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ARTICLE 1
DEFINITIONS

The defined terms used in this Declaration of Trust shall, unless the context otherwise requires or unless defined elsewhere in this Declaration of Trust, have the meanings specified in this Article 1.

“Accountants” means such internationally recognized firm of independent certified public accountants as shall be engaged from time to time by the TRMI Operating Trustee on behalf of the Trust to audit the books and records of the Trust.

“Advisory Committee” means the committee constituted pursuant to Section 3.05 hereof for the purpose of consulting with the Chairman and Divestiture Trustee on matters relating to the JV Transfers.

“Affiliate” with respect to a specified Person, means a Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Person specified.

“Business Day” means any day on which the Delaware Trustee is open for business.

“Certificate of Trust” means the certificate of trust of the Trust filed with the Secretary of State of Delaware and as amended from time to time in accordance with the Act.

“Chairman and Divestiture Trustee” means Robert A. Falise, or any other Person that becomes a successor Chairman and Divestiture Trustee of the Trust as provided herein, in such Person’s capacity as Chairman and Divestiture Trustee of the Trust.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (including any corresponding provision of succeeding law).

“Commission” means the Federal Trade Commission.

“Committee Members” is defined in Section 3.05.

“Consent Order” means the Decision and Order of the Commission contained in the Agreement Containing Consent Orders dated as of August 10, 2001, among Parent, Texaco and the Commission, as the same may be amended, together with any final order which may be issued by the Commission in respect thereof.

“Covered Person” means (i) the Co-Trustees, (ii) the Committee Members, (iii) any Affiliate of the Co-Trustees or Committee Members, (iv) any officers, directors, shareholders, partners, members, employees, investment managers, representatives or agents of the Co-Trustees, Committee Members or their respective Affiliates, and (v) any employee or agent of the Trust or its Affiliates.

“Delaware” means the State of Delaware.

“Effective Time” means the time the merger between Texaco and a subsidiary of Parent

“Net Proceeds” means the aggregate purchase price paid to the Trust in respect of a JV Transfer minus the amount of any fees and, if any, expenses incurred by the Trust in connection therewith.

“Normal Distributions” shall have the meaning set forth in Annex I-A hereto.

“Person” means any individual, corporation, partnership, trust, limited liability company, unincorporated organization or association, or other entity.

“Public Offering” means a sale pursuant to an effective registration statement under the Securities Act or a private placement effected under Rule 144A promulgated under the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended.

“Shell” means Shell Oil Company, a Delaware corporation.

“Sole Financial Risk Methodology” shall have the meaning set forth in Annex I-B hereto.

“Sole Financial Risk Project” shall have the meaning set forth in Annex I-C hereto.

“Spin-off” means the distribution of the Spin Stock to the stockholders of Parent after the Effective Time.

“Spin Stock” means the securities of the JV Holdco or other Person that owns the JV

“Trust Interest”

(b) The Trust shall have the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purposes and business described herein and for the protection and benefit of the Trust, and shall have, without limitation, any and all of the powers that may be exercised on behalf of the Trust by the Chairman and Divestiture Trustee or the Operating Trustees pursuant to this Declaration of Trust, the Consent Order and the Final Judgment. Each of the Chairman and Divestiture Trustee and each Operating Trustee may authorize any Person to enter into and perform any other document on behalf of the Trust, to the extent such entry or performance is within the scope of the powers of each such Co-Trustee under this Declaration of Trust, the Consent Order and the Final Judgment.

SECTION 2.05. *Contributions.* (a) Concurrently with the execution of this Declaration of Trust, the Grantor will contribute to the Trust all of the outstanding capital stock of TRMI and/or TRMI East, as the Consent Order or the Final Judgment may require.

(b) The Trust shall cause the JV Holdco to continue to perform, or cause to be performed, all of the obligations pursuant to the LLC Agreements, including, without limitation, Section 12.04 of the LLC Agreements (which sections are reproduced in Annex II-A and Annex II-B hereto) as provided in Section 3.01(a) hereof.

SECTION 2.06. *Declaration of Trust.* The Chairman and Divestiture Trustee and each Operating Trustee hereby declares that it will hold the assets of the Trust in trust upon and subject to the conditions set forth herein for the benefit of the Grantor. It is the intention of the parties hereto that the Trust be a business trust under the Act. The Co-Trustees are hereby authorized to execute the Certificate of Trust and any amendment and/or restatement thereof and to file it with the Secretary of State of Delaware. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, joint venture, corporation or joint stock company.

SECTION 2.07. *No Individual Ownership.* Title to all of the assets of the Trust shall be vested in the Trust until the Trust dissolves in accordance with Article 5 of this Declaration of Trust; *provided, however,* if the applicable Laws of any jurisdiction require that title to any part of the assets of the Trust be vested in a trustee of the Trust, then title to that part of the assets of the Trust shall be vested in the Chairman and Divestiture Trustee to the extent so required, but the beneficial interest with respect to such assets shall remain in the Trust. None of the Grantor, Texaco and Parent shall have any ownership in any particular asset or investment of the Trust or any part thereof; *provided* that such lack of ownership shall not preclude the Commission or the States from seeking any relief available for any failure of Texaco or Parent to divest TRMI and/or TRMI East consistent with the requirements of Paragraph II of the Consent Order and Section III of the Final Judgment.

