

RESOLUTION NO. 101-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND CONFIRMING THE FINAL FORM OF AND APPROVING THE FINAL RICHMOND COMMUNITY BENEFITS AGREEMENT BETWEEN CHEVRON PRODUCTS COMPANY AND THE CITY OF RICHMOND

WHEREAS, the City Council held a duly noticed public hearing on July 15, 2008 on two appeals to the Planning Commission's approvals of the Chevron Hydrogen and Energy Renewal Project ("Project"), which was continued to July 16, 2008 and ended on the morning of July 17, 2008; and

WHEREAS, during the course of the public hearings on the Project, the "Richmond Community Benefits Agreement between the City of Richmond and Chevron Products Company" ("Richmond Community Benefits Agreement"), proposed by Chevron Products Company and dated July 15, 2008, was presented to the City Council; and

WHEREAS, on July 17, 2008, the City Council upheld the Planning Commission's actions on June 5, 2008 certifying the Final Environmental Impact Report for the Chevron Energy and Hydrogen Renewal Project (State Clearinghouse No. 2005072117) ("EIR") and certified the EIR with modifications to Mitigation Measure 4.3-5e, adopted Findings, adopted and made conditions of approval all of the mitigation measures identified in the EIR, and adopted a Mitigation Monitoring and Reporting Program; and

WHEREAS, on July 17, 2008, the City Council upheld the Planning Commission's actions on June 19, 2008 approving the Project, consisting of Conditional Use Permit Number 1101974 and Design Review Permit Number 1104423 ("CUP/CRP"), and approved the Project with modifications to the Conditions of Approval and adopted Findings and Supplemental Findings; and

WHEREAS, in connection with the approval of the Project, the City Council approved the Richmond Community Benefits Agreement, with direction to staff to make certain changes and add certain standard legal provisions and technical cleanup provisions suggested by the City Attorney, and authorized the City Manager to execute the Agreement; and

WHEREAS, on July 31, 2008, the final Richmond Community Benefits Agreement, attached hereto as Exhibit A, was administratively executed by the City Manager; and

WHEREAS, the purpose of this resolution is to confirm that the final form of the Richmond Community Benefits Agreement, dated July 31, 2008, conforms to the direction given to staff by the City Council on July 17, 2008 and is approved by the City Council; and

WHEREAS, some members of the public have expressed a concern that they were not provided full notice and an opportunity to be heard under the Brown Act (Gov. Code §§ 54950 et seq.) on the Richmond Community Benefits Agreement at the July 16-17 meeting,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHMOND,

1. The City Council hereby confirms that the final form of the Richmond Community Benefits Agreement, dated July 31, 2008 and attached hereto as Exhibit A, conforms to the direction of the City Council on July 17, 2008 with regard to finalizing said Agreement.
2. The City Council finds that nothing in the Richmond Community Development Agreement changes the analysis of the significant effects on the environment of the Chevron Hydrogen and Energy Renewal Project as analyzed in the EIR for the Project certified on July 17, 2008; therefore, no further CEQA review is required.
3. The City Council hereby approves the Richmond Community Benefits Agreement in its final form.

I HEREBY CERTIFY that the foregoing resolution was adopted by the City Council of the City of Richmond at a regular meeting held on September 2, 2008.

Ayes: Councilmembers Bates, Lopez, Marquez Sandhu, and Viramontes

Noes: Councilmembers Butt, Rogers, and Mayor McLaughlin

Abstain: Councilmember Thurmond

Absent: None

DIANE HOLMES
Clerk of the City of Richmond

(Seal)

Approved:

GAYLE McLAUGHLIN
Mayor

Approved as to form:

LOUISE RENNE
City Attorney

State of California }
County of Contra Costa : ss/
City of Richmond }

I certify that the foregoing is a true copy of Resolution No. 101-08, finally passed and adopted by the Council of the City of Richmond at a meeting held on September 2, 2008.

