

For Office of the Governor Use Only
Project: SUMMIT - HPP
Community: Houston
Date: 2-13-13
☒ Application Fee Enclosed



Texas Enterprise Fund Application

Office of the Governor

SUMIT CREDITS, LLC
P.O. BOX 910
WATSON, LA 70786
(225) 664-2160

CAPITAL ONE, NA
DENHAM SPRINGS, LA 70706
14-9/650

1194

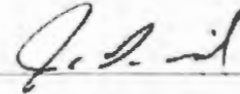
2/13/2013

PAY TO THE
ORDER OF Office of the Governor

\$ 1,000.00

One Thousand and 00/100***** DOLLARS

Office of the Governor
Attention Financial Services
1100 San Jacinto
Austin, TX 78701



Chevron U.S.A. Inc. TEF Application

SUMIT CREDITS, LLC

1194

Office of the Governor

Chevron USA Inc.

2/13/2013

1,000.00

1001 Capital One Che Chevron U.S.A. Inc. TEF Application

1,000.00



OFFICE OF THE GOVERNOR

RICK PERRY
GOVERNOR

Texas Enterprise Fund

"The Texas Enterprise Fund continues to be the most successful deal-closing fund in the nation, creating new jobs for Texans, benefits to the local economy and is yet another sign that Texas remains one of the world's premiere places to do business."--Governor Rick Perry

Governor Rick Perry has made job creation and economic development a cornerstone of his administration, creating one of the best business climates in the nation. Month after month, the Lone Star State tops business rankings for business climate, job growth, and growing communities. Texas is a leading state for Fortune 500 and 1000 corporate headquarters and grew its exports by 21 percent in 2011 to remain the No. 1 exporting state in the country for the 10th year in a row. It's no wonder Texas was named by *Forbes* as the "Best State for Jobs" and is also ranked as the No. 1 state on *Forbes'* list for growth prospects and economic climate.

At the Governor's request, and with the support of the Lieutenant Governor and Speaker of the House, the Texas Legislature established the Texas Enterprise Fund in 2003. Since that time the state has been able to respond quickly and aggressively to opportunities to bring well over 60,000 jobs to Texas.

The Texas Enterprise Fund provides the state's leaders with a "deal closing fund" that has the flexibility and financial resources to help strengthen the state's economy. The fund can be used for a variety of economic development projects including infrastructure development, community development, job training programs and business incentives. Before funds can be awarded, the Governor, Lieutenant Governor and Speaker must unanimously agree to support the use of the Texas Enterprise Fund for each specific project.

The Texas Enterprise Fund is used primarily to attract new business to the state or assist with the substantial expansion of an existing business as part of a competitive recruitment situation. State leadership also will be able to use Enterprise funds to leverage other resources for an economic development project.

To be eligible for Texas Enterprise Fund support, a project must demonstrate a significant return on the state's investment and strong local support. The review process will consider a variety of factors associated with each project, including job creation and wages, capital investment, the financial strength of the applicant, the applicant's business history, analysis of the relevant business sector, and public and private sector financial support.

If you have a project that can benefit from the Texas Enterprise Fund, an application must be submitted to the Office of the Governor, Economic Development and Tourism division that provides information on how funds are to be utilized and how the proposed project meets the criteria of the program. If a project receives Texas Enterprise Funds, a performance document will be adopted which will include default provisions.

For more information on the Texas Enterprise Fund, contact Texas Business Development at (512) 936-0100 or visit http://governor.state.tx.us/ecodev/financial_resources/texas_enterprise_fund.

INSTRUCTIONS

Submit a completed application to the Office of the Governor. If application is submitted through regular mail, mail the application to Office of the Governor, Attention Financial Services, Post Office Box 12878, Austin, Texas 78711-2878. If through overnight delivery, send to Office of the Governor, Attention Financial Services, 1100 San Jacinto, Austin, Texas 78701. Include all requested information for all sections since any performance documents or State Agreements developed will use details represented in this application. Be accurate and thorough to avoid delays in processing. Where no response is possible, it should be marked N/A. Attachments and additional pages are not required unless specifically requested in the application. Any necessary supplemental information will be requested as a follow-up document. Original signatures must accompany the completed application. Always use the most current application found at <http://governor.state.tx.us/files/ecodev/tefapp.doc>.

CERTIFICATION OF APPLICATION – BUSINESS

Authorized Business Representative (This is the Applicant)

First Name Charles Last Name Johnson

Title Assistant Secretary

Organization Chevron U.S.A. Inc.

Street Address 1400 Smith Street, Ste. 06016

Mailing Address Same

City Houston State TX Zip 77002

Phone Number (713) 372-1686 Fax Number 713-372-1291

Mobile Number N/A Website www.chevron.com

Email Address Charles.johnson@chevron.com

The following consultant is authorized to provide and obtain information related to this application. However, the State of Texas reserves the right to contact the applicant business directly at any time.

Consultant Name Jesse D. Broderick Phone Number (225) 664-2160

Consultant Email jbroderick@sumitcredits.com

To the best of my knowledge and belief, the information contained in this Texas Enterprise Fund Application is true and correct, as evidenced by my signature below. I further certify that the business entity is in good standing under the laws of the state in which the entity was organized and that no delinquent taxes are owed to any taxing entity within the State of Texas.

Signature [Signature]
(Primary Business Representative)

Date Feb. 12, 2013

GIVEN under my hand and seal of office this 12th day of FEBRUARY, 2013

[Signature]
Notary Public, State of

(Notary Seal)



My commission expires 07/30/2014

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CERTIFICATION OF APPLICATION – COMMUNITY

Authorized Community Representative

First Name Fred Last Name Welch

Title Vice President, Regional Economic Development

Organization Greater Houston Partnership

Street Address 1200 Smith, Suite 700

Mailing Address 1200 Smith, Suite 700

City Houston State TX Zip 77002

Phone Number (713) 844 - 3650 Fax Number (713) 844 - 0250

Mobile Number (832) 523 - 3013 Website www.houston.org

Email Address fwelch@houston.org

To the best of my knowledge and belief, the information contained in this Texas Enterprise Fund Application is true and correct, as evidenced by my signature below.

Signature


(Community Representative)

Date 2/14/2013

APPLICATION FEE

☒ Enclosed non-refundable application fee in the amount of \$1,000 payable to Office of the Governor

BUSINESS APPLICANT INFORMATION

1A. Exact legal name of the entity applying to the Texas Enterprise Fund

Chevron U.S.A. Inc.

1B. In addition to the Applicant, list all corporate subsidiaries under which jobs will be reported for this project.

N/A

Federal Tax ID number 25-0527925 Comptroller of Public Accounts number 12505279252

Corporate credit rating and source Aa2 -- Moody's Service / product produced Oil & Gas Production

Will the Business be required to pay state sales and use tax on equipment? ☒ Yes ☐ No ☐ Undetermined

SIC Code 1311 NAICS Code 211111

Exact location of proposed Texas site (address or intersection) 1600 Louisiana Street, Houston, TX 77002

APPLICANT BUSINESS STRUCTURE

Is the Applicant registered to do business in Texas with the Texas Secretary of State? ☒ Yes ☐ No

If "Yes," identify the exact name used by company to register in Texas Chevron U.S.A. Inc.

Structure of Applicant (private, public, LLP, LLC, etc.) Subsidiary of a Publicly Traded Company (CVX)

Evidence of good standing under the laws of the state in which the business was formed or organized is required. Attach a certificate issued by the secretary of state or the state official having custody of the records pertaining to entities or other organizations formed under the laws of that state.

Articles of Incorporation attached ☒ Yes ☐ No

State of Incorporation: Pennsylvania

Number of years Applicant company (listed on line 1A above) in business 133

Number of employees worldwide at Applicant company (listed on line 1A above) 24,040

List any person or entity that has at least 5% ownership in the Applicant company (listed on line 1A above):

Name	Percent
<u>Chevron U.S.A. Holdings Inc.</u>	<u>100%</u>
<u></u>	<u></u>
<u></u>	<u></u>
<u></u>	<u></u>

Corporate Family Tree

Please provide the family tree by listing the Applicant's immediate and ultimate parent companies (if applicable), as well as all principal subsidiaries of the applicant with operations in Texas. Use outline structure below as an example.

Ultimate Parent: <u>See Attached Corporate Schedule</u>
> Immediate Parent: _____
> APPLICANT: _____
> Subsidiary A: _____
> Subsidiary B: _____
> Subsidiary C: _____

Is the Applicant company in "good standing" with the Texas Comptroller (current on tax obligations)? ☒ Yes ☐ No

Are all parent and subsidiary entities of the Applicant in "good standing" with the Texas Comptroller? ☒ Yes ☐ No

If the answer to either question is no, please explain and/or disclose any history of default or tax-related forfeitures.

EXISTING JOBS AT ALL TEXAS LOCATIONS

Please identify all existing locations in Texas, including those of parent, subsidiary, and affiliated companies, as well as the TEF Application project site (if this location has existing jobs). Note that any potential Texas Enterprise Fund agreement will include this baseline employment information.

<u>Company Unit</u>	<u>City in Texas</u>	<u>Number of Jobs</u>
<u>See Attached Headcount Schedule</u>	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Will the new project result in job losses at any existing Texas location?

☐ Yes ☒ No

If yes, has the affected community been notified?

☐ Yes ☐ No

BRIEF PROJECT SUMMARY

Provide a brief overview of the project including the physical location of the site and the scope of planned operations (do not attach additional documentation).

See Attached Project Summary

PROJECT CHARACTERISTICS (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Construct New Facility | <input type="checkbox"/> Expansion from Out of State |
| <input type="checkbox"/> Lease Facility | <input checked="" type="checkbox"/> Relocation from Out of State |
| <input type="checkbox"/> Expand Existing Facility | <input checked="" type="checkbox"/> Expansion within Texas |
| <input type="checkbox"/> Renovate Existing Facility | <input type="checkbox"/> Relocation within Texas |
| <input type="checkbox"/> New Business/Start-up | <input type="checkbox"/> Consolidation |

Square footage of manufacturing building (if applicable) _____ N/A

Investment for pollution control equipment (if applicable) _____ N/A

Investment for clean rooms (if applicable) _____ N/A

Inventory at project location (if applicable) _____ N/A

PROJECTED CAPITAL INVESTMENT Total must match Investment Schedule pg. 8

Land	<u>\$0</u>
Building(s)	<u>\$576,000,000</u>
Machinery & Equipment	<u>\$86,000,000</u>
Total	<u>\$662,000,000</u>

Working Capital N/A

Do not include working capital in calculation to the left.