SECTION 2.08. *Limited Liability.* The Grantor shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of Delaware.

SECTION 2.09. *Tax Treatment.* The parties hereby agree that the Trust shall be treated as a “grantor trust” or, in the event the Trust shall be engaged in the conduct of a business for profit, as a business entity that is disregarded as separate from the Grantor for purposes of the U.S. federal, state and local tax laws, and further agree not to take any position (or cause the Trust to do so), in a tax

return or otherwise, or take any other action that is inconsistent with that treatment.

SECTION 2.10. *Fiscal Periods.* The fiscal year of the Trust (“**Fiscal Year**”) shall end on December 31 of each year. The “**Fiscal Quarters**” of the Trust shall end on March 31, June 30, September 30 and December 31 of each Fiscal Year. A “**Fiscal Period**” of the Trust shall commence at the beginning of the Fiscal Year and shall end on the date immediately preceding the next Fiscal Period or Fiscal Year.

ARTICLE 3
JV TRANSFERS AND OTHER OBLIGATIONS OF THE CHAIRMAN AND
DIVESTITURE TRUSTEE AND THE OPERATING TRUSTEES

offering memoranda and registration statements and taking any other action the Chairman and Divestiture Trustee deems advisable.

(g) The Chairman and Divestiture Trustee may consult with the Advisory Committee regarding tax and accounting matters that may arise in connection with the JV Transfers.

(h) The Chairman and Divestiture Trustee shall use his or her reasonable best efforts to ensure that the consideration payable in respect of the JV Interest consists solely of cash and be payable in full at the closing of the applicable JV Transfer, subject to the Consent Order and the Final Judgment to the obligation under the Consent Order and the Final Judgment to effectuate such JV Transfer at no minimum price. In the event the Chairman and Divestiture Trustee proposes to accept any other form of consideration or other terms of payment, the Chairman and Divestiture Trustee shall first advise the Advisory Committee, the Commission and the States.

(i) Notwithstanding any other provision of this Declaration of Trust, the Chairman and Divestiture Trustee shall take all such actions in connection with any JV Transfer as may be required by applicable Law.

(j) The Chairman and Divestiture Trustee shall have full and complete access to all personnel, books, records, documents, and facilities of Parent, Texaco, TRMI, TRMI East or the Grantor as needed to fulfill the Chairman and Divestiture Trustee's obligations, or to any other relevant information, as the Chairman and Divestiture Trustee may reasonably request, including but not limited to all documents and records kept in the normal course of business that relate to Parent's and Texaco's obligations under the Consent Order and the Final Judgment. Parent, Texaco or the Operating Trustees, as appropriate, shall develop such financial or other information as the Chairman and Divestiture Trustee may reasonably request and shall cooperate with the Chairman and Divestiture Trustee. Neither Parent, Texaco nor the Grantor shall take any action to interfere with or impede the Chairman and Divestiture Trustee's ability to perform his or her responsibilities.

SECTION 3.02. *Distributions.* (a) Upon any JV Transfer, the Chairman and Divestiture Trustee shall cause the Trust to distribute to the Grantor the Net Proceeds in respect of such JV Transfer.

(b) The Chairman and Divestiture Trustee shall cause the Trust to distribute to the Grantor, as promptly as practicable upon the receipt thereof by the Trust, any cash, assets or other property (other than Net Proceeds) received by the Trust or the JV Holdco in respect of the JV Interests, *provided, however,* that the Chairman and Divestiture Trustee may retain such amounts as may be required to pay any amounts pursuant to Section 4.06(b).

(c) Except as provided in Section 5.02(b), the Trust shall not distribute the JV Interests, or any instrument representing an equity ownership therein, to the Grantor; *provided* that, upon completion of the disposition of the last JV Interest, the Chairman and Divestiture Trustee shall distribute the capital stock of the JV Holdco to the Grantor if such capital stock was not disposed of in connection with the disposition of the JV Interests.

(d) Notwithstanding any other provision of this Declaration of Trust, the Chairman and

Divestiture Trustee is authorized to take any action that it determines to be necessary or appropriate to cause the Trust to comply with any federal, state, local and foreign withholding requirement with respect to any payment or distribution by the Trust to the Grantor or any other Person. All amounts so withheld, and, in the manner determined by the Chairman and Divestiture Trustee, amounts withheld with respect to any payment or distribution by any Person to the Trust, shall be treated as distributions to the Grantor. If any such withholding requirement with respect to any Grantor exceeds the amount distributable to the Grantor under this Section 3.02 or Article 5, the Grantor and any successor or assignee with respect to the Grantor's interest in the Trust will indemnify and hold harmless the Chairman and Divestiture Trustee and the Trust for such excess amount or such withholding requirement, as the case may be (including interest on such amount at the prime rate as published in *The Wall Street Journal*)

SECTION 3.06. *The Operating Trustees.* (a) The Operating Trustees shall manage the operations of the JV Holdco including the JV Interests. The Operating Trustees shall not consult with the Advisory Committee but shall consult with the Chairman and Divestiture Trustee on any issue which may affect the JV Transfers.