RICHMOND COMMUNITY BENEFITS AGREEMENT

This RICHMOND Community Benefits Agreement (the "Agreement") dated July 31, 2008, is entered into by and between Chevron Products Company, a division of CHEVRON U.S.A. Inc., a Pennsylvania Corporation ("CHEVRON"), and the CITY of Richmond (the "CITY"), a municipal corporation and charter city, as follows.

WITNESSETH:

WHEREAS, CHEVRON desires to work cooperatively with the CITY to fund programs and projects that serve Richmond children and youth, help to reduce violence and crime in the CITY, create educational, employment, and training opportunities for Richmond residents, encourage new and innovative projects or programs that will mitigate climate change and otherwise improve the quality of the environment and assist Richmond residents in having a safe and healthy place to raise families;

WHEREAS, CHEVRON and the CITY desire to establish a process by which to prioritize, evaluate, and fund projects and programs in the areas described above;

WHEREAS, CHEVRON plans to undertake additional improvements and investments at the Richmond Refinery over time that will improve the safety and performance of the facilities;

WHEREAS, both CHEVRON and the CITY recognize that the public interest is served by the efficient processing of land use and other permits that are required for such future improvements;

WHEREAS, CHEVRON currently plans to undertake an Energy and Hydrogen Renewal Project (the "Renewal Project") at the Richmond Refinery (the "Refinery") as described in the Final Environmental Impact Report (the "FEIR") for the Renewal Project (SCH No. 2005072117);

WHEREAS, the Renewal Project consists of four main components (Hydrogen Plant Replacement, Hydrogen Purity Improvements, Power Plant Replacement, Catalytic Reformer Replacement) and a number of additional improvements (including tank replacements, new tanks, new central control room, new maintenance facilities) to be constructed over a number of years;

WHEREAS, the FEIR finds that all potential environmental impacts from the Renewal Project are not significant or will be mitigated to a less-than-significant level through the adoption of the mitigation measures identified in the FEIR; and

WHEREAS, in addition to implementing the mitigation measures required for the Renewal Project in the FEIR, CHEVRON desires separately to make significant, additional investments in the Richmond community and the CITY desires to encourage such investments.

NOW, THEREFORE, in consideration of the mutual promises and the terms and

conditions contained herein, the parties agree as follows:

1. Term of Agreement.

In accordance with Section 2, below, this Agreement shall become effective on the first date that the CITY issues a building permit for construction of any portion of the Renewal Project (the "Effective Date") and shall remain in effect until expiration of the Conditional Use Permit in its entirety.

2. Chevron Funding Categories, Amounts and Timing.

In accordance with this Agreement, the total maximum funding will be \$61,600,000 and allocated as specified below.

Category	Distribution (Thousands of Dollars)										\$61,600	
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Jobs	1,000	1,000	1,000	1,000	1,000	1,000						\$6,000
Public Safety	1,000	1,000	1,000	1,000	1,000	1,000						\$6,000
Violence Prevention	775	775	875	875	875	875						\$5,050
Community Health	1,000	1,000	1,000	1,000	1,000	1,000						\$6,000
Community Benefits	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		\$10,000
Environmental Benefits												\$6,000
Education	125	125	125	125	125	125						\$750
Fire Protection	100	100										\$200
Bay Trail												\$5,000
Solar/Wind/Alt Energy												\$14,600
Green Housing Project												\$2,000
TOTAL												\$61,000

A. Funding Structure

In accordance with the terms of this Agreement, on the second Tuesday of each January ("Payment Date"), 2009 through 2014, CHEVRON shall pay \$4,000,000 to the CITY, provided that the following permits have been issued by that date:

