action identified as Civil Action No. C13-01654 (“the Lawsuit”);

WHEREAS, Richmond and the Chevron Defendants desire to avoid the further cost, disruption, and inconvenience of the Lawsuit;

WHEREAS, Chevron U.S.A. has agreed to pay Richmond \$5 million, and the Parties agree that the payment is for the benefit of the Richmond community and will be used to fund public safety, education, parks and recreation, and/or community and economic development;

WHEREAS, the Parties acknowledge the benefit to the Richmond community of Chevron U.S.A.'s continued efforts to modernize the Refinery so that it is safer, cleaner, and more reliable;

NOW THEREFORE, in light of the purposes and benefits set forth above, and for and in consideration of the mutual promises and covenants set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Each "Whereas" clause is incorporated in and enforceable under this Agreement.

2. Payment and Use of Funds. Chevron U.S.A. will pay \$5,000,000 to Richmond by wire transfer to "Cotchett, Pitre & McCarthy LLP Trust Account":

Bank: Wells Fargo Bank  
ABA No. (Wire): 121000248  
Account Name: Cotchett, Pitre & McCarthy, LLP ,  
CA IOLTA Account  
Account No. 3697751026  
Reference August 6, 2012 Refinery Fire

within 14 business days of the effective date of this Agreement ("the Payment").

Following reimbursement of its litigation fees and expenses from the Lawsuit, Richmond agrees that it will use the Payment as follows:

a. To improve community facilities and gathering centers, encouraging recreation, the arts, education and cultural opportunities and experiences available to the Richmond community. Richmond will use the Payment to improve the following Richmond facilities:

i. the Disabled Persons Recreation Center;

- ii. the Richmond Art Center;
- iii. the historic Richmond Museum;
- iv. the Main Senior Center;
- v. the Richmond Auditorium;
- vi. the Nevin Community Center;
- vii. the Shields-Reid Community Center; and
- viii. the Main Community Services Facility.

b. To enhance and improve public-safety programs and apparatuses in Richmond. Richmond will use the Payment to replace certain firefighting equipment and for improvements at the historic Richmond Fire Station 67 on Cutting Boulevard.

c. The Payment will not in any way support litigation or political activities (other than reimbursement of Richmond's prior litigation fees and expenses for the Lawsuit).

d. None of the Payment is for any violation of any law or the investigation or inquiry into a potential violation of any law.

3. Release.

a. In exchange for the Payment, Richmond fully releases and discharges the Chevron Defendants and their affiliates, parents, and subsidiaries, acting on their own behalf and on behalf of all of their related entities, and each of their predecessors or successors, former and current officers, directors, employees, and agents, from any and all liabilities, claims, orders, demands, judgments, damages, costs, fees, expenses, or penalties arising, potentially arising, or that had arisen under any federal, state, or local

statute or common law or in equity, alleged or that could have been alleged in the Lawsuit or that are related to or arising out of the Fire.

b. The Parties intend that the foregoing release will extend to all matters that are the subject matter of this Agreement, and will be binding notwithstanding the discovery of facts not presently known by the Parties or claims of which the Parties are not currently aware. The Parties are aware and have been advised by counsel concerning the meaning of California Civil Code Section 1542, which 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.

The Parties waive, release, and relinquish any and all rights and benefits that they may have under the provisions of Section 1542 as it may apply to the subject matter of this Agreement to the fullest extent the Parties may lawfully waive these rights or benefits.

4. Mutual Statement. On the Effective Date, the Parties will issue the mutual statement attached as Attachment A.

5. No Admissions. This Agreement is a result of compromise, and nothing contained in this Agreement will be construed as an admission of liability, responsibility, or wrongdoing by any Party to the Agreement. It is expressly understood by the Parties that, in reaching this Agreement, neither Party has made any concessions regarding the merits of its positions or the merits of the other Party's positions. It is agreed that all statements contained in the Agreement and the conduct of any Party in connection with the Agreement will be inadmissible as evidence under California Evidence Code Section

1152(a), except that the statements contained in the Agreement will be admissible in any action to enforce or interpret the Agreement.

