

**FORM OF
AGREEMENT AND DECLARATION OF TRUST**

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AGREEMENT AND DECLARATION OF TRUST

THIS AGREEMENT AND DECLARATION OF TRUST (as amended from time to time, this **“Declaration of Trust”**), dated as of _____, 2001 by and among Robert A. Falise, as the Chairman and Divestiture Trustee, John C. Linehan, as the TRMI East Operating Trustee, Joe B. Foster, as the TRMI Operating Trustee (the TRMI East Operating Trustee and the TRMI Operating Trustee collectively, the **“Operating Trustees”**), Wilmington Trust Company, a Delaware banking corporation, as Delaware trustee (the **“Delaware Trustee”** and, together with the Chairman and Divestiture Trustee and the Operating Trustees referred to herein as the **“Co-Trustees”**), the Grantor (as defined below), Texaco Inc., a Delaware corporation (**“Texaco”**), and Chevron Corporation, a Delaware corporation which is expected to be renamed ChevronTexaco Corporation at the Effective Time defined below (**“Parent”**), to establish the Texaco Alliance Trust (as the same may be constituted from time to time, the **“Trust”**) under the Delaware Business Trust Act (*12 Del. C. § 3801, et. seq.*) (as amended from time to time and any successor to such statute, the **“Act”**) for the benefit of the Grantor.

WITNESSETH:

WHEREAS, the parties hereto desire to establish a Delaware business trust under the Act;

WHEREAS, Texaco has entered into an Agreement and Plan of Merger dated as of October 15, 2000, as amended, with Parent and Keepep Inc. (the **“Merger Agreement”**);

WHEREAS, this Trust is being established to address certain governmental concerns relating to the consummation of the transactions contemplated by the Merger Agreement by providing for the divestiture of the JV Interests (as defined below) whether through a sale to a third party, a public offering, a spin-off to the shareholders of Parent or otherwise, and by providing for the management and operation of the JV Interests pending such divestiture;

WHEREAS, Texaco has nominated Robert A. Falise to serve as Chairman and Divestiture Trustee, John C. Linehan to serve as TRMI East Operating Trustee and Joe B. Foster to serve as TRMI Operating Trustee, and the Commission (as defined below) has accepted such nominations; and

WHEREAS, the parties hereto desire to provide for the governance of the Trust and to set forth in detail their respective rights and duties to the Trust.

NOW, THEREFORE, each of the Chairman and Divestiture Trustee and the Operating Trustees hereby agrees that it will hold, administer and deal with all money and property received by it hereunder, IN TRUST, upon the following terms and conditions:

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

pursuant to the Merger Agreement shall become effective.

“Equilon” means Equilon Enterprises LLC, a Delaware limited liability company.

“Equilon Interest” means all of the ownership interests in Equilon owned directly or indirectly by Texaco, including the interests owned by TRMI and its wholly owned subsidiaries TCRI and Texaco Anacortes Cogeneration Company.

“Final Judgment” means the judgment entitled “State of California, et al. v. Chevron Corporation, a Delaware corporation and Texaco Inc., a Delaware corporation” filed in the Central District of California on or about August 20, 2001, and as the same may be amended by any orders of the court.

“Fiscal Year,” “Fiscal Period” and “Fiscal Quarters” have the respective meanings given such terms in Section 2.10.

“Grantor” means either (i) TRMI Holdings Inc., a Delaware corporation, if the capital stock of TRMI is contributed to the Trust under Section 2.05 or (ii) TRMI, if the capital stock of TRMI East (but not the capital stock of TRMI) is contributed to the Trust under Section 2.05.

“JV Holdco” means TRMI and/or TRMI East, as the context may require.

“JV Interests” means the Equilon Interest and the Motiva Interest.

“JV Parties” means Shell and/or SRI, as the context may require.

“JVs” means Equilon and Motiva.

“JV Transfer” shall mean the consummation of a disposition, including pursuant to a Spin-off, of all or a portion of a JV Interest or the stock of TRMI or TRMI East, as the case may be, in accordance with Section 3.01 hereof.

“Law” means any applicable federal, state, local or foreign law, statute, ordinance, directive, rule, regulation, judgment, order, injunction, decree, arbitration award, agency requirement, license or permit of any governmental or regulatory authority, agency, commission, tribunal or other governmental entity.

“LLC Agreements” means the (i) Limited Liability Company Agreement of Equilon Enterprises LLC dated as of January 15, 1998 (as amended as of the date hereof) (the **“Equilon LLC Agreement”**) and (ii) the Limited Liability Company Agreement of Motiva Enterprises LLC dated as of July 1, 1998 (the **“Motiva LLC Agreement”**).

“Motiva” means Motiva Enterprises LLC, a Delaware limited liability company.