(b) The Operating Trustees shall have sole and exclusive power and authority to manage TRMI and/or TRMI East (as the case may be), as set forth in this Declaration of Trust and specifically to cause TRMI and TRMI East respectively to exercise the rights, duties and obligations of TRMI and TRMI East under the Equilon and Motiva LLC Agreements. Each Operating Trustee may engage in any other activity such Operating Trustee may deem reasonably necessary, advisable, convenient or incidental in connection therewith and shall exercise such power and authority and carry out the duties and responsibilities of the Operating Trustee in a manner consistent with the purposes of the Consent Order and Final Judgment in consultation with the Commission's staff and the States.

incidental thereto (other than those powers which are reserved for the Operating Trustees pursuant to Section 4.02(b)), including, without limitation, the power to:

- (i) enter into, or cause the JV Holdco to enter into, such binding agreements in connection with and providing for the JV

Motiva in excess of the formula prescribed in the first sentence of the Section 5.01(f) of the Motiva LLC Agreement (plus the amount of special distributions already included in Motiva's business plan in order to compensate the members for distributions not paid in 1999) or (II) to propose a Sole Financial Risk Project be undertaken on its behalf in either Equilon or Motiva (*provided*, that the Operating Trustee may concur with a Sole Financial Risk Methodology proposed by the other members of Equilon or Motiva);

(B) employ, retain or otherwise secure, or enter into contracts, agreements or other undertakings with Persons in connection with the management and operation of the JV Holdco including the JV Interests and the management and operation of the Trust's business, all on such

(J) authorize any officer, director, employee or other agent of the Co-Trustees (other than the Delaware Trustee) or any employee or agent of the Trust to act for and on behalf of the Trust in any or all of the foregoing matters and all matters incidental thereto.

(ii) The TRMI Operating Trustee shall manage the operation of TRMI, and the TRMI East Operating Trustee shall manage the operation of TRMI East. In each case, the Operating Trustee shall manage the operation of the relevant JV Holdco in a manner, in the good faith judgment of such Trustee, that ensures the continuation of Equilon or Motiva, as applicable, as an ongoing, independent, competitive, viable business engaged in the same businesses as it is presently engaged, without favoring the interests of Parent, Texaco or any owner of Equilon or Motiva over the interest of any other owner, and in compliance with all applicable Laws, the Consent Order and the Final Judgment.

(c) Notwithstanding any provision of this Declaration of Trust, none of the Co-Trustees shall (i) reorganize the interests owned by the JV Holdco, contribute the JV Interests to any Person, merge, distribute or otherwise reorganize and dissolve the JV Holdco, unless such a reorganization is required to effect a JV Transfer, and in each case, only upon receipt of a legal opinion that such reorganization does not adversely effect the salability of the JV Interests, or (ii) amend or agree to amend any of the Equilon Joint Venture Documents or the Motiva Joint Venture Documents, in each case as those terms are defined in the LLC Agreements. The Co-Trustees shall act consistently with the Consent Order and the Final Judgment.

(d) In the event that the Chairman and Divestiture Trustee and/or the Operating Trustees shall be unable to agree as to whether any particular action or inaction shall be properly within the powers of the Chairman and Divestiture Trustee or an Operating Trustee, any Co-Trustee may request the Commission and the States to, and if so requested the Commission and the States shall, resolve any such dispute. Resolution by the Commission and the States of any such dispute shall be conclusive and binding on the Chairman and Divestiture Trustee and the Operating Trustees.

SECTION 4.03. *Reliance by Third Parties.* Persons dealing with the Trust are entitled to rely conclusively upon the certificate of the Chairman and Divestiture Trustee or an Operating Trustee, as applicable, to the effect that it is then acting as the Chairman and Divestiture Trustee or Operating Trustee, as applicable, and upon the power and authority of such Co-Trustee and any employee or agent of such Co-Trustee or the Trust as herein set forth.

SECTION 4.04. *Exculpation.* No Covered Person shall be liable to the Grantor, Parent, Texaco or the Trust for any act or failure to act on behalf of the Trust, unless such act or failure to act resulted from the gross negligence, fraud, reckless disregard, willful violation of Law, material and willful violation of this Declaration of Trust or intentional misconduct of the Covered Person. Each Covered Person may consult with counsel and accountants in respect of Trust affairs and shall be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such counsel or accountants. In addition, none of the Co-Trustees shall be liable for the negligence, dishonesty or bad faith of any employee, broker or other representative selected by such Co-Trustee with reasonable care. Notwithstanding any of the foregoing to the contrary, the provisions of this Section 4.04 shall not be construed so as to relieve (or attempt to relieve) any Covered Person of any liability, to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable Law, but shall be construed so as to effectuate the provisions of this Section 4.04 to

be wound up, in the absence of objection from the Commission and the States after 30 days' notice, only upon the occurrence of any of the following events:

(a) twenty-four months from the Effective Time, *provided, however*, that if the JV Interests have not then been fully divested and all other purposes of the Consent Order and the Final Judgment have not then been fulfilled, such date shall be automatically extended for eighteen months and thereafter for successive periods of eighteen months until such conditions have been met;

(b) upon the completion of the JV Transfers and the final distribution of the Net Proceeds, if any;

(c) upon the termination of the Merger Agreement; or

(d) the entry of a decree of judicial dissolution.