6. Dismissal of the Lawsuit.

a. Within three business days of Richmond's receipt of the Payment, Richmond will file a Stipulation of Dismissal of the Lawsuit in the form attached to this Agreement as Attachment B, dismissing the Lawsuit with prejudice.

b. Pending dismissal of the Lawsuit, the Parties agree to refrain from taking an action to prosecute or defend the Lawsuit, and, to the extent it is necessary to do so, will cooperate in seeking a stay or continuance of any court-imposed deadlines.

c. Each Party will bear its own costs and expenses of the Lawsuit.

d. Each Party will destroy all confidential documents produced by the opposing Party under the terms of the Protective Order, including all forensic-examination documents, within thirty (30) days of executing this Agreement. Within forty-five (45) days of executing this Agreement, each Party will deliver to the other Party a signed statement in writing that to the best of their knowledge, all confidential documents produced pursuant to the Protective Order have been destroyed. Furthermore, the terms of the Protective Order will still be enforceable for all time concerning the information, content and documents disclosed pursuant to the Protective Order in this matter.

7. Injunction. The provisions of this Agreement may be pleaded as a full and complete defense to, and may be used by any Party as the basis for, an injunction against

any action, suit, or other proceeding instituted, prosecuted, or attempted in breach of this Agreement.

8. Choice of Law. This Agreement will be construed according to and governed by the laws of the State of California.

9. Jurisdiction and Venue. Any litigation to enforce this Agreement must be maintained (if the Court in which the Lawsuit currently is pending retains jurisdiction) or commenced (if the Court in which the Lawsuit currently is pending does not retain jurisdiction) in the Superior Court of the State of California In and For the County of Contra Costa. The Parties consent to personal jurisdiction and venue in the forum in which any litigation concerning this Agreement may be brought under this paragraph.

10. Modification. This Agreement may not be amended or modified except by the mutual written consent of the Parties.

11. Consultation with Counsel. The Parties recognize that in negotiating and entering into this Agreement, they have had the opportunity to consult with counsel of their choosing, and the Parties enter into this Agreement of their own free will and accord.

12. Entire Agreement. This Agreement constitutes and contains the entire agreement and final understanding with respect to its subject matter. It is intended by the Parties to be a complete and exclusive statement of the terms of their agreement. It supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter of the Lawsuit or the Agreement. This is a fully integrated Agreement. No waiver of any provision of this Agreement will

be binding unless executed in writing by the Party making the waiver. No waiver of any provision of this Agreement will be deemed, or will constitute, a waiver of any other provision whether or not similar, nor will any waiver constitute a continuing waiver.

13. Ambiguities and Interpretation. This Agreement will be deemed to have been drafted equally by the Parties, and will not be interpreted for or against any Party by reason of the alleged authorship of any provisions. The Parties understand and agree that the general rule that ambiguities are to be construed against the drafter will not apply to this Agreement.

14. Convenience of Reference. The headings and numbers used in this Agreement are included for the purpose of convenience of reference only and will not be used to explain, limit, or extend the meaning of any part of the Agreement.

15. Costs and Attorneys' Fees. If any Party substantially prevails in an action brought to cure a breach of or to otherwise enforce any obligation set forth in this Agreement, the non-prevailing Party will be liable for and will reimburse the substantially prevailing Party for all costs, including attorneys' fees, of such action.

16. Authorization. Each undersigned representative of a Party certifies that he or she is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such Party to this Agreement.

17. Approval of Agreement by Richmond City Council. Richmond represents and warrants that its City Council approved this Agreement.