“Motiva Interest” means all of the ownership interests in Motiva owned directly or indirectly by Texaco, including the interest owned by TRMI East.

“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 Interests and which are distributed in the Spin-off.

“SRI” means Saudi Refining, Inc., a Delaware corporation.

“States” means the state attorneys general of Alaska, Arizona, California, Florida, Hawaii, Idaho, Missouri, Nevada, New Mexico, Oregon, Texas, Utah and Washington, acting by and through the State of California.

“TCRI” means Texaco Convent Refining Inc., a Delaware corporation and a wholly owned subsidiary of TRMI.

“TRMI” means Texas Refining and Marketing Inc., a Delaware corporation and an indirect wholly owned subsidiary of Texaco.

“TRMI East” means Texaco Refining and Marketing (East) Inc., a Delaware corporation and a wholly owned subsidiary of TRMI.

“TRMI East Operating Trustee” means John C. Linehan or any other Person that becomes a successor Operating Trustee of the Trust as provided herein, in such Person’s capacity as Operating Trustee of the Trust with respect to TRMI East, including the Motiva Interest.

“TRMI Operating Trustee” means Joe B. Foster or any other Person that becomes a successor Operating Trustee of the Trust as provided herein, in such Person’s capacity as Operating Trustee of the Trust with respect to TRMI, including the Equilon Interest.

“**Trust Interest**” means the beneficial ownership interest in the Trust of the Grantor.

“**United States**” or “**U.S.**” means the United States of America.

“**\$**” means United States dollars.

ARTICLE 2 GENERAL PROVISIONS

SECTION 2.01. *Name.* The name of the Trust is “Texaco Alliance Trust.” The Trust’s business may be conducted under the name of the Trust or any other name or names selected by the TRMI Operating Trustee.

SECTION 2.02. *Principal Office.* The principal office of the Trust shall be at 1111 Bagby Street, Houston, Texas, 77002, or such other place as may from time to time be designated by the TRMI Operating Trustee. The TRMI Operating Trustee shall give prompt notice of any such change to the Grantor and the other Co-Trustees. The Chairman and Divestiture Trustee will have an office at 2000 Westchester Avenue, White Plains, New York, 10650, or such other place as may from time to time be designated by the Chairman and Divestiture Trustee.

SECTION 2.03. *Address of the Delaware Trustee; Delaware Trustee.* The address of the Delaware Trustee in Delaware is Wilmington Trust Company, 1100 North Market Street, Wilmington, Delaware 19890. The Delaware Trustee is appointed to serve as the trustee of the Trust in Delaware for the sole purpose of satisfying the requirement of Section 3807 of the Act that the Trust have at least one trustee with a principal place of business in Delaware. It is understood and agreed by the parties hereto that the Delaware Trustee shall have none of the duties or liabilities of the Chairman and Divestiture Trustee or the Operating Trustees. The duties of the Delaware Trustee shall be limited to (a) accepting legal process served on the Trust in Delaware and (b) the execution of any certificates required to be filed with the Delaware Secretary of State which the Delaware Trustee is required to execute under Section 3811 of the Act. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or the Grantor, it is hereby understood and agreed by the parties hereto, including the Grantor, that such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this Declaration of Trust.

SECTION 2.04. *Purposes of the Trust.* (a) The Trust is created for the object and purpose of, and the nature of the business to be conducted and promoted by the Trust is, engaging in any lawful act or activity for which Delaware business trusts may be formed under the Act, including, without limitation, (i) effecting the JV Transfers pursuant to Article 3 hereof, the Consent Order and the Final Judgment, and, until such JV Transfers are effected, holding and managing the JV Interests and (ii) engaging in all activities and transactions as the Chairman and Divestiture Trustee or the Operating Trustees may deem reasonably necessary, advisable, convenient or incidental in connection with the JV Transfers and the holding and managing of the JV Interests.

(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

SECTION 3.01. *The JV Transfers.* The Chairman and Divestiture Trustee hereby acknowledges that the principal purpose of the Trust is to cause, as promptly as possible, the JV Transfers to be effected, individually or jointly, so that the Trust ceases to hold any JV Interest, pursuant to the terms and conditions of this Declaration of Trust and subject to the Consent Order and the Final Judgment, and specifically to effectuate the remedial purposes of the Consent Order and the Final Judgment as set forth therein, taking into account the obligation under the Consent Order and the Final Judgment to effectuate such JV Transfers at no minimum price. Subject to the Consent Order and the Final Judgment and the obligations under the Consent Order and the Final Judgment to effectuate such JV Transfers at no minimum price, the Chairman and Divestiture Trustee shall effectuate the JV Transfers in a manner that is reasonably calculated to maximize value (taking into account tax and other costs and certainty of completion) for Texaco and its stockholders and, after the Effective Time, Parent and its stockholders. The Chairman and Divestiture Trustee shall use his or her reasonable best efforts to effect such disposition as follows:

(a) The Chairman and Divestiture Trustee shall have eight (8) months from the Effective Time to accomplish the divestitures required by Paragraph II of the Consent Order and Section III of the Final Judgment, which shall be subject to the prior approval of the Commission and the States. If, however, at the end of the eight-month period, the Chairman and Divestiture Trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the Chairman and Divestiture Trustee’s divestiture period may be extended by the Commission or the States.

