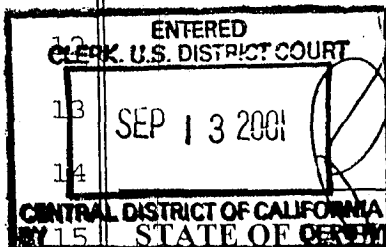
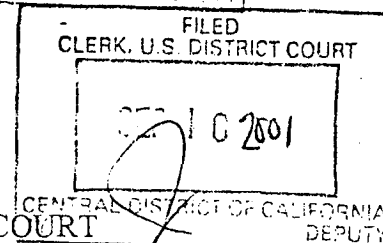
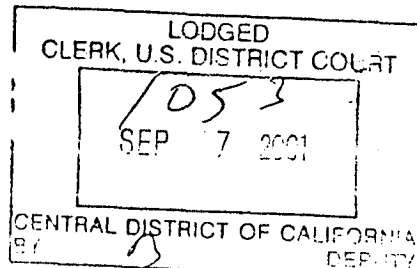


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 11 (See Signature page for other parties)



IN THE UNITED STATES DISTRICT COURT
 FOR THE CENTRAL DISTRICT OF CALIFORNIA

12
 13
 14
 15 STATE OF CALIFORNIA, et al.,

Plaintiffs,

v.

18 CHEVRON CORPORATION, a Delaware
 corporation and TEXACO INC., a Delaware
 19 corporation,

20 Defendants.

CASE NO.

FINAL JUDGMENT

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23 The State attorneys general of Alaska, Arizona, California, Florida, Hawaii, Idaho,
 24 Nevada, New Mexico, Texas, Oregon, Utah and Washington ("the States") initiated an investigation
 25 of the proposed merger (the "Merger") of Defendants Chevron Corporation ("Chevron") and Texaco
 26 Inc. ("Texaco").

27 Defendants were furnished with copies of the Complaint that the States intend to file in this
 28 matter alleging violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and

SEP 11 2001

SEP 13 2001

1 a. For Defendants:

- 2 1. Chevron and Chevron Texaco: Terry Calvani, Esq., Pillsbury Winthrop LLP,
3 1133 Connecticut Avenue, NW, Washington, D.C. 20036; and Mr. Harvey
4 D. Hinman, Vice President & General Counsel, Chevron Corporation, 575
5 Market Street, San Francisco, CA 94105.
6 2. For Texaco: Marc G. Schildkraut, Esq., Howrey Simon Arnold & White,
7 1299 Pennsylvania Avenue, NW, Washington D.C. 20004-2402; and Ms.
8 Leocadie L. Robertson, General Counsel, Texaco Inc., 2000 Westchester
9 Avenue, White Plains, New York 10650.

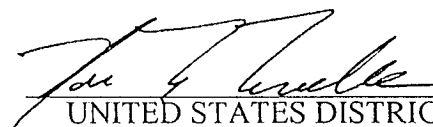
- 10 b. For Plaintiff States: Ms. Margaret E. Spencer, Deputy Attorney General, Office of
11 the Attorney General, 300 South Spring Street, Los Angeles, California 90013.

12
13 XXI. PUBLIC INTEREST

14 121. This proceeding and prompt entry of this Final Judgment is in the public interest.

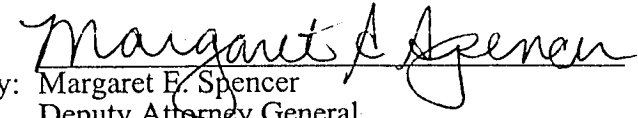
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16 Presented by:

17 DATED this 10th day of Sept 2001.

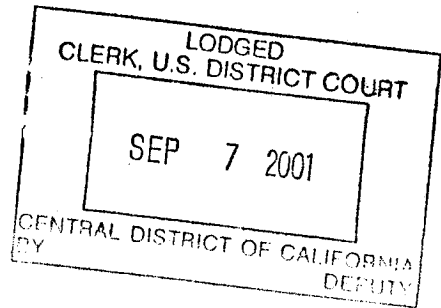
18
19 
20 UNITED STATES DISTRICT JUDGE
21 NORA M. MANELLA

22 Presented by:

23 BILL LOCKYER, Attorney General
24 of the State of California

25 
26 By: Margaret E. Spencer
27 Deputy Attorney General
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12 IN THE UNITED STATES DISTRICT COURT
13 FOR THE CENTRAL DISTRICT OF CALIFORNIA

14
15 **STATE OF CALIFORNIA, et al.,**
16 Plaintiffs,
17 v.
18 **CHEVRON CORPORATION, a Delaware**
19 **corporation and TEXACO INC., a Delaware**
20 **corporation,**
21 Defendants.
22

01-07746 GAF (SHX)
CASE NO.
FINAL JUDGMENT

23 The State attorneys general of Alaska, Arizona, California, Florida, Hawaii, Idaho,
24 Nevada, New Mexico, Texas, Oregon, Utah and Washington ("the States") initiated an investigation
25 of the proposed merger (the "Merger") of Defendants Chevron Corporation ("Chevron") and Texaco
26 Inc. ("Texaco").

27 Defendants were furnished with copies of the Complaint that the States intend to file in this
28 matter alleging violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and the

1 antitrust and unfair competition laws in several of the States. Defendants have waived service of
2 summons.

3 Defendants agree that the Court has jurisdiction over this matter as set forth in the aforesaid
4 Complaint, consent to entry of this Final Judgment without trial or adjudication of any issue of fact
5 or law alleged in the Complaint, have waived notice or presentation of this Final Judgment, and
6 represent that they can and will fulfill their obligations set forth in this Final Judgment. As such,
7 Defendants agree to be bound by the provisions of this Final Judgment and that there is no just
8 reason for delay in its entry.

9 Entry of this Final Judgment does not constitute evidence against or an admission by
10 Defendants that the law has been violated as alleged in such Complaint, or that the facts as alleged
11 in such Complaint, other than jurisdictional facts, are true.

12 Prompt and certain divestiture of assets and interests is the essence of this Final Judgment.
13 The States intend to require Defendants to divest or assign certain assets and interests so as to ensure,
14 to the sole satisfaction of the States and the Federal Trade Commission, that the assets will be
15 maintained as competitive, viable, and ongoing.

16 The Court hereby issues the following findings:

17
18 I. JURISDICTIONAL FINDINGS

19 The Court has jurisdiction over the subject matter of this action and over each of the parties
20 hereto. The Complaint states claims upon which relief may be granted against Defendants under
21 Section 7 of the Clayton Act, as amended (15 U.S.C. §18) and under the antitrust and unfair
22 competition laws alleged in the aforesaid Complaint. The state Attorneys General have authority to
23 bring this action pursuant to Section 16 of the Clayton Act, 15 U.S.C. § 26, and Ariz. Rev. Stat. §
24 44-1407, Fla. Stat. §§ 542.22(2) and 542.27(2), Haw. Rev. Stat. § 480-20, Idaho Code § 48-106,
25 N.M. Stat. Ann. § 57-1-3, Or. Rev. Stat. §§ 646.730, 646.760, 646.770 and 646.775, Tex. Bus. &
26 Com. Code §§ 15.20 (b) and 15.26, Utah Code Ann. §§ 76-10-916(3) and 76-10-919(3), and Wash.
27 Rev. Code § 19.86.080.

28 //

1 Defendant Chevron is a corporation organized, existing and doing business under and by virtue
2 of the laws of the state of Delaware, with its office and principal place of business located at 575
3 Market Street, San Francisco, CA 94105. Chevron conducts business in the Central District of
4 California.

5 Defendant Texaco is a corporation organized, existing and doing business under and by virtue
6 of the laws of the state of Delaware, with its office and principal place of business located at 2000
7 Westchester Ave., White Plains, NY 10650. Texaco conducts business in the Central District of
8 California.

9 Defendants conduct business in the states of Alaska, Arizona, California, Florida, Hawaii,
10 Idaho, Nevada, New Mexico, Texas, Oregon, Utah, and Washington.

11 ORDER

12 The Court hereby ORDERS:

14 II. DEFINITIONS

15 The following definitions shall apply to this Final Judgment:

- 16 1. "Avfuel" means Avfuel Corporation, a corporation organized, existing and doing
17 business under and by virtue of the laws of the state of Michigan, with its office and
18 principal place of business located at 47 West Ellsworth, Ann Arbor, Michigan 48108.
- 19 2. "Aviation Fuel" means Aviation Gasoline and Jet Fuel.
- 20 3. "Aviation Fuel Divestiture Agreement" means all agreements entered into between
21 Respondents and Avfuel relating to the sale of Texaco's Overlap General Aviation
22 Business Assets, including but not limited to the Purchase and Sale Agreement, the
23 Trademark License Agreement, all supply agreements, and all other ancillary
24 agreements, dated August 7, 2001, and attached hereto as Confidential Appendix A to
25 this Final Judgment.
- 26 4. "Aviation Gasoline" or "AvGas" means gasoline intended for aviation use that meets
27 the specifications set forth by the American Society for Testing and Materials, ASTM
28 specification D910.

- 1 5. "Chevron" means Chevron Corporation, its directors, officers, employees, agents,
2 representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries,
3 divisions, groups, and affiliates controlled by Chevron, and the respective directors,
4 officers, employees, agents, representatives, successors, and assigns of each.
- 5 6. "Change of Control Provisions" means "Change of Control Provisions" as defined in
6 Section 12.04 of the Equilon LLC Agreement or the Motiva LLC Agreement.
- 7 7. "Commission" means the Federal Trade Commission.
- 8 8. "Compliance Action" means any action by the states to remedy any violation of the
9 Final Judgment taken pursuant to section XIV of this Final Judgment.
- 10 9. "Concentration Levels" means market concentration, measured in annual volume
11 (gallons) sold or, if volume in gallons is not available, other standard industry
12 measures, as determined by the Herfindahl Hirschmann Index.
- 13 10. "Disclose" means to convey by any means or otherwise make available information to
14 any person or persons.
- 15 11. "Defendants" means Chevron and Texaco, individually and collectively, and the
16 successor corporation.
- 17 12. "Divestiture Trustee" means a trustee appointed pursuant to Section IV of this Final
18 Judgment with the obligation to divest TRMI and TRMI East pursuant to this Final
19 Judgment.
- 20 13. "Equilon" means Equilon Enterprises LLC-, a joint venture formed pursuant to the
21 Equilon LLC Agreement.
- 22 14. "Equilon Interest" means all of the limited liability company interest in Equilon owned
23 directly or indirectly by Texaco, including the interest owned by TRMI and its wholly
24 owned subsidiary, Texaco Convent Refining Inc.
- 25 15. "Equilon LLC Agreement" means the Limited Liability Company Agreement of
26 Equilon Enterprises LLC dated as of January 15, 1998 among certain subsidiaries of
27 Shell and Texaco, as amended.

28 //

- 1 16. "Equiva" means Equiva Trading Company, a general partnership serving as the trading
2 unit for Equilon and Motiva.
- 3 17. "Non-urban Area" means, if Defendants enter into a Texaco Branded Relationship in
4 the States with a retail gasoline outlet that is located outside of all cities and towns, as
5 recognized by the U.S. Census Bureau, an area that is within five miles in every
6 direction of such outlet.
- 7 18. "Fixed Base Operators" or "FBOs" means business establishments that sell aviation
8 gasoline to consumers at airports.
- 9 19. "Gasoline" means various grades of refined motor fuel products commonly sold at
10 retail sites as fuel for motor vehicles.
- 11 20. "General Aviation Business Agreements" means all Supply Agreements, Terminal
12 Throughput Agreements, Transportation Agreements, Marketing Agreements, and all
13 other agreements or contracts related to Texaco's Domestic General Aviation Business,
14 including but not limited to aviation retail sales agreements, aviation fuel agreements,
15 aviation dealer support agreements, customer agreements, credit card agreements,
16 distributor agreements, marketer agreements, supply agreements, rail contracts, railcar
17 lease agreements, barge agreements, refueler agreements, loans, grants, or leases.
- 18 21. "Jet Fuel" means fuel intended for use in jet airplanes that meets the specifications set
19 forth by the American Society for Testing and Materials, ASTM specification D1655.
- 20 22. "JV Agreements" means the Equilon LLC Agreement and the Motiva LLC Agreement.
- 21 23. "Kern" means Kern Oil & Refining Company, with offices located at 180 East Ocean
22 Blvd., Suite 1010, Long Beach, California 90802, and any of its successors or assigns
23 that continue the operation of Kern's oil refinery near Bakersfield in the San Joaquin
24 Valley of California.
- 25 24. "Marketing Agreements" means all agreements or contracts between Defendants and
26 any other Person relating to such Person's right or obligation to sell, resell or distribute
27 Aviation Fuel under the Texaco brand.