SECTION 5.02. *Winding-up*. Upon dissolution of the Trust, the TRMI Operating Trustee shall carry out the winding up of the Trust's affairs and shall, within no more than 30 days after completion of a final audit of the Trust's books and records (which shall be performed within 90 days of such dissolution):

(a) make distributions, out of Trust assets, in the following manner and order:

(i) to satisfaction (whether by payment or reasonable provision therefor) of claims of all creditors of the Trust (other than the Grantor); and

(ii) to satisfaction (whether by payment or reasonable provision therefor) of the claims of the Grantor as creditor of the Trust (and any remaining assets, which shall include any rights to receive any portion of the purchase price or other payments in respect of a JV Interest payable following such dissolution, shall thereafter be distributed to the Grantor); and

(b) distribute, in the event the Trust is dissolved pursuant to ~~04125035043215~~ ~~Winding-up~~ ~~006~~ ~~the Merger Agreement~~

at the principal office of the Trust. The Trust may maintain such other books and records and may provide such financial or other statements as the TRMI Operating Trustee in its discretion deems advisable.

SECTION 6.02. *Accounting; Tax Year.* (a) The books and records of the Trust shall be kept on the accrual basis. To the extent permitted by Law, the Trust may report its operations for tax purposes in accordance with GAAP. The taxable year of the Trust shall be the same as that of the Grantor.

(b) The books and records of the Trust shall be audited by Accountants as of the end of each Fiscal Year, commencing with the first partial Fiscal Year, of the Trust.

SECTION 6.03. *Filing of Tax Returns.* The TRMI Operating Trustee shall prepare and file, or cause the Accountants of the Trust to prepare and file, to the extent required under Law, information returns for each tax year of the Trust.

SECTION 6.04. *Reports.* (a) The Chairman and Divestiture Trustee shall report in writing to the Commission, the Grantor and the States thirty (30) days after the Effective Time and every thirty (30) days thereafter concerning the Chairman and Divestiture Trustee's efforts to accomplish the requirements of the Consent Order and the Final Judgment until such time as the divestitures required by Paragraph II of the Consent Order and Section III of the Final Judgment have been accomplished and Texaco and Parent have notified the Commission and the States that the divestitures have been accomplished. Such reports shall set forth the Chairman and Divestiture Trustee's efforts to effect the JV Transfers, including (i) a summary of all discussions and negotiations held with, and the identities of, all interested Persons, and (ii) copies of offers, counter offers and correspondence concerning a proposed JV Transfer. A copy of each such report shall also be delivered to the Advisory Committee.

(b) In addition, the Chairman and Divestiture Trustee and the Operating Trustees shall provide to the Grantor and the Advisory Committee, with a copy to the Commission and the States, such information (i) with respect to the financial condition of the JV Interests, and such other information about the Trust and its activities as Parent or Grantor may require for financial or tax reporting purposes or to comply with any requirements imposed on Parent or Grantor under applicable Law, or (ii) as Parent or Grantor may request, but in the case of clause (ii), only with the approval of the Commission and the States.

(c) Each Operating Trustee shall report in writing to the Commission and the States thirty (30) days after the Effective Time and every thirty (30) days thereafter concerning the performance of his or her duties under the Consent Order and the Final Judgment and this Declaration of Trust. Each Operating Trustee shall serve until such time as Texaco and Parent have complied with their obligation to divest TRMI and/or TRMI East, as applicable, as required by the Consent Order and the Final Judgment, and Texaco and Parent have notified the Commission and the States that the divestitures have been accomplished.

SECTION 6.05. *Confidentiality Provisions and Limitations on Access.* The Chairman and Divestiture Trustee and the Operating Trustees may, to the maximum extent permitted by applicable

Suite 520
Houston, TX 77024
Facsimile: (713) 683-7133

if to the TRMI East Operating Trustee, to:

John C. Linehan
7103 Nichols Rd.
Oklahoma City, OK 73120
Facsimile: (405) 848-6032

if to the Chairman and Divestiture Trustee, to:

Robert A. Falise
"Quarry" Box 615
Bedford, NY 10506
Facsimile: (914) 767-0377

if to the Grantor or to Texaco, to:

Texaco Inc.
2000 Westchester Avenue
White Plains, NY 10650
Facsimile: (914) 253-4280
Attention: William M. Wicker
Senior Vice President

if to Parent, to:

Chevron Corporation
575 Market Street
San Francisco, CA 94105
Facsimile: (415) 894-6017
Attention: Harvey D. Hinman, Esq.
Vice President and General Counsel

if to the Commission, to:

Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580
Facsimile: (202) 326-2655
Attention: Assistant Director Compliance Division

if to the States, to:

Margaret Spencer
Deputy Attorney General
California Department of Justice
Antitrust Division
300 South Spring Street, Suite 500

Operating Trustee

IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

CHAIRMAN AND
DIVESTITURE TRUSTEE:
ROBERT A. FALISE

Name: Robert A. Falise

TRMI OPERATING TRUSTEE:
JOE B. FOSTER

Name: Joe B. Foster

TRMI EAST OPERATING TRUSTEE:
JOHN C. LINEHAN

Name: John C. Linehan

DELAWARE TRUSTEE:
WILMINGTON TRUST COMPANY,
as trustee and not in its individual capacity

By: _____
Name:
Title:

Definition of “Normal Distributions”

“Normal Distributions” has the meaning set forth in Section 5.01(f) of the Equilon LLC Agreement or the Motiva LLC Agreement, as the circumstance requires. Excerpts from the LLC Agreements are set forth below.

