

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 27, 2005 (December 20, 2005)

SUNOCO, LOGISTICS PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware	1-31219	23-3096839
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. employer identification number)
1735 Market Street, Suite LL, Philadelphia, PA (Address of principal executive offices)	19103-7583	(Zip Code)

(215) 977-3000
(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Pursuant to unanimous written consents dated as of December 20, 2005, the Board of Directors (the “Board”) of Sunoco Partners LLC (the “Company”), and the Compensation Committee of the Board, approved amendments to certain of the Company’s compensation and benefit plans for officers and directors. The Company is the general partner of Sunoco Logistics Partners L.P. (the “Partnership”).

The amendments, which generally are effective January 1, 2005, were made in order to simplify plan administration, and to conform to the requirements of the American Jobs Creation Act of 2004 (the “Act”), and Section 409A of the Internal Revenue Code (“Section 409A”). Section 409A changed the income tax treatment of nonqualified deferred compensation and imposed new requirements on both the terms and operations of the plans.

The amendments approved by the Board include the following:

(1) Directors’ Deferred Compensation Plan:

- (a) effective for deferrals of compensation earned after December 31, 2004, provide that deferral elections must be made before the calendar year in which the compensation is earned;
- (b) eliminate provisions for acceleration of distribution date, and provide that all benefits will be paid in a lump sum on the later of: (i) the first day of the calendar year following the participant’s separation from Board service; or (ii) the first day following the six-month anniversary following the participant’s separation from Board service; but in no event sooner than six months after the compensation is earned;
- (c) eliminate ability to request change in method of distribution (installment versus lump sum), subsequent to deferral election;
- (d) provide that election of lump sum distribution upon a change in control must be made prior to the year in which the compensation is earned;
- (e) implement other technical changes in conformity with the Act and Section 409A.

These amendments apply both to future deferrals and to amounts previously deferred.

The amendments approved by the Compensation Committee include the following:

- (1) Sunoco Partners LLC Annual Incentive Plan: provide that payment bonus awards will be made within two and one-half months following the end of the plan year; and
- (2) Sunoco Partners LLC Long-Term Incentive Plan: (a) provide that payment of common units, upon vesting and settlement of restricted unit awards, will be made within two and one-half months following the end of the applicable performance period; and (b) provide that, upon a change in control, payment of common units will be made no later than the earlier of: 90 days after the change in control, or two and one-half months after the end of the calendar year in which the change in control occurs.

Item 1.02. Termination of a Material Definitive Agreement.

In addition to these amendments, the Board, acting pursuant to unanimous written consent dated as of December 20, 2005, also terminated the Sunoco Partners LLC Executive Deferred Compensation Plan. At the time of this action, there were no participants in this plan, and no amounts deferred thereunder. The termination was made effective January 1, 2005.

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Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

- 10.1 Sunoco Partners LLC Annual Incentive Plan, amended as of January 1, 2005 and restated effective December 20, 2005.
- 10.2 Sunoco Partners LLC Directors' Deferred Compensation Plan, amended as of January 1, 2005 and restated effective December 20, 2005.
- 10.3 Sunoco Partners LLC Long-Term Incentive Plan, amended as of January 1, 2005 and restated effective December 20, 2005.
- 10.4 Form of Restricted Unit Agreement under the Sunoco Partners LLC Long-Term Incentive Plan.
- 10.5 Form of Restricted Unit Agreement under the Sunoco Partners LLC Long-Term Incentive Plan.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SUNOCO LOGISTICS PARTNERS LP.

