SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Settlement Agreement") is entered into by the People of the State of California, acting through the California Department of Justice, Office of the Attorney General (the "AGO") and the California State Water Resources Control Board (the "State Water Board") (collectively referred to as "California"); qui tam plaintiff American Cost Recovery Management, LLC ("ACRM"); and Shell Oil Company and Equilon Enterprises LLC, dba Shell Oil Products US (collectively, "Shell/Equilon"). This Settlement Agreement shall be effective as of July 1, 2016 (the "Effective Date"). The entities entering into this Settlement Agreement are at times referred to individually as a "Party" and collectively as the "Parties."

I. RECITALS

A. WHEREAS, since the inception of the California Underground Storage Tank Cleanup Fund (the "UST Cleanup Fund") in 1989, Shell/Equilon submitted UST Cleanup Fund claim applications and certifications for reimbursement of eligible expenses associated with Shell/Equilon's cleanup of petroleum from leaking underground storage tanks ("USTs") at properties throughout California.

B. WHEREAS, the UST Cleanup Fund reviewed and deemed eligible numerous Shell/Equilon claim applications to the UST Cleanup Fund ("UST Cleanup Fund claims") in accordance with UST Cleanup Fund statutes and regulations and reimbursed Shell/Equilon for some of the eligible costs associated with the cleanup of petroleum from leaking USTs at sites in California.

C. WHEREAS, UST Cleanup Fund claimants must submit a Non-Recovery From Other Sources Disclosure Certification ("Non-Recovery Certification") when filing a new UST

Cleanup Fund claim and each time the UST Cleanup Fund requests a new Non-Recovery Certification for any of the claimants' UST Cleanup Fund claims.

D. WHEREAS, UST Cleanup Fund claimants are required to identify all claim-related compensation that they have received or expect to receive from any source, including insurance settlements, on each Non-Recovery Certification submitted to the UST Cleanup Fund at the time of submission.

E. WHEREAS, on April 6, 2010, ACRM filed a complaint in Sacramento County Superior Court, captioned *American Cost Recovery Management, LLC v. Shell Oil Company, et al.*, Case No. 34-2010-00074600 (the "Complaint"), that asserted a cause of action under the California False Claims Act for damages and civil penalties on behalf of the State of California.

F. WHEREAS, ACRM alleges that: (i) when Shell/Equilon submitted applications and invoices for reimbursement to the UST Cleanup Fund for its UST Cleanup Fund claims, Shell/Equilon failed to report or disclose to the UST Cleanup Fund that Shell/Equilon had received proceeds from a series of insurance claims, litigation, and settlements relating to cleanup of petroleum from leaking USTs at sites in California; (ii) Shell/Equilon's UST Cleanup Fund claims therefore were not eligible for reimbursements from the UST Cleanup Fund; and (iii) Shell/Equilon should have repaid to the UST Cleanup Fund the payments it received from the UST Cleanup Fund for certain California UST sites.

G. WHEREAS, ACRM alleges that Shell/Equilon's failures to report or disclose to the UST Cleanup Fund information regarding insurance claims, litigation, and settlements constitute violations of the California False Claims Act and, therefore, Shell/Equilon is alleged to be liable for treble damages, penalties, attorneys' fees, costs, and interest to which California is entitled by law.

H. WHEREAS, following the filing of ACRM's Complaint, the AGO commenced an investigation into whether Shell/Equilon had received proceeds from the UST Cleanup Fund for expenses associated with the cleanup of petroleum from leaking USTs at sites in California, while also receiving reimbursement for those costs from the following sources: (i) claims made by Shell/Equilon against various of its insurers; (ii) litigation filed by Shell/Equilon against various of its insurers, captioned *Shell Oil Company v. Certain Underwriters at Lloyds, London, et al.*, ("*Certain Underwriters*"), California Superior Court, San Francisco County, Case No. 954709, and from the various settlements related to *Certain Underwriters*; (iii) claims for corrective action of environmental remediation costs made on policies issued to third-party dealers and operators of Shell/Equilon's petroleum marketing facilities in California where such dealers and/or operators had a contractual obligation to purchase and maintain insurance to cover both the third-party dealer or operator and Shell/Equilon (as an additional insured); and (iv) claims made on policies held by Shell/Equilon that were issued by Shell/Equilon's captive or mutual insurers. Collectively, the series of past claims, litigation, and settlements enumerated in this paragraph is hereinafter referred to as the "Coverage Matters."