28 //

25. "Members Committees" means the "Members Committee" as defined in Section 6.03 of each of the Equilon LLC Agreement and the Motiva LLC Agreement.
26. "Merger" means any merger between Defendants including the proposed merger contemplated by the Agreement and Plan of Merger dated October 15, 2000, among Defendants and Keepep, Inc.
27. "Merger Date" means the date on which the merger is consummated.
28. "MSA" means a Metropolitan Statistical Area (MSA) as defined by the United States Office of Management and Budget, and applied by the United States Census Bureau.
29. "Motiva" means Motiva Enterprises LLC, a joint venture formed pursuant to the Motiva LLC Agreement.
30. "Motiva Interest" means all of the limited liability company interest in Motiva owned directly or indirectly by Texaco, including the interest owned by TRMI East.
31. "Motiva LLC Agreement" means the Limited Liability Company Agreement dated July 1, 1998 among Shell, Shell Norco Refining Company, SRI, and TRMI East.
32. "Operating Trustee" means each trustee appointed pursuant to Section IV of this Final Judgment with the obligation to manage TRMI and TRMI East pursuant to this Final Judgment.
33. "Overlap State" means each of the following states: Alabama, Alaska, Arizona, California, Florida, Georgia, Idaho, Louisiana, Mississippi, Nevada, Oregon, Tennessee, Utah, and Washington.
34. "Person" means any individual, corporation, partnership, trust, limited liability company, unincorporated organization or association, or other entity.
35. "San Joaquin Refining" means San Joaquin Refining Company, Inc., with offices located at 3129 Standard Street, Bakersfield, California 93388, and any of its successors or assigns that continue the operation of San Joaquin Refining Company, Inc.'s oil refinery near Bakersfield in the San Joaquin Valley of California.
36. "Section of the States" means a city or town located in one of the States based on the United States Census Bureau's recognition of such city or town for purposes of the

year 2000 census or, in the case of a retail gasoline outlet covered by a Texaco Branded Relationship that is not located in any such city or town, the Non-urban Area.

37. "Shell" means Shell Oil Company, a Delaware corporation, with its principal place of business located at One Shell Plaza, Houston, Texas 77002, its parents, and its subsidiaries controlled by Shell.
38. "SRI" means Saudi Refining, Inc., a Delaware corporation, with its principal place of business located at 9009 West Loop South, Houston, Texas 77210, its parents, and its subsidiaries controlled by SRI.
39. "States" means the states of Alaska, Arizona, California, Florida, Hawaii, Idaho, Nevada, New Mexico, Texas, Oregon, Utah, and Washington. Provided, however, that "state", "states", or "state(s)" shall mean one or more of the States.
40. "Substitute Aviation Fuel Divestiture Agreement" means an agreement, other than the Aviation Fuel Divestiture Agreement, approved by the States, for the divestiture of Texaco's Domestic General Aviation Business Assets to an acquirer approved by the States.
41. "Supply Agreements" means all agreements or contracts between Texaco and any other Person relating to an obligation to sell or supply Aviation Fuel to Texaco, including but not limited to supply agreements and exchange agreements.
42. "Terminal" means a facility that provides temporary storage of Aviation Fuel received from a pipeline, marine vessel, truck or railway and the redelivery of Aviation Fuel from storage tanks into tank trucks, transport trailers or railcars.
43. "Terminal Throughput Agreements" means all agreements or contracts between Texaco and any other Person relating to Texaco's right to use or have another Person use any tanks, equipment, pipelines, trucks, or other services or facilities at a Terminal.
44. "Texaco" means Texaco Inc., a Delaware corporation with its principal place of business in White Plains, New York, its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries,

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divisions, groups, and affiliates controlled by Texaco, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

45. "Texaco Branded Relationship" means any agreement with Defendants either (1) for the sale of Texaco branded gasoline to a retail outlet in the States that had been supplied gasoline under the Texaco brand by Equilon or Motiva (by direct supply or by jobber-supply) within one year of the formation of such Relationship and was branded Texaco as of the date this Final Judgment is executed by Defendants, (2) for the sale of Texaco branded gasoline by Defendants to such retail outlet within such one-year time period, or (3) for the approval by Defendants of the branding of such retail outlet under the Texaco brand or under any brand that contains the Texaco brand within such one-year time period.

46. "Texaco's Domestic General Aviation Business" means the supply, distribution, marketing, transportation, and sale of Aviation Fuel by Texaco on a direct or distributor basis to customers (other than commercial airlines and military) in the United States (including the Overlap States), including but not limited to fixed base operators, airport dealers, distributors, jobbers, resellers, brokers, corporate accounts, or consumers.

47. "Texaco's Domestic General Aviation Business Assets" means all assets, tangible or intangible, relating to Texaco's General Aviation Business in the United States, including but not limited to all General Aviation Business Agreements used in or relating to Texaco's Domestic General Aviation Business.

48. "Texaco's Overlap General Aviation Business" means the supply, distribution, marketing, transportation, and sale of Aviation Fuel by Texaco on a direct or distributor basis to customers (other than commercial airlines and military) in the Overlap States, including but not limited to fixed base operators, airport dealers, distributors, jobbers, resellers, brokers, corporate accounts, or consumers, but excluding the assets and agreements set forth on Schedule 2.3(c) of the Aviation Fuel Divestiture Agreement.

- 1 49. "Texaco's Overlap General Aviation Business Assets" means all assets, tangible or
2 intangible, relating to Texaco's Overlap General Aviation Business, including but not
3 limited to all General Aviation Business Agreements used in or relating to Texaco's
4 Overlap General Aviation Business, but excluding the assets and agreements set forth
5 on Schedule 2.3(c) of the Aviation Fuel Divestiture Agreement.
- 6 50. "Transportation Agreements" means all agreements or contracts between Texaco and
7 any other Person relating to the transportation of Aviation Fuel.
- 8 51. "TRMI" means Texaco Refining and Marketing Inc., a Delaware corporation and an
9 indirect wholly owned subsidiary of Texaco, and its subsidiary, Texaco Convent
10 Refining Inc., and Texaco's interest in all other subsidiaries, divisions, groups, joint
11 ventures, or affiliates of Texaco that own or control any limited liability company
12 interest in Equilon.
- 13 52. "TRMI East" means Texaco Refining and Marketing (East) Inc., a Delaware
14 corporation and an indirect wholly owned subsidiary of Texaco, and Texaco's interest
15 in all other subsidiaries, divisions, groups, joint ventures, or affiliates of Texaco that
16 own or control any limited liability company interest in Motiva.
- 17 53. "Trust" means the trust established by the Trust Agreement.
- 18 54. "Trust Agreement" means the Agreement and Declaration of Trust approved by the
19 States and attached hereto and made part hereof as Appendix B to this Final Judgment.

20
21 III. DIVESTITURE

- 22 55. Defendants shall divest:
- 23 a. Either (1) the Equilon Interest to Shell no later than the Merger Date, in a manner
24 that receives the prior approval of the States, or (2) no later than eight (8) months
25 after the Merger Date, in a manner that receives prior approval of the States, either
26 (i) the Equilon Interest to Shell or (ii) TRMI, absolutely and in good faith, at no
27 minimum price, to an acquirer or acquirers that receives the prior approval of the
28 States; AND

1 b. Either (1) the Motiva Interest to Shell and/or SRI no later than the Merger Date, in
2 a manner that receives the prior approval of the States, or (2) no later than eight
3 (8) months after the Merger Date in a manner that receives prior approval of the
4 States, either (i) the Motiva Interest to Shell and/or SRI or (ii) TRMI East,
5 absolutely and in good faith, at no minimum price, to an acquirer or acquirers that
6 receives the prior approval of the States.

7 Such divestitures shall be accomplished by Defendants prior to or on the Merger Date
8 or, after the Merger Date by the Divestiture Trustee pursuant to the provisions of
9 Section IV of this Final Judgment or as otherwise approved by the States.

10 56. Defendants shall not consummate the Merger unless and until Texaco:

11 a. has either (1) divested the Equilon Interest pursuant to Section III, Paragraph
12 55(a)(1) of this Final Judgment, or (2) transferred TRMI to the Trust pursuant to
13 Section IV of this Final Judgment;

14 AND

15 b. has either (1) divested the Motiva Interest pursuant to Section III, Paragraph
16 55(b)(1) of this Final Judgment, or (2) transferred TRMI East to the Trust
17 pursuant to Section IV of this Final Judgment;

18 provided, however, that if Texaco has triggered the Change of Control Provisions
19 pursuant to either or both of the JV Agreements no later than the Merger Date, then the
20 transfer by Defendants to the Trust of TRMI and/or TRMI East shall not prevent Shell
21 and/or SRI from exercising any rights they may have under the applicable JV
22 Agreement to acquire the Equilon Interest and/or the Motiva Interest pursuant to the
23 valuation process described in Sections 12.04 and 12.05 of the JV Agreement; further,
24 should either Shell and/or SRI decline to exercise their rights to acquire the Equilon
25 Interest and/or the Motiva Interest pursuant to Section 12.04 of the applicable JV
26 Agreement, then Shell and/or SRI shall not be precluded, as a result of the transfer to
27 the Trust or as a result of Shell and/or SRI declining to exercise their rights, from
28

1 offering to acquire either the Equilon Interest or TRMI and/or the Motiva Interest or
2 TRMI East pursuant to Section IV of this Final Judgment.

3 57. If the Trust is rescinded, unwound, dissolved, or otherwise terminated at any time after
4 the Merger but before Defendants have complied with Section III of this Final
5 Judgment, then Defendants shall immediately upon such rescission, unwinding,
6 dissolution, or termination, hold TRMI and TRMI East separate and apart from
7 Defendants pursuant to the Order to Hold Separate attached hereto as Appendix C.

8 58. The purpose of these divestitures is to ensure the continuation of Equilon and Motiva
9 as ongoing, viable businesses engaged in the same businesses as Equilon and Motiva
10 are presently engaged, to ensure the ownership of the Equilon Interest (or TRMI) and
11 the Motiva Interest (or TRMI East) by a Person other than Defendants that has been
12 approved by the States, and to remedy the lessening of competition resulting from the
13 Merger as alleged in the States Complaint.

14
15 IV. TRUST AND TRUST AGREEMENT

16 If Defendants have not divested the Equilon Interest to Shell and/or the Motiva Interest to
17 Shell and/or SRI pursuant to the requirements of Section III of this Final Judgment on or before
18 the Merger Date:

19 59. Texaco shall, on or before the Merger Date: (a) enter into the Trust Agreement, and (b)
20 transfer or cause to be transferred (1) TRMI to the Trust if the Equilon Interest has not
21 been divested to Shell, and/or (2) TRMI East to the Trust if the Motiva Interest has not
22 been divested to Shell and/or SRI. Simultaneously with the Merger, Texaco shall
23 cause its representatives to resign from the Members Committees of Equilon and
24 Motiva.

25 60. Defendants shall agree to the appointment of Robert A. Falise as Divestiture Trustee
26 and enter into the Trust Agreement no later than the Merger Date.

27 a. No later than the Merger Date, Respondents shall transfer to the Divestiture
28 Trustee the sole and exclusive power and authority to divest TRMI and/or TRMI

1 East or to divest the Equilon Interest to Shell and/or the Motiva Interest to Shell
2 and/or SRI consistent with the terms of Section III of this Final Judgment and
3 subject to the prior approval of the States. After such transfer, the Divestiture
4 Trustee shall have the sole and exclusive power and authority to divest such assets
5 or interests, subject to the prior approval of the States, and the Divestiture Trustee
6 shall exercise such power and authority and carry out the duties and
7 responsibilities of the Divestiture Trustee in a manner consistent with the
8 purposes of this Final Judgment in consultation with the States, the Commission,
9 and the Commission's staff.

10 b. The Divestiture Trustee shall have eight (8) months from the Merger Date to
11 accomplish the divestitures required by Section III of this Final Judgment, which
12 shall be subject to the prior approval of the States. If, however, at the end of the
13 eight-month period, the Divestiture Trustee has submitted a plan of divestiture or
14 believes that divestiture can be achieved within a reasonable time, the Divestiture
15 Trustee's divestiture period may be extended by the States. An extension of time
16 by the States under this subparagraph shall not preclude the States from seeking
17 relief available to them for any failure by Defendants to divest the Equilon Interest
18 or TRMI and/or the Motiva Interest or TRMI East consistent with the
19 requirements of Section III of this Final Judgment.