By: **Sunoco Partners LLC,**
its General Partner

Date: December 27, 2005

By: /s/ COLIN A. OERTON

Colin A. Oerton
Vice President and Chief
Financial Officer

SUNOCO PARTNERS LLC

ANNUAL INCENTIVE PLAN

Amended as of January 1, 2005, and Restated Effective December 20, 2005

**SUNOCO PARTNERS LLC
ANNUAL INCENTIVE PLAN**

1. Definitions. As used in this Plan, the following terms shall have the meanings herein specified:

- 1.1 **Affiliate** — means, with respect to any entity, any other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the entity in question. For purposes of this definition, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.
- 1.2 **Board of Directors** — shall mean the Board of Directors of the Company.
- 1.3 **Cause** — shall mean
 - (a) fraud or embezzlement on the part of the Participant;
 - (b) conviction of or the entry of a plea of *nolo contendere* by the Participant to any felony;
 - (c) the willful and continued failure or refusal by the Participant to perform substantially the Participant’s duties with the Company or an Affiliate thereof (other than any such failure resulting from incapacity due to physical or mental illness, or death, or following notice of employment termination by the Participant pursuant to subsections 1.6(c)(1), (2), (3), (4) or (5)) within thirty (30) days following the delivery of a written demand for substantial performance to the Participant by the Board of Directors, or any employee of the Company or an Affiliate with supervisory authority over the Participant, that specifically identifies the manner in which the Board of Directors or such supervising employee believes that the Participant has not substantially performed the Participant’s duties; or
 - (d) any act of willful misconduct by the Participant which:
 - (1) is intended to result in substantial personal enrichment of the Participant at the expense of the Partnership, the Company, or any respective Affiliates thereof; or
 - (2) has a material adverse impact on the business or reputation of the Partnership, the Company, or any respective Affiliate thereof (such determination to be made by the Partnership, the Company, or any such Affiliate in the good faith exercise of its reasonable judgment).
- 1.4 **Change of Control** — shall mean, and shall be deemed to have occurred upon the occurrence of one or more of the following events:
 - (a) the consolidation, reorganization, merger or other transaction pursuant to which more than fifty percent (50%) of the combined voting power of the outstanding equity interests in the Company cease to be owned by Sunoco, Inc. and its Affiliates;
 - (b) a “Change in Control” of Sunoco, as defined from time to time in the Sunoco stock plans; or

(c) the general partner (whether the Company or any other Person) of the Partnership ceases to be an Affiliate of Sunoco.

1.5 CIC Incentive Award — shall mean the incentive award payable in cash following a Change of Control, as described herein at Section 8.4.

1.6 CIC Participant — shall mean a Participant:

(a) whose employment was terminated by the Company (other than for cause) on or following the Change of Control, but before payment of the CIC Incentive Award; or

(b) whose employment was terminated by the Company (other than for Cause) before the Change of Control, or

(c) who terminated employment for one of the following reasons:

(1) the assignment to such Participant of any duties inconsistent in a way significantly adverse to such Participant, with such Participant's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control, or a significant reduction in the duties and responsibilities held by the Participant immediately prior to the Change of Control, in each case except in connection with such Participant's termination of employment by the Company for Cause; or

(2) with respect to any Participant who is a member of the Company's board of directors immediately prior to the Change of Control, any failure of the members of the Company to elect or re-elect, or of the Company to appoint or re-appoint, the Participant as a member of such board of directors; or

(3) a reduction by the Company in either the Participant's annual base salary or guideline (target) bonus as in effect immediately prior to the Change of Control; or

(4) the failure of the Company to provide the Participant with employee benefits and incentive compensation opportunities that:

(i) are not less favorable than those provided to other executives who occupy the same grade level at the Company as the Participant, or if the Company's grade levels are no longer applicable, to a similar peer group of the executives of the Company; and

(ii) provide the Participant with benefits that are at least as favorable, measured separately for:

(A) incentive compensation opportunities,

(B) savings and retirement benefits,

(C) welfare benefits, and

(D) fringe benefits and vacation,

as the most favorable of each such category of benefit in effect for the Participant at any time during the 120-day period immediately preceding the Change of Control; or

(5) the Company requires the Participant to be based anywhere other than the Participant's present work location or a location within thirty-five (35) miles from the present location; or the Company requires the Participant to travel on Company business to an extent substantially more burdensome than such

Participant's travel obligations during the period of twelve (12) consecutive months immediately preceding the Change of Control; *provided, however,* that in the case of a Participant whose employment terminates under either subsection 1.6(b) or (c), such Participant can demonstrate that such termination, or circumstance leading to the termination, was at the request of a third party with which the Company had entered into negotiations or an agreement regarding a Change of Control, or otherwise occurred in connection with a Change of Control; *and further provided,* that in either case, the Change of Control actually occurs within one (1) year following the employment termination and, in the event of a termination under 1.6(c), the termination occurs within 120 days after the occurrence of the event or events constituting the reason for such termination; or

- (d) who was, immediately before the Change of Control, eligible for a prorated award under the provisions of Section 8.3; or
- (e) who was employed by the Company on the date of the Change of Control and who does not incur a termination for Cause before payment of the CIC Incentive Award, in the event that, prior to the end of the calendar year in which the Change of Control occurred, either:
 - (1) the Plan is terminated; or
 - (2) the performance measures and/or performance targets for the applicable Plan Year are changed or modified, resulting in a decrease in the amount of any CIC Incentive Award otherwise payable.