* * * * *

Equilon LLC Agreement:

Excerpts from Equilon LLC Agreement Section 5.01:

(f) The Principal Members shall determine, not less frequently than quarterly, the amount then available for distribution to the Members (after making distributions with respect to any Sole Financial Risk Projects, distributions with respect to any Deepwater GOM Transportation Systems and Tax Distributions) and the amount that the Company will distribute to the Members (“**Normal Distributions**”). Subject to the restrictions in Section 5.01(g), 5.01(h), unless agreed otherwise by Unanimous Approval, Normal Distributions for a Fiscal Year should be reflected in the Annual Budget and paid at a level approximating the greater of

such Dividend Reduction Notice may initiate dissolution proceedings pursuant to Article 14 by delivering written notice thereof to the other Principal Member (a “**Dividend Deadlock Notice**”).

(h) Notwithstanding any provision of this Agreement to the contrary, (i) no distributions shall be made pursuant to this Agreement except to the extent permitted under the Delaware Act and other Applicable Laws and (ii) a distribution of cash otherwise required by Section 5.01, (A) unless otherwise agreed by Unanimous Approval, shall not be made to the extent that, after giving effect to such distribution, taking into account the Company’s expected cash flow, the Company would have insufficient financial resources (including amounts that could be borrowed under the Financing Facilities or any other credit facility, then existing or which can prudently be put in place, of the Company) to satisfy its minimum operating requirements, to make any required payments under the terms of the outstanding Indebtedness and to make any capital expenditures that it is then legally obligated to make, and (B) shall be subject to any restrictions then applicable under the Financing Documents or then applicable to any other Indebtedness of the Company or its Subsidiaries incurred in accordance herewith.

*Selected Definitions:*¹

“**Annual Budget**” means the Initial Budget, an Approved Annual Budget or a Default Budget.

“**Approved Annual Budget**” is defined in Section 6.12(b) of the LLC Agreement [and generally means a proposed annual budget that receives Unanimous Approval].

“**Default Budget**” is defined in Section 6.12(c) of the LLC Agreement [and generally means a budget, based on a specified formula, for any fiscal year for which no proposed budget is approved].

“**Effective Time**” is defined in Section 2.03 of the Master Agreement [and generally means 12:01 a.m. (New York time) on January 1, 1998].

“**Fiscal Year**” means each fiscal year referred to in Section 8.01 of the LLC Agreement [and generally means each fiscal year of the Company ending on December 31 in each year].

“**Initial Budget**” is defined in Section 6.12(a) of the LLC Agreement [and generally means the Company’s budget for the period from the Effective Time through the end of the Company’s first full Fiscal Year].

“**Net Income or Net Loss**” means the taxable income or loss of the Company for federal income tax purposes, determined in accordance with Section 703(a) of the Code (and

¹ The information appearing in square brackets below is not part of the formal definition of each term, and is provided only for the convenience of the reader.

for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), increased by the income and gain exempt from federal income tax, and decreased by expenditures of the Company described in Section 705(a)(2)(B) of the Code (including expenditures treated as described in Section 705(a)(2)(B) of the Code under Regulation Section 1.704-1(b)(2)(iv)(i)); *provided*, that with respect to property that has been contributed by a Member or revalued pursuant to Regulation Section 1.704-1(b)(2)(iv)(f), gain or loss and depreciation, depletion, amortization and cost recovery deductions shall be determined as computed for “book” purposes in accordance with Regulation Section 1.704-1(b)(2)(iv)(g); *provided further*, that to the extent an adjustment to the adjusted basis of any Company asset pursuant to Section 734(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining capital accounts as a result of a distribution other than in liquidation of a Member’s interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Net Income or Net Loss. To the extent consistent with the foregoing, Net Income and Net Loss shall be determined under the accrual method of accounting and in accordance with GAAP.

“**Tax Distributions**” means distributions pursuant to Section 5.01(b) of the LLC Agreement.

“**Unanimous Approval**” means, with respect to any action or matter requiring approval of the Principal Members at any time, the approval, by vote at a meeting or by written consent in accordance with Article 6 of the LLC Agreement, of all of the Principal Members eligible to vote on such action or matter pursuant to the terms of the LLC Agreement.

* * * * *

Motiva LLC Agreement:

Excerpts from Motiva LLC Agreement Section 5.01:

(f) Subject to the restrictions in Section 5.01(h), the amount which will be distributed to Members (after making distributions with respect to any Sole Financial Risk Projects and distributions pursuant to Section 5.0 1(b)) (“**Normal Distributions**”) for a Fiscal Year should be reflected in the Annual Budget and paid, not less frequently than quarterly, at a level approximating the greater of (i) 50% of the difference between (A) the Company’s financial statement earnings before tax (excluding the impact of asset write downs, severance and relocation costs and other unusual and out-of-period items, in each case, associated with start-up of the Company (“