I. WHEREAS, the Parties have attached as Attachment A to the Settlement Agreement a list of UST Cleanup Fund claims made by Shell/Equilon for UST releases or occurrences that occurred on or before September 8, 1998 at locations identified in Exhibit F to the Complaint in *Certain Underwriters*. While the Parties believe Attachment A to be comprehensive, if any UST Cleanup Fund claim pre-dating the Effective Date of this Settlement Agreement made by Shell/Equilon for UST releases or occurrences that occurred on or before September 8, 1998 at locations listed in Exhibit F to the Complaint in *Certain Underwriters* is

later found to have been omitted, any such omission shall be considered inadvertent and the omitted UST Cleanup Fund claim shall be treated as though it were listed in Attachment A.

J. WHEREAS, separate and apart from the cause of action alleged in the Complaint under the California False Claims Act for damages and civil penalties, the State Water Board has asserted that, pursuant to the UST Cleanup Fund statutes (California Health and Safety Code, Division 20, Chapter 6.75 (commencing with section 25296.10)) and UST Cleanup Fund Regulations (Chapter 18 (commencing with section 2803), Division 3, Title 23, of the California Code of Regulations), it may pursue an administrative action against a UST Cleanup Fund claimant to disqualify UST Cleanup Fund claims from further participation in the UST Cleanup Fund and recover costs reimbursed to a claimant, where the State Water Board determines that the claimant made a misrepresentation in statements, documents, or certifications contained in or accompanying a UST Cleanup Fund claim submitted by the claimant to the UST Cleanup Fund. A list of UST Cleanup Fund claims made by Shell/Equilon for UST releases or occurrences that occurred on or before September 8, 1998 is attached to the Settlement Agreement as Attachment C. While the Parties believe Attachment C to be comprehensive, if any UST Cleanup Fund claim pre-dating the Effective Date of this Settlement Agreement made by Shell/Equilon for UST releases or occurrences that occurred on or before September 8, 1998 is later found to have been omitted, any such omission shall be considered inadvertent and the omitted UST Cleanup Fund claim shall be treated as though it were listed in Attachment C.

K. WHEREAS, Shell/Equilon expressly denies it is liable for any of the claims asserted in the Complaint, by the AGO, or any of the claims asserted by the State Water Board. Shell/Equilon further denies it received any money in the Coverage Matters for costs associated

with the environmental remediation of UST releases at service stations listed in *Certain Underwriters* or in any of the Coverage Matters.

L. WHEREAS, recognizing that California, Shell/Equilon, and ACRM have a shared interest in the effective administration of the UST Cleanup Fund, and seeking to avoid the uncertainty, inconvenience, and expense of litigation and administrative proceedings, and in reliance on the representations contained herein and in consideration of the mutual promises, covenants, and obligations stated herein, the Parties agree as follows:

II. COURT APPROVAL, PAYMENT OF SETTLEMENT CONSIDERATION, AND ADMINISTRATIVE SETTLEMENT

A. The AGO and ACRM shall apply to the court for approval of this Settlement Agreement. They will exercise their best efforts to obtain court approval and a finding that the settlement is appropriate, taking into account the best interests of the Parties involved and the public purposes behind the act under Government Code section 12652, subdivision (c)(1).

B. Shell/Equilon shall pay to the AGO, State Water Board and ACRM, collectively, a total of twenty million dollars ($20,000,000) (the "Settlement Amount"), as set forth below:

1. Within 30 days of notice of entry of an order by the court approving the Settlement Agreement, Shell/Equilon shall pay an aggregate of nineteen million, seven hundred thousand dollars ($19,700,000), to be allocated (as directed by California) as follows:

   a. For settlement of the False Claims Act cause of action, a total of fourteen million seven hundred thousand dollars ($14,700,000), as follows:

1) To the AGO, the sum of four million eight hundred fifty-one thousand dollars ($4,851,000), directed to the California Attorney General's Litigation Deposit Fund in care of:

Financial Institution:	Bank of America, San Francisco, California
ABA Routing Number:	026009593
Beneficiary:	State of California, Department of Justice
Case Information:	*American Cost Recovery Management, LLC v. Shell Oil Company, et al.* Case No.: 34-2010-00074600
Account Number:	01482-80005

2) To the State Water Board (on behalf of the UST Cleanup Fund), six million three hundred ninety-four thousand five hundred dollars ($6,394,500), by certified or cashier's check payable to the order of the "Underground Storage Tank Cleanup Fund" and sent to:

State Water Resources Control Board
Division of Financial Assistance
Underground Storage Tank Cleanup
Attn: Selica Potter, Payments Manager
1001 I Street, 17th Floor
Sacramento, California 95814

3) To ACRM, three million four hundred fifty-four thousand five hundred dollars ($3,454,500), as qui tam share pursuant to Government Code section 12652, subdivision

(g)(2). Payment to ACRM shall be directed to: Beneficiary Bank: ABA # 062006505, ServisFirst Bank, 850 Shades Creek Parkway, Suite 200 Birmingham, AL 35209 for final credit to: Wiggins Childs Quinn & Pantazis, LLC General Trust Account, Account # 1110141007.

b. For settlement of the UST Cleanup Fund's administrative claims regarding disgorgement, five million dollars ($5,000,000), as follows:

1) To the State Water Board (on behalf of the UST Cleanup Fund), five million dollars ($5,000,000), by certified or cashier's check payable to the order of the "Underground Storage Tank Cleanup Fund" and sent to:

State Water Resources Control Board
Division of Financial Assistance
Underground Storage Tank Cleanup Fund
Attn: Selica Potter, Payments Manager
1001 I Street, 17th Floor
Sacramento, California 95814

2. Within 30 days of notice of entry of an order by the court dismissing the Complaint with prejudice, pursuant to Government Code section 12652, subdivision (g)(8), Shell/Equilon shall pay counsel for ACRM the sum of three hundred thousand dollars ($300,000) directed to: Beneficiary Bank: ABA # 062006505, ServisFirst Bank, 850 Shades Creek Parkway, Suite 200 Birmingham, AL 35209 for final credit to: Wiggins Childs Quinn & Pantazis, LLC General Trust Account, Account # 1110141007, which sum

covers ACRM's reasonable and necessary expenses, costs, and attorneys' fees.

C. If the court enters a final order declining to approve the Settlement Agreement, the Settlement Agreement shall remain binding upon the Parties until the Parties have exhausted their appellate rights or the time to appeal or move for reconsideration expires. The Settlement Agreement shall become null and void once the Parties have exhausted their appellate rights regarding the court's order declining to approve the Settlement Agreement or upon expiration of the Parties' time to appeal or move for reconsideration of the court's order declining to approve the Settlement Agreement.

D. Within 10 days of the payments by Shell/Equilon described in paragraph B above, the AGO and ACRM shall apply to the court for dismissal of the Complaint with prejudice.

E. Additional Terms of Administrative Settlement

1. Shell/Equilon shall withdraw from the UST Cleanup Fund one hundred (100) UST Cleanup Fund claims which were the subject of the *Certain Underwriters* declaratory judgment suit, as identified in Attachment B. Within 10 days of approval of the Settlement Agreement by Shell/Equilon and the State Water Board, Shell/Equilon shall transmit to the UST Cleanup Fund a Letter of Withdrawal pertaining to all of the UST Cleanup Fund claims identified in Attachment B. The UST Cleanup Fund claims identified in Attachment B are permanently barred from further participation in the UST Cleanup Fund and any other programs funded by the UST Cleanup Fund. Shell/Equilon agrees never to resubmit for UST Cleanup Fund reimbursement any of the UST Cleanup Fund claims identified in Attachment B, and never to assign any such UST Cleanup

Fund claims to a third party for submission. Shell/Equilon further agrees never to submit any applications for reimbursement of corrective action costs for any of the UST releases or occurrences for which Shell/Equilon filed the UST Cleanup Fund claims identified in Attachment B to any other program funded by the UST Cleanup Fund, and never to assign any such UST Cleanup Fund claim for reimbursement to a third party for submission. However, nothing in this paragraph shall be construed to bar any third party from submitting in the ordinary course UST Cleanup Fund claims for UST releases, discovered or occurring after the effective date of the Settlement Agreement, including at any site associated with any UST Cleanup Fund claim identified in Attachment B. A list of the UST Cleanup Fund claims identified in Attachment C that are not permanently barred from further participation in the UST Cleanup Fund is attached to the Settlement Agreement as Attachment D.