18. Notices. All notices, requests, and other communications under this Agreement will be in writing and will be either (a) delivered in person, (b) sent by

certified mail, return receipt requested, or (c) delivered by a recognized delivery service

and addressed as follows:

If intended for Richmond:

City of Richmond  
Office of the City Manager  
450 Civic Center Plaza  
Richmond, CA 94804

With a copy to:

City of Richmond  
Office of the City Attorney  
450 Civic Center Plaza  
Richmond, CA 94804

If intended for Chevron Corporation:

Its Registered Agent in California

With a copy to:

Vice President and General Counsel, Chevron Corporation  
6001 Bollinger Canyon Road, Building A  
San Ramon, CA 94583

If intended for Chevron U.S.A. Inc.:

Its Registered Agent in California

With a copy to:

Vice President and General Counsel, Downstream and Chemicals  
6001 Bollinger Canyon Road, Building T  
San Ramon, CA 94583

or at such other address, and to the attention of such other person, as the Parties may give notice. A notice, request, and other communication will be deemed to be duly received if

IN WITNESS WHEREOF, the Parties hereto have signed their hands and seals:

WITNESS:  Pamela Christi

CITY OF RICHMOND

BY:  WJO

DATE:  5/2/18

WITNESS: \_\_\_\_\_

CHEVRON CORP.

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

WITNESS: \_\_\_\_\_

CHEVRON U.S.A. INC.

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

delivered in person or by a recognized delivery service, when left at the address of the recipient.

**IN WITNESS WHEREOF**, the Parties hereto have signed their hands and seals:

CITY OF RICHMOND

WITNESS: \_\_\_\_\_

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

WITNESS: *Kimberly Lanchi*

CHEVRON CORP. *Corporation*  
BY: *Kari H. Endries*  
Kari H. Endries  
DATE: May 3, 2018

*Wote  
4.*

WITNESS: *Kimberly Lanchi*

CHEVRON U.S.A. INC.  
BY: *Frank G. Soler*  
Frank G. Soler  
DATE: May 3, 2018

## ATTACHMENT A

### JOINT STATEMENT OF CITY OF RICHMOND AND CHEVRON U.S.A. INC.

**RICHMOND, Calif.** – The City of Richmond and Chevron U.S.A. are pleased to announce the end of the pending litigation over Chevron U.S.A.’s crude-unit fire in 2012. In support of the Richmond community, Chevron will pay the City \$5 million, which the City will use in the areas of public safety, education, parks and recreation, and/or community and economic development. The City and Chevron believe that the settlement is a fair resolution for both parties and look forward to continuing a cooperative relationship. The City acknowledges that Chevron has made significant investments in safety and reliability at its refinery.

“The City is pleased that cooperation between the City and Chevron made this settlement possible,” said Richmond City Manager Bill Lindsay.

“We pride ourselves on reliable and safe operations for the thousands of people who work here every day and for the community,” said Kory Judd, the Refinery’s General Manager. “We are pleased to reach an agreement with the City that provides more benefits to the community and that allows both parties to focus on a brighter future.”

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Frank Pitre (SBN: 100077) Alison E. Cordova (SBN: 284942) <b>COTCHETT, PITRE &amp; McCARTHY, LLP</b> 840 Malcolm Road, Suite 200 Burlingame, CA 94010 TELEPHONE NO.: 650-697-6000      FAX NO. (Optional): 650-697-0577 E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name): Plaintiff CITY OF RICHMOND	FOR COURT USE ONLY
<b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF</b> Contra Costa STREET ADDRESS: 725 Court Street MAILING ADDRESS: CITY AND ZIP CODE: Martinez, CA 94553 BRANCH NAME: Wakefield Taylor Courthouse	
PLAINTIFF/PETITIONER: City of Richmond DEFENDANT/RESPONDENT: Chevron Corporation, et al.	
<b>REQUEST FOR DISMISSAL</b>	CASE NUMBER: C13-01654
<b>A conformed copy will not be returned by the clerk unless a method of return is provided with the document.</b>	
<b>This form may not be used for dismissal of a derivative action or a class action or of any party or cause of action in a class action. (Cal. Rules of Court, rules 3.760 and 3.770.)</b>	