(b) The Chairman and Divestiture Trustee shall serve, without bond or other security, at the cost and expense of Texaco. The Chairman and Divestiture Trustee shall have the authority to employ, at the cost and expense of Texaco, such financial advisors, consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Chairman and Divestiture Trustee's duties and responsibilities.

(c) Subject to the absolute and unconditional obligation of Parent and Texaco in the Consent Order and the Final Judgment to divest at no minimum price, and subject to the provisions of Section 3.01(e) of this Declaration of Trust, the Chairman and Divestiture Trustee shall use his or her reasonable best efforts to negotiate the most favorable price and terms available for the divestiture of TRMI (if the

Chairman and Divestiture Trustee has not divested the Equilon Interest pursuant to Paragraph III.F of the Consent Order and Section IV of the Final Judgment) and/or TRMI East (if the Chairman and Divestiture Trustee has not divested all or part of the Motiva Interest pursuant to Paragraph III.F of the Consent Order and Section IV of the Final Judgment). The divestiture shall be made only in a manner that receives the prior approval of the Commission and the States and, unless the acquirers are Shell and/or SRI, the divestiture shall be made only to an acquirer or acquirers that receive the prior approval of the Commission and the States; *provided, however*, if the Chairman and Divestiture Trustee receives bona fide offers from more than one acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the Chairman and Divestiture Trustee shall divest to the acquiring entity or entities selected by Parent and Texaco from among those approved by the Commission and the States; *provided further, however*, that Parent and Texaco shall select such entity within five (5) days of receiving notification of the Commission's and the States' approval.

(d) If, prior to the establishment of the Trust, Texaco or any of its Affiliates shall have executed an agreement for the sale of the JV Interests to the JV Parties and such agreement shall have been approved by the Commission and the States and shall have been assigned to the Trust, the Chairman and Divestiture Trustee shall consummate the sale of the JV Interests to the JV Parties pursuant to the terms of such agreement as soon as practicable.

(e) Unless the JV Parties shall have waived their rights under Section 12.04 of the LLC Agreements, prior to the establishment of the Trust, Texaco shall cause to be delivered to each of the JV Parties the notices contemplated by Section 12.04(a) of the LLC Agreements notifying them of the occurrence of a Change of Control (as defined in the LLC Agreements). Unless there is an agreement for the sale of the JV Interests to the JV Parties which has been assumed by the Trust, the Chairman and Divestiture Trustee shall carry out the valuation procedures set forth in Section 12.05 of the LLC Agreements (which sections are reproduced in Annex II-A and Annex II-B hereto). In the event one or both JV Parties shall elect to acquire the relevant JV Interests pursuant to Section 12.04(b) of the LLC Agreements, the Chairman and Divestiture Trustee shall consummate the sale of the JV Interests in accordance with Section 12.04(c) of the LLC Agreements.

(f) In the event one or both JV Interests are not disposed of in accordance with Section 3.01(d) or 3.01(e) of this Declaration of Trust, the Chairman and Divestiture Trustee shall use his or her reasonable best efforts to dispose of the capital stock of the JV Holdco through a sale to one or more third parties, through one or more Public Offerings or through a distribution of the interests to the stockholders of Parent in a Spin-off, subject to the prior approval of the Commission and the States. In determining which divestiture to pursue, the Chairman and Divestiture Trustee shall consider which alternative will result in the most viable and competitive entity and may consider which alternative will yield maximum value for the stockholders of Parent after the Effective Time (taking into account tax and other costs and certainty of completion) on the most commercially reasonable terms in order to effectuate the remedial purposes of the Consent Order and the Final Judgment as set forth therein, *provided, however*, that the Chairman and Divestiture Trustee will not take any action which if taken by the Grantor would be in violation of Section 7.4 of the Merger Agreement or applicable Law. Notwithstanding any of the foregoing, the Chairman and Divestiture Trustee may prepare to sell the capital stock of the JV Holdco in accordance with this Section 3.01(f) in advance of the expiration of the time periods set forth in Section 12.04 of the LLC Agreements by, without limitation, preparing

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* on the business day prior to the date such amount is paid by the Grantor, compounded semiannually).