2. Shell/Equilon must submit a new Non-Recovery Certification for each UST Cleanup Fund claim listed on Attachment D within ninety (90) days of approval of the Settlement Agreement by Shell/Equilon and the State Water Board, using mutually agreed upon language consistent with Attachment F, including all appropriate site-specific disclosures.
3. Within ninety (90) days of receipt of each new Non-Recovery Certification, the UST Cleanup Fund will review the Non-Recovery Certification submitted and, if the Non-Recovery Certification is consistent with Attachment F and there are no site-specific disclosures that have not previously been reviewed by the UST Cleanup Fund, release the hold referred to in Paragraph 6 for that UST Cleanup

Fund claim. Upon release of the hold referred to in Paragraph 6, the UST Cleanup Fund will begin processing each of the released UST Cleanup Fund claims subject to all UST Cleanup Fund statutes, regulations, and procedures based on their order on the UST Cleanup Fund Priority List and the order that Reimbursement Requests or other documents are received. The release of the hold referred to in Paragraph 6 does not in any way limit the ability of the UST Cleanup Fund to suspend or place a hold on any of Shell/Equilon's UST Cleanup Fund claims for any other reason pursuant to UST Cleanup Fund statutes and regulations.

4. Each time that Shell/Equilon files a new UST Cleanup Fund claim and each time the UST Cleanup Fund requests a new Non-Recovery Certification for any UST Cleanup Fund claim, Shell/Equilon must submit a Non-Recovery Certification identifying all claim-related compensation that Shell/Equilon has received or expects to receive from any source, including, but not limited to, insurance settlements. Any Non-Recovery Certification that Shell/Equilon submits at any time in the future for any UST Cleanup Fund claim identified in Attachment D must include the mutually agreed upon language consistent with Attachment F and all appropriate site-specific disclosures. The agreed-upon language in Attachment F shall be deemed sufficient to disclose any compensation related to any of the Coverage Matters.

5. Pursuant to Health and Safety Code section 25299.60, subdivision (c)(1), the UST Cleanup Fund cannot reimburse any claimant greater than five (5) percent of the total amount annually appropriated by the Legislature from the UST Cleanup

Fund for purposes of paying UST Cleanup Fund claims, unless the State Water Board exempts a UST Cleanup Fund claim or claims from this annual UST Cleanup Fund reimbursement maximum in accordance with Health and Safety Code section 25299.60, subdivision (c)(2).

6. The UST Cleanup Fund placed a hold on each of the individual Shell/Equilon UST Cleanup Fund claims identified in Attachment D beginning in the UST Cleanup Fund's 2012-13 fiscal year. The UST Cleanup Fund placed an additional limited hold on each of the Shell/Equilon Commingled Plume Account UST Cleanup Fund claims identified in Attachment D beginning in the UST Cleanup Fund's 2014-15 fiscal year. During this hold period, the UST Cleanup Fund has allowed Shell/Equilon to submit new UST Cleanup Fund claims that are subject to the hold and to submit Reimbursement Requests to the UST Cleanup Fund for those UST Cleanup Fund claims on hold for which the UST Cleanup Fund previously had issued Shell/Equilon a Letter of Commitment. The UST Cleanup Fund has not issued any new Letters of Commitment, processed Reimbursement Requests, or taken other actions to process the UST Cleanup Fund claims identified in Attachment D since initiating the hold.

