

**COMMUNITY BENEFITS AGREEMENT**

**between**

**CONTRA COSTA COUNTY and**

**TESORO REFINING & MARKETING COMPANY LLC**

**County File CDLP#20-02046**

This Community Benefits Agreement (“Agreement”) is entered into as of \_\_\_\_\_, 2022 (“Effective Date”) by and between Contra Costa County (“County”), a political subdivision of the State of California, and Tesoro Refining & Marketing Company LLC (“Tesoro”), a Delaware limited liability company.

RECITALS

A. On \_\_\_\_\_, 2022, the County Planning Commission certified the environmental impact report (the “EIR”) and issued to Tesoro a land use permit (the “LUP”) for Tesoro’s Martinez Renewable Fuels Project (the “Project”), located at Tesoro’s existing Martinez Refinery (the “Refinery”) in the unincorporated community of Pacheco, Contra Costa County (County File No. CDLP20-02046). The Project will repurpose the Refinery for the production of fuels from renewable sources rather than from crude oil.

B. In addition to obtaining the LUP and other discretionary state and local approvals to construct and operate the Project, including a final Authority to Construct from the Bay Area Air Quality Management District (the “BAAQMD Air Permit”), Tesoro intends to obtain one or more County building permits to construct improvements at the Refinery necessary for the Project.

C. The proposed Project is a unique land use with unique impacts on the community. The LUP contains Condition of Approval No. \_\_, which provides that Contra Costa County and Tesoro will enter into a Community Benefits Agreement providing for certain payments to Contra Costa County upon certain conditions being satisfied relating to the Project.

AGREEMENT

NOW THEREFORE, Contra Costa County and Tesoro agree as follows:

1. Purpose. The purpose of this Agreement is to memorialize Tesoro’s commitment to making an annual community benefits payment to the County and participating in a local workforce training and development program during the term of this Agreement.
2. Term. The term (“Term”) of this Agreement begins on the Effective Date, and it expires upon the earliest of any of the following to occur: (a) the payment of the final community

benefit payment provided for in Section 3; (b) the revocation of the LUP; or (c) the effective date of any court decision that invalidates or sets aside the Project, the LUP, the EIR, or the BAAQMD Air Permit.

3. Community Benefits Payments.

a. Tesoro shall pay \$1,000,000 to the County (the “First Payment”) following the County's final approval of the LUP, the Bay Area Air Quality Management District's final approval of the BAAQMD Air Permit, or the County’s issuance of the first building permit authorizing construction of improvements at the Refinery necessary for the Project, whichever occurs last. “Final Approval” means that the LUP, the BAAQMD Air Permit, and the first building permit have all been issued. The First Payment shall be made to the County on or before December 31 in the calendar year in which Final Approval occurred.

b. After payment of the First Payment, Tesoro shall pay \$1,000,000 to the County in each of the nine following years (each a “Subsequent Payment”). Each of these nine Subsequent Payments shall be made to the County on or before December 31 in the year in which a Subsequent Payment is due.

c. Beginning on January 1, 2023, and on each January 1 thereafter, the payment amounts provided for in this Section 3, including the First Payment and each Subsequent Payment, shall increase based on any increase in the Consumer Price Index for the San Francisco-Oakland-Hayward Combined Statistical Area (U.S. Bureau of Labor Statistics) for the 12-month period ending on the October 31 immediately preceding the January 1 when the increase takes effect.

4. Use of Payments. The County shall, in its sole discretion, allocate funds received pursuant to this Agreement to projects and programs that benefit the communities near the Refinery by improving the health, well-being, and quality of life of residents, and that support building and sustaining a strong and resilient local economy and workforce, including the development and implementation of workforce development and training programs to prepare residents for new renewable and clean energy career pathways and jobs.

5. Other Community Benefits. In addition to the payments made by Tesoro under Section 3, and in partnership with the County, Tesoro commits to actively participate with other appropriate stakeholders in planning and designing a Workforce Training Program (the “Program”) for local community members related to renewable and clean energy employment opportunities. Notwithstanding Tesoro’s active participation, the County will facilitate and lead the process of Program development. This Program will focus on the development of programs and curricula, and may build on existing efforts including but not limited to job training programs provided by employers and community-based organizations, community college programs, career readiness programs at local high schools, apprenticeship programs sponsored by labor organizations, programs of the Workforce Development Board, work experience and placement services, and other workforce development initiatives within Contra Costa County. Tesoro commits to

continue its ongoing investments in training and education to support the Program and its outcomes.

6. Notices. All payments, notices, demands, and other communications made under this Agreement shall be in writing and personally delivered, sent by overnight carrier with delivery charges prepaid for next business day delivery, or sent by First Class U.S. Mail with postage prepaid, and addressed as follows:

To County: Director of Conservation and Development  
30 Muir Road  
Martinez, CA 94553

To Tesoro: Tesoro Refining & Marketing Company LLC  
539 South Main Street  
Findlay, Ohio 45840  
Attention: Manager, Title & Contract  
Email: [TCNotifications@marathonpetroleum.com](mailto:TCNotifications@marathonpetroleum.com)

With copies to: Tesoro Refining & Marking Company LLC  
539 South Main Street  
Findlay, Ohio 45840  
Attention: General Counsel

A payment, notice, demand, or other communication shall be deemed given on the same day it is personally delivered, on the next business day following deposit with and overnight carrier, or on the fifth day after deposit in the U.S. Mail. A party may change its address for delivery of notices under this Agreement by providing written notice of the change in accordance with this section.

7. Assignment. Tesoro's obligations under this Agreement shall be binding upon Tesoro's successors and assigns. Tesoro shall not assign this Agreement, or any of its obligations under this Agreement, to any other person or entity without the advance written approval of the County, which shall be within its sole discretion to provide. If Tesoro sells, conveys, or otherwise transfers ownership of the Refinery to a third-party, Tesoro shall require that third-party to accept an assignment of this Agreement.
8. No Third-Party Beneficiaries. Nothing in this Agreement confers and rights or obligations on any person or entity that is not a party to this Agreement.
9. Counterparts. The Agreement may be executed in counterparts.
10. Governing Law. This Agreement shall be governed by the laws of the State of California.

[Signatures on next page]

The County and Tesoro have executed this agreement as specified below.

**CONTRA COSTA COUNTY**

**TESORO REFINING & MARKETING  
COMPANY LLC**

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

\_\_\_\_\_  
Name: Scott S. Hanks

Title: Vice President

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