- 1.7 **CIC Short Period** — shall mean the portion of the Plan Year from January 1 to the date of the occurrence of a Change of Control.
- 1.8 **Company** — shall mean Sunoco Partners LLC, a Delaware limited liability company. The term "Company" shall include any successor to Sunoco Partners LLC, any subsidiary or Affiliate that has adopted the Plan, or any company succeeding to the business of Sunoco Partners LLC by merger, consolidation, liquidation, or purchase of assets or stock, or similar transaction.
- 1.9 **Compensation Committee** — shall mean the Compensation Committee of the Company's Board of Directors.
- 1.10 **Participant** — shall mean a person participating or eligible to participate in the Plan, as determined under Section 4.
- 1.11 **Partnership** — shall mean Sunoco Logistics Partners L.P., a Delaware limited partnership, and its subsidiaries.
- 1.12 **Plan** — shall mean the Company's Annual Incentive Plan as amended and restated effective as of April 21, 2005.
- 1.13 **Plan Year** — shall mean the performance (calendar) year.
- 1.14 **Pro-rated Bonus Award** — shall mean an amount equal to the award otherwise payable to a Participant for the Plan Year in which the Participant's termination of employment with the Company (other than for Cause) is effective, multiplied by a fraction the numerator of which is the number of full and partial months in the applicable Plan Year through the date of termination of such Participant's employment, and the denominator of which is twelve (12).

2. Purpose. The purpose of this Plan is to motivate management and the employees of the Company and its Affiliates who perform services for the Partnership to collectively produce outstanding results, encourage superior performance, increase productivity, and aid in attracting and retaining key employees.

3. Plan guidelines. The administration of the Plan and any potential awards granted pursuant to the Plan is subject to the determination by the Compensation Committee of the Company's Board of Directors that the performance goals for the applicable periods have been achieved. The Plan is an additional compensation program designed to encourage Participants to exceed specified objective performance targets for the designated period. The Compensation Committee will review the Partnership's performance results for the designated performance period, and thereafter will determine whether or not to approve awards under the Plan.

4. Performance Targets.

- 4.1 **Designation of Performance Targets.** The Company's Chief Executive Officer shall recommend, subject to approval by the Company's Compensation Committee, the performance measures and performance targets to be used for each Plan Year in determining the bonus amounts to be paid under the Plan. Performance targets may be based on Partnership, business unit and/or individual achievements, or any combination of these, or on such other factors as the Company's Chief Executive Officer, subject to the approval of the Compensation Committee, may determine. Different performance targets may be established for different participants for any Plan Year. Satisfactory results, as determined by the Company's Compensation Committee in its sole discretion, must be achieved in order for an award to be made pursuant to the Plan.
- 4.2 **Equitable Adjustment to Performance Targets.** At its discretion, the Compensation Committee may adjust actual performance measure results for extraordinary events or accounting adjustments resulting from significant asset purchases or dispositions or other events not contemplated or otherwise considered by the Compensation Committee when the performance measures and targets were set.

5. Participants. The Compensation Committee, in consultation with the Company's Chief Executive Officer, will designate members of management and employees of the Company and its Affiliates as eligible to participate in the Plan. Employees so designated shall be referred to as "Participants."

6. Participation Levels. A Participant's designated level of participation in the Plan, or target bonus, will be determined under criteria established or approved by the Compensation Committee for that Plan Year or designated performance period. Levels of participation in the Plan may vary according to a Participant's position and the relative impact such Participant can have on the Company's and/or Affiliates' operations. Care will be used in communicating to any participant his performance targets and potential performance amount for a Plan Year. The amount of target bonus a participant may receive for any Plan Year, if any, will depend upon the performance level achieved (unless waived) for that Plan Year, as determined by the Compensation Committee. No Participant shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of awards need not be the same respecting each Participant.