7. During each fiscal year of the hold period referred to in Paragraph 6, Shell/Equilon has been reimbursed significantly less than the annual UST Cleanup Fund reimbursement maximum for each claimant. Based upon the order of the UST Cleanup Fund claims identified in Attachment D on the UST Cleanup Fund Priority List, the total requested, and the order in which the UST Cleanup Fund received Reimbursement Requests for Attachment D UST Cleanup Fund

claims relative to Reimbursement Requests from other priority D claimants, the State Water Board has determined that the amount of reimbursement that Shell/Equilon received from the UST Cleanup Fund during the hold period referred to in Paragraph 6 was significantly reduced as a result of this hold.

8. Attached to the Settlement Agreement as Attachment E is a list of UST Cleanup Fund claims that have been identified in Attachment D that have a Letter of Commitment, or likely would have had a Letter of Commitment, if the hold had not been in place.

9. Pursuant to Health and Safety Code section 25299.60, subdivision (c)(2), the State Water Board finds that a limited exemption for Shell/Equilon relating to the annual reimbursement maximum: (i) is an equitable and timely use of available UST Cleanup Fund moneys given that Shell/Equilon's UST Cleanup Fund claims as identified in Attachment E have been on hold as set forth in Paragraph 6 pending the outcome of this litigation and related disputes among the Parties; and (ii) helps ensure an efficient petroleum UST cleanup program that adequately protects public health and safety and the environment. All UST Cleanup Fund claims subject to the exemption will be awarded in accordance with the priority rankings established pursuant to Health and Safety Code section 25299.52.

10. Therefore, reimbursements to Shell/Equilon of up to $20 million in eligible costs incurred by or on behalf of Shell/Equilon that Shell/Equilon submits in a Reimbursement Request to the UST Cleanup Fund for UST Cleanup Fund claims identified in Attachment E shall be exempt from the annual UST Cleanup Fund

reimbursement maximum for Shell/Equilon in accordance with Health and Safety Code section 25299.60, subdivision (c)(2), subject to the following conditions:

a. The UST Cleanup Fund processes each complete Reimbursement Request submitted pursuant to an active Letter of Commitment by priority class and in the date order received, unless there is a suspension, hold, or other issue that delays the UST Cleanup Fund's processing of the Reimbursement Request. Upon release of the hold referred to in Paragraph 6 and except as provided in subparagraph (e), the UST Cleanup Fund will begin processing Reimbursement Requests for those UST Cleanup Fund claims identified in Attachment E for which Shell/Equilon has submitted a Reimbursement Request pursuant to an active Letter of Commitment by priority class and in the date order received.

b. The UST Cleanup Fund issues a Letter of Commitment based on the order of the UST Cleanup Fund claim on the UST Cleanup Fund Priority List, unless there is a suspension, hold, or other issue that delays the UST Cleanup Fund's issuance of a Letter of Commitment. Upon release of the hold referred to in Paragraph 6 and except as provided in subparagraph (e), the UST Cleanup Fund, in the normal course of business, will begin the process of issuing Letters of Commitment for those UST Cleanup Fund claims identified in Attachment E for which the UST Cleanup Fund has not yet issued a Letter of Commitment.

c. Except as provided in subparagraph (e), the State Water Board shall make reasonable attempts to provide Shell/Equilon timely notifications of any

deficiencies in its submittals or any other issues that may delay the review or processing in the normal course of business of Shell/Equilon's UST Cleanup Fund claim applications or Reimbursement Requests or the issuance of Letter of Commitments to Shell/Equilon.

d. Shell/Equilon has an affirmative duty to comply with all UST Cleanup Fund statutes, regulations, and procedures and to promptly respond to all requests by the UST Cleanup Fund for information or documentation.

e. In order to effectuate the maximum $20 million exemption described above, Shell/Equilon shall be entitled to up to $20 million in total reimbursements between the Effective Date and the UST Cleanup Fund "Sunset Date" (whether the current date of January 1, 2026 or as subsequently extended) in excess of its five percent (5%) annual maximums. By July 31 of each year beginning with July 31, 2017, Shell/Equilon shall submit to the UST Cleanup Fund an "Annual Accounting." The Annual Accounting shall state the total amount of reimbursements received by Shell/Equilon during the recently concluded fiscal year and the fiscal year to which they apply for purposes of the annual maxima; the cumulative amount of reimbursements received by Shell/Equilon for each fiscal year since the Effective Date; Shell/Equilon's reimbursement maximum for each fiscal year pursuant to Health and Safety Code section 25299.60 subdivision (c)(1); any amount by which Shell/Equilon's total reimbursements during the fiscal year exceeded the five percent annual maximum amount for the current and prior fiscal years; and the total cumulative amount by which Shell/Equilon's reimbursements have

exceeded the reimbursement maxima since the Effective Date ("Cumulative Exceedance of Annual Maximum 5 Percent").