- (1) In 2009, all CITY permits for construction of at least one of the four main components (i.e., the Hydrogen Plant Replacement, the Hydrogen Purity Improvements, the Power Plant Replacement or the Continuous Catalytic Reformer) of the Renewal Project (the “Main Components”) applied for by CHEVRON prior to October 1st of the previous year have been issued;
- (2) In 2010, all CITY permits for construction of at least two of the Main Components applied for by CHEVRON prior to October 1st of the previous year have been issued;
- (3) In 2011, all CITY permits for construction of at least three of the Main Components applied for by CHEVRON prior to October 1st of the previous year have been issued by the CITY;
- (4) In 2012, all CITY permits for all of the Main Components applied for by CHEVRON prior to October 1st of the previous year have been issued;
- (5) In 2013 all CITY permits for construction of any other Renewal Project components applied for by CHEVRON prior to October 1st of the previous year have been issued;
- (6) In 2014 all CITY permits for construction of all Renewal Project components applied for by CHEVRON prior to October 1st of the previous year have been issued; and
- (7) In the event payment provided for in subparagraphs (1) – (6) above is not made on the applicable Payment Date because the permits for construction applied for by CHEVRON were not yet issued by the CITY, payment shall be made by CHEVRON within ten (10) business days of issuance of said permits.

B. Funding Obligations by Source

In accordance with the terms of this Agreement, the CITY shall use the funding and support provided by CHEVRON to provide benefits, including associated CITY administrative costs, within the CITY in the following categories. Nothing in this Agreement obligates the CITY to expend monies from the General Fund or to provide leveraged or matching funds in order to receive the CHEVRON funds.

- (1) The Richmond Jobs and Education Initiative total expenditure plan is \$6,750,000.

The CITY will use the \$6,750,000 in funds received from CHEVRON for the Richmond Jobs and Education Initiative to support programs that feature a continuum of workforce development services for unemployed residents of Richmond, including job readiness, skills development and job placement, programs that provide job development and intensive training for adults and youth, apprenticeship programs for placement in Building

and Trades and other educational job training programs and strategies to reduce long term unemployment and underemployment in Richmond by funding:

- (a) Richmond Build pre apprenticeship construction skills training program, with a funding allocation of \$2,500,000 over six years. Said funds may be used for Richmond Build's solar training program.
- (b) Industrial Arts training academy that will train high school students and adults in various aspects of Industrial Arts including, Refinery Operator training, Industrial Maintenance Mechanic, Welders, Carpenters, Plumbers, Pipe fitters, Computer-Aided Designers, and inspectors, with a funding allocation of \$2,100,000 over six years.
- (c) Richmond Employment & Training job readiness, skill development, alternative strategies to reduce long term unemployment and job training placement within the city or region, with a funding allocation of \$1,200,000 over six years.
- (d) City Council Year-round Youth Employment Program, with a funding allocation of \$200,000 over two years.
- (e) GED class, test preparation and tutorial, for any Richmond resident eligible for High School to be conducted at Kennedy, Richmond High School and DeAnza High School or at other location as determined by the CITY. The CITY will provide a grant writer for seeking supportive grant funds to match the funding allocation of \$750,000 over six years.

(2) The Safe Richmond Initiative total expenditure plan is \$11,250,000.

The CITY will use the \$11,250,000 in funds received from CHEVRON for the Safe Richmond Initiative to reduce crime and violence through the programs described below.

- (a) The CITY will use \$6,000,000 of these funds, and its best efforts, to increase the number of police officers on the street and improve the ratio of police officers to the number of residents in Richmond toward the goal of 2.0 officers per one thousand residents, subject to availability of funds. The Richmond Police Department will continue to use its best efforts to reduce homicide and violent crime over the funding period. The CITY will utilize the CHEVRON funding over six years to assist in adding police officer positions, and will develop and implement a financial transition plan for these additional police officer positions to eventually include them into the baseline of the general fund operating budget.
- (b) The CITY will use \$5,050,000 of these funds and its best

efforts to collaborate and leverage funding, and seek match funding opportunities with private philanthropy and other governmental bodies, to implement through the Office of Neighborhood Safety a violence prevention strategy for the City of Richmond that will reduce victimization of children, reduce youth related crime, improve opportunity for at risk youth, and enhance quality of life in neighborhoods.

(c) The CITY will use \$200,000 of these funds for firefighter staffing and training costs for the Richmond Fire Department.

(3) The Community Health Plan total expenditure is \$6,000,000.