SECTION 3.03. *Restrictions on Distributions from the Trust.* The foregoing provisions of this Article 3 to the contrary notwithstanding, no distribution shall be made (a) if such distribution would violate any contract or agreement to which the Trust is then a party or any Law, or (b) to the extent that the Chairman and Divestiture Trustee, upon the advice of counsel, determines that any amount otherwise distributable should be retained by the Trust to pay, or to establish a reserve for the payment of, any liability or obligation of the Trust, whether liquidated, fixed, contingent or otherwise.

SECTION 3.04. *Restrictions on Agreements.* None of the Co-Trustees shall enter into any contract or agreement that would prevent or materially restrict the JV Transfer.

SECTION 3.05. *Advisory Committee.* (a) Concurrently with the execution of this Declaration of Trust, the Grantor shall establish an Advisory Committee. The Advisory Committee shall consist of four members (each, a "**Committee Member**"), two of which shall be designated by the Grantor at the direction of Parent ("**Parent Members**") and two of which shall be designated by the Grantor ("**Texaco Members**"). The Person entitled to so designate or direct the designation of any Committee Member shall have the power to remove, or direct the removal, as applicable, of such Committee Member, with or without cause. If, as a result of death, disability, retirement, resignation, removal or otherwise, there shall exist or occur any vacancy on the Advisory Committee, the Person entitled under this Section to designate or direct the designation of such Committee Member whose death, disability, retirement, resignation or removal resulted in such vacancy may designate or direct the designation of another individual to fill such vacancy. Each Committee member shall be entitled to one vote, and no action shall be taken by the Advisory Committee without the unanimous approval of the Advisory Committee.

(b) The Advisory Committee shall meet every other week (or at such times as the Advisory Committee shall otherwise agree) with the Chairman and Divestiture Trustee. The Chairman and Divestiture Trustee shall keep the Advisory Committee, the Commission and the States informed of all material developments relating to the JV Transfers and shall advise the Advisory Committee, the Commission and the States as to all material issues that may arise in connection with the JV Transfers, including, without limitation, strategies for completion of the JV Transfers, issues which may affect the timing of the JV Transfers or the value of the Net Proceeds, the methods for executing the JV Transfers and other similar matters.

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.

(c) Each Operating Trustee shall have full and complete access to all personnel, books, records, documents, and facilities of TRMI and/or TRMI East as needed to fulfill such Operating Trustee's obligations, or to any other relevant information, as such Operating Trustee may reasonably request, including but not limited to all documents and records kept in the normal course of business that relate to Texaco's and Parent's obligations under the Consent Order and Final Judgment. Texaco and Parent shall develop such financial or other information as such Operating Trustees may reasonably request and shall cooperate with the Operating Trustees. Texaco and Parent shall take no action to interfere with or impede the Operating Trustees' ability to perform their responsibilities.

(d) The Operating Trustees shall serve, without bond or other security, at the cost and expense of Texaco. Each Operating Trustee shall have the authority to employ, at the cost and expense of Texaco, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out such Operating Trustee's duties and responsibilities.

ARTICLE 4 MANAGEMENT OF THE TRUST

SECTION 4.01. *Management Generally.* Subject to Section 4.02 and Article 3, the management of the Trust shall be vested in the Operating Trustees and, to the extent set forth in Section 4.02(a), in the Chairman and Divestiture Trustee. Parent, Texaco and the Grantor shall have no part in the management of the Trust, and shall have no authority or right to act on behalf of the Trust in connection with any matter (including, without limitation, the JV Holdco, the JV Interests, or the respective businesses thereof) or to bind the Trust.

SECTION 4.02. *Authority of the Co-Trustees.* (a) Subject to Section 4.02(c) and Article 3, the Chairman and Divestiture Trustee shall have the power by itself on behalf and in the name of the Trust to carry out any and all of the objects and purposes of the Trust set forth in Section 2.04 as the same relate to the JV Transfers described in Article 3, and to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary, advisable, convenient or

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 Transfers as the Chairman and Divestiture Trustee shall deem reasonable, consistent with the purpose of this Trust (which agreements may provide for indemnification);

(ii) employ, retain or otherwise secure, or enter into contracts, agreements and other undertakings with, Persons in connection with the JV Transfers including, without limitation, any financial advisors, attorneys and accountants, all on such terms and for such consideration as the Chairman and Divestiture Trustee deems commercially reasonable; *provided, however*, that any such contracts, agreements or other undertakings and transactions with the Chairman and Divestiture Trustee and the Grantor or any of their respective Affiliates shall be on terms and for consideration which are arm's-length and fair to the parties consistent with the duties of the Chairman and Divestiture Trustee as provided herein;