Before Normal Distributions”) or (ii) (A) during the first twelve months from the Effective Time, 8% to 10% (as determined by Majority Approval within such range) of the total of the balances in the Members’ book equity accounts (excluding any amounts associated with Sole Financial Risk Projects) (the **“Equity Balance”**) as of the Effective Time and (B) thereafter, 10% of the Equity Balance as reflected in the Company’s audited financial statements as of December 31 for the immediately preceding Fiscal Year. To the extent that actual Earnings for a Fiscal Year differs from Earnings set forth in the Annual Budget for the same Fiscal Year, or to the extent that the actual Equity Balance for such Fiscal Year differs from the Equity Balance set forth in the Annual Budget for the same Fiscal Year, and if such differences would change the Normal Distribution amounts calculated pursuant to the preceding sentence, an adjustment to correct the Normal Distributions previously paid will be made in the first quarter Normal Distribution of the following Fiscal Year (or at such earlier date as agreed by Unanimous Approval) and in subsequent Normal Distributions, as necessary. It is recognized that the Principal Members may agree by Unanimous Approval to cause the Company to make Normal Distributions in amounts greater or less than described in the first sentence of this Section 5.01(f) in furtherance of the investment opportunities of the Members and the prudent management of the Company. Notwithstanding any provision of this Agreement to the contrary, to the extent that Normal Distributions exceed Earnings Before Normal Distributions (in each case, on a cumulative basis, but excluding from such cumulative Earnings Before Normal Distributions the results of any Fiscal Year in which Earnings Before Normal Distributions are less than zero) by an amount greater than 5% (or such other amount as determined from time to time by Unanimous Approval) of the sum of (x) the Equity Balance existing as of the Effective Time and (y) all subsequent capital contributions by the Members (other than contributions associated with Sole Financial Risk Projects) (such sum, the **“Base Equity Amount”**), Unanimous Approval will be required to make such Normal Distributions. In addition, Unanimous Approval would be required for any Normal Distribution which would reduce the Equity Balance to any amount below the Base Equity Amount if, at the time the Normal Distribution was to be paid or after making such Normal Distribution, the credit rating on the Company’s long term indebtedness was or would be below investment grade or classified at the lowest level of investment grade with a negative outlook. If such Unanimous Approval is not obtained in either of the above cases, the CEO shall submit a new Proposed Budget as soon as possible but in any case, not longer than ninety days after the Members Committee’s vote on such Normal Distribution. In the event such Proposed Budget fails to receive Unanimous Approval, such failure shall constitute a persistent inability of the Principal Members to agree on a course of action with respect to a material matter despite good faith efforts to reach agreement, which inability has persisted for over 30 days after such inability first arose, within the meaning of Section 6.10. For each quarter in any Fiscal Year in which the Company operates pursuant to a Default Budget as a result of the failure to achieve Unanimous Approval for any Proposed Budget proposed pursuant to this Section 5.01(f), the Company shall make Normal Distributions in an aggregate amount equal to the lesser of (A) the sum of (x) one hundred percent

(g) Prior to each Normal Distribution which falls subsequent to the end of the first full Fiscal Year and prior to the calculation, if any, of provisional Ownership Percentages (or, with regard to the period after the seventh full Fiscal Year, Final Ownership Percentages) for the Fiscal Year in which such Normal Distribution is to be made, the Company shall make a good faith estimate of the Ownership Percentage of each Member to be e

Agreement [and generally means each fiscal year of the Company ending on December 31 in each year].

“Initial Budget” is defined in Section 6.12(a) of the LLC Agreement [and generally means the Company’s budget for the period from the Effective Time through the end of 1998].

“Tax Distributions” means distributions pursuant to Section 5.01(b) of the LLC Agreement.

“Unanimous Approval” means, with respect to any action or matter requiring approval of the Principal Members at any time, the approval, by vote at a meeting or by written consent in accordance with Article 6 of the LLC Agreement, of all of the Principal Members eligible to vote on such action or matter pursuant to the terms of the LLC Agreement.

Definition of “Sole Financial Risk Methodology”

“Sole Financial Risk Methodology” has the meaning set forth in Section 7.01(a) of the Equilon LLC Agreement or the Motiva LLC Agreement, as the circumstance requires. As set forth in the LLC Agreements, “Sole Financial Risk Methodology” refers to (A) the manner of determining the cost of making and operating a Sole Financial Risk Project and (B) a formula and all necessary related methodology required to apportion future revenues and expenses between a Sole Financial Risk Project and all other activities of a JV, including any other Sole Financial Risk Project.

Definition of “Sole Financial Risk Project”

“Sole Financial Risk Project” has the meaning set forth in Section 7.01(a) of the Equilon LLC Agreement or the Motiva LLC Agreement, as the circumstance requires. As set forth the LLC Agreements, if a member of a JV desires that the JV make a capital improvement (above specific investment levels) but the other member(s) do not approve such improvement or funding therefor is not available, the member who desires such capital improvement may direct that the JV make such capital improvement at such member’s sole cost and expense. This is referred to as a “Sole Financial Risk Project” in the LLC Agreements.