7. Award Payout. Awards typically will be determined after the end of the Plan Year or designated performance period. Awards will be paid in cash annually, unless otherwise determined by

the Compensation Committee. The Compensation Committee will have the discretion, by Participant and by grant, to reduce (but not to increase) some or all of the amount of any award that otherwise would be payable by reason of the satisfaction of the applicable performance targets. In making any such determination, the Compensation Committee is authorized to take into account any such factor or factors it determines are appropriate, including but not limited to Company, business unit and individual performance; *provided, however,* that the exercise of such negative discretion with respect to one Participant may not be used to increase the amount of any award otherwise payable to another Participant. Notwithstanding the foregoing, payment of awards will be made within two and one-half (2-1/2) months following the end of the Plan Year.

8. Termination of Employment.

- 8.1 **Voluntary Termination.** Except in the event of a Change of Control, if a Participant terminates his or her employment with the Company (for any reason other than retirement, death, permanent disability, or approved leave of absence) prior to December 31 of any Plan Year, such Participant will not receive payment of the award for such Plan Year, and will forfeit any right, title or interest in such award, unless and to the extent waived by the Compensation Committee in its sole discretion.
- 8.2 **Termination for Cause.** A Participant will not receive payment of any award for a particular Plan Year if the Participant's employment with the Company is terminated for Cause prior to the payment of such award.
- 8.3 **Death, Retirement, Disability, Leaves of Absence, Etc.** A Pro-rated Bonus Award, reflecting participation for a portion of the Plan Year, will be paid to any Participant whose employment status changed during the year as a result of:
 - (a) death;
 - (b) permanent disability (as determined by the Committee);
 - (c) retirement;
 - (d) approved leave of absence; or
 - (e) termination at the Company's request (other than for Cause), for Participants in salary Grade 11 or above on the employment termination date. New hires and part-time employees also will receive a Pro-rated Bonus Award. Unless otherwise required by applicable law, any Pro-rated Bonus Award payable hereunder will be paid on the date when awards are otherwise payable as provided in the Plan.
- 8.4 **Change of Control.** Upon the occurrence of a Change of Control, the terms of this Section 8.4 shall immediately become operative, without further action or consent by any person or entity, and once operative shall supersede and control over any other provisions of this Plan.:
 - (a) ***Acceleration.*** The CIC Incentive Award shall be payable in cash to all CIC Participants within thirty (30) days following the occurrence of a Change of Control (or as soon as it is practicable to determine the level of attainment of applicable performance targets under subsection 8.4(a)(1)). Such award shall be calculated according to the terms of the Plan, except as follows:
 - (1) the level of attainment of applicable performance targets shall be determined based upon the performance of the Partnership for completed months from January 1 through the date of the Change of Control.
 - (2) The amount of the CIC Incentive Award shall be equal to the respective

award adjusted to reflect the level of attainment of applicable performance targets, multiplied by the number of full and partial months in the CIC Short Period divided by twelve (12).

- (3) Notwithstanding anything herein to the contrary, no action taken by the Compensation Committee or the Board of Directors after a Change of Control, or before, but in connection with, a Change of Control, may:
 - (i) terminate or reduce the CIC Incentive Award or prospective CIC Incentive Award payable to any Participant in connection with such Change of Control without the express written consent of such Participant; or
 - (ii) adversely affect a Participant's rights under subsection 8.4(b) in connection with such Change of Control.
- (b) **Attorney's Fees.** The Company shall pay all reasonable legal fees and related expenses incurred by a Participant in seeking to obtain or enforce payment of the CIC Incentive Award to which such Participant may be entitled under the Plan after a Change of Control; *provided, however,* that the Participant shall be required to repay any such amounts to the Company to the extent a court of competent jurisdiction issues a final and non-appealable order setting forth the determination that the position taken by the Participant was frivolous or advanced in bad faith.

9. Amendment and Termination. The Company's Compensation Committee, at its sole discretion, may amend the Plan or terminate the Plan at any time. (except as otherwise set forth in Section 8.4).

10. Administration. The Compensation Committee may delegate the responsibility for the administration and operation of the Plan to the Chief Executive Officer (or designee) of the Company or any participating Affiliate. The Compensation Committee (or the person(s) to whom administrative authority has been delegated) shall have the authority to interpret and construe any and all provisions of the Plan, including all performance targets and whether and to what extent achieved. Any determination made by the Compensation Committee (or the person(s) to whom administrative authority has been delegated) shall be final and conclusive and binding on all persons.