(iii) open, maintain and close accounts with banks and others;

(iv) in connection with the JV Transfers, draw checks or other orders for the payment of monies, and issue all instructions and authorizations to entities regarding the purchase and sale or entering into, as the case may be, of securities, certificates of deposit, bankers acceptances, instruments and investments for the purpose of seeking to achieve the Trust's purposes as well as to facilitate distributions, withdrawals, the payment of Trust expenses and business and affairs of the Trust in general;

(v) in connection with the JV Transfers, deposit, withdraw, invest, pay, retain and distribute the Trust's funds or other assets in a manner consistent with the provisions of this Declaration of Trust; and

(vi) 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.

(b) (i) Subject to Sections 4.02(b)(ii) and 4.02(c) and except as provided in Article 3, each Operating Trustee shall have the power by itself on behalf of and in the name of the Trust to carry out all of the objects and purposes of the Trust set forth in Section 2.04 as the same relate to the operation of the JV Holdco including the JV Interests and the management and operation of the Trust's business, and to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary, advisable, convenient or incidental thereto, including without limitation, the power to:

(A) exercise voting rights, rights to consent to corporate action and any other rights as owner of the JV Holdco, including those pertaining to the JV Interests, *provided, however* that such Operating Trustee shall have no power to cause TRMI or TRMI East to vote (I) to authorize Normal Distributions from Equilon in excess of the amount resulting from the formula prescribed in the second sentence of Section 5.01(f) of the Equilon LLC Agreement or from

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 terms and for such consideration as such Operating Trustee deems commercially reasonable; *provided, however*, that any such contracts, agreements or other undertakings and transactions with such Operating Trustee and the Grantor or any of their respective Affiliates shall be on terms and for consideration which are arm's-length and fair to the parties consistent with the duties of such Operating Trustee as provided herein;

(C) bring or defend, pay, collect, compromise, arbitrate, resort to legal action, or otherwise adjust claims or demands of or against the JV Holdco or the Trust;

(D) do any and all acts appropriate as an owner of the JV Holdco, including with respect to the JV Interests, and exercise all rights as an owner of the JV Holdco, with respect to their interests in any property, including, without limitation, the voting of securities, participation in arrangements with creditors, the institution and settlement or compromise of suits and administrative proceedings and other like or similar matters;

(E) perform, or supervise the performance of, the management and administrative services necessary for the operation of the Trust;

(F) draw checks or other orders for the payment of monies, and issue all instructions and authorizations to entities regarding the purchase and sale or entering into, as the case may be, of securities, certificates of deposit, bankers acceptances, instruments and investments for the purpose of seeking to achieve the Trust's purposes as well as to facilitate distributions, withdrawals, the payment of Trust expenses and business and affairs of the Trust in general;

(G) deposit, withdraw, invest, pay, retain and distribute the Trust's funds or other assets in a manner consistent with the provisions of this Declaration of Trust;

(H) cause the Trust to carry such indemnification insurance as such Operating Trustee deems necessary to protect it and any other individual or entity entitled to indemnification pursuant to Section 4.05;

(I) do any and all acts on behalf of the Trust, and exercise all rights of the Trust, with respect to its interest in any property, including, without limitation, the voting of securities, participation in arrangements with creditors, the institution and settlement or compromise of suits and administrative proceedings and other like or similar matters; and

(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

the fullest extent permitted by law.

SECTION 4.05. *Indemnification.* (a) Texaco shall indemnify and hold harmless each Covered Person from and against any loss, expense, judgment, settlement cost, fee and related expenses (including reasonable attorneys' fees and expenses), costs or damages suffered or sustained by or imposed on a Covered Person in any way relating to or arising out of this Declaration of Trust, the Trust or the management or administration of the Trust or in connection with the business or affairs of the Trust or the activities of such Covered Person on behalf of the Trust as long as such Covered Person has not acted with gross negligence, fraud, reckless disregard, or intentional misconduct, or in willful violation of Law or material and willful violation of this Declaration of Trust. Texaco shall advance to any Covered Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action or proceeding which arises out of conduct which is the subject of the indemnification provided hereunder. Each of the Chairman and Divestiture Trustee and the Operating Trustees hereby agrees and each other Covered Person shall agree, that in the event such Covered Person receives any such advance, such Covered Person shall reimburse Texaco for such advance to the extent that it shall be finally judicially determined that such Covered Person was not entitled to indemnification under this Section 4.05. The provisions of this Section 4.05 shall survive termination of this Declaration of Trust.

(b) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 4.05 shall not be construed so as to provide for the indemnification of any Covered Person for any liability to the extent (but only to the extent) that such indemnification would be in violation of applicable Law or 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 4.05 to the fullest extent permitted by law.