COMMITTED SOURCES OF FUNDING

Business Participation	<u>100%</u>
Financial Institution(s)	<u>0%</u>
Local Participation	<u>TBD</u> (excluding abatements)
Federal Participation	<u>0%</u>
Other	<u>0%</u>
Total	<u>100%</u>

Provide a brief summary of committed funding in the space below (do not attach additional pages).

The project is anticipated to be 100% financed and paid for by Chevron U.S.A Inc. from its capital expenditures budget.

PROJECTED DATES & MILESTONES

Begin Construction	<u>Q2 2104</u>
Construction Complete	<u>Q1 2017</u>
Purchase Machinery & Equipment	<u>Q1 2017</u>

Begin Hiring New Employees Q2 2013Fully Operational Q2 2018Is construction on leased property? ☐ Yes ☒ NoIf yes, is it a capitalized lease? ☐ Yes ☐ No

PERMITS

☒ Pending

☐ Current

☐ No Permits Required

Estimated state and local fee related revenue generated by this project \$754,000

List any local, state or federal permits that will be, or have been acquired, including the corresponding fees paid, issuing agency and the expected date of receipt, if applicable.

This project would require the normal office building permits – Base Building and Tenant Improvements.

JOB CREATION & INVESTMENT SCHEDULE (Must match Projected Capital Investment on pg.7)

Year	Existing Jobs on Site	New Jobs	Total Jobs	Land	Building(\$)	Machinery & Equipment	Total Investment
2013	0	144	144				
2014	144	154	298		96,000,000		96,000,000
2015	298	157	455		192,000,000		192,000,000
2016	455	157	612		192,000,000	43,000,000	235,000,000
2017	612	615	1,227		96,000,000	43,000,000	139,000,000
2018	1,227	175	1,402				
2019	1,402	175	1,577				
2020	1,577	175	1,752				
2021							
2022							
TOTALS		1,752		0	576,000,000	86,000,000	662,000,000

Note: A breakdown of the types of new full-time jobs to be created by classification, title, and the salary may be requested.

Number of new full-time jobs to be included in State Agreement 1,752

Estimated annual *median* wage of new jobs to be created \$110,000/yr

Note: The median wage is determined by listing all salaries in ascending order and selecting the value with equal number of salaries above and below its value, or with an average of the two middle values if there is no middle number.

PRIMARY COMPETITION FOR PROJECT (Out of State)

<u>City</u>	<u>State or Country</u>	<u>Incentive</u>
See Attached Project Summary		

INDUSTRY CLUSTER

If applicable, identify the targeted industry cluster within which this project falls.

- ☐ Advanced Technologies and Manufacturing, including four sub-clusters: Nanotechnology and Materials; Micro-electromechanical Systems; Semiconductor Manufacturing; Automotive Manufacturing
- ☐ Aerospace, Aviation and Defense
- ☐ Biotechnology and Life Sciences, not including medical services
- ☐ Information and Computer Technology, including three sub-clusters: Communications Equipment; Computing Equipment and Semiconductors; Information Technology
- ☐ Petroleum Refining and Chemical Products
- ☒ Energy, including three sub-clusters: Oil and Gas Production; Power Generation and Transmission; Manufactured Energy Systems
- ☐ None apply

TEF REQUEST & OTHER STATE ASSISTANCE

Identify state programs that the project will apply for:

<u>State Source</u>	<u>Amount</u>
Texas Enterprise Zone Program	\$3,750,000
Texas Enterprise Fund request	\$17,000,000
Total	\$20,750,000

COMMUNITY TAX RATES & LOCAL INCENTIVE INFORMATION

(Represent tax rates to the 4th decimal per \$100 evaluation)

	<u>Entity</u>	<u>Tax Rate</u>
Tax Rate City	<u>City of Houston</u>	<u>.63875</u>
Tax Rate County	<u>Harris County</u>	<u>.39117</u>
Tax Rate School District	<u>Houston ISD</u>	<u>1.1567</u>
M&O Rate		
Special Tax Districts	<u>Harris Hospital Dist, Flood Dist, & Dept of Education</u>	<u>.226831</u>
Other Taxing Entities	<u>Port of Houston & Houston Community College</u>	<u>.115782</u>
Total Combined Local Tax Rate (Include all applicable taxing entities)		<u>2.529233</u>
County depreciation schedule for personal property (attachment included) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Will local abatements be offered? ☒ Yes ☐ No

Abatement Agreement Details				
	Real Property %	Business Personal Property %	Term Length in Years	Maximum Amount (If Applicable)
City	Pending	Pending	10	Pending
County	No	No	N/A	N/A
Other Taxing Entity	N/A	N/A	N/A	N/A

Please use the following text box for additional details regarding the local abatements listed in the table above. Also describe any additional local incentives relating to the project.

Chevron is also negotiating with the City of Houston for assistance with mitigating some of the public infrastructure costs estimated to be approximately \$4 million.

AVERAGE WEEKLY WAGE (AWW)

County where Qualified Business Is Located Harris

Attached County Average Weekly Wage backup (use the most recent four quarters available)

Attached ☒ Yes ☐ No

Four most recent quarters (May or may not all be in same calendar year):

Quarter A	<u>\$1,240</u>	Year <u>2011</u> Quarter <u>4</u>
Quarter B	<u>\$1,338</u>	Year <u>2012</u> Quarter <u>1</u>
Quarter C	<u>\$1,165</u>	Year <u>2012</u> Quarter <u>2</u>
Quarter D	<u>\$1,155</u>	Year <u>2012</u> Quarter <u>3</u>
TOTAL	<u>\$4,898</u>	$\div 4 = \underline{\underline{\$1,224.50}}$ (County AWW)

Calculate the average weekly wage **excluding benefits** in the formula below including only the new jobs represented in this application for state benefit. Please use an Average Annualized Wage achievable in each year of job creation.

<u>\$110,000</u>	$\div 52 = \underline{\underline{\$2,115.39}}$
<i>Avg. Annualized Wage Without Benefits</i>	<i>AWW</i>

To determine the annual weekly wage of the county, go to the following web site and fill out the data link request.

<http://www.tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry>

Section 1: Select **COUNTY**

Section 2: Select the County you are researching e.g. "ANDERSON"

Click **CONTINUE**

Section 3: Select year – e.g **2008** (use the most recent four quarters available)

Section 4: Select Time Period – select **ALL**

Click **CONTINUE**

Section 5: Select Industry Code – **NAICS**

Section 6: Select Ownerships – select **ALL**

Section 7: Select Division – select **ALL**

Click **CONTINUE**

Section 8: Select Industries – select **TOTAL, ALL INDUSTRIES**

Section 9: Select Data Series – select **AVG WEEKLY WAGES**

Order by: select **AREA**

VIEW DATA

Does the company offer employee benefits including healthcare?

☒ Yes ☐ No

If so, what percentage of benefits is paid by the Company?

80%

BENEFIT TO THE STATE

Independent Economic Impact Analysis attached (required) ☒ Yes ☐ No

Independent Economic Impact Analysis prepared by: Impact Data Source

The analysis must be conducted by a third-party entity not related to the applicant, and must include the following:

- A. Total capital investment and employment, with timeline for each
- B. Outline of Economic and Fiscal Impacts of:
 1. Project construction phase
 2. Annual operations for each of the first 10 years of operation

Impacts during construction phase should include:

- Total Expenditure
- Gross State Product Impact
- Retail Sales
- Total State Tax Revenue
- Direct, indirect, induced and total peak employment
- Direct, indirect, induced and total payroll

Impacts during *each year* of annual operations should include:

- Total Expenditure
- Gross State Product impact
- Retail Sales
- Total State Tax Revenue
- Direct, indirect, induced and total permanent employment
- Direct, indirect, induced and total payroll

- C. Executive Summary of the analysis highlighting the following data items:
 1. Gross State product impact during *first year of full employment*
 2. Total payroll (including direct, indirect, and induced) during *first year of full employment*
 3. Total jobs (including direct, indirect, and induced) during *first year of full employment*

COMPANY FINANCIAL DATA

The Applicant company is asked to provide three consecutive years of financial data in the form of independent, audited financial statements containing, at a minimum, the following categories:

- Current Assets
- Inventories
- Total Assets
- Current Liabilities
- Total Liabilities
- Total Equity
- Net Income
- Revenue
- Cost of Goods Sold
- Current Accounts Receivable

Note: Audited financial statements are required from the Applicant company, as listed on page 4, line 1A of this application. If financial statements are provided from a parent entity, the parent will be required to guarantee any economic development agreement with the State of Texas, should one result from this application.

CONFIDENTIALITY NOTICE

The Office of the Governor, Economic Development and Tourism division, as a state agency, must comply with the Texas Public Information Act (the "Act"). Under the Act the agency may have authority to maintain the confidentiality of the name of and other information related to a company seeking to locate in the state until after the location negotiations are completed. In the event that a public information request related to the company is submitted to the agency, the agency will (i) promptly notify the company of the request, (ii) if appropriate, take all possible and appropriate actions with the Attorney General of Texas to prevent release of the information, including asserting exemptions under the Act (including the Economic Development Negotiations exception of section 552.131 and the Trade Secrets/Commercial Information exception of section 552.110) and (iii) provide the company with full information and opportunity to participate in such process.

The applicants acknowledge that negotiations and information related to this application shall be treated as confidential, and that a full faith effort will be made to prevent the disclosure of any such negotiations. The applicants further agree that they will not disseminate information regarding any subsequent agreement except as directed by the Office of the Governor. Breach of confidentiality regarding this application may be grounds for termination of negotiations.

Checklist and requested attachments:

	TEF Application Pre-Submission Checklist	Check Completed
A	Original Certification Pages signed by Community	<i>Yes</i>
B	Original Certification Pages signed by Company	<i>Yes</i>
C	Articles of Incorporation (Attachment Included)	<i>Yes</i>
D	Certificate of Good Standing for Applicant from the Texas Comptroller of Public Accounts(Attachment Included)	<i>Yes</i>
E	Applicant company and all parent or subsidiary entities verified in Good Standing with the Texas Comptroller of Public Accounts*	<i>Main Ones</i>
F	State and Local Fee Estimate	<i>Yes</i>
G	State Assistance & TEF Request Amount	<i>Yes</i>
H	County Depreciation Schedule (Attachment Included)	<i>N/A</i>
I	Average Weekly Wage (Attachment Included)	<i>Yes</i>
J	Economic Impact Analysis (Attachment Included)	<i>Yes</i>
K	Audited Financial Documentation for Applicant Company (Attachment Included)	<i>Yes**</i>

* To resolve any issues regarding a company's status with the Texas Comptroller of Public Accounts (CPA), please contact the CPA's Franchise Tax Division as (512) 463-4402.