11. Indemnification. Neither the Company, any participating Affiliate, nor the Board of Directors, or any member or any committee thereof, of the Company or any participating Affiliate, nor any employee of the Company or any participating Affiliate shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan in good faith; and the members of the Company's Board of Directors, the Compensation Committee and/or the employees of the Company or any participating Affiliate shall be entitled to indemnification and reimbursement by the Company to the maximum extent permitted by law in respect of any claim, loss, damage or expense (including counsel's fees) arising from their acts, omission and conduct in their official capacity with respect to the Plan.

12. General provisions.

12.1 Non-Guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between the Company and/or a participating Affiliate and a Participant, and nothing in this Plan shall confer upon any Participant any right to continued employment with the Company or a participating Affiliate, or to interfere with

the right of the Company or a participating Affiliate to terminate a Participant's employment, with or without cause.

- 12.2 **Interests Not Transferable**. No benefits under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment or other legal process, or encumbrance of any kind, and any attempt to do so shall be void.
- 12.3 **Facility Payment**. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Compensation Committee or its designee, is unable to properly manage his or her financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Compensation Committee or its designee may select, and each participating Affiliate shall be relieved of any further liability for payment of such amounts.
- 12.4 **Controlling Law**. To the extent not superseded by federal law, the law of the Commonwealth of Pennsylvania shall be controlling in all matters relating to the Plan.
- 12.5 **No Rights to Award**. No person shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment of participants. The terms and conditions of awards need not be the same with respect to each recipient.
- 12.6 **Severability**. If any Plan provision or any award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or award, or would disqualify the Plan or any award under the law deemed applicable by the Compensation Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Compensation Committee, materially altering the intent of the Plan or the award, such provision shall be stricken as to such jurisdiction, person or award and the remainder of the Plan and any such award shall remain in full force and effect.
- 12.7 **No Trust or Fund Created**. Neither the Plan nor any award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any participating Affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any participating Affiliate pursuant to an award, such right shall be no greater than the right of any general unsecured creditor of the Company or any participating Affiliate.
- 12.8 **Headings**. Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision of it.
- 12.9 **Tax Withholding**. The Company and/or any participating Affiliate may deduct from any payment otherwise due under this Plan to a Participant (or beneficiary) amounts required by law to be withheld for purposes of federal, state or local taxes.

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**SUNOCO PARTNERS LLC
DIRECTORS' DEFERRED COMPENSATION PLAN**

Amended as of January 1, 2005, and Restated effective December 20, 2005

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ARTICLE I

Definitions

As used in this Plan, the following terms shall have the meanings herein specified:

1.1 **Change in Control** — shall mean, and shall be deemed to have occurred, upon the occurrence of one or more of the following events:

(a) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company or the Partnership to any Person or its Affiliates, other than to Sunoco or any Affiliate of Sunoco;

(b) the consolidation, reorganization, merger or other transaction pursuant to which more than fifty percent (50%) of the combined voting power of the outstanding equity interests in the Company cease to be owned by Sunoco and its Affiliates;

(c) a “Change in Control” of Sunoco, as defined from time to time in the Sunoco stock plans; or

(d) the general partner (whether the Company or any other Person) of the Partnership ceases to be an Affiliate of Sunoco.

1.2 **Committee** — shall mean the entire board of directors of the Company acting as an administrative committee of the whole, or such other committee of the Board as may be appointed from time to time for purposes of administering this Plan

1.3 **Common Unit** — shall mean a common unit, representing a limited partnership interest in the Partnership.

1.4 **Company** — shall mean Sunoco Partners LLC, a Pennsylvania limited liability company. The term “Company” shall include any successor to Sunoco Partners LLC, any subsidiary or affiliate which has adopted the Plan, or an entity that succeeds to the business of Sunoco Partners LLC, or any subsidiary or affiliate, by merger, consolidation, liquidation or purchase of assets or stock or similar transaction.

1.5 **Compensation** — shall mean those fees and retainers payable by the Company to a Participant in consideration for service as a Director.

1.6 **DER (or Distribution Equivalent Right)** — shall mean, with regard to a specific Restricted Unit (whether held in a Voluntary Deferred Compensation Account or in a Mandatory Deferred Compensation Account), the contingent right to receive an amount in cash equal to the cash distributions made by the Partnership with respect to a Common Unit during the period such Restricted Unit is outstanding.

1.7 Director — shall mean a member of the Board of Directors of Sunoco Partners LLC.

1.8 Mandatory Deferred Compensation Account — shall mean, with respect to any Participant, the total amount of the Company's liability for payment of compensation mandatorily deferred by the Participant under this Plan.

