

COMMUNITY BENEFITS AGREEMENT

between

CONTRA COSTA COUNTY and PHILLIPS 66 COMPANY

County File CDLP#20-02040

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 Phillips 66 Company (“Phillips 66”), a Delaware corporation.

RECITALS

A. On _____, 2022, the County Planning Commission certified the environmental impact report (the “EIR”) and issued to Philips 66 a land use permit (the “LUP”) for Phillips 66’s Rodeo Renewed Project (the “Project”), located at Phillips 66’s existing Rodeo Refinery (the “Refinery”) in the unincorporated community of Rodeo, Contra Costa County (County File No. CDLP20-02040). 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”), Phillips 66 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 Phillips 66 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 Phillips 66 agree as follows:

1. Purpose. The purpose of this Agreement is to memorialize Philips 66’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. Phillips 66 shall pay \$1,000,000 to County (the “First Payment”) upon the County's final approval of the LUP, or upon the Bay Area Air Quality Management District's final approval of the BAAQMD Air Permit, whichever occurs later. “Final Approval” means that the LUP and the BAAQMD Air Permit have both been issued, the respective statutes of limitations for challenging the issuance of each permit has run, and any pending legal challenges or appeals have been finally resolved. The First Payments shall be made to the County within 30 days following the Final Approval described above.

b. Upon the County’s issuance of the first building permit authorizing construction of improvements covered by the LUP, Phillips 66 shall pay \$1,000,000 to the County (the “Second Payment”). The Second Payment shall be made no later than December 31 of the year in which the first building permit is issued.

c. Beginning in the year when Phillips 66 first produces renewable fuels from equipment covered by the LUP, Phillips 66 shall pay 12 annual payments of \$615,000 to the County (each a “Subsequent Payment”), and shall pay to the County a final payment of \$620,000 in year 13 (the “Final Payment”). Each of these 13 payments shall be made to the County no later than December 31 of each year.

d. Beginning on January 1, 2023, and on each January 1 thereafter, the payment amounts provided for in this Section 3, including the First Payment, the Second Payment, each Subsequent Payment, and the Final 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 Phillips 66 under Section 3, and in partnership with the County, Phillips 66 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 Phillip 66’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. Phillips 66 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 Phillips 66: _____

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. Phillip 66’s obligations under this Agreement shall be binding upon Phillips 66’s successors and assigns. Phillips 66 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 Phillips 66 sells, conveys, or otherwise transfers ownership of the Refinery to a third-party, Phillips 66 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.

The County and Phillips 66 have executed this agreement as specified below.

CONTRA COSTA COUNTY

Name: _____

Title: _____

Date Signed: _____

PHILLIPS 66 COMPANY

Name: _____

Title: _____

Date Signed: _____