f. The UST Cleanup Fund shall not reimburse any costs on a UST Cleanup Fund claim where reimbursement would be contrary to any UST Cleanup Fund statutes, regulations, or procedures, or where UST Cleanup Fund is waiting for a full and complete response by Shell/Equilon to a UST Cleanup Fund request for documentation or information. The State Water Board's obligation to reimburse Shell/Equilon is contingent upon the availability of sufficient funds to authorize the reimbursements provided herein. If sufficient funds are not available for any reason, including, but not limited to, failure of the State government to appropriate funds necessary for reimbursement, the State Water Board shall not be obligated to make any reimbursements to Shell/Equilon under the Settlement Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any reimbursements under the Settlement Agreement. Nothing in this Settlement Agreement shall be construed to provide Shell/Equilon with a right of priority for processing of UST Cleanup Fund claim applications, reimbursement, or issuance of a Letter of Commitment over any priority class A, B, or C claimant (unless a Shell/Equilon claim was originally so designated) or any priority class D claimant with a higher ranked claim.

III. RELEASE AND COVENANT NOT TO SUE

In consideration for the payments described herein, and for the Recitals set forth in this Settlement Agreement, the Parties enter into a release and covenant not to sue, as follows:

A. Consideration; Scope of Release

1. California and ACRM specifically release, discharge, and covenant not to sue Shell/Equilon, or any of its parents, subsidiaries, joint ventures, or agents with respect to the California False Claims Act cause of action as asserted in the Complaint.

2. ACRM and the AGO specifically release, discharge, and covenant not to sue Shell/Equilon, or any of its parents, subsidiaries, joint ventures, or agents with respect to any claims or causes of action that were brought or could have been brought by ACRM or the AGO pursuant to the California False Claims Act, Government Code section 12650, et seq., or any other statutory or common law cause of action, *but only with respect to:* (i) any failure by Shell/Equilon to disclose to the UST Cleanup Fund, in connection with any UST Cleanup Fund claim, facts regarding any insurance policies or insurance coverage; (ii) alleged misrepresentations or omissions of facts, in connection with any UST Cleanup Fund claim, regarding the Coverage Matters; or (iii) past receipt (*i.e.*, receipt that occurred prior to the Effective Date of this Settlement Agreement) by Shell/Equilon of payments from insurers in connection with the Coverage Matters, resulting in a potential "double recovery" for UST Cleanup Fund claims or punishable misrepresentation or false statement under California law or regulation.

3. With respect to the sites listed on Attachment C, the State Water Board specifically releases, discharges, and covenants not to sue or pursue any administrative remedy against Shell/Equilon, or any of its parents, subsidiaries,

joint ventures, or agents, under any statutory or common law cause of action, *but only with respect to*: (i) any failure by Shell/Equilon to disclose to the UST Cleanup Fund, in connection with any UST Cleanup Fund claim, facts regarding the Coverage Matters; (ii) alleged misrepresentations or omissions of facts, in connection with any UST Cleanup Fund claim, regarding the Coverage Matters; or (iii) past receipt (*i.e.*, receipt that occurred prior to the Effective Date of this Settlement Agreement) by Shell/Equilon of payments from insurers in connection with the Coverage Matters, resulting in a potential "double recovery" for UST Cleanup Fund claims or punishable misrepresentation or false statement under California law or regulation.

B. This Settlement Agreement does not release Shell/Equilon from any past, current or future obligation to take any corrective action as required by California law, or to submit documents, statements, or certifications as customary and necessary for the UST Cleanup Fund to process for reimbursement any pending UST Cleanup Fund claims.

C. Nothing in this Settlement Agreement shall constitute or be construed as a satisfaction or release from liability for any conditions, obligations, or claims arising as a result of any future acts or omissions by Shell/Equilon, or of any past or current acts or omissions by Shell/Equilon that do not fall within the Scope of Release described in paragraph III.A.