1.9 Mandatory Form of Continuing Deferral — shall mean and refer to the written commitment by a Participant, in the form prescribed by the Committee, to mandatorily defer the payment of all of the Board Restricted Unit Retainer awarded to such Participant under this Plan pursuant to Article IV hereof.

1.10 Participant — shall mean a Director, or former Director, who either voluntarily has elected to defer, or is required mandatorily to defer, the receipt of Compensation in accordance with the terms of this Plan.

1.11 Partnership — shall mean Sunoco Logistics Partners L.P., a Delaware limited partnership.

1.12 Plan — shall mean this Sunoco Partners LLC Directors' Deferred Compensation Plan, as it may be amended from time to time.

1.13 Restricted Unit — shall mean a phantom, or notional, unit (equivalent in value and in cash distribution rights to a Common Unit), entered as a credit in either the Mandatory Deferred Compensation Account, or the Voluntary Deferred Compensation Account of a Participant and which, upon death, retirement or termination of Board service.(for mandatorily deferred compensation) or upon earlier payout under the terms of this Plan (for voluntarily deferred compensation), entitles the Participant to receive a Common Unit.

1.14 Voluntary Deferred Compensation Account — shall mean, with respect to any Participant, the total amount of the Company's liability for payment to the Participant of voluntarily deferred compensation under this Plan, including any payments in respect of DERs.

1.15 Voluntary Deferred Payment Election Form — shall mean and refer to the written election by a Participant, in the form prescribed by the Committee, to voluntarily defer the payment of all or a portion of such Participant's Compensation under this Plan pursuant to Article II hereof.

ARTICLE II

Voluntary Deferral of Directors' Compensation

2.1 Election to Defer. Prior to the beginning of each calendar year beginning after December 31, 2004, a Participant may elect voluntarily to defer in the form of Restricted Units, all or a

portion of the cash-based Compensation attributable to services to be performed by the Participant in the next succeeding calendar year, by filing a written notice of election with the Committee on the form(s) prescribed by the Committee. Any such voluntary deferral election shall apply only to cash-based Compensation attributable to services to be performed during the calendar year following the calendar year in which the election is received by the Secretary of the Company. An election to defer, made in accordance with this Article II shall be irrevocable as of December 31 of the year preceding the calendar year in which the Participant performs the services to which the cash-based Compensation is attributable. All elections made by Directors on or before December 31, 2004 with respect to cash-based Compensation attributable to services performed in calendar year 2005, to the extent inconsistent with the terms of the Plan, shall be limited by and administered in accordance with, the terms of the Plan. A separate election form shall be filed for each calendar year. The deferral election form(s) also will permit the Participant to specify:

- (a) the percentage of cash-based Compensation to be deferred; and
- (b) the designation of a beneficiary as set forth in Article V.

2.2 Amount of Deferral The amount of cash-based Compensation to be voluntarily deferred shall be designated by the Participant as a percentage of such cash-based Compensation in multiples of five percent (5%) but shall not be less than ten percent (10%).

2.3 Time of Election An election to defer must be filed and received by the Secretary of the Company by the end of the calendar year preceding the calendar year in which the services are performed to which the cash-based Compensation is attributable. A new Director also may elect to defer cash-based Compensation attributable to his or her first year of Board service prior to the commencement of his or her term in office, and such election shall be irrevocable as of the date immediately preceding such Director's commencement of his or her term in office.

ARTICLE III

Voluntary Deferred Compensation Accounts

3.1 Creation of Voluntary Deferred Compensation Accounts. Cash-based Compensation voluntarily deferred hereunder shall be credited to a Voluntary Deferred Compensation Account established by the Company for each Participant. The portion of cash-based Compensation thus voluntarily deferred by the Participant shall be converted into a number of Restricted Units credited to a Participant's Voluntary Deferred Compensation Account as set forth in the Plan.