** Note 5 of the Annual Statement will show a high-level income statement and balance sheet for Chevron U.S.A. Inc. as it is a major subsidiary of Chevron Corporation.

Project Sumit

Project Summary and Economic Analysis

Company Name: Chevron U.S.A. Inc.
6001 Bollinger Canyon Rd.
San Ramon, CA 94583

Project Location: 1600 Louisiana St.
Houston, TX 77002 (Key Map 493Q)
Council District I, James G. Rodriguez
83,863 sqft, HCAD 006-003-000-0031
2012 HCAD Base Value \$20,127,120

PROJECT SUMMARY

Business Profile: Chevron U.S.A. Inc. is a wholly owned subsidiary of Chevron Corporation which has its headquarters in San Ramon, California and is one of the world's largest and most competitive global energy companies. In 2011, Chevron Corporation and its subsidiaries had sales of \$244 billion. Chevron has a long historical presence in Houston and Texas. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuel and lubricants; manufactures and sells petrochemical products; generates power and produces geothermal energy; provides energy efficiency solutions; and develops the energy resources of the future, including research for advanced biofuels. Chevron U.S.A Inc. presently employs approximately 7,300 persons in Harris County and 6,700 in the City of Houston.

Development Plan: Chevron U.S.A. Inc. proposes to construct a new multi-story office building of 1.5 million plus square feet, located at 1600 Louisiana St. The company plans to invest roughly \$576 million in the construction of the new building and tenant improvements. Chevron is planning for this building to achieve Platinum LEED Certification. Additionally, it will invest roughly \$86 million in tangible personal property improvements consisting of furniture, fixtures, and equipment (e.g. computers and office equipment).

The building, when completed, will provide Class A office space for technical, administrative and executive personnel. This new facility will enable the company to expand its personnel in Houston and bring certain business functions closer to their internal customers, estimated to house 2,000-2,500 additional jobs. Proposed project timeline:

- Mobilization – Q4 2013
- Final Investment Decision / Begin Construction – Q2 2014
- Complete Construction – Q1 2017
- Tenant Improvements and Move-in – Q1 2017 through Q1 2018
- New Employees – Begins in 2013 (these jobs will occupy 3rd party leased space during construction)

Jobs: The new jobs to be created will consist of mostly skilled and degreed individuals. The company anticipates creating approximately 2,500 net new jobs to Texas over the next 8 years. These jobs will consist of some jobs moving in from out of state as well as the creation of new jobs to Chevron. The average salary is anticipated to be \$110,000 and these jobs will be offered Chevron benefits. Benefits available to Chevron employees include health insurance coverage, 401(k), vision, dental, etc. All new hires receive some training as part of their on-boarding process. Further development is generally done on the job by, and at the direction of, each employee's supervisor, and differs based on the job discipline. Each job discipline maintains its own guidelines for mandatory and non-

mandatory compliance training. Additionally, Chevron provides opportunities for career advancements based on each employee's desired goals. Lastly, the company is fully committed to the principles of equal employment opportunity and affirmative action as set forth in the company policies (HR Policy 400) and affirmative action programs.

Environment & Safety: As a company and as individuals, Chevron takes great pride in contributing to the communities where we live and work. Chevron cares about the environment and is proud of the many ways in which its employees work to safeguard it. The company's persistent efforts to improve on its safe work environment continue to pay off. In 2011, Chevron achieved significant levels of safety as measured in days-away-from-work ratings in both Upstream and Downstream operations. Chevron's history of environmental compliance in Houston is good. The proposed project takes into account the environmental impact of all of the following and will be working closely with the City of Houston to comply with all permitting requirements:

- Storm water and runoff;
- solid waste disposal;
- noise levels; and
- air quality.

Competition with Local Businesses: Chevron does not anticipate this project to negatively impact other local businesses. These jobs will be providing office and support services to Chevron's operations throughout North America. Further, applicants to fill these jobs can be recruited locally as well as nationally, which should not negatively affect other similar businesses in the area. Rather, a project of this nature will help Houston by bringing a more diversified and higher skilled workforce to the metro area.

Competitive Siting: The U.S. will become the world's top producer of oil within five years according to a recent report from the International Energy Agency. Chevron will be a big part of this and anticipates significant new jobs over the next 8 years. Chevron is analyzing its options to address its needs and remain competitive in the marketplace. In doing so, Chevron is contemplating the construction of a new facility in Houston, and many factors come into play in maturing this investment decision. Completion of this project would allow Chevron to proactively manage and house the 2,000 – 2,500 estimated new jobs to be created, or relocated, to its Houston urban campus. A final investment decision for construction of this proposed new building is anticipated to occur in the 2nd Quarter of 2014.

A few business segments in San Ramon have already decided to relocate to Houston. Chevron continues to evaluate the most competitive organizational structure, including the evaluation of the status quo against the possibility of job relocations. Many factors come into play in this evaluation including, available & quality of space, economics, costs ramifications and job relocation costs. The costs associated with the relocation of employees include the following, which can be significant:

1. Payment of all normal & customary home selling costs (e.g. 6% Real Estate Commission, Loan costs, etc...)
2. Misc expense allowance equal to 1.5 times one month's salary (capped at \$15,000)
3. Week off for house hunting
4. Interim Living up to 30 days
5. Cost of two trips to and from location
6. Company will provide a guaranteed offer
7. Bonus of up to 2% if home sells before guaranteed offer

Any incentives provided for jobs would help mitigate these costs and assist with other costs factored in as each business unit reviews its employee location needs.

Proposed Tax Abatement & Other Incentives: Chevron is seeking a ten year 75% abatement, beginning January 1, 2017 and ending on December 31, 2026 with the City of Houston. This request is in addition to any abatement percentage as a result of its LEED certification. It would also like assistance with mitigating some of the public infrastructure costs, estimated to be roughly \$4 million. The Company is also pursuing Texas Enterprise Funds from the state of Texas (~\$20 million) as well as pursuing a rebate of state sales taxes for the project under the Texas Enterprise Zone Program (~ \$3.75 million). These incentives are very valuable to Chevron and would help cover project costs as well as employee relocation costs.

Annex I

Amended and Restated Articles of Incorporation of Chevron U.S.A. Inc.

FIRST: The name of the corporation is Chevron U.S.A. Inc.

SECOND: The current registered office of the corporation is at 1635 Market Street, Philadelphia, Pennsylvania 19103.

THIRD: The corporation was incorporated under the Act of April 29, 1874, as amended, and exists under the Business Corporation Law of 1988, as amended.

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is 2,000 shares, of which 1,000 shares will initially be common shares without par value. Holders of common shares (other than shares owned directly or indirectly by the corporation) shall be entitled to receive such dividends or distributions as are lawfully declared on the shares; to have notice of any authorized meeting of shareholders; and to one vote for each share on all matters which are properly submitted to a vote of the shareholders. The board of directors of the corporation shall have the full authority permitted by law to classify the authorized shares into one or more classes and into series within any class and to determine the designation and number of shares of each class or series (within the total number of shares authorized by these articles), and to fix by resolution full, limited, multiple or fractional, or no voting rights, and such preferences, limitations and special rights, if any, of shares of any class or series.

FIFTH: The business of the corporation shall be conducted through one or more divisions, each of which may conduct its separate business under its own fictitious name. Each division shall have a board of directors elected by the shareholders of the corporation. Except as expressly set forth herein or in the by-laws of the corporation, the board of directors of each division shall be solely responsible for directing the management of the affairs of the division. The board of directors of each division shall elect the president of the division and the board of directors or the president of each division may appoint other designated officers for the division. All officers shall have such authority and duties as may be set forth in the by-laws of the corporation or a resolution adopted by the board of directors of the division. Each division may also establish one or more subordinate divisions, each with its own name and with its own complement of officers appointed by the president or board of directors of the division that has established the subordinate division. The names of the divisions, the businesses in which they may engage, and the assets of the corporation which they will manage, will be set

forth in the by-laws of the corporation, as amended from time to time.

SIXTH: The shareholders of the corporation shall also elect a board of directors of the corporation. The board of directors of the corporation shall have no duty to monitor the actions of the boards of director or officers, employees or agents of the divisions in their management of the affairs of the divisions within the scope of any authority conferred pursuant to the provisions of Article Fifth hereof. Notwithstanding the foregoing, however, the following actions shall require the approval of the board of directors or the shareholders of the corporation: (i) the issuance or repurchase of any securities of the corporation, other than promissory notes or other instruments of indebtedness entered into in the ordinary course of business of a division and which do not involve a mortgage, pledge, grant of a security interest or dedication of property to the repayment of indebtedness other than property under the management of the division; (ii) the declaration of any dividend or other distribution to the shareholders of the corporation; (iii) the adoption of any amendment to the articles of incorporation of the corporation or any plan of merger, consolidation, division, conversion or voluntary dissolution of the corporation; or (iv) any matter required by law or the by-laws of the corporation to be submitted by the board of directors to the shareholders for approval. The board of directors of the corporation shall elect the president of the corporation and the board of directors or the president of the corporation may appoint other designated officers for the corporation. All officers shall have such authority and duties as may be set forth in the by-laws of the corporation or a resolution adopted by the board of directors of the corporation.

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE**

JANUARY 30, 2013

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

I DO HEREBY CERTIFY THAT,

Chevron U.S.A. Inc.

is duly incorporated as a Pennsylvania Corporation under the laws of the Commonwealth of Pennsylvania and remains a subsisting corporation so far as the records of this office show, as of the date herein.