SECTION 4.06. *Payment of Costs and Expenses.* (a) Texaco shall be responsible for all legal and accounting fees, costs and other expenses incurred by the Trust and the Co-Trustees in connection with the initial structuring and organization of the Trust.

(b) The Operating Trustees shall provide to the Chairman and Divestiture Trustee, and the Chairman and Divestiture Trustee shall provide to Texaco, within 10 days following the end of every month, an accounting of any fees and expenses to be paid or payable by the Trust during that month, together with supporting documentation, and an estimate of fees and expenses reasonably likely to be incurred in the following month. In the event the liquid assets of the Trust then available or which are expected to be available shall be insufficient to pay such fees and expenses (it being understood that the Co-Trustees are neither required nor permitted to sell any portion of the JV Interests in order to obtain cash to pay such expenses), Texaco shall, within 10 days of receipt of a request for funds, contribute to the Trust any amount necessary to pay such fees and expenses. Except as otherwise provided herein, all ongoing Trust expenses, including, but not limited to, all investment-related expenses, including all taxes imposed on or payable by the Trust and investment expenses (*i.e.*, expenses which the Chairman and Divestiture Trustee reasonably determines to be directly related to the investment of the Trust's assets), all fees payable by Texaco to the Co-Trustees, legal expenses, financial advisory, auditing and tax preparation expenses, mailing expenses, printing and postage expenses, insurance expenses, external accounting expenses related to the Trust and its investments and extraordinary expenses (such as litigation and indemnification of the Co-Trustees) shall be paid by the Trust as provided in this Section

4.06(b).

SECTION 4.07. *Assignability of Interest.* The Grantor may not assign, sell, transfer, pledge, hypothecate or otherwise dispose of any of the Trust Interests in whole or in part to any Person except that the Grantor may assign its right to receive any distributions made pursuant to Section 3.02 or 5.02 to any Person.

SECTION 4.08. *Resignation, Removal and Replacement of Co-Trustees.*

(a) Any Co-Trustee may resign effective at any time upon 30 days' prior written notice to the Grantor *provided*, that the Delaware Trustee's resignation shall not be effective until a replacement Delaware Trustee satisfying the requirements of Section 3807 of the Act has been selected and has accepted its appointment.

(b) If, for any reason, the Chairman and Divestiture Trustee cannot serve or cannot continue to serve as Chairman and Divestiture Trustee, or fails to act diligently, the Commission and the States shall select a replacement Chairman and Divestiture Trustee, subject to the consent of the Grantor, which consent shall not be unreasonably withheld. If the Grantor has not opposed, in writing, including the reasons for opposing, the selection of any replacement Chairman and Divestiture Trustee within ten (10) days after notice by the staff of the Commission and the States to the Grantor of the identity of any proposed replacement Chairman and Divestiture Trustee, the Grantor shall be deemed to have consented to the selection of the proposed replacement Chairman and Divestiture Trustee. The replacement Chairman and Divestiture Trustee shall be a person with experience and expertise in acquisitions and divestitures.

(c) If, for any reason, an Operating Trustee cannot serve or cannot continue to serve in such capacity or fails to act diligently, the Commission and the States shall select a replacement Operating Trustee, subject to the consent of the Grantor, which consent shall not be unreasonably withheld. If the Grantor has not opposed, in writing, including the reasons for opposing, the selection of any replacement Operating Trustee within ten (10) days after notice by the staff of the Commission to the Grantor of the identity of any proposed replacement Operating Trustee, the Grantor shall be deemed to have consented to the selection of the proposed replacement Operating Trustee. The replacement Operating Trustee shall be a person with experience and expertise in the management of businesses of the type engaged in by Equilon and Motiva.

(d) The Grantor may remove the Delaware Trustee. Upon the resignation or removal of the Delaware Trustee, the Grantor shall select a new Delaware Trustee and shall notify the Commission and the States of such selection.

ARTICLE 5 DISSOLUTION AND WINDING-UP

SECTION 5.01. *Events Causing Dissolution.* The Trust shall be dissolved and its affairs shall

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 Section 5.01, any remaining assets of the Trust, including, if applicable, the capital stock of the JV Holdco if such capital stock was not disposed of in connection with the disposition of the JV Interests, to the Grantor.

SECTION 5.03. *Cancellation of Certificate*. Notwithstanding anything to the contrary in this Declaration of Trust, the existence of the Trust as a separate legal entity shall continue until the cancellation of the Certificate of Trust in accordance with the Act.