In recognition of the challenge for low income seniors and low income working families to access health care and treatment programs, the CITY shall use the \$6,000,000 in funds received from CHEVRON for the Community Health Plan to provide funding for Brookside Health Clinic to enhance access to health care for eligible low income residents of Richmond.

C. The Richmond Community Fund total expenditure is \$10,000,000.

(1) In each year 2009 through 2018, CHEVRON shall provide \$1,000,000 to fund non profits and community programs, in participation with a community advisory council constituted as described below.

(2) The Richmond Community Fund Advisory Committee (RCFAC) shall consist of three sitting or retired Council Members appointed by the City Council, two members appointed by CHEVRON, and two members of the community jointly chosen by the CITY-appointed and CHEVRON-appointed members to act as advisors and provide financial and program oversight. The term of each RCFAC is four years.

D. Bay Trail Support Plan total expenditure plan is \$5,000,000.

No later than December 31, 2008, CHEVRON will provide the following earmarked support, totaling an estimated value of \$5,000,000 as follows:

(1) CHEVRON agrees to continue active pursuit with the CITY, CalTrans, and the Association of Bay Area Governments ("ABAG") to identify a Bay Trail alignment from Marine Street at Tewksbury to the north side of Interstate Highway 580 for inclusion in an update of the Refinery's Site Security Plan, which CHEVRON will then submit to the Department of Homeland Security ("DOHS") for approval. Within ninety (90) days of all necessary approvals for alignment of the Bay Trail, CHEVRON agrees to dedicate an easement to the Bay Trail Project Owner for construction of the Bay Trail and public access to the approved route. The estimated value of the easement is \$3,000,000.

(2) Following the granting of the easement of the Bay Trail as proposed above, CHEVRON agrees to fund the construction cost for security enhancements of the Bay Trail to meet the requirements of the Maritime Transportation Security Act (33 CFR Part 105) as enforced by DOHS, up to a maximum \$2,000,000.

(3) CHEVRON agrees to work with the Bay Trail Project Owner, the CITY, ABAG, CalTrans and others in good faith to secure base funding for construction of the Bay Trail.

(4) The funding commitments by CHEVRON may be used as part of any local matching funding requirements in grant applications and similar funding requests made by the CITY to secure funding for Bay Trail project.

E. Alternative Energy Funding.

CHEVRON agrees to provide funding in the amount of **\$14,600,000 for alternative energy ("AE") projects within the City of Richmond**, while retaining for itself the CO₂ reduction benefits of any such AE projects. CHEVRON will work to identify and fund these projects in a commercially reasonable time-frame, beginning with the submittal of an AE project plan to the CITY by January 31, 2008. The timing of funding of AE projects shall be at CHEVRON's discretion, but must be entirely completed with five (5) years from July 15, 2008. As one of the AE projects to be funded pursuant to this subsection, CHEVRON agrees to install 12 megawatts of renewable capacity (e.g. solar and/or wind energy) on the Refinery's site for use at the Refinery, or for sale to Pacific Gas & Electric or for sale to the CITY for resale to its residents through a Community Choice Aggregation program. The sale to the CITY will be subject to the CITY's election not fewer than six months prior to facility startup and to agreement by the CITY and CHEVRON to mutually agreeable terms and conditions of sale.

F. Environmental Benefits.

(1) CHEVRON shall retrofit certain tanks with domes to reduce Renewal Project volatile organic compound ("VOC") emissions to net zero increase.

(a) In order to implement this obligation, CHEVRON shall select one or more floating roof tanks (other than Tank T-954 and Tank T-3228), and shall equip such additional tank(s) with a dome or a fixed roof vented to a vapor recovery system to reduce VOC emissions from the Renewal Project by at least 12.2 tons per year.

(b) No later than January 31, 2008, CHEVRON shall provide documentation to the Planning and Building Services Department identifying the tank or tanks selected for a dome or fixed roof and including calculations showing that the retrofit will reduce VOC emissions by at least 12.2 tons per year. CHEVRON shall obtain approval and all necessary permits from the Planning and Building

Services Department before starting construction.