I DO FURTHER CERTIFY THAT, This Subsistence Certificate shall not imply that all fees, taxes, and penalties owed to the Commonwealth of Pennsylvania are paid.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

Carol Aichele

Secretary of the Commonwealth

Certification Number: 10830237-1

Verify this certificate online at <http://www.corporations.state.pa.us/corp/soskb/verify.asp>

Parents	Current	Subsidiaries
Chevron Corporation (100.0000%)	Chevron Investments Inc. (View Details)	◀ Texaco Inc. (100.0000%)

Parents	Current	Subsidiaries
Texaco Inc. (100.0000%)	Chevron U.S.A. Holdings Inc. (View Details)	◀ Chevron U.S.A. Inc. (100.0000%)

Legal Structure

Parents	Current	Subsidiaries
Chevron U.S.A. Holdings Inc. (100.0000%)	Chevron U.S.A. Inc. (View Details)	<ul style="list-style-type: none"> ◀ 116 John Street Master Lease LLC (99.9900%) ◀ 1201 Chestnut Master Tenant LP (99.9900%) ◀ 13th Street Associates L. P. (85.0000%) ◀ 1501 Pitkin Rehab Credit MT, LLC (99.9900%) ◀ 1610 Associates Limited Partnership (99.0000%) ◀ 179 Lincoln TC Tenant Co. LLC (99.9900%) ◀ 1975 Creston Avenue Associates L.P. (99.0000%) ◀ 20 - 30 North Front Street Tenant PA, LLC (99.9900%) ◀ 206-210 Farmington Building Tenant, LLC (99.9900%) ◀ 208 S. LaSalle Master Tenant, LLC (99.9900%) ◀ 2220 Tenth Avenue Associates A California Ltd Partnership (99.0000%) ◀ 306 West Mulberry Limited Partnership (99.0000%) ◀ 511 Marigny Tenant, L.L.C. (99.9900%) ◀ 611 Webward Avenue Master Tenant LLC (99.9900%) ◀ 636 Classon Associates L.P. (99.0000%) ◀ 800 Canal Street Limited Partnership (99.0000%) ◀ 800 Iberville Street L.P. (99.0000%) ◀ 801-Gallery Office MT, L.P. (99.9900%) ◀ 810 Broad URE Master Tenant LLC (99.9900%) ◀ 9th and Grand Limited Partners L.P. (99.0000%) ◀ ABS Mayer Bricker Master Tenant, LLC (99.9900%) ◀ Adams Square L.P. (99.0000%) ◀ Advanced Refining Technologies LLC (50.0000%) ◀ ALCO Cityside Federal LLC (99.9900%) ◀ Aleda Urban Renewal Associates Limited Partnership (99.0000%) ◀ Alligator Place Apartments (99.0000%) ◀ Ambassador Hotel Master Tenant, LLC (99.9900%) ◀ Apple Walk Associates (98.0000%) ◀ Arctic Club Master Tenant LLC (99.9000%) ◀ AT State Investor, LLC (0.0100%) ◀ Aviation Equipment Company, LLC (50.0000%) ◀ B&C Master Tenant LLC (99.9900%) ◀ B.R. Affordable Housing L.P. (99.0000%) ◀ Badgerow Jackson MT, LLC (99.9900%) ◀ Ballinger Oaks 1991 (99.0000%) ◀ Barry-Foss Historic Fund 2007 L.P. (99.9000%) ◀ Barry-Foss Historic Fund 2010 Limited Partnership (99.9000%) ◀ Barry-Foss Historic Fund 2011 Limited Partnership (99.9900%) ◀ Bayou Casotte Energy LLC (100.0000%) ◀ Baywood Associates (99.0000%) ◀ BBG Properties - Booneville Apts. L.P. (99.0000%) ◀ Belmont Apartments (99.0000%) ◀ Black Bear Apartments (99.9000%) ◀ Brady Sullivan Pawtucket Tenant, LLC (99.9900%) ◀ Brady Sullivan Rhode Island Properties, LLC (99.9900%) ◀ Brookwood 1990 Limited Partnership (99.0000%) ◀ Brownfield Revitalization I, LLC (99.9900%) ◀ Brownfield Revitalization Investment Fund I, LLC (100.0000%) ◀ California Equities Fund 1988 Limited Partnership

NOTE: Those highlighted in yellow have employees in Texas

(99.0000%)

◀ CAMDEN Townhouses Associates II L.P. (99.0000%)

◀ Canaan Hope Associates (99.0000%)

◀

Carlisle 2010 Historic Tax Credit Fund II Limited Partnership (99.9000%)

◀

Carlisle 2010 Historic Tax Credit Fund Limited Partnership (99.9000%)

◀

Carlisle 2011 Historic Tax Credit Fund I Limited Partnership (99.9900%)

◀ Carlisle 2012 Historic Tax Credit Fund I L.P. (99.9000%)

◀ Carlisle Historic Tax Credit Fund I L.P. (99.9000%)

◀ Carnegie Hotel MT. LLC (99.9900%)

◀ Casa Gloria Limited Partnership (99.0000%)

◀ CCG Historic Partners Fund XIII, L.P. (99.9900%)

CCG Historic Partners Mid-Cap 2010 Fund, L.P. (99.9000%)

◀ CCG Historic Partners Mid-Cap 2011 Fund, L.P. (99.9200%)

◀ CCG Historic Partners Mid-Cap Fund, L.P. (99.9000%)

◀ Cecilia Associates L.P. (99.0000%)

◀ Charleston Apartments (99.0000%)

◀ Cherry Blossom Associates (99.0000%)

◀ Chestnut Fund 2010, L.P. (99.9000%)

◀ Chestnut Fund 2011, L.P. (99.9000%)

◀ Chestnut Fund, L.P. (99.9000%)

◀ Chevron Aviation Services LLC (100.0000%)

◀ Chevron Capital U.S.A. Holdings, Inc. (100.0000%)

◀ Chevron Global Downstream LLC (100.0000%)

Chevron Gulf of Mexico Response Company, LLC (100.0000%)

◀ Chevron Harvest LLC (100.0000%)

◀ Chevron Industrial Development LLC (100.0000%)

◀ Chevron IP, Inc. (4.0700%)

◀ Chevron Kern River Company (100.0000%)

◀ Chevron Lummus Global LLC (50.0000%)

Chevron Midway-Sunset Cogeneration Company (100.0000%)

◀ Chevron Northeast Upstream LLC (100.0000%)

◀ Chevron Oil Congo S.A.R.L. (0.1000%)

◀ Chevron Oil Finance Company (100.0000%)

◀ Chevron Oronite Brasil Ltda. (0.2070%)

◀ Chevron Oronite Company LLC (100.0000%)

◀ Chevron Oronite Technology B.V. (100.0000%)

◀ Chevron Overseas Capital Corporation (100.0000%)

◀ Chevron Phillips Chemical Company LLC (50.0000%)

◀ Chevron Renewable Investments, LLC (100.0000%)

◀ Chevron Shipping Company LLC (100.0000%)

◀ Chevron Stations Inc. (100.0000%)

◀ Chevron Sycamore Cogeneration Company (100.0000%)

◀ Chevron Technology Ventures LLC (100.0000%)

◀ Chrysalis of Louisiana, L.L.C. (100.0000%)

◀ CLE Holdings LLC (100.0000%)

◀ Clinton Millworks Tenant, LLC (99.9900%)

◀ Congdon Mill Master Tenant, LLC (99.9900%)

◀

Congress Street Historic Revitalization Associates Limited (99.0000%)

◀ Cooke Building Associates L.P. (99.0000%)

◀ Courtney Square TN/AHPC, L.P. (99.0000%)

- ◀ Cranford Lincoln Associates L.P. (99.0000%)
- ◀ Crestview Terrace - TN/AHPC L.P. (99.0000%)
- ◀ Cruz Development & Associates Ltd. (99.0000%)
- ◀ Davidson Affordable Housing LLC (99.0000%)
- ◀ Dominion L.P. (99.0000%)
- ◀ Dumont Associates L.P. / H.E.L.P. (99.0000%)
- ◀ Duncan Apartment Homes (99.0000%)
- ◀ Dynamo Federal LLC (99.9900%)
- ◀ Dynamo House, LLC (99.9900%)
- ◀ Eight-115 Associates (99.0000%)
- ◀ Falls Center Master Tenant, LLC (99.9900%)
- ◀ Felix Oil Company (30.7796%)
- ◀ FMH LP (99.0000%)
- ◀ Forest Park Limited Dividend Housing Association L.P. (99.0000%)
- ◀ Fort Shelby Holding Company, LLC (99.0000%)
- ◀ Foss 2012 Gold Fund LP (99.9900%)
- ◀ Four Star Oil & Gas Company (30.9365%)
- ◀ Frank G. Soler as Trustee (100.0000%)
- ◀ G&M Oil Co., LLC (7.7000%)
- ◀ Gaviota Terminal Company (25.0000%)
- ◀ GEBF, LLC (33.3300%)
- ◀ Getty Oil Company (100.0000%)
- ◀ GLC, L.P. (99.0000%)
- ◀ Glendale Buena Vista / NHT LDHA L.P. (99.0000%)
- ◀ Glendora I Apartments, L.P. (99.0000%)
- ◀ Glendora II Apartments, L.P. (99.0000%)
- ◀ Global X Historic Tax Credit Fund 2012A, Ltd (99.9900%)
- ◀ GMS Federal LLC (99.9900%)
- ◀ Gourlay Place Apartments of Beulah L.P. (99.0000%)
- ◀ Gourlay Place Apartments of Mound Bayou L.P. (99.0000%)
- ◀ Gourlay Place Apartments of PACE L.P. (99.0000%)
- ◀ Gourlay Place Apts of Rosedale L.P. (99.0000%)
- ◀ Granby Building MC, LLC (0.0100%)
- ◀ Granby Building Tenant, LLC (99.9900%)
- ◀ Greystone Mills Master Tenant, LLC (99.9900%)
- ◀ GSP Investments I, LLC (99.9900%)
- ◀ GW Leasing, LLC (99.9900%)
- ◀ GX Chicago Master Tenant, LLC (99.9900%)
- ◀ Harbor Point Apartments Company L.P. (73.6800%)
- ◀ HD Lee Master Tenant 2, LLC (99.9900%)
- ◀ HELP Bronx L.P. (99.0000%)
- ◀ Hickory Hill Ltd. (97.5000%)
- ◀ Hill Street Associates L.P. (99.9900%)
- ◀ Historic Ames Building Credit LLC (99.9900%)
- ◀ Hope Artiste Village Master Tenant, LLC (99.9900%)
- ◀ Hope Senior Ltd. Dividend Housing Assn. Limited Partnership (99.0000%)
- ◀ Hotel Blackhawk Operator, LLC (99.9900%)
- ◀ Hudson River Partners (98.0000%)
- ◀ Huntington Beach Company (100.0000%)
- ◀ Huntwood Commons Associates (99.0000%)
- ◀ Iwilei District Participating Parties, LLC (15.5000%)
- ◀ II Case Tenant, LLC (99.9900%)
- ◀ Kewanee Industries, Inc. (100.0000%)
- ◀ KF Patterson Tenant, LLC (99.9900%)

