

## TOLLING AGREEMENT

This Tolling Agreement (“**Agreement**”) is made and entered into by and between the City and County of San Francisco (“**City**”) and Chevron Corporation, on behalf of itself and its subsidiaries, including Chevron U.S.A. Inc. (“**Chevron**”) to be effective as of November 30, 2023 (“**Effective Date**”). Hereafter, the City and Chevron are individually referred to as a “**Party**” and collectively referred to as the “**Parties**.”

### Recitals

A. The City owns approximately 800 acres of real property in Section 21 and the Northeast Quarter of Section 28, Township 28 South, Range 28 East in Kern County, California having Assessor’s Parcel Numbers 093-120-30, 093-120-32, 093-210-18 and 093-210-19 (“**Property**”).

B. Chevron previously leased the Property from the City pursuant to an Oil and Gas Lease dated March 5, 1963 as amended by a May 24, 1994 Amendment to Oil and Gas Lease (“**Lease**”).

C. A dispute has arisen between the City and Chevron regarding, *inter alia*, who is the responsible Party to plug, abandon, re-abandon, close, seal, decommission, make safe and/or remove wells at the Property, including without limitation, to undertake and complete the same in accordance with all applicable federal and state laws and regulations (individually and collectively, “**Well Closure**”), and responsibility for any Contamination at the Property. As used herein, the term “**Contamination**” includes, without limitation, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code (Hazardous Substance Accounts Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code (Underground Storage of Hazardous Substances), (v) crude oil, petroleum, gasoline, diesel fuel, any other petroleum hydrocarbons or fractions thereof, or any gasoline additive including but not limited to MTBE, (vi) asbestos, PCB, or urea formaldehyde foam insulation, (vii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, (viii) defined as a “hazardous waste,” hazardous substance” or similar term under Section 1004 or other section of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*, (ix) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 *et seq.*, (x) toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California, or any political subdivision

thereof, or (xi) defined as a “Hazardous Material” under the Lease.

D. The Parties presently wish to see if they can resolve their differences without resorting to litigation, but the City does not wish to lose any rights it has or may have against Chevron regarding Well Closure, any Contamination at the Property, or any other dispute regarding the Lease and/or Property because of the further passage of time. Accordingly, for good and valuable consideration, the receipt of which is hereby acknowledged by the Parties, the Parties have agreed to toll any applicable statutes of limitations and time limits that the Parties could assert against each other in the manner set forth below.

### **Terms & Conditions**

1. The City and Chevron agree that all statutes of limitations and time limits applicable to any rights, claims, causes of action, counterclaims and defenses relating to, regarding, based upon or arising out of, either directly or indirectly, (a) Well Closure, (b) any Contamination at the Property, (c) the Lease, and/or (d) the Property (including but not limited to the surrender of the Property upon the expiration of the Lease, removal of wells and improvements, facilities, fixtures and equipment from the Property, and post-Lease term access to the Property) which either the City or Chevron could assert against each other as of the Effective Date shall be tolled for a period of six (6) months from the Effective Date (unless earlier written notice of termination of this Agreement is given as hereinafter provided in Section 2, in which case the tolling period shall cease upon the effective date of any such earlier termination of this Agreement) and this tolling period shall be excluded from all computations of any applicable period of limitations.

2. Either the City or Chevron may earlier terminate this Agreement by giving at least sixty (60) days advance written notice to the other Party in the manner provided for below in Section 3, specifying the effective date of such earlier termination.

3. Any notices required under this Agreement shall be in writing and shall be given by certified or registered mail, return receipt requested, or by overnight delivery with delivery confirmation, and addressed as follows (which address(es) for notice either Party may change by providing written notice of the new address(es) to the other Party via certified or registered mail, return receipt requested, or by overnight delivery with delivery confirmation):

If to City: City and County of San Francisco  
San Francisco City Attorneys' Office  
1 Dr. Carlton B. Goodlett Pl., Room 234  
San Francisco, CA 94102  
Attn: Real Estate Team Leader

If to Chevron: Chevron U.S.A. Inc.  
9525 Camino Media  
Bakersfield, CA 93311  
Attn: Legal

4. Each of the undersigned represents and warrants they are authorized to execute this Agreement on behalf of the Party for whom they execute this Agreement.

5. By entering into this Agreement, neither the City nor Chevron admits any responsibility or liability regarding, or for, any Well Closure, Contamination at the Property or any other dispute concerning the Lease and/or Property. Moreover, this Agreement shall not be construed as an admission of responsibility or liability regarding any such matter(s), nor offered as evidence of an admission of such responsibility or liability in any court or legal proceeding.

6. By entering into this Agreement, neither the City nor Chevron waives any rights, claims, causes of action, counterclaims or defenses except as expressly stated herein, and the City and Chevron agree that this Agreement shall not apply to and shall not revive any rights, claims, causes of action, counterclaims or defenses which were already barred by any applicable provision of law as of the Effective Date.

7. This Agreement may not be amended, altered or modified except by a writing signed by the Parties clearly indicating an intent to amend, alter or modify this Agreement.

8. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of laws that would direct application of the laws of another jurisdiction.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

**City and County of San Francisco**

\_\_\_\_\_  
Printed Name:  
Title:

\_\_\_\_\_  
Date

**Chevron Corporation**

\_\_\_\_\_  
Printed Name:  
Title:

\_\_\_\_\_  
Date