(c) The floating roof of each tank or tanks selected shall comply with the requirements of BAAQMD Regulation 8, Rule 5, Section 305, and shall be inspected in accordance with Section 402.

(d) CHEVRON shall ensure that the concentration of organic vapor in the vapor space above the floating roof within the fixed roof shall not exceed 30% of its lower explosive limit ("LEL"). Any stipulation causing a concentration in excess of 30% of LEL shall be immediately corrected or the tank shall be removed from service.

(e) CHEVRON shall conduct quarterly visual seal inspections and measure the concentration (%LEL) of the vapor space within the dome or fixed roof beneath each viewport with an explosimeter. CHEVRON shall equip each dome or fixed roof with at least three (3) viewports.

(f) For each additional tank selected for retrofitting, CHEVRON shall maintain a BAAQMD approved quarterly log of the LEL of each material stored, all concentration measurements (from each view port), and the record of each visual seal inspection. This log shall be retained on the site at least five (5) years from the date of entry, and shall be made available to the Planning and Building Services Department and the BAAQMD staffs upon request.

(g) If CHEVRON determines that any additional tank selected pursuant to this condition is in violation of these conditions or applicable BAAQMD rule(s) during the quarterly inspections, CHEVRON shall submit a written report to the BAAQMD and Planning and Building Services Department within one hundred twenty (120) hours of the determination of non-compliance, which report shall indicate the corrective actions taken to achieve compliance.

(2) By October 1, 2008, CHEVRON shall initiate discussions with the CITY to implement ground level air quality data monitoring and collection. CHEVRON's total contribution shall not exceed \$1,000,000. The purpose of such monitoring shall be to assess the impact of Refinery emissions on surrounding neighborhoods. Within ninety (90) days after the Effective Date, CHEVRON shall submit to the Planning and Building Services Department a workplan for monitoring that includes:

(a) Identification of all potential downwind neighborhoods, considering meteorological data as well as land use, where potential residential exposures to refinery emissions can occur.

(b) Identification of the compounds or families of compounds that will be monitored. This shall include VOCs, metals,

H₂S, PAHs, and PM_{2.5}.

(c) Identification of the monitoring methodology. At a minimum, this should include installation and data gathering for VOCs and speciated VOCs using long-path Differential Absorption LIDAR (DIAL) or similar methodology. DIAL measurements can be limited to the Refinery perimeter. Monitoring for VOCs and other contaminants shall also include traditional single-point monitors located within the neighborhoods to obtain data representative of neighborhood exposures. At a minimum, the locations selected shall include the following three areas: North Richmond, Point Richmond, and Atchison Village.

(d) The means of gathering, maintaining, and disseminating quality-assured data to the CITY, the BAAQMD, and the public for a minimum of two (2) years. The monitoring requirements pursuant to this condition will be reassessed after two (2) years of valid data have been collected based on discussions between CHEVRON and the CITY.

(e) The means of quality assurance and quality control that will be used. The CITY and the BAAQMD can audit the data at all times.

(f) CHEVRON shall initiate this monitoring no later than ninety (90) days after approval of the workplan by the CITY.

(3) As part of its obligation under the Conditions of Approval for the Renewal Project to reduce green house gas emissions, CHEVRON shall contribute \$2,000,000 to achieve reductions in mobile emission sources in the CITY. The targeted project is the transportation element of Greenprint. In the event Greenprint is still under development, other reductions may be pursued. Notwithstanding, as soon as CHEVRON is notified that Greenprint is prepared for their transportation element, the remaining funding will be made available.

G. Other Community Benefits.

CHEVRON agrees to provide the following community benefits:

(1) CHEVRON agrees to invest Renewal Project dollars in the local economy by making purchases such as materials, office supplies, services (janitorial, security, landscaping) from Richmond-based businesses.

(2) CHEVRON agrees to direct use tax on out of state taxable purchased construction related items to Richmond, consistent with state use tax law. CHEVRON shall use its best efforts, consistent with state law, to source taxable purchases from price competitive construction retail

vendors within the CITY of Richmond in order to further source sales to Richmond.