- ◀ Kimball Court Apts Ltd Partnership (75.0000%)
- ◀ La Tierra Villa 1991 Limited Partnership (99.0000%)
- ◀ LENOX 138 LP (99.0000%)
- ◀ Liberty Building Master Tenant, LLC (99.9900%)
- ◀ Magnolia Plaza Ltd Partnership (99.0000%)
- ◀ Mansfield Meadows Assoc Ltd Partnership (99.0000%)
- ◀ Maria Alicia Associates (99.0000%)
- ◀ Marland Place Associates (99.0000%)
- ◀ Marley Station L.P. (95.0000%)
- ◀ Massachusetts Mills I Limited Partnership (99.0000%)
- ◀ Massachusetts Mills II Limited Partnership (99.0000%)
- ◀ Mayo Hotel & Lofts M1, LLC (99.9900%)
- ◀ McFarland Energy, Inc. (100.0000%)
- ◀ Mead Avenue Housing Limited Partnership (99.0000%)
- ◀ Miami Traymore Sub, LLLP (99.9900%)
- ◀ Mirabile Housing L. P. (99.0000%)
- ◀ Morningside Partners II L. P. (99.0000%)
- ◀ MX Production, L.P. (Tax Partnership) (95.0000%)
- ◀ NC State Mill Credit Investor, LLC (94.9900%)
- ◀ NCF Development, LLC (99.9900%)
- ◀ NESCO Tenant, LLC (99.9900%)
- ◀ New Markets Investment XXVII, LLC (99.9900%)
- ◀ Newman Partners, LLC (99.9900%)
- ◀ North Loop Partners Tenant LLC (99.9900%)
- ◀ NTC II Tenant, LLC (99.9900%)
- ◀ NTCIC 2012 Historic Echo Fund L.P. (99.9900%)
- ◀ Oakland Apartments (99.0000%)
- ◀ Oakland Mill Master Tenant, LLC (99.9800%)
- ◀ OBREC / Columbus Associates (99.0000%)
- ◀ Old Bull and Noell Federal, LLC (99.9000%)
- ◀ Old Hickory - TN/AHPC (99.0000%)
- ◀ Olympia Building Tenant, LLC (99.9900%)
- ◀ Omni Point Limited Partnership (99.0000%)
- ◀ One Kearny Master Tenant, LP (99.9900%)
- ◀ Osborne Manor Partners LP (99.0000%)
- ◀ Pacific Oaks Ltd. Partnership (99.0000%)
- ◀ Paloma Del Mar Associates (99.0000%)
- ◀ Parker Hotel (99.0000%)
- ◀ Parkview 1991 Limited Partnership (99.0000%)
- ◀ Pere Marquette Historic, LLC (99.9900%)
- ◀ Petrocosm Corporation (67.0000%)
- ◀ PT Production, L.P. (Tax Partnership) (85.0000%)
- ◀ Resource Environmental, L.L.C. (20.0000%)
- ◀ Revolution Tenant, LLC (99.9800%)
- ◀ Richland 1990 Limited Partnership (99.0000%)
- ◀ Ridge View Commons Associates L.P. (99.0000%)
- ◀ Rita Partners (99.0000%)
- ◀ River City Renaissance Tenant III, LLC (99.9900%)
- ◀ River City Renaissance Tenant, LLC (99.9900%)
- ◀ Riverview Plaza Associates, A Calif. Ltd. Partnership (99.0000%)
- ◀ RL Tenant, LLC (99.9900%)
- ◀ Royal Kinau Partnership (99.9900%)
- ◀ Saenger Theatre Master Tenant, L.L.C. (99.9900%)
- ◀ Sandpiper Cove Apartments Limited (99.0000%)
- ◀ Santa Fe Master Tenant LP (99.9900%)
- ◀ Sea Greens L.P. (99.0000%)
- ◀ Shady Oaks 1990 Limited Partnership (99.0000%)

- ◀ Shelby Housing Partners L.P. (99.0000%)
- ◀ Shoreland Master Tenant, L.L.C. (99.0000%)
- ◀ Slim Jenkins Court Associates (99.0000%)
- ◀ Small Deal Fund II, L.P. (99.9900%)
- ◀ Small Deal Fund III L.P. (99.9900%)
- ◀ St. Francis 1994 L.P. (99.0000%)
- ◀ Standard Gasoline Company (100.0000%)
- ◀ Stone Brook Farms Limited Partnership (86.2500%)
- ◀ SunAmerica Housing Fund 1526 (99.9900%)
- ◀ SunAmerica Housing Fund 1527 (99.9900%)
- ◀ Sunshine Financial Group II L.P. (99.0000%)
- ◀ TABAC Tenant, L.L.C. (99.9900%)
- ◀ TBM Production, L.P. (Tax Partnership) (56.4000%)
- ◀ TCC Historic Credit Fund VII, L.P. (99.9000%)
- ◀ TCC Historic Tax Credit Fund 2010, L.P. (99.9000%)
- ◀ TCC Historic Tax Credit Fund 2011 Part 2, L.P. (99.9000%)
- ◀ TCC Historic Tax Credit Fund 2011, L.P. (99.9000%)
- ◀ TCC Historic Tax Credit Fund IX, L.P. (99.9900%)
- ◀ TCC Historic Tax Credit Fund VI, L.P. (99.9000%)
- ◀ TCC Historic Tax Credit Fund VIII, L.P. (99.9000%)
- ◀ TCC Historic Tax Credit Fund X, L.P. (99.9000%)
- ◀ TEL Offshore Trust Partnership (0.0100%)
- ◀ Texaco Downstream LLC (100.0000%)
- ◀ Texaco Group L.L.C. (100.0000%)
- ◀ Texaco International Ltd. (100.0000%)
- ◀ The Apartments At Nautica L.P. (99.0000%)
- ◀ The Creamery L.P. (99.9000%)
- ◀ The Landings At Timberleaf L.P. (99.0000%)
- ◀ Towneast 1991 Limited Partnership (99.0000%)
- ◀ TRM-H LLC (100.0000%)
- ◀ TSC 2011 L.P. (99.9500%)
- ◀ Tupelo Apartment Homes (99.9000%)
- ◀ UA CD-SUB CDE 1, L.L.C. (99.9900%)
- ◀ UACD Sub CDE V (99.9900%)
- ◀ Union Limited Partnership (99.0000%)
- ◀ USPO Galleria LLC (99.9000%)
- ◀ Valley Pines Associates (50.0000%)
- ◀ Versado Gas Processors, L.L.C. (37.0000%)
- ◀ VM Associates Limited Partnership (99.0000%)
- ◀ VR Tenant, LLC (99.9900%)
- ◀ Wachovia Guaranteed Tax Credit Fund - C/GA, LLC (100.0000%)
- ◀ Wall Street Tower KC Master Tenant, L.L.C. (99.9900%)
- ◀ West 122nd Street Associates L.P. (99.0000%)
- ◀ WESTROSE VILLAGE L.P. (99.0000%)
- ◀ Wheatland Duplexes Associates (99.0000%)
- ◀ Whitney-Lorenti House Limited Partnership (99.0000%)
- ◀ Widener Associates Limited Partnership (88.0000%)
- ◀ Willow Grove, Ltd (99.0000%)
- ◀ Wilshire 1991 Limited Partnership (99.0000%)
- ◀ WJ GROUP I LIMITED (99.0000%)
- ◀ Woods of Marlon I Limited Partnership (99.0000%)
- ◀ Woods of Marlon II Limited Partnership (99.0000%)
- ◀ Wyche 1990 Limited Partnership (99.0000%)
- ◀ XBM Production, L.P. (Tax Partnership) (95.0000%)
- ◀ Yazoo Delta Housing Partnership L.P. (99.0000%)



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

February 1, 2013

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

CHEVRON U.S.A. INC.

is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time. This certificate is valid through
the date that the next franchise tax report will be due May 15, 2013.

This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is
not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 1st day of
February 2013 A.D.

A handwritten signature in cursive script that reads "Susan Combs".

Susan Combs
Texas Comptroller

Taxpayer number: 12505279232
File number: 0000872406

Form 05-304 (Rev. 12-07/17)



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

February 1, 2013

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

CHEVRON U.S.A. HOLDINGS INC.

is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time. This certificate is valid through
the date that the next franchise tax report will be due May 15, 2013.

This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is
not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 1st day of
February 2013 A.D.

A handwritten signature in cursive script that reads "Susan Combs".

Susan Combs
Texas Comptroller

Taxpayer number: 15102657135
File number: 0005585606

Form 05-304 (Rev. 12-07/17)



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

February 1, 2013

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

CHEVRON ORONITE COMPANY LLC

is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time. This certificate is valid through
the date that the next franchise tax report will be due May 15, 2013.

This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is
not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 1st day of
February 2013 A.D.

A handwritten signature of Susan Combs in black ink, written in a cursive style.

Susan Combs
Texas Comptroller

Taxpayer number: 32002594128
File number: 0707144523

Form 05-304 (Rev. 12-07/17)



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

February 1, 2013

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

CHEVRON SHIPPING COMPANY LLC

is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time. This certificate is valid through
the date that the next franchise tax report will be due May 15, 2013.

This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is
not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 1st day of
February 2013 A.D.

A handwritten signature of Susan Combs in black ink, written in a cursive style.

Susan Combs
Texas Comptroller

Taxpayer number: 32000443450
File number: 0703364523

Form 05-304 (Rev. 12-07/17)



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

February 1, 2013

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

CHEVRON TECHNOLOGY VENTURES LLC

is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time. This certificate is valid through
the date that the next franchise tax report will be due May 15, 2013.

This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is
not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 1st day of
February 2013 A.D.

A handwritten signature of Susan Combs in black ink, written in a cursive style.