3.2 Crediting Restricted Units. Restricted Units shall be credited to a Participant's Voluntary Deferred Compensation Account at the time the cash-based Compensation otherwise would have been paid had no election to defer been made. The number of Restricted Units to be credited to the Voluntary Deferred Compensation Account shall be determined by dividing the cash-based Compensation by the average closing price for Common Units as published in the Wall Street Journal under the caption "New York Stock Exchange Composite Transactions" for the period of ten (10) trading days immediately prior to the day on which the cash-based Compensation otherwise would have been paid. Any fractional Restricted Units also shall be credited to a Participant's Voluntary Deferred Compensation Account. The number of Restricted Units in a Participant's Voluntary Deferred Compensation Account shall be adjusted appropriately by the Committee in the event of changes in the Partnership's outstanding Common Units by reason of any distribution, re-capitalization, merger, consolidation, split-up, combination, exchange of units or the like, and such adjustments shall be conclusive. Crediting of Restricted Units to a Participant's Voluntary Deferred Compensation Account shall not entitle the Participant to the rights of a limited partner of the Partnership or holder of Partnership Common Units.

3.4 Crediting DERs. For each Restricted Unit in the Participant's Voluntary Deferred Compensation Account, the Company shall credit such account with an amount, in respect of DERs, equal to the cash distributions declared on a Common Unit of the Partnership. The crediting shall occur as of the date on which such cash distributions on the Common Units are paid. The number of Restricted Units to be credited to the Participant's Voluntary Deferred Compensation Account shall be calculated by dividing the number of DERs by the average closing price for the Partnership's Common Units as published in the Wall Street Journal under the caption "New York Stock Exchange Composite Transactions" for the period of ten (10) trading days prior to the day on which the cash distributions are paid on the Partnership's Common Units. Any fractional Restricted Units also shall be credited to the Participant's Voluntary Deferred Compensation Account.

3.5 Time of Payment. Except as provided in Article VII hereof, all payments of a Participant's Voluntary Deferred Compensation Account shall be made on the later of: (a) the first day of the calendar year following the date of the Participant's separation from Board service, or (b) the first day following the six (6) month anniversary of the Participant's separation from Board service.

Upon the death of a Participant prior to the final payment of all amounts credited to his or her Voluntary Deferred Compensation Account, the balance of his or her Voluntary Deferred Compensation Account shall be paid in accordance with Article V, on the latest of: (c) the first

day of the calendar year following the year of death, (d) the first day following the six (6) month anniversary of the Participant's separation from Board service, or (e) the date that is thirty (30) days after the Participant's death.

Notwithstanding the foregoing provisions of this Section 3.7, and except as provided in Article VII, in no event shall any payment or distribution be made within six (6) months of the cash-based Compensation being earned or awarded.

3.6 Method of Payment. A Participant in this portion of the Plan shall receive payment in a lump sum in cash of all voluntarily deferred cash-based Compensation credited to such Participant's Voluntary Deferred Compensation Account. Restricted Units credited to the Participant's Mandatory Deferred Compensation Account shall be valued at the average closing price for Common Units as published in the Wall Street Journal under the caption "New York Stock Exchange Composite Transactions" for the period of ten (10) trading days immediately prior to each new calendar year.

ARTICLE IV

Mandatory Deferred Compensation Accounts

4.1 Creation of Mandatory Deferred Compensation Accounts. Compensation deferred under this Article IV shall be credited, in the form of Restricted Units, to a Mandatory Deferred Compensation Account established by the Company for each Participant. Payout of such Mandatory Deferred Compensation Accounts shall commence as provided in Section 4.5.

4.2 Crediting Restricted Units. If the Committee elects to do so, each Participant serving as a director of the Company, but who is not also an employee of the Company, or any subsidiary or affiliate thereof, will be paid, in quarterly installments, an aggregate annual dollar amount (the "Board Restricted Unit Retainer") to be credited to a Participant's Mandatory Deferred Compensation Account in the form of Restricted Units. The number of Restricted Units to be credited quarterly to the Participant's Mandatory Deferred Compensation Account shall be determined by dividing the Board Restricted Unit quarterly installment cash amount by the average closing price for Common Units as published in the Wall Street Journal under the caption "New York Stock Exchange Composite Transactions" for the period of ten (10) trading days immediately prior to the day on which the quarterly installment payment is due.

The number of Restricted Units in a Participant's Mandatory Deferred Compensation Account shall be adjusted appropriately by the Committee in the event of changes in the Partnership's outstanding Common Units by reason of any distribution, re-capitalization, merger, consolidation,

split-up, combination, exchange of units or the like, and such adjustments shall be conclusive. Crediting of Restricted Units to a Participant's Mandatory Deferred Compensation Account shall not entitle the Participant to the rights of a limited partner of the Partnership or holder of Partnership Common Units.