20 c. If, on or prior to the Merger Date, Texaco has executed but not consummated an
21 agreement or agreements to divest the Equilon Interest to Shell and/or the Motiva
22 Interest to Shell and/or SRI and the States have approved such agreement,- or
23 agreements, then Texaco shall, no later than the Merger Date, assign such
24 agreement or agreements to the Trust and grant sole and exclusive authority to the
25 Divestiture Trustee to consummate any divestiture contemplated thereby.

26 d. The Divestiture Trustee shall divest the Equilon Interest to Shell and/or the
27 Motiva Interest to Shell and/or SRI, in a manner that receives prior approval of
28 the States pursuant to the terms of the agreement or agreements approved by the

1 States, if either (1) Texaco has executed an agreement or agreements with Shell
2 and/or SRI with respect to such divestiture or divestitures prior to the Merger
3 Date, and such agreement or agreements have been approved by the States and
4 have not been breached by Shell and/or SRI; or (2) Shell has exercised its right to
5 acquire the Equilon Interest pursuant to the Equilon LLC Agreement and/or Shell
6 and/or SRI have exercised their rights to acquire the Motiva Interest pursuant to
7 the Motiva LLC Agreement.

8 e. Subject to Defendants' absolute and unconditional obligation to divest
9 expeditiously at no minimum price, the Divestiture Trustee shall use his or her
10 best efforts to negotiate the most favorable price and terms available for the
11 divestiture of (1) TRMI if the Divestiture Trustee has not divested the Equilon
12 Interest pursuant to subparagraph (d) of this Paragraph and/or (2) TRMI East if
13 the Divestiture Trustee has not divested all or part of the Motiva Interest pursuant
14 to subparagraph (d) of this Paragraph. Each divestiture shall be made only in a
15 manner that receives prior approval of the States; and, unless the acquirers are
16 Shell and/or SRI, the divestiture shall be made only to an acquirer or acquirers
17 that receive the prior approval of the States; provided, however, if the Divestiture
18 Trustee receives bona fide offers from more than one acquiring entity, and if the
19 States determine to approve more than one such acquiring entity, the Divestiture
20 Trustee shall divest to the acquiring entity or entities selected by Defendants from
21 among those approved by the States; provided further, however, that Defendants
22 shall select such entity or entities within five (5) days of receiving notification of
23 the States approval.

24 f. The Divestiture Trustee shall have full and complete access to all personnel,
25 books, records, documents, and facilities of Defendants TRMI and TRMI East, as
26 needed to fulfill the Divestiture Trustee's obligations, or to any other relevant
27 information, as the Divestiture Trustee may reasonably request, including but not
28 limited to all documents and records kept in the normal course of business that

1 relate to Defendants' obligations under this Final Judgment. Defendants or the
2 Operating Trustees shall develop such financial or other information as the
3 Divestiture Trustee may reasonably request and shall cooperate with the
4 Divestiture Trustee. Defendants shall take no action to interfere with or impede
5 the Divestiture Trustee's ability to perform his or her responsibilities.

6 g. The Divestiture Trustee shall serve, without bond or other security, at the cost and
7 expense of Defendants, on such reasonable and customary terms and conditions as
8 the States and the Commission may set. The Divestiture Trustee shall have the
9 authority to employ, at the cost and expense of Defendants, such financial
10 advisors, consultants, accountants, attorneys, and other representatives and
11 assistants as are reasonably necessary to carry out the Divestiture Trustee's duties
12 and responsibilities.

13 h. Defendants shall indemnify the Divestiture Trustee and hold the Divestiture
14 Trustee harmless against any losses, claims, damages, liabilities, or expenses
15 arising out of, or in connection with, the performance of the Divestiture Trustee's
16 duties, including all reasonable fees of counsel and other expenses incurred in
17 connection with the preparation for, or defense of any claim, whether or not
18 resulting in any liability, except to the extent that such liabilities, losses, damages,
19 claims, or expenses result from misfeasance, gross negligence, willful or wanton
20 acts, or bad faith by the Divestiture Trustee.

21 i. The Divestiture Trustee shall account for all monies derived from the sale and all
22 expenses incurred, subject to the approval of the States. After approval by the
23 States of the account of the Divestiture Trustee, all remaining monies shall be
24 paid as directed in the Trust Agreement and the Divestiture Trustee's powers shall
25 be terminated.

26 j. The Divestiture Trustee shall report in writing to the States, through the state of
27 California acting as the States' chair, thirty (30) days after the Merger Date and
28 every thirty (30) days thereafter concerning the Divestiture Trustee's efforts to

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1 accomplish the requirements of this Final Judgment until such time as the
2 divestitures required by Section III of this Final Judgment have been
3 accomplished and Defendants have notified the States, through the state of
4 California acting as the States' chair, that the divestitures have been
5 accomplished.

6 k. If, for any reason, Robert A. Falise cannot serve or cannot continue to serve as
7 Divestiture Trustee, or fails to act diligently, the States shall select a replacement
8 Divestiture Trustee, subject to the consent of Defendants, which consent shall not
9 be unreasonably withheld. If Defendants have not opposed, in writing, including
10 the reasons for opposing, the selection of any replacement Divestiture Trustee
11 within ten (10) days after notice by the States to Defendants of the identity of any
12 proposed replacement Divestiture Trustee, Defendants shall be deemed to have
13 consented to the selection of the proposed replacement Divestiture Trustee. The
14 replacement Divestiture Trustee shall be a person with experience and expertise in
15 acquisitions and divestitures.

16 l. The States may on their own initiative or at the request of the Divestiture Trustee
17 seek additional orders from this court and issue directions as may be necessary or
18 appropriate to assure compliance with the requirements of this Final Judgment.

19 61. Defendants shall agree to the appointment of Joe B. Foster as Operating Trustee of
20 TRMI (with respect to the Equilon Interest) and John Linehan as Operating Trustee of
21 TRMI East (with respect to the Motiva Interest) and enter into the Trust Agreement no
22 later than the Merger Date.

23 a. The Operating Trustees shall have sole and exclusive power and authority to
24 manage TRMI and/or TRMI East (as the case may be), as set forth in the Trust
25 Agreement and specifically to cause TRMI and TRMI East respectively to
26 exercise the rights of TRMI and TRMI East under the Equilon and Motiva LLC
27 Agreements. Each Operating Trustee may engage in any other activity such
28 Operating Trustee may deem reasonably necessary, advisable, convenient or

1 incidental in connection therewith and shall exercise such power and authority
2 and carry out the duties and responsibilities of the Operating Trustee in a manner
3 consistent with the purposes of this Final Judgment in consultation with the
4 States, the Commission and the Commission's staff.

- 5 b. Each Operating Trustee shall have full and complete access to all personnel,
6 books, records, documents, and facilities of TRMI and/or TRMI East as needed to
7 fulfill such Operating Trustee's obligations, or to any other relevant information,
8 as such Operating Trustee may request, including but not limited to all documents
9 and records kept in the normal course of business that relate to Defendants'
10 obligations under this Final Judgment. Defendants shall develop such financial or
11 other information as such Operating Trustee may reasonably request and shall
12 cooperate with such Operating Trustee. Defendants shall take no action to
13 interfere with or impede the Operating Trustee's ability to perform his or her
14 responsibilities.
- 15 c. Each Operating Trustee shall serve, without bond or other security, at the cost and
16 expense of Defendants, on such reasonable and customary terms and conditions as
17 the States and the Commission may set. Each Operating Trustee shall have the
18 authority to employ, at the cost and expense of Defendants, such consultants,
19 accountants, attorneys, and other representatives and assistants as are reasonably
20 necessary to carry out each Operating Trustee's duties and responsibilities.
- 21 d. Defendants shall indemnify each Operating Trustee and hold each Operating
22 Trustee harmless against any losses, claims, damages, liabilities, or expenses
23 arising out of, or in connection with, the performance of such Operating Trustee's
24 duties, including all reasonable fees of counsel and other expenses incurred in
25 connection with the preparation for, or defense of any claim, whether or not
26 resulting in any liability, except to the extent that such liabilities, losses, damages,
27 claims, or expenses result from misfeasance, gross negligence, willful or wanton
28 acts, or bad faith by such Operating Trustee.

- 1 e. The Operating Trustees shall account for all expenses incurred, including fees for
2 his or her services, subject to the approval of the States.
- 3 f. Each Operating Trustee shall report in writing to the States, through the state of
4 California acting as the States' chair, thirty (30) days after the Merger Date and
5 every thirty (30) days thereafter concerning the Operating Trustee's performance
6 of his or her duties under this Final Judgment and the Trust Agreement. The
7 Operating Trustee shall serve until such time as Defendants have complied with
8 their obligation to divest TRMI and/or TRMI East as required by this Final
9 Judgment and Defendants have notified the States, through the State of California
10 acting as the States' chair, that the divestitures have been accomplished.
- 11 g. If for any reason Joe B. Foster cannot serve or cannot continue to serve as
12 Operating Trustee of TRMI or John Linehan cannot serve or cannot continue to
13 serve as Operating Trustee of TRMI East or either fails to act diligently, the States
14 shall select a replacement Operating Trustee, subject to the consent of Defendants,
15 which consent shall not be unreasonably withheld. If Defendants have not
16 opposed, in writing, including the reasons for opposing, the selection of any
17 replacement Operating Trustee within ten (10) days after notice by the States,
18 through the state of California acting as the States' chair, to Defendants of the
19 identity of any proposed replacement Operating Trustee, Defendants shall be
20 deemed to have consented to the selection of the proposed replacement Operating
21 Trustee. The replacement Operating Trustee shall be a person with experience
22 and expertise in the management of businesses of the type engaged in by Equilon
23 and Motiva.
- 24 h. The States may, on their own initiative or at the request of either Operating
25 Trustee, seek additional orders from the court and issue directions as may be
26 necessary or appropriate to assure compliance with the requirements of this Final
27 Judgment.

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62. Except as provided herein or in the Trust Agreement, neither the Divestiture Trustee nor the Operating Trustee shall disclose any Non-Public Equilon or Motiva Information to an employee of the Defendants.

63. Defendants may require the Divestiture Trustee or Operating Trustee to sign a confidentiality agreement prohibiting the disclosure of any information gained as a result of his or her role as Divestiture Trustee or Operating Trustee to anyone other than the States or the Commission.

64. The purpose of this Section IV is to effectuate the divestitures required by Section III of this Final Judgment and to maintain operation of TRMI, TRMI East, Equilon and Motiva separate and apart from Defendants' operations pending the required divestitures.

V. USE OF TEXACO BRAND/INDEMNITY

65. Defendants shall offer to extend the license provided to Equilon and Motiva, on terms and conditions comparable to those in existence as of August 10, 2001, for the use of the Texaco brand for the marketing of motor fuels in the States until June 30, 2002 for Equilon and until June 30, 2003, for Motiva (the "Brand License Date"). Provided, however, the license for the marketing of motor fuels shall be provided on an exclusive basis in the States where Equilon and Motiva respectively are currently licensed to market motor fuels.

66. For the purposes of this Section V, "Waives and Releases" shall mean to waive and release: (1) all amounts any Texaco branded dealer or wholesale marketer may be required to pay under any Facility Development Incentive Program Agreement (or any other agreement requiring that such dealer or marketer reimburse Equilon or Motiva) in existence as of the date the Commission accepts an Order in this matter for public comment, which amounts become due (or which Equilon or Motiva contends become due) as a result of the loss of the Texaco brand at any retail outlet; and (2) all deed restrictions prohibiting or restricting the sale of motor fuel not sold by Equilon or

Motiva at any Texaco retail outlet for which Equilon or Motiva has not executed an agreement for the sale of Shell branded gasoline on or before the Brand License Date.

67. If Equilon Waives and Releases the amounts set forth in Paragraph 66, Defendants shall further offer to extend the license set forth in Paragraph 65 to Equilon until June 30, 2003 and shall offer to extend the license on a nonexclusive basis for up to an additional three years, until June 30, 2006, on terms and conditions comparable to those in existence as of the date this Final Judgment is filed by the States, for all retail outlets in the States for which Equilon has executed agreements with such retail outlets on or before the Brand License Date for the conversion of such retail outlets to the Shell brand.