Susan Combs
Texas Comptroller

Taxpayer number: 17606032716
File number: 0800354225

Form 05-304 (Rev. 12-07/17)

Chevron

Headcount by City by Entity in Texas 01/26/13

Count of Employee ID	Column Labels								
Row Labels	Chevron Environmental	Chevron Global Downstream	Chevron Global Technology	Chevron Marine Products	Chevron Oronite Company	Chevron Pipe Line Company	Chevron Shipping Company	Chevron U.S.A. Inc.	Grand Total
ABILENE, TX						1			1
ANDREWS, TX								25	25
AUSTIN, TX								4	4
BEAUMONT, TX						2			2
BELLAIRE, TX	36		2		56	502		525	1121
Big Lake, TX								22	22
BIG SPRING, TX						3		22	25
CANADIAN, TX								2	2
CARTHAGE, TX								42	42
CAYUGA, TX								5	5
COAHOMA, TX						3			3
COLLEGE STATION, TX								1	1
CORPUS CHRISTI, TX (OFFSHORE)								2	2
CORPUS CHRISTI, TX (ONSHORE)								12	12
CRANE, TX								36	36
DALLAS, TX								9	9
DOLLARHIDE, TX								29	29
EASTLAND, TX						2			2
EDINBURG, TX								10	10
EL CAMPO, TX								1	1
EL PASO, TX						1		4	5
FAIRFIELD, TX						1			1
FORT STOCKTON, TX								25	25
FORT WORTH, TX								6	6
FREER, TX								2	2
GALENA PARK, TX								8	8
GOLDSMITH, TX								2	2
HOUSTON, TX	44	12	28	19	1	17	93	6719	6933
HUMBLE, TX								1	1
INGLESIDE, TX								9	9
IRVING, TX								1	1
KATY, TX								1	1
KERMIT, TX						1			1
KEYSTONE, TX						5			5
KILGORE, TX						1		9	10
KINGDOM, TX								1	1

Chevron
Headcount by City by Entity in Texas 01/26/13

Count of Employee ID	Column Labels								
Row Labels	Chevron Environmental	Chevron Global Downstream	Chevron Global Technology	Chevron Marine Products	Chevron Oronite Company	Chevron Pipe Line Company	Chevron Shipping Company	Chevron U.S.A. Inc.	Grand Total
LAREDO, TX								3	3
LEVELLAND, TX								2	2
LUFKIN, TX						3		1	4
MCALLEN, TX								6	6
MIDLAND, TX	4					22		525	551
MONT BELVIEU, TX						43			43
NEDERLAND, TX	1					57			58
ODESSA, TX								75	75
OZONA, TX								5	5
PAMPA, TX								16	16
PENWELL, TX								1	1
PORT ARTHUR, TX								112	112
PYOTE, TX								2	2
RICHARDSON, TX								1	1
ROSCOE, TX						9			9
SAN ANTONIO, TX	1				11			5	17
SANDHILL, TX								7	7
SEMINOLE, TX								25	25
SHERMAN, TX								2	2
SOUR LAKE, TX						20			20
STERLING CITY, TX								28	28
SULPHUR SPRINGS, TX								1	1
SUNDOWN, TX								29	29
THE WOODLANDS, TX								3	3
VAN, TX								25	25
VEALMOOR, TX								8	8
WEATHERFORD, TX						12		1	13
WEST COLUMBIA, TX								1	1
WICKETT, TX								2	2
WINK, TX						1			1
WORTHAM, TX						15			15
ZAPATA, TX								9	9
Grand Total	86	12	30	19	68	721	93	8430	9459

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2011	4th Qtr	<u>Harris County</u>	Total All	00	0	10	Total, All Industries	\$1,240

ECONOMIC DEVELOPMENT AGREEMENT

BETWEEN

THE STATE OF TEXAS

AND

CHEVRON U.S.A. INC.

JUNE 25, 2013

THIS AGREEMENT ("Agreement") is by and between the State of Texas (the "State"), acting by and through the Office of Economic Development and Tourism, a division within the Office of the Governor ("OOG"), and Chevron U.S.A. Inc., a Pennsylvania corporation, ("Chevron"). The State and Chevron are hereinafter referred to either individually as the "party," or collectively as the "parties." The Effective Date of this Agreement is June 25, 2013.

RECITALS

WHEREAS, Texas' low taxes, budgetary discipline, reasonable regulations and educated workforce continue to make the state a top location for businesses looking to expand or relocate; and

WHEREAS, Chevron is known for being one of the world's leading integrated energy companies, with subsidiaries that conduct business worldwide in virtually every facet of the energy industry; and

WHEREAS, Chevron employs approximately 61,900 people worldwide with 2012 sales and other operating revenues of approximately \$231 billion; and

WHEREAS, Chevron has proposed expanding its existing operations in Houston, Harris County, Texas; and

WHEREAS, Chevron is proposing to invest approximately \$662 million in the expansion of its existing operations in Houston, Harris County, Texas, and is expected to create at least 1,752 new full-time jobs for Texans, with an average annual payroll of approximately \$193 million; and

WHEREAS, Article III, Section 52-a of the Texas Constitution expressly authorizes the State to use public funds for the public purposes of development and diversification of the economy of the State, the elimination of unemployment or underemployment in the State, or the development of commerce in the State; and

WHEREAS, SB 1771 of the 78th Texas Legislature established the Texas Enterprise Fund ("TEF") to be used with the express written approval of the Governor, Lieutenant Governor, and Speaker of the House of Representatives for economic development, infrastructure development,

community development, job training programs, and business incentives, and the 82nd Texas Legislature reauthorized the TEF for the 2012 and 2013 biennium; and

WHEREAS, the State values Chevron as a distinguished and important corporate citizen, and wishes to receive a commitment that Chevron will expand its existing operations in Texas, and Chevron wishes to provide such a commitment; and

WHEREAS, the Governor, Lieutenant Governor, and Speaker have each approved a grant from the TEF to Chevron, as evidenced in the letter attached as Exhibit A hereto; and

WHEREAS, to ensure that the benefits the State provides under this Agreement are utilized in a manner consistent with Article III, Section 52-a of the Texas Constitution, and other laws, the State requires Chevron to comply with conditions and deliver certain performance as set forth herein, including achieving measurable job creation and retention commitments, in exchange for receiving these benefits; and

WHEREAS, the parties desire to have such proposals set forth in a valid, binding and enforceable agreement; and

WHEREAS, the State believes it is in the best public interest to enter into this Agreement for the reasons set forth above.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises herein, the parties agree as follows:

1. STATE OF TEXAS COMMITMENT

Grant of Funds from the Texas Enterprise Fund. The State agrees to pay cash from the Texas Enterprise Fund to Chevron in the amount of Twelve Million Dollars (\$12,000,000) (the "Funds") as follows:

- (i) First Grant Payment from the Texas Enterprise Fund.** The State shall pay cash from the Texas Enterprise Fund to Chevron in the amount of Three Million Dollars (\$3,000,000) (the "First Payment") within thirty days following the execution of this Agreement, provided that the following accounting documents required for disbursement have been provided in acceptable form to the State: Request for Taxpayer Identification Number and Certification; Texas Application for Payee Identification Number; and Vendor Direct Deposit Authorization.
- (ii) Second Grant Payment from the Texas Enterprise Fund.** The State shall pay cash from the Texas Enterprise Fund to Chevron in the amount of Three Million Dollars (\$3,000,000) (the "Second Payment") within thirty days following receipt from Chevron of reasonable evidence of creating at least Four Hundred Fifty-Five (455) Employment Positions, as defined below. The format for this submittal will be in sufficient detail for the State to confirm the asserted job creation.
- (iii) Third Grant Payment from the Texas Enterprise Fund.** The State shall pay cash from the Texas Enterprise Fund to Chevron in the amount of Three Million

Dollars (\$3,000,000) (the "Third Payment") within thirty days following receipt from Chevron of reasonable evidence of creating at least One Thousand Two Hundred Twenty-Seven (1,227) Employment Positions, as defined below. The format for this submittal will be in sufficient detail for the State to confirm the asserted job creation.

- (iv) **Fourth Grant Payment from the Texas Enterprise Fund.** The State shall pay cash from the Texas Enterprise Fund to Chevron in the amount of Three Million Dollars (\$3,000,000) (the "Fourth Payment") within thirty days following receipt from Chevron of reasonable evidence of creating at least One Thousand Seven Hundred Fifty-Two (1,752) Employment Positions, as defined below. The format for this submittal will be in sufficient detail for the State to confirm the asserted job creation.

2. CHEVRON FUNDING CONDITIONS

Chevron must meet all of the following "Funding Conditions", or will be subject to liquidated damages and/or repayment in accordance with the Agreement. The Funding Conditions are as follows:

a. Expanding Chevron Operations. Chevron commits to expanding its operations in downtown Houston, Harris County, which currently consist of owned buildings at 1400 Smith St., Houston, Harris County and 1500 Louisiana Street, Houston, Harris County, and leased spaces in the vicinity, by one or more of the following actions: (i) constructing a new multi-story office building at 1600 Louisiana Street, in Houston, Harris County, Texas, (ii) leasing and occupying additional office space in downtown Houston, Harris County, or (iii) expanding the use of its existing owned office buildings (as expanded, the "Facility"). The Facility shall be open and operational by December 31, 2017.

b. Job Target. Chevron commits to meeting a job target of (i) creating a total of at least One Thousand Seven Hundred Fifty-Two (1,752) Employment Positions by December 31, 2020, in total at the Facility and of (ii) maintaining these Employment Positions through December 31, 2022 (collectively, the "Job Target"). Chevron also commits to the following job creation schedule:

- (i) One Hundred Forty-Four Employment Positions by December 31, 2013;
- (ii) One Hundred Fifty-Four additional Employment Positions (298 total) on December 31, 2014;
- (iii) One Hundred Fifty-Seven additional Employment Positions (455 total) on December 31, 2015;
- (iv) One Hundred Fifty-Seven additional Employment Positions (612 total) on December 31, 2016;
- (v) Six Hundred Fifteen additional Employment Positions (1,227 total) on December 31, 2017;
- (vi) One Hundred Seventy-Five additional Employment Positions (1,402 total) on December 31, 2018;
- (vii) One Hundred Seventy-Five additional Employment Positions (1,577 total) on December 31, 2019;
- (viii) One Hundred Seventy-Five additional Employment Positions (1,752 total) on December 31, 2020.