(3) CHEVRON agrees to file a report with the City Manager's Office by October 1 of each year describing the amount of goods and services purchased from local and Women/Minority-owned businesses and jobs provided for Richmond residents through the Renewal Project.

(4) At CHEVRON's expense, an independent consultant (landscape architect/arborist) shall be hired by the CITY to create a planting and irrigation plan for providing screening along the perimeter of the refinery and around the new tanks visible to pedestrians and motorists from Interstate Highway 580, and Castro Street. The planting and irrigation plan shall include the following:

(a) The plan prepared by the landscape architect/arborist shall provide for, and CHEVRON shall plant, substantial and sustainable screen plantings at and around the perimeters of the Richmond Refinery campus that is generally modeled after the existing screen landscaped berm located along Castro Street.

(b) The plans prepared by the independent consultant shall be completed within six (6) months of Conditional Use Permit approval, and shall be reviewed and approved by the Planning and Building Services Department and by the Parks and Landscaping Division prior to Design Review Board review.

(c) Chevron shall complete implementation of the landscaping plan within one (1) year of City Approval. The independent consultant and the Parks and Landscaping Division shall verify implementation prior to final acceptance of improvements and the project site.

(d) Chevron shall maintain the vegetation in good condition on an on-going bases for as long as the Conditional Use Permit is in effect. The City of Richmond Planning and Building Services Department and the Parks and Landscaping Division shall inspect the landscaping every three (3) years to determine the success of plantings. Chevron shall deposit \$250,000 with the City to insure vegetation success, and make modifications as needed. If after three years, the Director of Planning and Building Services determines the vegetation is established, and well maintained, the deposit shall be refunded.

H. Expenditure Priorities and Funding Plan.

With respect to the funding allocations set forth in Section 2.A, the CITY shall determine a process for approving and distributing funding per Section 2 of the Agreement.

I. Land Use Approvals and Administration of Land Use Permits.

The CITY and CHEVRON each recognize that uncertainties and delays in the CITY's permitting processes may adversely affect investment in and implementation of future facilities replacements and upgrades that are desirable at the Refinery, cause missed scheduled turnaround opportunities, and result in escalation of costs due to delays that are detrimental to project economics as well as local economic conditions in Richmond and job opportunities for Richmond residents. In recognition of these concerns, and in consideration of the benefits provided under this Agreement, the CITY agrees and commits to undertake its best efforts to study, propose and consider planning and zoning changes for the Refinery area, consistent with its duties under State and local law, to help to increase certainty and reduce delay in the permitting process. These efforts will include potential measures in the areas described below to the extent funding is available to perform such measures.

(1) Zucker Report Implementation.

The CITY shall develop a plan to achieve implementation of the Zucker Report recommendations. The CITY agrees to provide quarterly progress reports on such implementation to the City Council and the public beginning in the first quarter following final approval of the Renewal Project.

(2) Specific Area Plan.

The CITY will study the adoption of a Specific Shoreline Industrial Plan, for consideration by the City Council, that identifies permitted business and industrial uses and appropriate standards in the zoning districts comprising the Refinery property and adjacent CHEVRON property consistent with the sections below.

(3) Design Review.

The CITY shall study the adoption of changes to the design review process and standards for the zoning districts comprising the Refinery and adjacent CHEVRON property, for consideration by the City Council, to exempt from design review proposed projects that meet certain prescribed standards such as being set back from the fence line more than a pre-determined distance, having a project footprint less than a pre-determined square footage, having a project height less than existing structures, or replacements of existing facilities with substantially similar structures.

(4) Land Use Permits.

The CITY shall study the adoption of changes to the land use process and standards for the zoning districts comprising the Refinery and adjacent CHEVRON property, for consideration by the City Council, to provide for treatment of the refinery and other existing uses as permitted uses for projects that meet certain prescribed standards such as being set back from

the fence line more than a pre-determined distance, having a project footprint less than a pre-determined square footage, having a project height less than existing structures, or replacements of existing facilities with substantially similar structures.