68. If Motiva Waives and Releases the amounts set forth in Paragraph 66, Defendants shall further offer to extend the license set forth in Paragraph 65 to Motiva on a nonexclusive basis for up to an additional three years, until June 30, 2006, on terms and conditions comparable to those in existence as of the date this Final Judgment is filed by the States, for all retail outlets in the States for which Motiva has executed agreements with such retail outlets on or before the Brand License Date for the conversion of such retail outlets to the Shell brand.

69. If either Equilon or Motiva does not Waive and Release the amounts set forth in Paragraph 66, Defendants shall indemnify each Texaco dealer and wholesale marketer for all amounts such dealer or marketer may be required to pay under any Facility Development Incentive Program Agreement (or any other agreement requiring that such dealers or marketers reimburse Equilon or Motiva) in existence as of the date the Commission accepts its order for public comment, which amounts become due (or which Equilon or Motiva contends become due) as a result of the loss of the Texaco brand at any retail outlet in the States, together with any reasonable litigation or arbitration expenses incurred by such dealer or marketer in contesting or defending against such payment, provided that (1) the dealer or marketer has declined a request for payment from Equilon or Motiva, (2) Equilon or Motiva has commenced litigation

1 or arbitration to compel payment, and (3) the dealer or marketer has, at the Defendants'
2 option, either (a) vigorously defended the litigation or arbitration or (b) afforded
3 Defendants the right to defend the litigation or arbitration on the dealer's or marketer's
4 behalf. Provided further, however, that no such indemnification need be provided for
5 any retail outlet (a) as to which the dealer or marketer terminates its brand relationship
6 prior to the Brand License Date, (b) which becomes a Shell branded outlet, or (c)
7 which received or will receive compensation, directly or indirectly, for the amounts
8 such dealer or marketer may be required to pay, but only to the extent of such
9 compensation.

- 10 70. Defendants shall not enter into a Texaco Branded Relationship unless either (1) such
11 Relationship would not result in an increase in Concentration Levels in the sale of
12 gasoline in any Section of the States, or (2) there are no sales of Chevron branded
13 gasoline in that Section of the States where the retail outlet covered by the Relationship
14 is located. Defendants shall notify the States of each such Texaco Branded
15 Relationship no later than sixty (60) days after the execution of the agreement forming
16 the Relationship, including in the notification (1) a copy of such agreement, (2) the
17 address (street, city, county, state) of each retail outlet covered by the Relationship in
18 the States, and the most recent annual sales volume (in gallons) at each retail outlet
19 covered by the Relationship, (3) the identity of the branded dealer or wholesale
20 marketer that owns or supplies the retail outlets covered by the Relationship, (4) the
21 identity of each Section of the States in which each such retail outlet is located, (5) the
22 changes in Concentration Levels that Defendants believe will result from such
23 agreement in each Section of the States, together with the basis for such belief, (6) to
24 the extent known or reasonably available, the annual sales volume and market shares of
25 each of Shell, Texaco and Chevron branded gasoline, and the retail outlets subject to
26 the agreement, in each Section of the States affected by the agreement, both prior to
27 and after execution of the agreement, measured by volume in gallons sold (or, if
28 volume in gallons is not available, by other standard industry measures), and (7) all

1 market survey data for such Section of the States obtained from New Image, NPD,
2 Lundberg, or any other independent third-party market surveyor, or conducted by
3 Defendants, together with all other data relied upon by Defendants as the basis for their
4 assessment of Concentration Levels or changes in Concentration Levels. Provided,
5 however, that Defendants may present to the states statistical data and analyses relating
6 to Concentration Levels in any MSA in which the retail outlets are located in lieu of
7 statistical data and analysis in the Section of the States. The state in which the retail
8 outlet covered by the Branded Texaco Relationship is located may review the data and
9 analyses and, in the sole discretion of that state, may accept the analysis based on MSA
10 data and relieve Defendants of their obligation to provide an analysis of Concentration
11 Levels within the Section of the State. This Paragraph 70 shall expire on June 30,
12 2007.

- 13 71. It shall not be a violation of this Final Judgment if Defendants rescind any Texaco
14 Branded Relationship that results in an increase in Concentration Levels under the
15 standards set forth in Paragraph 70 within thirty (30) days of being informed by the
16 affected State that the State believes such agreement would result in such an increase
17 or within thirty (30) days of an adverse award rendered by the arbitrator and confirmed
18 by the Court as set forth in Paragraph 72.
- 19 72. If Defendants do not rescind within thirty (30) days as set forth in Paragraph 71, the
20 States' exclusive remedy for alleged violations of Paragraph 70 is outside, independent,
21 binding arbitration. Defendants shall agree to such arbitration, and the issue shall be
22 settled by arbitration in accordance with the terms of this Final Judgment and the
23 Commercial Arbitration Rules of the American Arbitration Association ("AAA") or
24 any successor rules ("AAA rules") thereto. Provided, however, that:
- 25 a. If there is a conflict between the terms of this Final Judgment and the AAA rules,
26 the terms of this Final Judgment shall control.
- 27 b. All arbitrations shall be conducted by a single arbitrator who is to be appointed by
28 two nominators. The nominators shall not serve as arbitrators. The state(s)

initiating the arbitration shall select one nominator and the Defendants shall select the other nominator. The nominators are not required to select an arbitrator from the list of arbitrators maintained by AAA.

- c. If the arbitrator selected cannot serve, for whatever reason, a replacement arbitrator shall be selected pursuant to the process set forth in Paragraph 72(b).
- d. If the nominators cannot agree upon a choice for arbitrator within twenty (20) days of their selection, they shall confer with the state(s) and the Defendants. The state(s) and the Defendants may direct the nominators to continue the process set forth in Paragraph 72(b) or select successor nominators to continue the process set forth in Paragraph 72(b). Under either approach, the original or successor nominators shall have twenty (20) additional days to choose an arbitrator. -If an arbitrator has not been chosen within sixty days of the arbitration filing because of the nominators' inability to reach a mutual selection, the matter will automatically be submitted to the AAA for selection of an arbitrator in accordance with R-13 or similar successor provision of the AAA rules. AAA shall select an arbitrator within 15 days of submission of the matter to AAA.
- e. The state(s) initiating the arbitration shall select the location of the arbitration hearing and all conferences requiring a personal appearance by representatives of the parties.
- f. Sections E-2 through E-4, and E-6 through E-10 of the Expedited Procedures or similar successor provisions shall apply to the arbitration process.
- g. The state(s) and the Defendants shall be entitled to call witnesses and ask questions on cross-examination of all witnesses called by the adverse party during the arbitration. Evidence may be submitted by affidavit or declaration, however, the witness providing such affidavit or declaration must, at the request of the adverse party, submit to cross-examination during the hearing. Witnesses for each party shall also submit to questions from the arbitrator.

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h. Only the parties to the arbitration and the arbitrator are entitled to attend the entire hearing. All witnesses shall be excluded from the proceedings prior to and after their testimony, unless such witnesses are employed by one of the parties to the arbitration.

i. Each side shall have an equal amount of time during the hearing to present evidence and arguments in support of their respective positions.

73. Judgment upon the award rendered by the arbitrator may be entered in the Court. The award of the arbitrator, after confirmation by the Court pursuant to the Federal Arbitration Act, 9 U.S.C. §1, *et seq.* or succeeding statutory provisions, shall be final and binding upon the parties. In the arbitration, Defendants shall have the burden of proving that the agreement does not result in an increase in Concentration Levels in the sale of gasoline in any Section of the States.

74. The Defendants will cover the costs of the arbitration (including filing fees, arbitrators fees, AAA expenses) but not the costs and fees incurred by the states bringing and litigating such arbitration action. Defendants shall reimburse the filing fees incurred by the state(s) initiating the arbitration no later than thirty (30) days after such request for reimbursement of the fees has been tendered to Defendants. Provided, however, if the states prevail in the arbitration action, the prevailing states shall be awarded and Defendants shall reimburse such states the reasonable costs and fees incurred in bringing such arbitration action attributable to the issue on which such states prevailed.

75. The purpose of this Section V is to ensure that Defendants pay any penalty not Waived and Released, due to Equilon or Motiva for switching to another brand that is incurred by any Texaco dealer or wholesale marketer with respect to any outlet that does not terminate its Texaco brand relationship prior to the Brand License Date but does not become a Shell branded outlet or is not otherwise fully compensated for such penalty, to provide Equilon and Motiva with sufficient time to convert to the Shell brand any retail outlets that they agree to so convert, to prevent Shell, Equilon and Motiva from

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1 diminishing the viability and competitiveness of the Texaco brand, and to remedy the
2 lessening of competition alleged in the States' complaint.

3
4 VI. GENERAL AVIATION BUSINESS

5 76. No later than ten (10) days after the Merger Date, Defendants shall divest, absolutely
6 and in good faith, Texaco's Overlap General Aviation Business Assets to Avfuel,
7 pursuant to and in accordance with the Aviation Fuel Divestiture Agreement. Any
8 failure by Defendants to comply with any provision of the Aviation Fuel Divestiture
9 Agreement shall constitute a failure to comply with this Final Judgment; provided,
10 however, that if Defendants fail to divest Texaco's Overlap General Aviation Business
11 Assets to Avfuel pursuant to and in accordance with the Aviation Fuel Divestiture
12 Agreement within ten (10) days after the Merger Date, Defendants shall divest
13 Texaco's Domestic General Aviation Business Assets, at no minimum price, to an
14 acquirer or acquirers that receive the prior approval of the States in a manner that
15 receives the prior approval of the States pursuant to a Substitute Aviation Fuel
16 Divestiture Agreement. Divestiture of Texaco's Domestic General Aviation Business
17 Assets to an acquirer or acquirers that receive the prior approval of the States in a
18 manner that receives the prior approval of the States pursuant to a Substitute Aviation
19 Fuel Divestiture Agreement shall not preclude the States from seeking civil penalties or
20 any other relief available pursuant to any statute enforced by the States, for any failure
21 by the Defendants to comply with their obligation to divest Texaco's Overlap General
22 Aviation Business Assets to Avfuel pursuant to the Aviation Fuel Divestiture
23 Agreement.

24 77. If Defendants have divested Texaco's Overlap General Aviation Business Assets to
25 Avfuel pursuant to the Aviation Fuel Divestiture Agreement, and at the time the
26 Commission makes its Decision and Order final, it determines that Avfuel is not
27 acceptable as the acquirer of Texaco's Overlap General Aviation Business Assets or
28 that the Aviation Fuels Divestiture Agreement is not an acceptable manner of

divestiture, and the Commission so notifies Defendants, Defendants rescission thereafter shall not be a violation of this Final Judgment.

78. If the Aviation Fuel Divestiture Agreement with Avfuel is rescinded pursuant to Paragraph 77 of this Final Judgment, then Defendants shall within four months of the Merger Date divest Texaco's Domestic General Aviation Business Assets, at no minimum price, to an acquirer or acquirers that receive the prior approval of the States and in a manner that receives the prior approval of the States, pursuant to a Substitute Aviation Fuel Divestiture Agreement.

79. On or before the date of consummation of the Substitute Aviation Fuel Divestiture Agreement, Defendants shall assign to the acquirer all General Aviation Business Agreements used in or relating to Texaco's Domestic General Aviation Business; provided, however, should Defendants fail to obtain any such assignments, Defendants shall, subject to the prior approval of the States, substitute alternative agreements or arrangements sufficient to enable the acquirer approved by the States to operate Texaco's Domestic General Aviation Business in the same manner and at the same level and quality as Texaco operated it at the time of the announcement of the Merger.

80. Defendants shall include in the Substitute Aviation Fuel Divestiture Agreement, at the option of the acquirer, a license for a period of up to ten (10) years from the date of such agreement to use the Texaco brand in connection with the acquirer's operation of Texaco's Domestic General Aviation Business Assets. The license shall be royalty free for five (5) years from the date of consummation of such Substitute Aviation Fuel Divestiture Agreement, but subject to the States' approval may provide for payments beginning five (5) years after the date of the Agreement and escalating each year until the end of the ten-year term.

81. For a period of six (6) months after the date of consummation of the Substitute Aviation Fuel Divestiture Agreement, Defendants shall not solicit, engage in discussions concerning, participate in, offer to enter into, or enter into, any contract or agreement for the direct supply of branded Aviation Fuel to any fixed base operator or

distributor that had a Marketing Agreement for the sale of Texaco-branded Aviation Fuel in the United States.