Sections 12.04 and 12.05 of the Equilon LLC Agreement
and
Selected Defined Terms

SECTION 12.04. *Rights to Acquire Interest in Certain Events.* (a) In the event of a Change of Control of any Member (the “**Changed Member**”) or an Event of Default in respect of any Member (the “**Defaulting Member**”), the Principal Member affiliated with the Changed Member or the Defaulting Member, as the case may be, shall, following such Change of Control or such Event of Default, as the case may be, promptly notify the Other Principal Member in writing of such event, setting forth the date and circumstances of the Change of Control and the identity of the Third Party that has acquired control of the Changed Member or the circumstances of such Event of Default, as applicable. If the Principal Member that is, or that is affiliated with, the Changed Member or the Defaulting Member, as the case may be, fails to give such notice, the Other Principal Member may give such notice. Promptly after delivery of any such notice by any Principal Member, or of otherwise ascertaining that such Change of Control or Event of Default has occurred, the Principal Members shall cause Fair Market Value of the Company to be determined in accordance with Section 12.05.

(b) Within 30 days following the determination of Fair Market Value of the Company, the Principal Member that is not affiliated with the Changed Member or the Defaulting Member, as the case may be, may provide a notice (the Principal Member providing such notice, a “**Triggering Member**”), to the Principal Member that is affiliated with the Changed Member or the Defaulting Member, as the case may be, indicating its desire to acquire the Ownership Interest of such Member’s Principal Member Group for the Applicable Change Price, and setting forth the date on which such Triggering Member intends to acquire such Ownership Interest pursuant to this Section 12.04, which date shall be as soon as practicable after delivery of the notice delivered by a Triggering Member pursuant to this Section 12.04(b). If the Triggering Member provides such notice, it shall have the right to acquire all but not less than all of the Ownership Interest of the Principal Member Group of the Changed Member or the Defaulting Member, as the case may be, subject to the provisions of Section 12.04(c), for the Applicable Change Price. As used in this Agreement, the term “**Applicable Change Price**” means, with respect to any Principal Member Group’s Ownership Interest, (x) 90% of the Fair Market Value of the Company *multiplied* by (y) such Principal Member Group’s Ownership Percentage.

(c) Upon the consummation of any purchase and sale pursuant to this Section 12.04(c), each Member of the Principal Member Group of the Changed Member or Defaulting Member, as the case may be, shall deliver its Ownership Interest, free and clear of all Liens (other than any Lien created under the Financing Documents), together with duly executed written instruments of transfer with respect thereto, in form and substance reasonably satisfactory to the purchasing Member, against payment of the Applicable Change Price by wire transfer, in immediately available funds, to the bank account of the Principal Member that is or is affiliated with the Changed Member or Defaulting Member designated for such purpose at least two Business Days prior to the date of such purchase and sale;

provided that certain Intellectual Property licenses granted by the Principal Member that is or is affiliated with the Changed Member or the Defaulting Member, as the case may be, shall terminate in accordance with the Shell Intellectual Property Agreements or the Texaco Intellectual Property Agreements, as the case may be.

SECTION 12.05. *Valuation Procedures.* (a) Promptly following delivery of any notice pursuant to Section 12.04(a), the Principal Members will seek to agree on the Fair Market Value of the Company.

(b) If the Principal Members cannot agree on the Fair Market Value within 30 days of delivery of such notice, the Triggering Member will select an independent investment banking firm of recognized international standing (an “**IB Firm**”) (the “**First Appraiser**”) and the Other Principal Member will select an IB Firm (the “**Second Appraiser**”) and, together with the First Appraiser, the “**Appraisers**”) to determine the Fair Market Value of the Company. The fees and expenses of each Appraiser will be borne by each of the Principal Members that have retained such Appraiser.

(c) Within 45 days of the date of selection of the Appraisers, each of the First Appraiser and the Second Appraiser will determine the Fair Market Value and will notify the Principal Members in writing of such determination (specifying the Fair Market Value as determined by such Appraiser and setting forth, in reasonable detail, the basis for such determination). If the Fair Market Value as determined by one Appraiser is not more than 110% of the Fair Market Value as determined by the other Appraiser, the Fair Market Value of the Company will be the average of the two amounts. In all other cases, the Appraisers will jointly select a third IB Firm (the “**Third Appraiser**”). The fees and expenses of the Third Appraiser will be borne by the Principal Members equally.

(d) The Third Appraiser will, within 45 days of its retention, determine its view of the Fair Market Value, and the Fair Market Value will thereupon be the average of (i) the Fair Market Value as determined by the Third Appraiser and (ii) whichever of the Fair Market Values as determined by the First Appraiser and the Second Appraiser is closer to the Fair Market Value as determined by the Third Appraiser; *provided* that if Fair Market Values as determined by the First Appraiser and the Second Appraiser differ by the same amount from the Third Appraiser’s determination of Fair Market Value, the Fair Market Value will be as determined by the Third Appraiser. The determination of Fair Market Value in accordance with this Section 12.05 will be final, binding and conclusive upon the Members.

(e) Each Principal Member will share with the Other Principal Member any written information it provides to the Third Appraiser and will not communicate other than in writing with the Third Appraiser without giving the Other Principal Member an opportunity to be present at any such communication.

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Selected Defined Terms:

“**Beneficial Ownership**” shall have the meaning set forth in Rule 13D under the Exchange Act.