(5) **City Support of Future Chevron Alternative Energy Projects.**

Subject to the requirement that appropriate environmental review be conducted for all projects proposed to fulfill the obligations of this Agreement that are subject to CEQA, the CITY agrees to use its best efforts to expedite its review of applications for all such AE projects that are proposed by CHEVRON to be implemented at the Refinery. The CITY expressly reserves the right to deny, modify, or condition approval of such projects as necessary to protect and preserve the public health, safety, and welfare.

J. Governance and Oversight – Annual Reports.

(1) The CITY shall issue an annual report by November 1st of each year on the progress and accomplishments of the funded efforts during the preceding City fiscal year (e.g., description of how the funds were used, data on hiring of trained individuals from apprenticeship programs, implementation of AE projects, and programs etc.).

(2) CHEVRON shall issue an annual report by September 15th of each year on contributions made during the preceding City fiscal year. This report shall include contributions from taxes, franchise fees and community donations, including all contributions made under this Agreement.

K. Effect of Litigation.

Notwithstanding any other provision of this Agreement, in the event that the CITY's approval of the Renewal Project is challenged in court by any party other than CHEVRON and a preliminary injunction or stay of the approval is granted, all obligations under this Agreement shall be deferred for such period of time until the preliminary injunction or stay is dissolved. In the event that a court sets aside the City's approval of the Renewal Project for any reason except as a result of a challenge by CHEVRON, this Agreement shall terminate and be null and void and CHEVRON shall have no funding obligations hereunder; provided, however, if such court final ruling only partially sets aside the CITY's approvals and CHEVRON is thereafter entitled to construct substantially all of the Renewal Project, the provisions of Section 2.A shall remain in effect. If CHEVRON and any other party to a court challenge reach a stipulated judgment or settlement of any challenge that only partially sets aside the CITY's approvals, such stipulated judgment or settlement shall have no effect on the benefits to be paid under the RCBA and the RCBA will be honored in full, with no diminishment. If any state or regional agency delays its issuance of permits for project elements, that shall

not affect the schedule of payments under Section 2.A and payments by CHEVRON will proceed as scheduled.

3. Miscellaneous.

A. No Third Party Beneficiaries.

There are no intended third party beneficiaries to this Agreement.

B. In Kind Contributions.

With respect to the CHEVRON funding obligations in Sections 2.D. and 2.E., the parties agree that in-kind contributions shall be acceptable for purposes of satisfying such obligations.

C. Police Power.

Nothing herein shall constitute a surrender or abnegation of the CITY's control over its planning and zoning processes. Nothing in this Agreement shall be construed to abrogate the police powers conferred on the CITY pursuant to Article XI, Sections 5 and 7 of the California Constitution.

D Entire Agreement.

This Agreement constitutes the entire agreement between the parties and it is expressly understood that the Agreement has been freely and voluntarily entered into by the parties with the advice of counsel, who have explained the legal effect of this Agreement. The terms of this Agreement are contractual and not mere recitals. This Agreement may not be altered, modified or otherwise changed in any respect except in writing, duly executed by the parties or their authorized representatives. This Agreement is fully integrated.

E. Successors in Interest.

The rights and obligations of the Agreement shall be binding on all successive owners, heirs, and assigns of the parties hereto.

G. Amendments.

This Agreement may be modified, supplemented, or amended in writing by the parties. Any modification, supplementation, amendment, or waiver that would materially affect the rights of both Parties must be signed by both Parties.

H. Warranty of Authority.

By executing this Agreement, each of the undersigned Parties to this Agreement covenants, warrants, and represents that he, she or it is fully authorized to enter

into this Agreement and carry out the obligations on behalf of the person or entity for whom he or she is signing.

I. Understanding of Terms.

This Agreement is executed voluntarily by each of the Parties without any duress or undue influence on the part of, or on behalf of, any of them. Each of the Parties to this Agreement has read and fully understands the meaning of each provision of this Agreement and has relied on independent advice and representation of legal counsel in entering into this Agreement.