82. For a period of twelve months after the acquirer pursuant to any Substitute Aviation Fuel Divestiture Agreement stops supplying Texaco-branded Aviation Fuel to a fixed base operator or distributor, Defendants shall not (1) enter into any contract or agreement for the direct or indirect supply of Texaco-branded Aviation Fuel to such fixed base operator or distributor, or (2) approve the branding of such fixed base operator or distributor with the Texaco brand.

83. The purpose of the divestiture of Texaco's Overlap General Aviation Business Assets, or of Texaco's Domestic General Aviation Business Assets, is to ensure the continuation of such assets in the same business in which the assets were engaged at the time of the announcement of the Merger by a person other than Defendants, and to remedy the lessening of competition alleged in the States' Complaint.

84. If Defendants have divested neither: (1) Texaco's Overlap General Aviation Business Assets to Avfuel as required by Paragraph 76 of this Final Judgment, nor (2) Texaco's Domestic General Aviation Business as required by Paragraph 78 of this Final Judgment within four (4) months of the Merger Date, the States, in conjunction with the Commission, may appoint a trustee to divest Texaco's Domestic General Aviation Business Assets. In the event that the States bring an action pursuant to any statute enforced by the States, Defendants shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this Paragraph shall preclude the States from seeking civil penalties or any other relief available to them, including a court-appointed trustee, pursuant to any statute enforced by the States, for any failure by the Defendants to comply with this Final Judgment.

85. If a trustee is appointed by the States, the Commission, or a court pursuant to Paragraph 84 of this Final Judgment, Defendants shall consent to the following terms and conditions regarding the trustee's powers, duties, authority, and responsibilities:

- 1 a. The States, acting in conjunction with the Commission, shall select a trustee,
2 subject to the consent of Defendants, which consent shall not be unreasonably
3 withheld. The trustee shall be a person with experience and expertise in
4 acquisitions and divestitures. If Defendants have not opposed, in writing,
5 including the reasons for opposing, the selection of the proposed trustee within ten
6 (10) days after notice by the States or the Commission to Defendants of the
7 identity of any proposed trustee, Defendants shall be deemed to have consented to
8 the selection of the proposed trustee.
- 9 b. Subject to the prior approval of the States, the trustee shall have the exclusive
10 power and authority to divest the Texaco Domestic General Aviation Business
11 Assets.
- 12 c. Within ten (10) days after appointment of the trustee, Defendants shall execute a
13 trust agreement that, subject to the prior approval of the States and, in the case of
14 a court-appointed trustee, of the court, transfers to the trustee all rights and powers
15 necessary to permit the trustee to effect the divestitures required by this order.
- 16 d. The trustee shall have four (4) months from the date of appointment to accomplish
17 the divestiture, which shall be subject to the prior approval of the States. If,
18 however, at the end of the four-month period, the trustee has submitted a plan of
19 divestiture or believes that divestiture can be achieved within a reasonable time,
20 the divestiture period may be extended by the States or the Commission, or, in the
21 case of a court-appointed trustee, by the court; provided, however, the States and
22 the Commission may extend this period only two (2) times. The decision by the
23 States or the Commission to extend the time during which the trustee may
24 accomplish the divestiture shall not preclude the States from seeking civil
25 penalties or any other relief available to them, including a court-appointed trustee,
26 pursuant to any applicable federal or state laws enforced by the States, for any
27 failure by the Defendants to comply with this Final Judgment.

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- 1 e. The trustee shall have full and complete access to the personnel, books, records
2 and facilities related to the assets to be divested or to any other relevant
3 information, as the trustee may request. Defendants shall develop such financial
4 or other information as such trustee may request and shall cooperate with the
5 trustee. Defendants shall take no action to interfere with or impede the trustee's
6 accomplishment of the divestiture. Any delays in divestiture caused by
7 Defendants shall extend the time for divestiture under this Paragraph in an amount
8 equal to the delay, as determined by the States or the Commission or, for a court-
9 appointed trustee, by the court.
- 10 f. The trustee shall use his or her best efforts to negotiate the most favorable price
11 and terms available in each contract that is submitted to the States, subject to
12 Defendants' absolute and unconditional obligation to divest expeditiously at no
13 minimum price. The divestiture shall be made in the manner and to the acquirer
14 or acquirers as set out in Section VI of this Final Judgment, as applicable;
15 provided, however, if the trustee receives bona fide offers from more than one
16 acquiring entity, and if the States determine to approve more than one such
17 acquiring entity, the trustee shall divest to the acquiring entity or entities selected
18 by Defendants from among those approved by the States.
- 19 g. The trustee shall serve, without bond or other security, at the cost and expense of
20 Defendants, on such reasonable and customary terms and conditions as the States,
21 working in conjunction with the Commission, or a court may set. The trustee
22 shall have the authority to employ, at the cost and expense of Defendants, such
23 consultants, accountants, attorneys, investment bankers, business brokers,
24 appraisers, and other representatives and assistants as are necessary to carry out
25 the trustee's duties and responsibilities. The trustee shall account for all monies
26 derived from the divestiture and all expenses incurred. After approval by the
27 States, the Commission and, in the case of a court-appointed trustee, by the court,
28 of the account of the trustee, including fees for his or her services, all remaining

monies shall be paid at the direction of the Defendants, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the assets to be divested.

- h. Defendants shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.
- i. If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Paragraph 85(a) of this Final Judgment.
- j. The States or, in the case of a court-appointed trustee, the Court, may on its own initiative or at the request of the trustee seek additional orders from the Court and issue directions as may be necessary or appropriate to accomplish the divestitures required by this Final Judgment.
- k. The trustee shall have no obligation or authority to operate or maintain the assets to be divested.
- l. The trustee shall report in writing to Defendants and the States every sixty (60) days concerning the trustee's efforts to accomplish the divestitures.

VII. CALIFORNIA CRUDE OIL PRODUCTION

86. Except as set forth in Paragraph 88, Defendants shall provide crude oil to San Joaquin Valley Oil Company pursuant to the crude supply agreement attached hereto as Confidential Appendix D to this Final Judgment, which shall commence no later than one year after the Merger Date. Subject to the consent of San Joaquin Valley Oil

Company, the attached crude supply agreement shall be fully assignable to any successor of San Joaquin Valley Oil Company.

87. Except as set forth in Paragraph 88, Defendants shall provide crude oil to Kern pursuant to the crude supply agreement attached hereto as Confidential Appendix E to this Final Judgment. Subject to the consent of Kern, the attached crude supply agreement shall be fully assignable to any successor of Kern.
88. For the periods set forth in the agreements referenced in Paragraphs 86 and 87, Defendants shall not, without the prior approval of the state of California, except as set forth in the agreements referenced in Paragraphs 86 and 87, directly or indirectly, reduce the volumes offered to the above-mentioned California crude oil refiners, increase the price for crude oil supplied to such refiners, or terminate the above-referenced agreements with the refiners, except according to the terms of respective supply and transport agreements entered into with the refiners. Any amendment to the agreements relating to an increase in price, a decrease in volume, or termination shall not be effective until approved by the California State Attorney General's Office, provided, however, that any such amendment shall be deemed approved unless the California State Attorney General's Office notifies Defendants, within ninety (90) days of the receipt by that Office of actual notice of the amendment, of that Office's intention to consider the amendment further.
89. Starting one year after the Merger Date, Defendants shall not permit Equiva to act as sales agent for any new California crude oil supply agreements entered into by Defendants and shall not permit Equiva to continue to administer any existing supply agreements for Texaco's California crude oil. Provided, however, nothing herein shall be interpreted as preventing (i) Defendants from entering into transportation agreements, buy-sell agreements, or supply agreements with Equiva that are intended for the internal use of Equilon refineries either directly or through exchange except in the event of refinery turnarounds, or (ii) Equiva from administering existing transportation agreements, buy-sell agreements, or the delivery component of existing

1 supply agreements. For the purposes of this Paragraph to “administer an existing
2 supply agreement” means to manage inventory; provide accounting and invoicing
3 functions; collect and use price and volume data, run tickets, marketing information,
4 and reconciliation reports; provide the verification of credit worthiness, the
5 procurement of the letters of credit, billing and collects funds from crude oil
6 purchasers; and collect and transfer funds from sales in connection with in-kind royalty
7 crude taken by the U.S. Mineral Management Service, or other royalty owners,
8 administer Small Refiner Set Aside provisions of certain Federal leases; and pays any
9 severance and other production taxes to state or local authorities.

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11 VIII. ATTORNEYS FEES and COST REIMBURSEMENT

- 12 90. Defendants shall pay to the States, within ten (10) business days of entry of this Final
13 Judgment, the sum of \$1,419,882.33 for reimbursement of fees and costs incurred by
14 the States in this matter for all work performed up to entry of this Final Judgment.
- 15 91. Defendants shall pay to the certain states identified herein up to, but no more than,
16 \$500,000, in reimbursement of fees and costs incurred by these states for work
17 performed after entry of this Final Judgment. The states’ time shall be calculated at no
18 greater than the market rates used to calculate the States’ fees under Paragraph 90 of
19 this Section. The states that are eligible for reimbursement of post-judgment fees and
20 costs are the states of Texas, Florida, California, Washington, Oregon, and any other
21 state authorized by these five states. The post-judgment work that is eligible for
22 reimbursement under this Paragraph must be directly related to overseeing the
23 Operating and Divestiture Trustees, monitoring the divestiture so that it is
24 accomplished in accordance with the terms of this Final Judgment, or taking any and
25 all actions involving non-parties to this Final Judgment that these states, in their sole
26 discretion, feel are necessary and appropriate to ensure the terms of this Final
27 Judgment are fulfilled. The five states shall submit one bill for reimbursement of post-
28 judgment fees and costs within thirty (30) days after all assets described in this Final

Judgment have been divested in accordance with the terms of this Final Judgment. Defendants shall make prompt payment within ten (10) business days after the States have submitted one final bill for post-judgment fees and costs reimbursement. The aforementioned conditions and limitations in this Paragraph do not apply to any time and expenses incurred by the States in a Compliance Action, as set forth in Section XIV, filed by the States against the Defendants to enforce the terms of this Final Judgment. Reimbursement of time and expenses incurred in Compliance Actions against the Defendants shall be governed by the provisions set forth in Section XIV of this Final Judgment.

92. Defendants shall pay the amount as specified in Paragraphs 90 and 91, above, to the state of California and once such payments are made, the California Attorney General shall be solely responsible for reimbursing the States for their share of the fees and costs reimbursement.
93. Arizona's portion of the fees and costs shall be deposited into the Antitrust Revolving Fund for use consistent with the laws governing that fund.
94. Alaska's portion of the fees and costs award shall be "designated program receipts" under Alaska Stat. § 37.05.146(b)(3) and shall be used by the Alaska Attorney General for purposes of consumer protection and antitrust investigations, enforcement, and education.
95. Florida's portion of the fees and costs award shall be deposited into the Legal Affairs Revolving Trust Fund and shall be used in accordance with Fla. Stat. § 16.53(2).
96. Hawaii's portion of the fees and costs award shall be deposited into the Hawaii Attorney General Antitrust Trust Fund for use consistent with the laws governing that fund.
97. Idaho's portion of the fees and costs award shall be deposited pursuant to Idaho Code § 48-114 for use in accordance with that section.
98. Nevada's portion of the fees and costs award shall be deposited into the Attorney General's Special Fund pursuant to Nev. Rev. Stat. § 598A.260.

99. New Mexico's portion of the fees and costs award shall be deposited into the New Mexico Attorney General Consumer Protection Fund for use consistent with the laws governing that fund.

100. Oregon's portion of the fees and costs award shall be deposited into the Oregon Attorney General Consumer Protection and Education Account and shall be used in accordance with the terms of Or. Rev. Stat. §180.095.

101. Texas's portion of the fees and costs shall be awarded to the Antitrust Section of the Texas Office of the Attorney General pursuant to §15.05(d) of the Texas Free Enterprise and Antitrust Act of 1983, Tex. Bus. & Comm. Code §§ 15.01 et seq.

102. Utah's portion of the fees and costs award shall be deposited pursuant to Utah Code Ann. § 76-10-922 into the Antitrust Revolving Account for use in accordance with the provisions of that Section.

103. Washington's portion of the fees and costs award shall be deposited into the Washington Attorney General Antitrust Revolving Fund.