1. TO THE CLERK: Please **dismiss** this action as follows:

- a. (1)  With prejudice      (2)  Without prejudice
- b. (1)  Complaint      (2)  Petition
- (3)  Cross-complaint filed by (name): \_\_\_\_\_ on (date): \_\_\_\_\_
- (4)  Cross-complaint filed by (name): \_\_\_\_\_ on (date): \_\_\_\_\_
- (5)  Entire action of all parties and all causes of action
- (6)  Other (specify):\*

2. (Complete in all cases except family law cases.)

The court  did  did not waive court fees and costs for a party in this case. (This information may be obtained from the clerk. If court fees and costs were waived, the declaration on the back of this form must be completed).

Date:

Frank Pitre/Alison Cordova  
(TYPE OR PRINT NAME OF  ATTORNEY  PARTY WITHOUT ATTORNEY)

\_\_\_\_\_  
(SIGNATURE)  
Attorney or party without attorney for:

\*If dismissal requested is of specified parties only of specified causes of action only, or of specified cross-complaints only, so state and identify the parties, causes of action, or cross-complaints to be dismissed.

- Plaintiff/Petitioner       Defendant/Respondent
- Cross-Complainant

3. TO THE CLERK: Consent to the above dismissal is hereby given.\*\*

Date:

(TYPE OR PRINT NAME OF  ATTORNEY  PARTY WITHOUT ATTORNEY)

\_\_\_\_\_  
(SIGNATURE)  
Attorney or party without attorney for:

\*\* If a cross-complaint – or Response (Family Law) seeking affirmative relief – is on file, the attorney for cross-complainant (respondent) must sign this consent if required by Code of Civil Procedure section 581 (i) or (j).

- Plaintiff/Petitioner       Defendant/Respondent
- Cross-Complainant

(To be completed by clerk)

- 4.  Dismissal entered as requested on (date): \_\_\_\_\_
- 5.  Dismissal entered on (date): \_\_\_\_\_ as to only (name): \_\_\_\_\_
- 6.  Dismissal **not entered** as requested for the following reasons (specify): \_\_\_\_\_
- 7. a.  Attorney or party without attorney notified on (date): \_\_\_\_\_
- b.  Attorney or party without attorney not notified. Filing party failed to provide  
         a copy to be conformed       means to return conformed copy

Date: \_\_\_\_\_ Clerk, by \_\_\_\_\_, Deputy

PLAINTIFF/PETITIONER: City of Richmond	CASE NUMBER:
DEFENDANT/RESPONDENT: Chevron Corporation, et al.	C13-01654

**COURT'S RECOVERY OF WAIVED COURT FEES AND COSTS**

If a party whose court fees and costs were initially waived has recovered or will recover \$10,000 or more in value by way of settlement, compromise, arbitration award, mediation settlement, or other means, the court has a statutory lien on that recovery. The court may refuse to dismiss the case until the lien is satisfied. (Gov. Code, § 68637.)

**Declaration Concerning Waived Court Fees**

1. The court waived court fees and costs in this action for *(name)*:
  
2. The person named in item 1 is *(check one below)*:
  - a.  not recovering anything of value by this action.
  - b.  recovering less than \$10,000 in value by this action.
  - c.  recovering \$10,000 or more in value by this action. *(If item 2c is checked, item 3 must be completed.)*
  
3.  All court fees and court costs that were waived in this action have been paid to the court *(check one)*:  Yes  No

I declare under penalty of perjury under the laws of the State of California that the information above is true and correct.

Date: \_\_\_\_\_

\_\_\_\_\_  
(TYPE OR PRINT NAME OF  ATTORNEY  PARTY MAKING DECLARATION)

▶ \_\_\_\_\_  
(SIGNATURE)