Jobs will only be counted as Employment Positions for purposes of this Agreement if they are above the total number of employment positions with Chevron's operations, in Texas (the "Threshold"). The parties agree that for purposes of this Agreement, the Threshold shall be Eight Thousand Two Hundred Forty Three (8,243).

c. Employment Positions. For the purposes of this Agreement, "Employment Positions" shall be defined as jobs meeting all of the following criteria:

- (i) New full-time employment positions with Chevron at the Facility; and
- (ii) With an average annual gross compensation (excluding benefits) each year of at least:
 - (A) \$110,000 for 2013;
 - (B) \$112,200 for 2014;
 - (C) \$114,444 for 2015;
 - (D) \$116,733 for 2016;
 - (E) \$119,068 for 2017;
 - (F) \$121,449 for 2018;
 - (G) \$123,878 for 2019;
 - (H) \$126,355 for 2020;
 - (I) \$128,883 for 2021;
 - (J) \$131,460 for 2022.
- (iii) Unless specifically provided by this Agreement, no jobs created by Chevron subsidiaries, affiliates, contractors, or any other party not identified in this Agreement constitute Employment Positions.

d. Annual Compliance Verification. Beginning in January 2014, and continuing every year thereafter through January 2023, each year by January 31 Chevron must deliver to OOG a compliance verification signed by a duly authorized representative of Chevron that shall certify the number of and generally describe the Employment Positions existing as of December 31 of the year preceding and provide the median wage for all Employment Positions (the "Annual Compliance Verification"). There will be a total of Ten (10) Annual Compliance Verifications due, covering jobs created and maintained in years 2013 through 2022. All Annual Compliance Verifications shall be in a form reasonably satisfactory to OOG and shall provide appropriate back-up data for the Employment Position numbers provided and for the Threshold. In addition, Chevron must submit each year a copy of the Annual Compliance Verification to the Office of the Lieutenant Governor and the Office of the Speaker of the House of Representatives at the addresses listed below.

Lt. Governor of Texas
P.O. Box 12068
Austin, Texas 78711

Speaker of the House of Representatives of Texas
P.O. Box 2910
Austin, TX 78768

e. Certification of Good Standing/Delinquent Taxes. By execution of this Agreement, Chevron certifies that it is in good standing under the laws of the State in which it was formed or organized, and has provided the State sufficient evidence of such. In addition, Chevron certifies that it owes no delinquent taxes to any taxing unit of this State at the time of execution of this Agreement.

f. Certification Relating to Undocumented Workers. By execution of this Agreement, Chevron, including any branch, division, and department of Chevron, certifies that it does not and will not knowingly employ an undocumented worker (as defined by Texas Government Code Section 2264.001(4)). If after any funds are disbursed, Chevron, or a branch, division, or department of Chevron, is convicted of a violation under 8 U.S.C. Section 1324a(f), Chevron shall repay the amount of any funds disbursed plus interest at the rate of 2.2%. The repayment shall occur not later than the 120th day after the date the OOG notifies Chevron of the violation.

3. LIQUIDATED DAMAGES

a. Failure to Meet 2013 “Floor” Job Target. If Chevron’s first Annual Compliance Verification demonstrates that it has failed to create and maintain at least Seventy-Two (72) Employment Positions as of December 31, 2013, the State may terminate the Agreement and require Chevron to repay the entirety of any amounts disbursed under this Agreement plus interest at the rate of 2.2% per year, compounded annually from the date of disbursement to the date of repayment.

b. Job Target. As set forth in Section 2 above, annually during the term of this Agreement through 2023 Chevron must deliver to OOG an Annual Compliance Verification demonstrating that it has met the Job Target for the year just ended. The consequences to Chevron of satisfying, failing to satisfy, or exceeding the Job Target are as follows:

(i) Compliance with Job Target. If Chevron has met the Job Target for that year, as demonstrated in its Annual Compliance Verification, then Chevron will be deemed to have met its obligations for such preceding year and no liquidated damages will be due.

(ii) Failure to Meet Job Target. If Chevron has not met the Job Target for that year, as demonstrated in its Annual Compliance Verification, then OOG may require Chevron to pay liquidated damages in the amount of One Thousand Six Hundred Ten Dollars (\$1,610) per job for every Employment Position by which it is short that year.

(iii) Exceeding Job Target. If an Annual Compliance Verification filed by Chevron demonstrates that it has exceeded the job target for that year, then Chevron will be deemed to have exceeded its obligations, and will receive a “Surplus Job Credit” for each extra Employment Position that it has maintained above the job target for that year. Chevron may utilize any earned Surplus Job Credits in following years as follows:

A. Chevron may expend a Surplus Job Credit in lieu of paying liquidated damages in the amount of \$1,610 per job (for example, if Chevron owes liquidated damages in the amount of \$161,000 for 100 Employment Positions lacking in a particular year, Chevron may discharge completely or reduce this amount by expending up to 100 Surplus Job Credits it has earned in prior years); or

B. Chevron may apply any Surplus Job Credits toward meeting the remaining Job Target for future years, such that if Chevron accumulates enough Surplus Job Credits it will be deemed to have fulfilled all of its obligations under the Agreement, and will be released from the Agreement early (for example, if Chevron has accumulated at least One Thousand Seven Hundred Fifty-Two (1,752) Surplus Job Credits by December 31, 2021, then it may apply these

Surplus Job Credits forward to fulfill its Job Target for 2022, and may thereby fulfill its obligations and be released from the Agreement one year early).

4. CHEVRON ADDITIONAL COMMITMENTS

a. OOG Audit Rights.

(i) **Duty to Maintain Records.** Chevron shall maintain adequate records to support its charges, procedures and performances to OOG for all work related to this Agreement. Chevron also shall maintain such records as are deemed necessary by the OOG and auditors of the State of Texas or United States, or such other persons or entities designated by the OOG, to ensure proper accounting for all costs and performances related to this Agreement.

(ii) **Records Retention.** Chevron shall maintain and retain for a period of four (4) years after the submission of the final Annual Compliance Verification, or until full and final resolution of all audit or litigation matters which arise after the expiration of the four (4) year period after the submission of the final Annual Compliance Verification, whichever time period is longer, such records as are necessary to fully disclose the extent of services provided under this Agreement, including but not limited to any daily activity reports and time distribution and attendance records, and other records which may show the basis for the calculation of full time positions.

(iii) **Audit Trails.** Appropriate audit trails shall be maintained by Chevron to provide accountability for updates and changes to automated personnel and financial systems. Audit trails maintained by Chevron will, at a minimum, identify the changes made, the individual making the change and the date the change was made. An adequate history of transactions shall be maintained by Chevron to permit an audit of the system by tracing the activities of individuals through the system. Chevron's automated systems must provide the means whereby authorized personnel have the ability to audit and establish individual accountability for any action that can potentially cause access to, generation of, or modification of information related to the performances of this Agreement. Chevron agrees that Chevron's failure to maintain adequate audit trails and corresponding documentation shall create a rebuttable presumption that the performances were not performed.

(iv) **Access.** Chevron shall grant access to all paper and electronic records, books, documents, accounting procedures, practices or any other items relevant to the performance of this Agreement to OOG and auditors of the State of Texas, or such other persons or entities designated by OOG for the purposes of inspecting, auditing, or copying such books and records. All records, books, documents, accounting procedures, practices or any other items relevant to the performance of this Agreement shall be subject to examination or audit by the OOG and auditors of the State of Texas, or such other persons or entities designated by the OOG in accordance with all applicable state and federal laws, regulations or directives. Chevron will direct any subcontractor with whom it has established a contractual relationship to discharge Chevron's obligations to likewise permit access to, inspection of, and reproduction of all books and records of Chevron's subcontractor(s) which pertain to this Agreement.

(v) **Location.** Any such audit shall be conducted during Chevron's normal business hours at a Chevron location chosen by OOG and at OOG's expense, provided all costs incurred by OOG in conducting any such audit shall be reimbursed by Chevron in the event such audit reveals a material discrepancy in any Chevron reporting of compliance as required by the Agreement.

(vi) **Reimbursement.** If any audit or examination reveals that Chevron's reports for the audited period are not accurate in the calculation of the Job Target for such period, Chevron shall promptly reimburse the OOG for the liquidated damages amount(s) in accordance with section 3.b.ii.

(vii) **Corrective Action Plan.** If any audit reveals any discrepancies or inadequacies which are necessary in order to maintain compliance with this Agreement, applicable laws, regulations, or Chevron's obligations hereunder, Chevron agrees within thirty (30) calendar days after Chevron's receipt of the audit findings, to propose and submit to OOG a corrective action plan to correct such discrepancies or inadequacies subject to the approval of the OOG. Chevron further agrees to complete the corrective action approved by OOG within thirty (30) calendar days after OOG approves Chevron's corrective action plan, at the sole cost of Chevron.

(viii) **Reports.** Chevron shall provide to OOG periodic status reports in accordance with OOG's audit procedures regarding Chevron's resolution of any audit-related compliance activity for which Chevron is responsible.

b. Economic Impact Reports; Periodic Progress Briefings. In a manner consistent with the need to protect privacy and the intellectual property of Chevron and third parties, Chevron will provide periodic briefings as reasonably requested by OOG on the general activities, economic impact and progress of the new project development and business operations in Texas.

c. Use and Retention of Texas Suppliers. Chevron will use reasonable efforts to use qualified Texas-based suppliers to provide products and services under this Agreement, provided however, Chevron may in its sole discretion select suppliers and contractors based on program needs, scientific criteria, and industry standards.

d. Financial Information. Chevron will furnish to OOG on an annual basis by April 30, of each year throughout the term of the Agreement, information regarding the general business status, market and general summary financial updates regarding Chevron. Such financial information shall be in a form reasonably satisfactory to OOG.

e. Indemnity and Hold Harmless. Chevron agrees to indemnify and hold the State, the maker of this grant, and its agents, officers, and employees harmless for any and all losses, claims, suits, actions, and liability, including any litigation costs, that arise from any act or omission of Chevron or any of its officers and employees, agents, contractors, assignees, and affiliates relating to the project for which this grant is made regardless of whether the act or omission is related to job creation or other stated purpose of the grant.

f. EXPRESS NEGLIGENCE. THE INDEMNITY SET FORTH IN THIS AGREEMENT IS INTENDED TO BE ENFORCEABLE AGAINST CHEVRON AND ITS SUCCESSORS AND ASSIGNS IN ACCORDANCE WITH THE

EXPRESS TERMS AND SCOPE HEREOF NOTWITHSTANDING TEXAS' EXPRESS NEGLIGENCE RULE OR ANY SIMILAR DIRECTIVE THAT WOULD PROHIBIT OR OTHERWISE LIMIT INDEMNITIES BECAUSE OF THE NEGLIGENCE (WHETHER SOLE, CONCURRENT, ACTIVE OR PASSIVE) OR OTHER FAULT OR STRICT LIABILITY OF THE OOG.