104. If one or more states bring a Compliance Action pursuant to Section XIV that results in a court order against the Defendants to enforce this Final Judgment, such states shall be awarded and Defendants shall reimburse such states the reasonable costs and fees incurred in bringing such enforcement action pursuant to 15 U.S.C. § 26.

IX. OTHER RELIEF

105. Any action or inaction on the part of Defendants shall not violate this Final Judgment, if the action or failure to act arises as a result of:

- a. The action or failure to act of the Commission,
- b. Defendants' compliance with any order of the Commission,
- c. The Defendants' failure to act while waiting for a decision of the Commission, or
- d. Defendants' compliance with the order of any court.

106. The States shall not take any action that results in Defendants violating any order of the Commission or a court.

X. REACQUISITION OF ASSETS – APPROVAL AND NOTIFICATION

107. Defendants shall not reacquire any interest in the Equilon or Motiva joint ventures if the States have disapproved such reacquisition within sixty (60) days after notice of such reacquisition has been provided to the States, through the state of California acting as chair.
108. Defendants shall provide written notification to the States through the state of California acting as chair, of their intention to acquire within a twelve month period, assets from Equilon or Motiva located in one or more of the States if such transaction (a) has a value of \$15 million dollars or more, (b) relates to the acquisition or lease of five or more retail gasoline outlets within an MSA, or, (c) relates to an acquisition or lease of (i) retail gasoline outlets outside an MSA (ii) that results in five or more retail gasoline outlets, outside an MSA, supplied gasoline by Defendants and selling gasoline under the Chevron brand, the Texaco brand, or under any brand that contains the Chevron or Texaco name within a 25-mile distance of each other; provided however that the limitation in (c)(ii) of this Paragraph shall not apply to any acquisition or leases in the state of Alaska. Written notification shall include a reasonable description of the transaction, including, but not limited to, the value of the transaction, the location of assets within the affected state(s), and the expected closure date of the transaction. Defendants shall not close the transaction that is the subject of the notification until thirty (30) days after the States' receipt of the notice or thirty (30) days after the Defendants' substantial compliance of any civil investigative demand issued by a state that seeks additional information about the transaction, whichever is the later date. Provided, however, that Defendants may close the transaction if no such investigative demand is issued within thirty (30) days after receipt of notice and, further, in any event, the Defendants may close the transaction no later than 120 days from the date of notice.

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XI. COMPLIANCE REPORTS

109. Within sixty (60) days after the date this Final Judgment becomes final and every sixty (60) days thereafter until Defendants have fully complied with the provisions of Sections III through X of this Final Judgment, Defendants shall submit to the States, through the state of California acting as the States' chair, a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with those provisions. Defendants shall include in their compliance reports, among other things that are required from time to time, a full description of all contacts or negotiations with prospective acquirers for the divestitures of assets or businesses specified in this Final Judgment, including the identity of all parties contacted. Defendants also shall include in their compliance reports copies of all written communications to and from such parties and all internal memoranda, reports and recommendations concerning divestiture.

XII. PRIVILEGES, ACCESS TO INFORMATION

110. For the purposes of determining or securing compliance with this Final Judgment, and subject to any legally recognized privilege, upon written request and on reasonable notice to Defendants made to its principal office, Defendants shall permit any duly authorized representatives of the States:

- a. During office hours and in the presence of counsel, access to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Defendants relating to any matters contained in this Final Judgment; and
- b. Upon five (5) days' notice to Defendants and without restraint or interference from Defendants, to interview officers or employees of Defendants who may have counsel present, regarding such matters.

//

1 XIII. CONFIDENTIALITY, USE, DISSEMINATION.

2 RETURN/DESTRUCTION OF DOCUMENTS

3 111. All documents, including all copies, whether in hard copy or electronic format, that
4 have been produced by the Defendants to the States and will be produced pursuant to
5 this Final Judgment, and that Defendants designate in good faith as confidential, shall
6 remain confidential and shall be used and disseminated only to the extent allowed
7 under Oregon Revised Statute 646.836, attached hereto as Appendix F to this Final
8 Judgment and incorporated herein by this reference.

9 112. All documents, including all copies, whether in hard copy or electronic format,
10 received by the States from the Defendants during their investigation of the Merger or
11 in carrying out their responsibilities under this Final Judgment to ensure compliance
12 with this Final Judgment shall, at the option and cost of Defendants be returned to the
13 Defendants or destroyed within six (6) months after the States have discharged their
14 responsibilities to ensure the divestiture relief is accomplished in accordance with this
15 Final Judgment. Provided, however, that a state shall return the aforementioned
16 documents to the Defendants if the laws of that state do not authorize destruction of the
17 aforementioned documents. If the aforementioned documents are destroyed rather than
18 returned to the Defendants, each State shall certify its destruction of such materials.

19
20 XIV. STATE COMPLIANCE ACTIONS

21 113. Subject to the conditions and prohibitions of Section IX and XV of this Final
22 Judgment, the States, individually, collectively, or in any combination thereof, are
23 authorized to take actions that they deem necessary and appropriate and are related to
24 their right to review information produced pursuant to Sections XI and XII and/or
25 initiate Compliance Actions against the Defendants to (a) address violations of this
26 Final Judgment that affects their state(s), (b) ensure Defendants are performing their
27 obligations that affect their state(s), and (c) ensure the relief provided by this Final
28 Judgment that affects their state(s) is being accomplished. Any state may initiate a

1 Compliance Action unless such Compliance Action would require Defendants to take
2 action that is contrary to or inconsistent with (a) the conditions and prohibitions set out
3 in Section IX, or (b) an action approved by the States as described in Section XV.
4

5 XV. STATE'S WITHDRAWAL FROM FINAL JUDGMENT

6 114. Given the unique nature of the issues and the procedural posture presented by this
7 Merger, one or more states may depart from a decision made by the States relating to
8 (a) approval of the acquirer(s) of the Equilon interest, the Motiva interest, or Texaco's
9 Domestic General Aviation Business Assets, (b) the manner in which the divestitures
10 are accomplished, (c) an extension of time for the trustees to accomplish the sale of
11 such interests and assets, (d) approval of a successor trustee, or (e) approval of any
12 modification of the Trust Agreement, and may withdraw from this Final Judgment
13 within sixty (60) days of any states' decision relating to (a)-(e). Upon withdrawal,
14 nothing set forth in this Final Judgment shall be interpreted to prevent such state from
15 bringing suit to challenge Defendants' conduct under state or federal antitrust laws,
16 notwithstanding any action taken by the remaining states. A state withdrawing from
17 this Final Judgment shall provide written notification of its withdrawal to the States,
18 the Defendants and the Court. The state must withdraw from this Final Judgment
19 before it can bring suit to challenge this Merger or Defendants' conduct arising from
20 this Merger. Upon withdrawal from the Final Judgment, the withdrawing state shall
21 forfeit all rights and privileges under this Final Judgment, except for the rights
22 provided under Paragraph 115. Provided, however, that nothing contained in this
23 Paragraph or Section XV shall require the States to withdraw from this Final Judgment
24 in order to exercise their rights under Section XIV.

25 115. Defendants shall be barred from raising or relying upon the defenses of laches, statute
26 of limitations, or any other defense based solely on the passage of time other than as set
27 out in Paragraph 114 of this Final Judgment against any state that exercises its
28 //

option to withdraw from this Final Judgment and take action in accordance with this
Section XV.

XVI. CHANGE OF DEFENDANTS

116. Defendants shall notify the States at least thirty (30) days prior to any proposed change in the corporate Defendants such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of the Final Judgment.

XVII. RETENTION OF JURISDICTION

117. The Court shall retain jurisdiction over the parties for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction, implementation, enforcement, or modification of any of the provisions in this Final Judgment, and for the punishment of any violations of this Final Judgment.

XVIII. TERMINATION

118. This Final Judgment shall expire ten (10) years after the date of its entry.

XIX. WAIVER

119. Defendants waive, release, and forever discharge any and all claims Defendants have or may have against the States arising from any conduct the States engage in to ensure the divestiture relief is accomplished in accordance with this Final Judgment.

XX. NOTICES

120. Any notices required by this Final Judgment shall be delivered to the parties at the following addresses:

1 a. For Defendants:

- 2 1. Chevron and Chevron Texaco: Terry Calvani, Esq., Pillsbury Winthrop LLP,
3 1133 Connecticut Avenue, NW, Washington, D.C. 20036; and Mr. Harvey
4 D. Hinman, Vice President & General Counsel, Chevron Corporation, 575
5 Market Street, San Francisco, CA 94105.
6 2. For Texaco: Marc G. Schildkraut, Esq., Howrey Simon Arnold & White,
7 1299 Pennsylvania Avenue, NW, Washington D.C. 20004-2402; and Ms.
8 Leocadie L. Robertson, General Counsel, Texaco Inc., 2000 Westchester
9 Avenue, White Plains, New York 10650.

- 10 b. For Plaintiff States: Ms. Margaret E. Spencer, Deputy Attorney General, Office of
11 the Attorney General, 300 South Spring Street, Los Angeles, California 90013.

12
13 XXI. PUBLIC INTEREST

14 121. This proceeding and prompt entry of this Final Judgment is in the public interest.

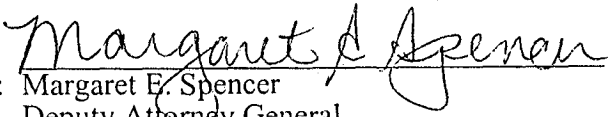
15
16 Presented by:

17 DATED this _____ day of _____ 2001.

18
19
20 UNITED STATES DISTRICT JUDGE

21 Presented by:

22 BILL LOCKYER, Attorney General
23 of the State of California

24 
25 By: Margaret E. Spencer
26 Deputy Attorney General
27 300 South Spring Street
28 Los Angeles, CA 90013
(213) 897-2685
**Attorneys for Plaintiff State of California, and
Appearing as Local Counsel for Plaintiff States**

1 PILLSBURY WINTHROP, LLP

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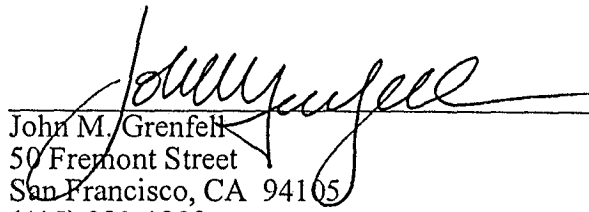
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27

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By: 
John M. Grenfell
50 Fremont Street
San Francisco, CA 94105
(415) 983-1200
Attorneys for Defendant Chevron Corporation

HOWREY SIMON ARNOLD & WHITE, LLP

By: _____
Marc Schildkraut
1299 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2402
(202) 783-0800
Attorneys for Defendant Texaco Inc.

1 PILLSBURY WINTHROP, LLP

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4 By: John M. Grenfell
5 50 Fremont Street
6 San Francisco, CA 94105
7 (415) 983-1200
8 **Attorneys for Defendant Chevron Corporation**


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8 HOWREY SIMON ARNOLD & WHITE, LLP

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10 By:  Marc Schildkraut
11 1299 Pennsylvania Avenue, N.W.
12 Washington, D.C. 20004-2402
13 (202) 783-0800
14 **Attorneys for Defendant Texaco Inc.**

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EXHIBIT A: Purchase and Sale Agreement (Transferred GA Business)

IS BEING FILED UNDER SEAL

THIS DOCUMENT CONSISTS OF PAGE NUMBERS 041 THRU 189.

EXHIBIT B

**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, Paragraph 55(d) 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, Paragraph 55(d) 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].

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.

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

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

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

* * * * *

Motiva LLC Agreement:

Excerpts from Motiva LLC Agreement Section 5.01:

(f) Subject to the restrictions in Section 5.01(h), the amount which will be distributed to Members (after making distributions with respect to any Sole Financial Risk Projects and distributions pursuant to Section 5.01(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].

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.

"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 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.

* * * * *

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.

ORDER TO HOLD SEPARATE

The State attorneys general of Alaska, Arizona, California, Florida, Hawaii, Idaho, Nevada, New Mexico, Texas, Oregon, Utah and Washington ("the States") initiated an investigation of the proposed merger (the "Merger") of Defendants Chevron Corporation ("Chevron") and Texaco Inc. ("Texaco"). Defendants were furnished with copies of the Complaint that the States intend to file in this matter alleging violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and the antitrust and unfair competition laws in several of the States. Defendants agree that the Court has jurisdiction over this matter as set forth in the aforesaid Complaint; consent to entry of this Order to Hold Separate and Maintain Assets ("Hold Separate Order") without trial or adjudication of any issue of fact or law alleged in the Complaint, have waived notice or presentation of this Hold Separate Order, and represent that they can and will fulfill their obligations set forth in this Hold Separate Order. As such, Defendants agree to be bound by the provisions of this Hold Separate Order and that there is no just reason for delay in its entry.