J. Severability.

In the event any of the terms, conditions, or covenants contained in this Agreement are held to be invalid, any such invalidity shall not affect any other terms, conditions or covenants contained herein which shall remain in full force and effect.

K. Construction.

This Agreement, and each of the provisions hereof, is the product of negotiations between the Parties and their respective attorneys. Each of the Parties hereto expressly acknowledges and agrees that this Agreement shall not be deemed to have been prepared by or drafted by any particular party hereto. The rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

L. Governing Law.

This Agreement shall be governed, construed, interpreted, enforced and the relations between the parties determined in accordance with the laws of the state of California, without regard to its choice of law rules.

M. Venue.

Any action to challenge this Agreement shall be filed in the Superior Court of the County of Contra Costa.

N. Headings and Captions.

Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or any provision thereof.

O. Notices.

Except as otherwise specifically set forth herein, all notices or other communications specifically required or permitted to be given under this Agreement shall be in writing and personally delivered or sent by certified mail, return receipt requested and postage prepaid, or sent by reputable overnight courier (such as Federal Express), or by telefacsimile with confirmation by overnight courier or U.S. Postal Service the following day, to the following:

For CITY OF RICHMOND:

Attention: City Manager
P.O. Box 4046
Richmond, CA 94804
FAX: (510) 620-6542

Copy to:

Attention: City Attorney
City of Richmond
P.O. Box 4046
Richmond, CA 94804
FAX: (510) 620-6716

For CHEVRON PRODUCTS COMPANY

Attention: Refinery Manager
Richmond Refinery
Chevron Products Company
841 Chevron Way
Richmond, CA 94801

A notice shall be effective on the date of personal delivery or tele-facsimile transmission, if personally delivered or transmitted before 5:00 p.m., otherwise on the day following personal delivery or telecopy transmission, or two (2) business days following the date the notice is postmarked, if mailed, or on the day following delivery to the overnight courier, if sent by overnight courier. Any Party to the Agreement may change the person, address, or telecopier number to which notices are to be given to it by giving notice of such change in the manner set forth above for giving notice.

P. Agreement Lawful and Enforceable.

All Parties agree that this Agreement is lawful, enforceable, and binding on all Parties; agree to waive any challenges to the enforceability of this Agreement; and agree not to either affirmatively or by way of defense seek to invalidate or

otherwise avoid application of the terms of this Agreement in any judicial action or proceeding.

Q. Dispute Resolution.

If a dispute arises out of or relates to this Agreement or its material breach between the parties, the parties shall endeavor to settle the dispute first through direct discussions. If the dispute cannot be settled through direct discussions, the parties shall endeavor to settle the dispute by mediation before a mutually agreeable mediator.

R. Remedies.

No Party shall be liable in monetary damages for any breach of the Agreement. The sole remedy for any breach shall be an action in mandamus, specific performance, injunctive or declaratory relief to enforce the Agreement.

S. Costs of Enforcement.

If any action at law or equity, including any action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, each party to the litigation shall bear its own attorney's fees and costs.

T. Waiver.

The waiver of any provision or term of this Agreement shall not be deemed a waiver of any other provision or term of this Agreement. The mere passage of time, or failure to act upon a default, shall not be deemed a waiver of any provision or term of this Agreement.

U. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall be constitute but one and the same instrument.

Agreed and Accepted

Chevron Products Company,
A division of Chevron U.S.A. Inc.



Michael E. Coyle, Refinery General Manager

7/31/2008

Date

City of Richmond, a municipal corporation and charter city

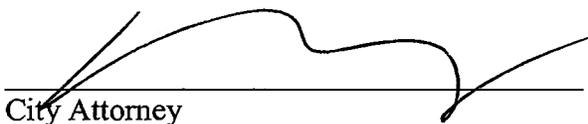


Bill Lindsay, City Manager

7/31/08

Date

Approved as to Form



City Attorney

7/31/08

Date