“**Change of Control**” with respect to a Member means the occurrence of any of the following at any time after the date hereof:

(i) in the case of a Member that is a Shell Group Entity, (A) Shell shall cease to Beneficially Own, directly or indirectly through Subsidiaries, at least 75% of the Voting Securities of any such Member (other than itself), (B) the shareholders of such Member shall approve a consolidation, merger or any other corporate reorganization of such Member that would cause the situation described in clause (A) to occur, (C) a Royal Dutch/Shell Group Entity shall cease to Beneficially Own, directly or indirectly through Subsidiaries, at least 70% of the Voting Securities of Shell or (D) the Board of Directors of Shell shall approve the sale of all or substantially all the assets of Shell to any Third Party or Third Parties in a transaction or a series of related transactions; and

(ii) in the case of a Member that is a Texaco Group Entity, (A) Texaco shall cease to Beneficially Own, directly or indirectly through Subsidiaries, at least 75% of the Voting Securities of any such Member (other than itself), (B) the shareholders of such Member shall approve a consolidation, merger or any other corporate reorganization of such Member that would cause the situation described in clause (A) to occur, (C) any Person or “Group” (within the meaning of Rule 13D under the Exchange Act) of Persons shall have become the Beneficial Owner of more than 30% of the then outstanding Voting Securities of Texaco, (D) Texaco’s shareholders shall approve any consolidation, merger, business combination or any other transaction or series of transactions as a result of which the Persons having the Beneficial Ownership of the Voting Securities of Texaco immediately prior to any such transaction or series of transactions would, upon the consummation of such transaction, own less than 70% of the Voting Securities of the entity surviving the consummation of such transaction or series of transactions, (E) a majority of the Board of Directors of Texaco shall consist at such time of individuals other than (1) members of the Board of Directors of Texaco on the date hereof and (2) other members of such Board of Directors recommended, elected or approved to succeed or become a director of such Person by a majority of such members referred to in clause (1) or by members so recommended, elected or approved, or (F) the Board of Directors of Texaco shall approve the sale of all or substantially all the assets of Texaco to any Third Party or Third Parties in a transaction or a series of related transactions.

“**Fair Market Value**” means, as of any determination time, (i) with respect to the Company as a whole, the price at which a willing seller under no compulsion to sell would sell, and a willing buyer under no compulsion to purchase would purchase, 100% of the Ownership Interests in the Company (subject to all Indebtedness, liabilities and other obligations of the Company outstanding at such time), (ii) with respect to the Ownership Interest of any Member, the product of (x) the Fair Market Value of the Company at such time, determined in accordance with clause (i) above, and (y) the Ownership Percentage in the Company represented by the Ownership Interest being valued and (iii) with respect to

any other asset, Contract, property or security, the price at which a willing seller under no compulsion to sell would sell, and a willing buyer under no compulsion to purchase would purchase, such asset, Contract, property or security. Notwithstanding the foregoing, costs of re-branding are to be excluded in determining the Fair Market Value of the Company.

“Member” means each Person that becomes a member of the Company as of the Effective Time as provided in Section 3.01 of the LLC Agreement, and each Person that is admitted as a member of the Company after the date thereof in accordance with Article 12 of the LLC Agreement, in each case in such Person’s capacity as a member of the Company.

“Ownership Interest” means, with respect to any Member, such Member's limited liability company interest in the Company.

“Texaco Group” means, at any time, TRMI, TRMI Holdings, Texaco Pipeline, Texaco Trading, Texaco Convent, Texaco Anacortes and each Subsidiary of Texaco of which Texaco, directly or indirectly through Subsidiaries, Beneficially Owns at least 75% of the outstanding Voting Securities at such time.

“Texaco Group Entity” means, at any time, a Person included in the Texaco Group at such time.

“Transfer” means any sale, transfer, exchange, pledge, hypothecation, or other disposition, by operation of Applicable Law or otherwise.

“Voting Securities” means, with respect to any Person at any time, securities or other Ownership Interests the holders of which are at such time entitled to vote for the election of directors or other persons performing similar functions.

Sections 12.04 and 12.05 of the Motiva LLC Agreement
and
Selected Defined Terms

SECTION 12.04. *Rights to Acquire Interest in Certain Events.* (a) In the event of a Change of Control of any Member (the “**Changed Member**”) or an Event of Default in respect of any Member (the “**Defaulting Member**”

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meaning of Rule 13D under the Exchange Act) of Persons shall have become the Beneficial Owner of more than 30% of the then outstanding Voting Securities of Texaco, (D) Texaco's shareholders shall approve any consolidation, merger, business combination or any other transaction or series of transactions as a result of which the Persons having the Beneficial Ownership of the Voting Securities of Texaco immediately prior to any such transaction or series of transactions would, upon the consummation of such transaction, own less than 70% of the Voting Securities of the entity surviving the consummation of such transaction or series of transactions, (E) a majority of the Board of Directors of Texaco shall consist at such time of individuals other than (1) members of the Board of Directors of Texaco on the date hereof and (2) other members of such Board of Directors recommended, elected or approved to succeed or become a director of such Person by a majority of such members referred to in clause (1) or by members so recommended, elected or approved, or (F) the Board of Directors of Texaco shall approve the sale of all or substantially all the assets of Texaco to any Third Party or Third Parties in a transaction or a series of related transactions.

“Texaco Group Entity” means, at any time, a Person included in the Texaco Group at such time.

“Transfer” means any sale, transfer, exchange, pledge, hypothecation, or other disposition, by operation of Applicable Law or otherwise.

“Voting Securities” means, with respect to any Person at any time, securities or other Ownership Interests the holders of which are at such time entitled to vote for the election of directors or other persons performing similar functions.