Entry of this Hold Separate Order does not constitute evidence against or an admission by Defendants that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true. Defendants have waived service of summons. This Hold Separate Order is subject to the provisions and conditions of the Final Judgment, including the provisions in Section IX governing potential conflicts between State and Federal enforcement.

The Court now hereby makes the following jurisdictional findings and issues this Order to Hold Separate and Maintain Assets:

1. Respondent Chevron is a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business located at 575 Market Street, San Francisco, CA 94105.
2. Respondent Texaco is a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business located at 2000 Westchester Ave., White Plains, NY 10650.
3. The Court has jurisdiction over the subject matter of this proceeding and over Defendants, and the proceeding is in the public interest.

I. DEFINITIONS

The Court hereby **ORDERS** the following definitions shall apply:

4. "Chevron" means Chevron Corporation, its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups, and affiliates controlled by Chevron, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
5. "Texaco" means Texaco Inc., its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups, and affiliates controlled by Texaco, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
6. "Avfuel" means Avfuel Corporation, a corporation organized, existing and doing business under and by virtue of the laws of the state of Michigan, with its office

and principal place of business located at 47 West Ellsworth, Ann Arbor, Michigan 48108.

7. "Aviation Fuel" means Aviation Gasoline and Jet Fuel.
8. "Aviation Fuel Divestiture Agreement" means all agreements entered into between Defendants and AvFuel relating to the sale of Texaco's Overlap General Aviation Business Assets, including but not limited to the Purchase and Sale Agreement, the Trademark License Agreement, all supply agreements, and all other ancillary agreements, dated August 7, 2001, and attached as Confidential Appendix A to the Final Judgment.
9. "Aviation Overlap State" means each of the following states: Alabama, Alaska, Arizona, California, Florida, Georgia, Idaho, Louisiana, Mississippi, Nevada, Oregon, Tennessee, Utah, and Washington.
10. "Commission" means the Federal Trade Commission.
11. "Disclose" means to convey by any means or otherwise make available information to any person or persons.
12. "Divestiture Trustee" means a trustee appointed pursuant to Section IV of the Final Judgment with the obligation to divest TRMI and/or TRMI East.
13. "Equilon" means Equilon Enterprises LLC, a joint venture formed pursuant to the Equilon LLC Agreement.
14. "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, Texaco Convent Refining Inc. and Texaco Anacortes Cogeneration Company.

15. "Equilon LLC Agreement" means the Limited Liability Company Agreement of Equilon Enterprises LLC dated as of January 15, 1998 among certain subsidiaries of Shell and Texaco, as amended.
16. "Final Judgment" means the judgment entered by the United States District, Court for the Central District of California in "State of California, et al. v. Chevron Corporation, a Delaware corporation and Texaco Inc., a Delaware corporation" as submitted by the parties concurrently with the filing of the complaint in said action on or about September 7, 2001, and as it may be modified by the Court.
17. "Held Separate Business" means all of Defendants' interests and assets comprising the Trust, as defined and described in the Final Judgment, immediately before rescission of the Trust, including but not limited to TRMI and TRMI East to the extent they are assets of the Trust at such time.
18. "Hold Separate Operating Trustees" means the same person as each of the Operating Trustees or any replacement Operating Trustees.
19. "Hold Separate Divestiture Trustee" means the same person as the Divestiture Trustee or any replacement Divestiture Trustee.
20. "Hold Separate Agreement" means the agreement between and among Defendants and the Hold Separate Operating Trustees and the Hold Separate Divestiture Trustee to effectuate the divestitures required by Section III of the Final Judgment, substantially similar to the Trust Agreement, and subject to the prior approval of the States.
21. "Hold Separate Period" means, if the Trust is rescinded, unwound, dissolved, or otherwise terminated at a time after the Merger but before Defendants have

complied with Section III of the Final Judgment, the period beginning on the Rescission Date and lasting until the business day after the divestitures required by the Final Judgment in this matter have been accomplished and Defendants have so notified the States.

22. "JV Agreements" means the Equilon LLC Agreement and the Motiva LLC Agreement.
23. "Merger" means any merger between Defendants, including the proposed merger contemplated by the Agreement and Plan of Merger dated October 15, 2000, as amended, among Defendants and Keepep Inc.
24. "Motiva" means Motiva Enterprises LLC, a joint venture formed pursuant to the Motiva LLC Agreement.
25. "Motiva Interest" means all of the ownership interests in Motiva owned directly or indirectly by Texaco, including the interest owned by TRMI East.
26. "Motiva LLC Agreement" means the Limited Liability Company Agreement of Motiva Enterprises LLC dated as of July 1, 1998, among Shell, Shell Norco Refining Company, SRI and TRMI East.
27. "Non-Public Equilon Or Motiva Information" means any information not in the public domain relating to Equilon or Motiva.
28. "Operating Trustee" means each trustee appointed pursuant to Section IV of the Final Judgment with the obligation to manage TRMI and/or TRMI East pursuant to the Final Judgment.

29. "Rescission Date" means the date on which the Trust was rescinded, unwound, dissolved, or otherwise terminated, if such rescission, unwinding, dissolution, or termination occurs.
30. "Defendants" means Chevron and Texaco, individually and collectively, and any successors.
31. "Shell" means Shell Oil Company, a Delaware corporation, with its principal place of business located at One Shell Plaza, Houston, Texas 77002, its parents, and its subsidiaries controlled by Shell.
32. "SRI" means Saudi Refining, Inc., a Delaware corporation, with its principal place of business located at 9009 West Loop South, Houston, TX 77210, its parents, and its subsidiaries controlled by SRI.
33. "Texaco's Domestic General Aviation Business" means the supply, distribution, marketing, transportation, and sale of Aviation Fuel by Texaco on a direct or distributor basis to customers (other than commercial airlines and military) in the United States (including the Aviation Overlap States), including but not limited to fixed base operators, airport dealers, distributors, jobbers, resellers, brokers, corporate accounts, or consumers.
34. "Texaco's Domestic General Aviation Business Assets" means all assets, tangible or intangible, relating to Texaco's Domestic General Aviation Business in the United States, including but not limited to all General Aviation Business Agreements used in or relating to Texaco's Domestic General Aviation Business.
35. "Texaco's Overlap General Aviation Business" means the supply, distribution, marketing, transportation, and sale of Aviation Fuel by Texaco on a direct or

distributor basis to customers (other than commercial airlines and military) in the Aviation Overlap States, including but not limited to fixed base operators, airport dealers, distributors, jobbers, resellers, brokers, corporate accounts, or consumers, but excluding the assets and agreements set forth in Schedule 2.3(c) of the Aviation Fuel Divestiture Agreement.

36. "Texaco's Overlap General Aviation Business Assets" means all assets, tangible or intangible, relating to Texaco's Overlap General Aviation Business, including but not limited to all General Aviation Business Agreements used in or relating to Texaco's Overlap General Aviation Business, but excluding the assets and agreements set forth in Schedule 2.3(c) of the Aviation Fuel Divestiture Agreement.
37. "TRMI" means Texaco Refining and Marketing Inc., a Delaware corporation and an indirect wholly owned subsidiary of Texaco, and its subsidiary, Texaco Convent Refining Inc., and Texaco's interest in all other subsidiaries, divisions, groups, joint ventures, or affiliates of Texaco that own or control any ownership interest in Equilon.
38. "TRMI East" means Texaco Refining and Marketing (East) Inc., a Delaware corporation and an indirect wholly owned subsidiary of Texaco, and Texaco's interest in all other subsidiaries, divisions, groups, joint ventures, or affiliates of Texaco that own or control any ownership interest in Motiva.
39. "Trust" means the trust established by the Trust Agreement as required by the Final Judgment.

40. "Trust Agreement" means the Agreement and Declaration of Trust approved by the Commission and attached as an Appendix to the Final Judgment.

II. HELD SEPARATE BUSINESS

The Court further **ORDERS** that:

41. During the Hold Separate Period, Defendants shall hold the Held Separate Business separate, apart, and independent as required by this Hold Separate Order and shall not exercise direction or control over, or influence directly or indirectly, the Held Separate Business or any of its operations, or the Hold Separate Operating Trustees, except to the extent that Defendants must exercise direction and control over the Held Separate Business to assure compliance with this Hold Separate Order, or with the Final Judgment issued in this matter, and except as otherwise provided in this Hold Separate Order or the Final Judgment, and shall vest the Held Separate Business with all rights, powers, and authority necessary to conduct its business.
42. The purpose of this paragraph of this Hold Separate Order is, in the event that the Trust is rescinded, unwound, dissolved, or otherwise terminated at any time after the Merger but before Defendants have complied with Section III of the Final Judgment, to: (i) preserve the Held Separate Business, including TRMI and TRMI East, as viable, competitive, and ongoing businesses independent of Defendants until the divestitures required by the Final Judgment have been accomplished; (ii) prevent interim harm to competition pending the relevant divestitures; and (iii) help remedy any anticompetitive effects of the proposed Merger.

43. Respondent shall hold the Held Separate Business separate, apart, and independent on the following terms and conditions:

- a. No later than two (2) business days after the Rescission Date, Defendants shall agree to the appointment of Robert A. Falise as Hold Separate Divestiture Trustee and enter into an agreement substantially similar to the Trust Agreement, subject to the prior approval of the States, that transfers to the Hold Separate Divestiture Trustee the sole and exclusive power and authority to divest TRMI and/or TRMI East or to divest the Equilon Interest to Shell and/or the Motiva Interest to Shell and/or SRI, consistent with the terms of Section III of the Final Judgment and subject to the prior approval of the States as set forth in such Final Judgment. After such transfer, the Hold Separate Divestiture Trustee shall have the sole and exclusive power and authority to divest such assets or interests, subject to the prior approval of the States as set forth in such Final Judgment, and the Hold Separate Divestiture Trustee shall exercise such power and authority and carry out the duties and responsibilities of the Hold Separate Divestiture Trustee in a manner consistent with the purposes of this Hold Separate Order in consultation with the States, the Commission, and the Commission's staff.
- b. The Hold Separate Divestiture Trustee shall have eight (8) months from the Merger Date and such additional time as is provided pursuant to the Final Judgment to accomplish the divestitures required by Section III of the Final Judgment, which shall be subject to the prior approval of the

States as set forth in the Final Judgment. If, however, at the end of this period, the Hold Separate Divestiture Trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the Hold Separate Divestiture Trustee's divestiture period may be extended by the States. An extension of time by the States under this subparagraph shall not preclude the States from seeking any relief available to them for any failure by Defendants to divest the Equilon Interest or TRMI and/or the Motiva Interest or TRMI East consistent with the requirements of Section III of the Final Judgment.

- c. If, on or prior to the Rescission Date, Defendants have executed but have not consummated an agreement or agreements to divest the Equilon Interest to Shell and/or the Motiva Interest to Shell and/or SRI, then Defendants shall, no later than the Rescission Date, grant sole and exclusive authority to the Hold Separate Divestiture Trustee to consummate any divestiture contemplated thereby subject to the States' prior approval as set forth in the Final Judgment.
- d. The Hold Separate Divestiture Trustee shall divest the Equilon Interest to Shell and/or the Motiva Interest to Shell and/or SRI, in a manner that receives the prior approval of the States, pursuant to the terms of the applicable agreement or agreements approved by the States, if either (a) Defendants have executed an agreement or agreements with Shell and/or SRI with respect to such divestiture or divestitures prior to the Rescission Date, and such agreement or agreements have been approved by the States

and have not been breached by Shell and/or SRI; or (b) Shell has exercised its right to acquire the Equilon Interest pursuant to the Equilon LLC Agreement and/or Shell and/or SRI have exercised their rights to acquire the Motiva Interest pursuant to the Motiva LLC Agreement.