5. DEFAULTS AND REMEDIES

Each of the following acts or omissions of Chevron or occurrences shall constitute an act of default under this Agreement:

a. Failure to Invest and Expand the Facility. If Chevron fails to invest and expand the Facility by December 31, 2017, then the State may terminate the Agreement and require Chevron to immediately repay the entirety of any amounts disbursed under this Agreement plus interest at the rate of 2.2% per year, compounded annually from the date of disbursement to the date of repayment, reduced by any funds refunded to the State for failure to meet Job Targets.

b. Failure to pay liquidated damages for job creation. Upon receipt of notice, Chevron shall have forty-five (45) days to pay outstanding damages for job creation. If Chevron does not pay after this period, all amounts that could potentially be claimed for failure to meet job targets shall become due and payable immediately on demand of the State of Texas.

c. Failure to provide verification. If after the end of a calendar year Chevron fails to provide an Annual Compliance Verification by the deadline for that year, OOG may make a good faith estimate, based on information available to OOG, of the Employment Positions at Chevron as of December 31 of that year and, if the estimated Employment Positions fall short of the Job Target, require corresponding liquidated damages in accordance with Section 3.b.ii. above. Chevron will not be eligible to earn Surplus Job Credits for any such year for which it fails to provide an Annual Compliance Verification by the deadline for that year.

d. Failure to comply with Section 2.f. If after any funds are disbursed, Chevron, or a branch, division, or department of Chevron, is convicted of a violation under 8 U.S.C. Section 1324a(f), Chevron shall repay the amount of any funds disbursed plus interest at the rate of 2.2%. The repayment shall occur not later than the 120th day after the date the OOG notifies Chevron of the violation.

6. GENERAL PROVISIONS

a. Authority. Each party represents that it has obtained all necessary authority to enter into this Agreement.

b. Relationship of Parties and Disclaimer of Liability. The parties will perform their respective obligations under this Agreement as independent contractors and not as agents, employees, partners, joint venturers, or representatives of the other party. Neither party can make representations or commitments that bind the other party. Chevron is not a "governmental body" by virtue of this Agreement or the use of TEF or other funding.

c. Limitation of Liability. In no event will either party be liable to the other party for any indirect, special, punitive, exemplary, incidental or consequential damages. This limitation will apply regardless of whether or not the other party has been advised of the possibility of such

damages. Chevron's total liability under this Agreement shall not exceed the amount of Funds actually received by Chevron plus interest at a rate of 2.2%.

d. Term. The term of this Agreement commences on the Effective Date of the Agreement and continues until January 31, 2023, unless terminated earlier pursuant to the terms of this Agreement.

e. Termination for Cause. Either party may terminate this Agreement for Cause upon thirty (30) days prior written notice to the other party. "Cause" is any failure to perform a material obligation under this Agreement within the specified time, including a material breach of a Funding Condition. This Agreement may not be terminated if the alleged Cause is cured within the specified thirty-day period. The sole remedy for any termination for Cause (and for the "cause" giving rise to the termination) shall be that each party is relieved of its obligation to perform hereunder, however, following termination by the State, Chevron will continue to be obligated to the State for liquidated damages and/or repayment of funds in accordance with applicable provisions of this Agreement.

f. Repayment upon Early Termination. In the event of early termination of the Agreement for Cause or by mutual agreement of the parties, Chevron shall repay the entirety of any amounts disbursed under this Agreement plus interest at the rate of 2.2% per year, compounded annually from the date of disbursement to the date of repayment.

g. Dispute Resolution and Applicable Law.

(i) **Informal Meetings.** The parties' representatives will meet as needed to implement the terms of this Agreement and will make a good faith attempt to informally resolve any disputes.

(ii) **Non-binding Mediation.** Except to prevent irreparable harm for which there is no adequate remedy at law, neither party shall file suit to enforce this Agreement without first submitting the dispute to confidential, non-binding mediation before a mediator mutually agreed upon by the parties.

(iii) **Applicable Law and Venue.** This Agreement is made and entered into in the state of Texas, and this Agreement and all disputes arising out of or relating thereto shall be governed by the laws of the state of Texas, without regard to any otherwise applicable conflict of law rules or requirements.

Chevron agrees that any action, suit, litigation or other proceeding (collectively "litigation") arising out of or in any way relating to this Agreement, or the matters referred to therein, shall be commenced exclusively in the Travis County District Court or the United States District Court for the Western District of Texas, Austin Division, and hereby irrevocably and unconditionally consents to the exclusive jurisdiction of those courts for the purpose of prosecuting and/or defending such litigation. Chevron hereby waives and agrees not to assert by way of motion, as a defense, or otherwise, in any suit, action or proceeding, any claim that (a) Chevron is not personally subject to the jurisdiction of the above-named courts, (b) the suit, action or proceeding is brought in an inconvenient forum or (c) the venue of the suit, action or proceeding is improper.

h. Publicity. Upon request by OOG, Chevron agrees to cooperate fully with OOG to assist in the preparation of any press release or other public disclosure regarding this Agreement.

Chevron agrees to obtain OOG's approval prior to Chevron's issuance of any press release or other public disclosure concerning this Agreement, unless otherwise required by law.

i. No Waiver of Sovereign Immunity. Nothing in this Agreement may be construed to be a waiver of the sovereign immunity of the State to suit.

7. MISCELLANEOUS PROVISIONS

a. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in establishing proof of this Agreement to produce or account for more than one such counterpart.

b. Merger. This document constitutes the final entire agreement between the parties and supersedes any and all prior oral or written communication, representation or agreement relating to the subject matter of this Agreement.

c. Severability. Any term in this Agreement prohibited by, or unlawful or unenforceable under, any applicable law or jurisdiction is void without invalidating the remaining terms of this said Agreement. However, where the provisions of any such applicable law may be waived, they are hereby waived by either party, as the case may be, to the fullest extent permitted by the law, and the affected terms are enforceable in accordance with the parties' original intent.

d. Survival of Promises. Notwithstanding any expiration, termination or cancellation of this Agreement, the rights and obligations pertaining to payment or repayment of funds and/or liquidated damages, confidentiality, disclaimers and limitation of liability, indemnification, and any other provision implying survivability will remain in effect after this Agreement ends.

e. Binding Effect. This Agreement and all terms, provisions and obligations set forth herein shall be binding upon and shall inure to the benefit of the parties and their successors and assigns and shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns and all other state agencies and any other agencies, departments, divisions, governmental entities, public corporations and other entities which shall be successors to each of the parties or which shall succeed to or become obligated to perform or become bound by any of the covenants, agreements or obligations hereunder of each of the parties hereto.

f. Successors and Assigns/Notice. Chevron, or any legal successor thereto or prior assignee thereof, may assign its rights and obligations under this Agreement, including by merger or operation of law, to any legal successor or any person or entity that acquires all or substantially all of its business and operations. In addition, with the prior written consent of the State, which consent shall not be unreasonably withheld, or delayed, Chevron, or any legal successor company thereto or prior assignee thereof, may assign its rights and obligations under this Agreement to any parent or wholly owned subsidiary that it currently has in place or later establishes, if it is constituted as a separate legally recognized business entity. Any such assignment will be made without additional consideration being payable to the State. This Agreement shall survive any sale, change of control or similar transaction involving Chevron, any successor thereto or prior assignee thereof and no such transaction shall require the consent of the State. Chevron shall provide the State written notice of any assignment, sale, change of control or similar transaction pursuant to this section as soon as possible and in no event not later than thirty (30) calendar days following such event.

g. Force Majeure. Neither party shall be required to perform any obligation under this Agreement or be liable or responsible for any loss or damage resulting from its failure to perform so long as performance is delayed by force majeure or acts of God, including but not limited to strikes, lockouts or labor shortages, embargo, riot, war, revolution, terrorism, rebellion, insurrection, flood, natural disaster, or interruption of utilities from external causes.

h. Notice. All notices, requests, demands and other communications will be in writing and will be deemed given and received (i) on the date of delivery when delivered by hand, (ii) on the following business day when sent by confirmed simultaneous telecopy, (iii) on the following business day when sent by receipted overnight courier, or (iv) three (3) business days after deposit in the United States Mail when mailed by registered or certified mail, return receipt requested, first class postage prepaid, as follows:

If to the State to:

TEF Compliance
Compliance and Oversight Division
PO Box 12428
Austin, TX 78711

with a concurrent copy to:

General Counsel
Office of the Governor
P.O. Box 12428
Austin, Texas 78711
Phone: 512-463-1788
Fax: 512-463-1932

If to Chevron to:

Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583
Attn: Corporate Real Estate Counsel
Phone: 925-842-4337
Fax: 925-842-2011

with a concurrent copy to:


Manager of State and Local Tax Counsel
Corporate Tax
6001 Bollinger Canyon Rd.
San Ramon, CA 94583
Phone: 925-842-1173

{Signature Page Follows}

The parties have caused this Economic Development Agreement to be executed by their duly authorized representatives to be effective as of the date first specified above.

THE STATE OF TEXAS

CHEVRON U.S.A. INC., A PENNSYLVANIA
CORPORATION


BRANDY MARTY
CHIEF OF STAFF
OFFICE OF THE GOVERNOR

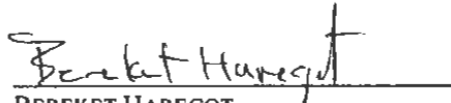

BEREKET HAREGOT
VICE-PRESIDENT



EXHIBIT A

LETTER FROM GOVERNOR, LIEUTENANT GOVERNOR AND SPEAKER
APPROVING GRANT TO CHEVRON FROM THE TEXAS ENTERPRISE FUND



STATE OF TEXAS

DAVID DEWHURST
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June 5, 2013

Mr. Charles Johnson
Assistant Secretary
Chevron U.S.A. Inc.
1400 Smith Street, Suite 06016
Houston, Texas 77002

Dear Mr. Johnson:

The State of Texas is honored that Chevron U.S.A. Inc. is considering making investments and creating jobs in our state. We are confident that you will find Texas to be an ideal location, and we are working with community leaders in Houston to promote your success.

During the 78th Legislative Session, the Texas Enterprise Fund was created as a tool to bring jobs to Texas. Allocations from the Texas Enterprise Fund support the creation of quality jobs and leverage private investment for activities that will strengthen the economic future of the state.

We welcome your investment in our state and are prepared to allocate \$12,000,000 to Chevron U.S.A. Inc., contingent upon execution of a formal Economic Development Agreement to be negotiated. This offer by the State of Texas may be rescinded if a finalized Economic Development Agreement is not executed by all applicable parties within six months of the date of this letter.

The State of Texas is pleased to provide this incentive for economic development purposes. We look forward to working with you to help this project achieve its objectives.

Sincerely,

Rick Perry *David Dewhurst* *Joe Straus*
Rick Perry Governor David Dewhurst Lieutenant Governor Joe Straus Speaker of the House

cc: Mr. Fred Welch, Vice President, Regional Economic Development, Greater Houston Partnership