D. This Settlement Agreement shall not be construed to preclude any California State agency, department, board, or other entity from exercising its authority under any law, statute, or regulation as against any Released Party with respect to matters outside the Scope of Release described in paragraph III.A.

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IV. GENERAL

A. The settlement of this action is conditioned on approval by the Attorney General of California, which approval was given on December 17, 2015.

B. The settlement of this action is conditioned on approval by the State Water Resources Control Board, or delegation of such Board to its Executive Director, which approval and/or delegation was given on June 24, 2016.

C. This Settlement Agreement constitutes the entire agreement and understanding between the Parties relating to the settlement of the Complaint. This Settlement Agreement may be modified or amended only by a writing signed by the Parties.

D. Nothing in this Settlement Agreement shall be construed as an acknowledgement or admission of liability by any Party.

E. ACRM and the State Water Board hereby mutually release and forever discharge each other and their respective agents from any and all matters, claims, complaints, charges, demands, damages, causes of action, debts, liabilities, controversies, judgments, and suits of every kind and nature whatsoever, arising out of the same subject matter or occurrence relating to the Complaint and the Settlement Agreement.

F. ACRM and Shell/Equilon expressly waive as to each other their rights under California Civil Code section 1542, which states:

> 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 to him or her must have materially affected his or her settlement with the debtor.

G. No term or condition of this Settlement Agreement shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Settlement Agreement, except by written instrument signed by the Party charged with the waiver or

estoppel. No written waiver shall be deemed a continuing waiver unless specifically stated therein, and the written waiver of a term or condition as to a specific act or occurrence shall not operate as a waiver of any other term or condition or for any other or future act or occurrence.

H. This Settlement Agreement, and the rights, remedies, and obligations provided for hereunder, shall be construed and enforced in accordance with the laws of the State of California.

I. Sacramento County Superior Court shall retain jurisdiction to hear and determine California's motion to approve this Settlement Agreement, as set forth in paragraph II.A above, and to enforce this Settlement Agreement.

J. This Settlement Agreement shall be deemed to have been drafted equally by the Parties, and any rule of construction providing that ambiguity is construed against the drafting party shall be inapplicable in any dispute concerning the terms, meaning, or interpretation of this Settlement Agreement.

K. The Parties represent that they have read this Settlement Agreement, that its terms have been fully explained to them by their attorneys, and that they understand and agree with its terms.

L. Each signatory to this Settlement Agreement represents that he or she is fully authorized by the Party he or she represents to enter into this Settlement Agreement, to execute it on behalf of the Party represented, and to legally bind that Party.

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M. This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same document, and when a copy is signed by an authorized representative of each Party, the Settlement Agreement shall be effective as if a single document were signed by all Parties.

AGREED TO AND ACCEPTED:

FOR THE AGO:

KAMALA D. HARRIS
Attorney General of California

By: _____
DAVID A. ELIGATOR
Deputy Attorney General

FOR THE STATE WATER BOARD:

STATE WATER RESOURCES CONTROL BOARD

By: _____
THOMAS HOWARD
Executive Director

FOR QUI TAM PLAINTIFF:

AMERICAN COST RECOVERY MANAGEMENT, LLC

By: _____
DENNIS G. PANTAZIS
Wiggins Childs
Pantazis Fisher Goldfarb LLC

[Signatures continue on following page]

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FOR THE DEFENDANT:

SHELL OIL COMPANY

By: _____

Printed name: CHARLES A. BUEHLER

Title: HEAD OF JOINT VENTURE TEAM

FOR THE DEFENDANT:

EQUILON ENTERPRISES LLC, DBA SHELL OIL PRODUCTS US

By: _____

Printed name: _____

Title: _____

FOR THE DEFENDANT:

SHELL OIL COMPANY

By: _____

Printed name: _____

Title: _____

FOR THE DEFENDANT:

EQUILON ENTERPRISES LLC, DBA SHELL OIL PRODUCTS US

By: _____

Printed name: Jose Mario Linardi

Title: VP A&D EQUILON ENTERPRISES