- e. Subject to Defendants' absolute and unconditional obligation to divest expeditiously at no minimum price, the Hold Separate Divestiture Trustee shall use his or her best efforts to negotiate the most favorable price and terms available for the divestiture of (1) TRMI, if the Hold Separate Divestiture Trustee has not divested the Equilon Interest pursuant to subparagraph d of this paragraph, and/or (2) TRMI East, if the Hold Separate Divestiture Trustee has not divested all or part of the Motiva Interest pursuant to subparagraph d of this paragraph. Each divestiture shall be made only in a manner that receives the prior approval of 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 States; provided, however, if the Hold Separate Divestiture Trustee receives bona fide offers from more than one acquiring entity, and if the States determine to approve more than one such acquiring entity, the Hold Separate Divestiture Trustee shall divest to the acquiring entity or entities selected by Defendants from among those approved by the States; provided further, however, that Defendants shall select such entity within five (5) days of receiving notification of the States' approval.

- f. The Hold Separate Divestiture Trustee shall have full and complete access to all personnel, books, records, documents, and facilities of Defendants, TRMI and TRMI East, as needed to fulfill the Hold Separate Divestiture Trustee's obligations, or to any other relevant information, as the Hold Separate Divestiture Trustee may reasonably request, including but not limited to all documents and records kept in the normal course of business that relate to Defendants' obligations under this Hold Separate Order and the Final Judgment. Defendants or the Hold Separate Operating Trustees, as appropriate, shall develop such financial or other information as the Hold Separate Divestiture Trustee may reasonably request and shall cooperate with the Hold Separate Divestiture Trustee. Defendants shall take no action to interfere with or impede the Hold Separate Divestiture Trustee's ability to perform his or her responsibilities.
- g. The Hold Separate Divestiture Trustee shall serve, without bond or other security, at the cost and expense of Defendants, on such reasonable and customary terms and conditions as the States may set. The Hold Separate Divestiture Trustee shall have the authority to employ, at the cost and expense of Defendants, such financial advisors, consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Hold Separate Divestiture Trustee's duties and responsibilities.
- h. Defendants shall indemnify the Hold Separate Divestiture Trustee and hold the Hold Separate Divestiture Trustee harmless against any losses,

claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Hold Separate Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Hold Separate Divestiture Trustee.

- i. The Hold Separate Divestiture Trustee shall account for all monies derived from the sale and all expenses incurred, subject to the approval of the States. After approval by the States of the account of the Hold Separate Divestiture Trustee, all remaining monies shall be paid as directed in the Hold Separate Agreement, and the Hold Separate Divestiture Trustee's powers shall be terminated.
- j. The Hold Separate Divestiture Trustee shall report in writing to the States thirty (30) days after appointment and every thirty (30) days thereafter concerning the Hold Separate Divestiture Trustee's efforts to accomplish the requirements of this Hold Separate Order and the Final Judgment until such time as the divestitures required by Section III of the Final Judgment have been accomplished and Defendants have notified the States that the divestitures have been accomplished.
- k. If, for any reason, Robert A. Falise cannot serve or cannot continue to serve as Hold Separate Divestiture Trustee, or fails to act diligently, the

States, in conjunction with the Commission, shall select a replacement Hold Separate Divestiture Trustee, subject to the consent of Defendants, which consent shall not be unreasonably withheld. If Defendants have not opposed, in writing, including the reasons for opposing, the selection of any replacement Hold Separate Divestiture Trustee within ten (10) days after notice by the States and/or the Commission to Defendants of the identity of any proposed replacement Hold Separate Divestiture Trustee, Defendants shall be deemed to have consented to the selection of the proposed replacement Hold Separate Divestiture Trustee. The replacement Hold Separate Divestiture Trustee shall be a person with experience and expertise in acquisitions and divestitures.

- l. The States may on their own initiative or at the request of the Hold Separate Divestiture Trustee seek additional orders from the court and issue directions as may be necessary or appropriate to assure compliance with the requirements of this Hold Separate Order or the Final Judgment.
- m. No later than two (2) business days after the Rescission Date, Defendants shall agree to the appointment of Joe B. Foster as Hold Separate Operating Trustee of TRMI (with respect to the Equilon Interest) and John Linehan as Hold Separate Operating Trustee of TRMI East (with respect to the Motiva Interest) and enter into a Hold Separate Agreement substantially similar to the Trust Agreement, subject to the prior approval of the States, that transfers to the Hold Separate Operating Trustees sole and exclusive

power and authority to manage TRMI and/or TRMI East (as the case may be).

- n. The Hold Separate 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 the Hold Separate Agreement and specifically to cause TRMI and TRMI East respectively to exercise the rights of TRMI and TRMI East under the Equilon and Motiva LLC Agreements. Each Hold Separate Operating Trustee may engage in any other activity such Hold Separate 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 Hold Separate Operating Trustee in a manner consistent with the purposes of this Hold Separate Order and the Final Judgment in consultation with the States, the Commission, and the Commission's staff.
- o. Each Hold Separate 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 Hold Separate Operating Trustee's obligations, or to any other relevant information, as such Hold Separate Operating Trustees may reasonably request, including but not limited to all documents and records kept in the normal course of business that relate to Defendants' obligations under this Hold Separate Order and the Final Judgment. Defendants shall develop such financial or other information as such Hold Separate Operating Trustees may reasonably request and shall

cooperate with the Hold Separate Operating Trustees. Defendants shall take no action to interfere with or impede the Hold Separate Operating Trustees' ability to perform his or her responsibilities.

- p. The Hold Separate Operating Trustees shall serve, without bond or other security, at the cost and expense of Defendants, on such reasonable and customary terms and conditions as the States may set. Each Hold Separate Operating Trustee shall have the authority to employ, at the cost and expense of Defendants, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out such Hold Separate Operating Trustee's duties and responsibilities.
- q. Defendants shall indemnify each Hold Separate Operating Trustee and hold each Hold Separate Operating Trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of such Hold Separate Operating Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by such Hold Separate Operating Trustee.
- r. The Hold Separate Operating Trustees shall account for all expenses incurred, including fees for his or her services, subject to the approval of the States.

- s. Each Hold Separate Operating Trustee shall report in writing to the States thirty (30) days after the Rescission Date and every thirty (30) days thereafter concerning the Hold Separate Operating Trustee's performance of his or her duties under this Hold Separate Order, the Final Judgment, and the Hold Separate Agreement. The Hold Separate Operating Trustees shall serve until such time as Defendants have complied with their obligation to divest TRMI and/or TRMI East as required by this Hold Separate Order and the Final Judgment, and Defendants have notified the States that the divestitures have been accomplished.
- t. If for any reason Joe B. Foster cannot serve or cannot continue to serve as Hold Separate Operating Trustee of TRMI or John Linehan cannot serve or cannot continue to serve as Hold Separate Operating Trustee of TRMI East, or fails to act diligently, the States shall select a replacement Hold Separate Operating Trustee, subject to the consent of Defendants, which consent shall not be unreasonably withheld. If Defendants have not opposed, in writing, including the reasons for opposing, the selection of any replacement Hold Separate Operating Trustee within ten (10) days after notice by the States and/or the Commission to Defendants of the identity of any proposed replacement Hold Separate Operating Trustee, Defendants shall be deemed to have consented to the selection of the proposed replacement Hold Separate Operating Trustee. The replacement Hold Separate Operating Trustee shall be a person with experience and

expertise in the management of businesses of the type engaged in by Equilon and Motiva.

- u. The States may on their own initiative or at the request of either Hold Separate Operating Trustee seek additional orders from the court and issue directions as may be necessary or appropriate to assure compliance with the requirements of this Hold Separate Order or the Final Judgment.
- v. Except as provided herein or in the Hold Separate Agreement, neither the Hold Separate Divestiture Trustee nor the Hold Separate Operating Trustees shall disclose any Non-Public Equilon or Motiva Information to an employee of Defendants.
- w. Defendants may require the Hold Separate Divestiture Trustee or Hold Separate Operating Trustees to sign a confidentiality agreement prohibiting the disclosure of any information gained as a result of his or her role as Hold Separate Divestiture Trustee or Hold Separate Operating Trustee to anyone other than the States and/or the Commission.
- x. The purpose of this Section II is to effectuate the divestitures required by Section III of the Final Judgment and to maintain operation of TRMI, TRMI East, Equilon and Motiva separate and apart from Defendants' operations pending the required divestitures.

III. GENERAL AVIATION ASSETS

- 44. Pending divestiture of Texaco's Overlap General Aviation Business Assets (or Texaco's Domestic General Aviation Business Assets, as appropriate) pursuant to Section VI of the Final Judgment, Defendants shall take such actions as are

necessary to maintain the viability, marketability, and competitiveness of Texaco's Domestic General Aviation Business Assets and to prevent the destruction, removal, wasting, or deterioration of Texaco's Domestic General Aviation Business Assets, except for ordinary wear and tear and as would otherwise occur in the ordinary course of business.

IV. EMPLOYEE NOTICE

45. Defendants shall, within ten (10) days of the Rescission Date, circulate to all of Defendants' employees a copy of this Hold Separate Order and shall post a notice accessible to all employees informing employees of Defendants' obligations pursuant to this Hold Separate Order.

V. COMPLIANCE REPORTS

46. Within thirty (30) days after the Rescission Date and every sixty (60) days thereafter until Defendants have fully complied with Sections III and IV of the Final Judgment, Defendants shall submit to the States a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with those provisions. Defendants shall include in their compliance reports, among other things that are required from time to time, a full description of all contacts or negotiations with prospective acquirers for the divestitures of assets or businesses specified in this Hold Separate Order, including the identity of all parties contacted. Defendants also shall include in their compliance reports, copies of all written communications to and from such parties, and all internal memoranda, reports and recommendations concerning divestiture.

47. Within thirty (30) days after this Hold Separate Order is final, and every sixty (60) days thereafter until Defendants have fully complied with Sections II and III of this Hold Separate Order, Defendants shall submit to the States a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with those provisions.
48. With the agreement of the States, Defendants may submit one compliance report to the States, at sixty (60) day intervals, including the information required by Section V of this Hold Separate Order, and Section XI of the Final Judgment, which will, if it includes all required information, be considered a timely filing of each of the compliance reports required by these provisions.
49. For the purposes of determining or securing compliance with this Hold Separate Order, and subject to any legally recognized privilege, upon written request and on reasonable notice to Defendants made to its principal office, Defendants shall permit any duly authorized representatives of the States:
- a. During office hours and in the presence of counsel, access to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Defendants relating to any matters contained in this Hold Separate Order; and
 - b. Upon five business days' notice to Defendants and without restraint or interference from Defendants, to interview officers or employees of Defendants who may have counsel present, regarding such matters.

EXHIBIT D: Contract dated June 4, 2001 addressed to Majid Mojibi

IS BEING FILED UNDER SEAL

THIS DOCUMENT CONSISTS OF PAGE NUMBERS 254 THRU 264.

EXHIBIT E: Contract dated May 3, 2001 addressed to Chevron Products Company

IS BEING FILED UNDER SEAL

THIS DOCUMENT CONSISTS OF PAGE NUMBERS 265 THRU 275.

1999 OREGON REVISED STATUTES
TITLE 50. TRADE REGULATIONS AND PRACTICES
CHAPTER 646. TRADE PRACTICES AND ANTITRUST REGULATION
ANTITRUST LAW

Current through End of 1999 Reg. Sess.

646.836. Confidential status of investigative material; permitted disclosures; use of information in other proceedings; return of investigative material.

(1) While in the possession of the Attorney General any documentary material, answers to interrogatories and transcripts of oral testimony shall be held in confidence and not disclosed to any person except:

(a) The person providing such material or answers;

(b) The representative or attorney of the person providing the material or answers;

(c) Persons employed by the Attorney General;

(d) Officials of the United States or any state who are authorized to enforce federal or state antitrust laws, provided that prior to such disclosure the Attorney General shall obtain the written agreement of such officials to abide by the confidentiality restriction of this section; and

(e) Other persons authorized in subsection (2) of this section.

(2) Any such material or answers may be used in any investigation conducted pursuant to ORS 646.705 to 646.826 or in any case or proceeding before a court or administrative agency, or may be disclosed to any committee or subcommittee of the Legislative Assembly in such manner and for such purposes as the Attorney General deems appropriate.

(3) Upon completion of a case brought under this section, the Attorney General shall return any such documents, answers and transcripts which have not passed into the control of the court through the introduction thereof into the records, to the person who provided such documents, answers or testimony upon the person's request in writing. If no case in which such material may be used has been commenced within a reasonable time after completion of the examination or analysis of all documentary material, but in no event later than four years after production thereof, the Attorney General shall, upon written request of the person who produced such material, return all documents, answers and transcripts to the person who provided them.