ARTICLE 6 BOOKS AND RECORDS; TAX RETURNS; REPORTS

SECTION 6.01. *Books and Records*. The books and records of the Trust shall be maintained

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

Law, keep confidential from the Grantor and the Advisory Committee any information the Chairman and Divestiture Trustee or an Operating Trustee, as the case may be, reasonably believes the Trust or such Trustee is required by Law or contract to keep confidential.

ARTICLE 7 MISCELLANEOUS

SECTION 7.01. *General.* This Declaration of Trust may be executed, through the use of separate signature pages or in any number of counterparts with the same effect as if the parties executing such counterparts had all executed one counterpart.

SECTION 7.02. *Amendments to this Declaration of Trust.* The terms and provisions of this Declaration of Trust may be modified or amended at any time and from time to time with the written consent of the Grantor, Parent, the Operating Trustees and the Chairman and Divestiture Trustee and subject to the approval of the Commission and the States, insofar as is consistent with the Laws governing this Declaration of Trust, *provided, however,* that the rights, duties, responsibilities and compensation of the Delaware Trustee shall not be changed without the prior written consent of the Delaware Trustee.

SECTION 7.03. *Choice of Law.* Notwithstanding the place where this Declaration of Trust may be executed by any of the parties thereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of Delaware without regard to principles of conflict of laws and, without limitation thereof, that the Act as now adopted or as may be hereafter amended shall govern the Business Trust aspects of the Declaration of Trust.

SECTION 7.04. *Notices.* Each notice relating to this Declaration of Trust shall be in writing and delivered in person, by facsimile or by registered or certified mail and shall be given,

if to the Delaware Trustee, to:

Wilmington Trust Company
1100 North Market Street
Wilmington, DE 19890
Facsimile: 302-651-8882
Attention: Corporate Trust Administration

if to the TRMI Operating Trustee, to:

Joe B. Foster
10,000 Memorial Dr.

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
Los Angeles, CA 90013
Facsimile: (213) 897-2801

or to such other address or telecopier number as such party may hereafter specify for the purpose by notice to the other parties.

Unless otherwise specifically provided in this Declaration of Trust, a notice shall be deemed to have been effectively given when faxed or mailed by registered or certified mail to the proper address or when delivered in person.

SECTION 7.05. *Expenses.* Except as expressly provided herein, all costs and expenses incurred by the parties hereto in connection with this Declaration of Trust (including the costs and expenses incurred by such party in connection with the execution hereof) shall be paid by the party incurring such cost or expense.

SECTION 7.06. *Headings.* The titles to the Articles and the headings of the Sections of this Declaration of Trust are for convenience of reference only, and are not to be considered in constructing the terms and provisions of this Declaration of Trust.

SECTION 7.07. *Construction and Interpretation.* This Declaration of Trust constitutes the entire agreement among the parties hereof with respect to the subject matter hereof. This Declaration of Trust supersedes any prior agreements or understanding among the parties and may not be modified or amended in any manner other than as set forth herein. To the extent there is any conflict between the provisions of this Declaration of Trust and the provisions of the Consent Order, the Consent Order shall control. To the extent there is any conflict between the provisions of this Declaration of Trust and the provisions of the Final Judgment, the Final Judgment shall control. If any question should arise with respect to the operation of the Trust, which is not otherwise specifically provided for in this Declaration of Trust or the Act, or with respect to the interpretation of this Declaration of Trust, the TRMI

Operating Trustee subject to the approval of the Commission and the States is hereby authorized to make a final determination with respect to any such question and to interpret this Declaration of Trust in such a manner as it shall deem fair and equitable, and its determination and interpretations so made shall be final and binding on all parties. Whenever possible, the provisions of this Declaration of Trust shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Declaration of Trust shall be unenforceable or invalid under said applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity, and the remaining provisions of this Declaration of Trust shall continue to be binding and in full force and effect.

SECTION 7.08. *Limitation of Co-Trustee's Liability.* Except as expressly set forth in this Declaration of Trust, each Co-Trustee acts solely as a trustee hereunder and not in its individual capacity, and all Persons having any claim against any Co-Trustee by reason of the transactions contemplated by this Declaration of Trust shall look only to the Trust's property for payment or satisfaction thereof.

SECTION 7.09. *Guarantee from Parent.* Parent hereby guarantees all payment obligations of Texaco under this Declaration of Trust arising after the Effective Time.

SECTION 7.10. *Approval by the Commission and the States.* Where this Declaration of Trust grants approval rights to both the Commission and the States as to any matter, the applicable Co-Trustee shall endeavor to obtain approvals from both; *provided, however,* in the event of a disagreement between the Commission and the States with respect to any such matter, the decision of the Commission shall control if the States do not act within ten days after the Commission has decided.

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:

GRANTOR:

By: _____

Name:

Title:

CHEVRON CORPORATION

By: _____

Name:

Title:

TEXACO INC.

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 (A) 50% of the Company’s Net Income during that Fiscal Year, excluding from Net Income (i) the amount of any distributions due or made with respect to Sole Financial Risk Projects, (ii) the amount of any distributions due or made pursuant to Annex B hereto, and (iii) the amount of Tax Distributions due or made for such Fiscal Year or (B) during the first twelve months from the Effective Time, 8% to 10% of the total of the balances in the Members’ equity accounts (excluding any amounts associated with Sole Financial Risk Projects or Thirdco Transportation Systems), as noted in the Company’s audited financial statements as of December 31 of the preceding Fiscal Year, and 10% of such total for each year thereafter. However, it is recognized that the Principal Members may unanimously agree to cause the Company to make Normal Distributions in amounts greater or less than described in the preceding sentence in furtherance of the investment opportunities of the Members and the prudent management of the Company.

(g) Notwithstanding Section 5.01(f) above, in the event either Principal Member believes, in its sole discretion, that payment of a Normal Distribution in an amount calculated pursuant to the formula set forth in the second sentence of Section 5.01(f) would be imprudent, and so notifies the other Principal Member in writing (a “**Dividend Reduction Notice**”), Normal Distributions thereafter payable shall be in amounts agreed by Unanimous Approval until such Dividend Reduction Notice is withdrawn or the Principal Members adopt a new method of calculating Normal Distributions. Following delivery of a Dividend Reduction Notice, the Principal Members shall consult in good faith to adopt a new method of calculating Normal Distributions. At any time 180 or more days after receipt of a Dividend Reduction Notice, so long as such Dividend Reduction Notice remains outstanding, the Principal Member in receipt 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.

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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 (“**Organizational Extraordinary Items**”)), as may be modified by Unanimous Approval to reflect extraordinary items other than Organizational Extraordinary Items (such sum, “**Earnings**”) during such Fiscal Year and (B) the sum of (1) the amount of any distributions due or made with respect to Sole Financial Risk Projects for such Fiscal Year and (2) the amount of Tax Distributions due or made for such Fiscal Year (such difference, “**Earnings**”

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 (100%) of the Company’s Earnings Before Normal Distributions for the immediately preceding quarter (which shall in no event be less than zero) plus (y) for up to twelve quarters, one-fourth of one percent (0.25%) of the Base Equity Amount and (B) two and one-half percent (2.5%) of the Equity Balance as noted in the Company’s financial statements for the last day of the immediately preceding quarter.

(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 effective with respect to distributions made during such Fiscal Year (based on the information then available), and distributions shall be made to the Members on the basis of such good faith estimate. In the event that it is subsequently determined that the Normal Distributions required to be made to such Member for such Fiscal Year exceed or are less than the Normal Distributions made on the basis of the Ownership Percentages estimated pursuant to the immediately preceding sentence, the Company shall make appropriate adjustments to the amount of subsequent Normal Distributions in order to give effect to the net cumulative amount of such excess or deficiency, as the case may be, as promptly as possible.

(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 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:*²

“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 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 2.04 of the Master Agreement [and generally means 12:01 a.m. (New York time) on the Closing Date].

“Fiscal Year” means each fiscal year referred to in Section 8.01 of the LLC

² 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.

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.

* * * * *

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**”), 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 each of the Other Principal Members 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, either of the Other Principal Members 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, either or both of the Principal Members that is not affiliated with the Changed Member or the Defaulting Member, as the case may be, may provide a notice (each of Principal Members 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 both of the Other Principal Members are Triggering Members, they 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), *pro rata* based on the Ownership Percentages of the Triggering Members at such time (unless the Triggering Members shall agree to a different allocation) for the Applicable Change Price. If only one of the Triggering Members 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 (v) 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 or Members, 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 or the Triggering Members will select an independent investment banking firm of recognized international standing (an “**IB Firm**”) (the “**First Appraiser**”) and the Principal Member that is or is Affiliated with the Defaulting Member or Changed Member, as the case may be, 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 Triggering Member(s) and the Principal Member that is or is Affiliated with the Defaulting Member or the Changed Member, as the case may be, *pro rata* in accordance with their Principal Member Group’s respective Ownership Percentages.

(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 Member will share with the Other Principal Members 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 Members 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;
- (ii) in the case of a Member that is an SRI Group Entity, (A) SRI 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) Saudi Aramco shall cease to Beneficially Own, directly or indirectly through Subsidiaries, at least 70% of the Voting Securities of SRI or (D) the Board of Directors of Saudi Aramco shall approve the sale of all or substantially all the assets of SRI to any Third Party or Third Parties in a transaction or a series of related transaction;
- (iii) 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 (East) 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.