4.4 Crediting DERs. For each Restricted Unit in the Participant's Mandatory Deferred Compensation Account, the Company shall credit such account with an amount, in respect of DERs, equal to the cash distributions declared on a Common Unit of the Partnership. The crediting shall occur as of the date on which such cash distributions on the Common Units are paid. The number of Restricted Units to be credited to the Participant's Mandatory Deferred Compensation Account shall be calculated by dividing the number of DERs by the average closing price for the Partnership's Common Units as published in the Wall Street Journal under the caption "New York Stock Exchange Composite Transactions" for the period of ten (10) trading days prior to the day on which the cash distributions are paid on the Partnership's Common Units. Any fractional Restricted Units also shall be credited to the Participant's Mandatory Deferred Compensation Account.

4.5 Time of Payment. Except as provided in Article VII hereof, all payments of a Participant's Mandatory Deferred Compensation Account shall be made on the later of: (a) the first day of the calendar year following the date of the Participant's separation from Board service, or (b) the first day following the six (6) month anniversary of the Participant's separation from Board service.

Upon the death of a Participant prior to the final payment of all amounts credited to his or her Mandatory Deferred Compensation Account, the balance of his or her Mandatory Deferred Compensation Account shall be paid in accordance with Article V, on the latest of: (c) the first day of the calendar year following the year of death, (d) the first day following the six (6) month anniversary of the Participant's separation from Board service, or (e) the date that is thirty (30) days after the Participant's death.

Notwithstanding the foregoing provisions of this Section 4.5, and except as provided in Article VII, in no event shall any payment or distribution be made within six (6) months of any quarterly installment of the Board Restricted Unit Retainer being earned.

4.6 Method of Payment. A Participant in this portion of the Plan shall receive payment in a lump sum in cash of all mandatorily deferred Compensation credited to such Participant's Mandatory Deferred Compensation Account. Restricted Units credited to the Participant's Mandatory Deferred Compensation Account shall be valued at the average closing price for Common Units as published in the Wall Street Journal under the caption "New York Stock

Exchange Composite Transactions" for the period of ten (10) trading days immediately prior to each new calendar year.

ARTICLE V

Designation of Beneficiaries

5.1 **Designation of Beneficiary.** The Participant shall name one or more beneficiaries and contingent beneficiaries to receive any payments due Participant at the time of death. No designation of beneficiaries shall be valid unless in writing signed by the Participant, dated and filed with the Committee during the lifetime of such Participant. A subsequent beneficiary designation will cancel all beneficiary designations signed and filed earlier under this Plan, and such new beneficiary designation shall be applied to all amounts previously credited to the Participant's Mandatory Deferred Compensation Account (and/or Voluntary Deferred Compensation Account, as the case may be), as well as to any amounts to be credited to such Participant's Mandatory Deferred Compensation Account (and/or Voluntary Deferred Compensation Account, as the case may be), prospectively. In case of a failure of designation, or the death of the designated beneficiary without a designated successor, distribution shall be paid in one lump sum to the estate of the Participant.

5.2 **Spouse's Interest.** The interest in any amounts hereunder of a spouse who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

5.3 **Survivor Benefits.** Upon the Participant's death, any balances in the Participant's Mandatory Deferred Compensation Account and/or Voluntary Deferred Compensation Account shall be paid in a lump sum to the designated beneficiary(ies).

ARTICLE VI

Source of Payments

All payments of deferred Compensation shall be paid in cash from the general funds of the Company and the Company shall be under no obligation to segregate any assets in connection with the maintenance of any Mandatory Deferred Compensation Account or Voluntary Deferred Compensation Account, nor shall anything contained in this Plan nor any action taken pursuant to the Plan create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and Participant. Title to the beneficial ownership of any assets, whether cash or

investments, that the Company may designate to pay the amount credited to a Mandatory Deferred Compensation Account or a Voluntary Deferred Compensation Account shall at all times remain in the Company and Participant shall not have any property interest whatsoever in any specific assets of the Company. Participant's interest in any Mandatory Deferred Compensation Account or Voluntary Deferred Compensation Account shall be limited to the right to receive payments pursuant to the terms of this Plan and such rights to receive shall be no greater than the right of any other unsecured general creditor of the Company.

ARTICLE VII

Change in Control

7.1 **Effect of Change in Control on Payment.** Anything to the contrary in this Plan notwithstanding, at any time prior to the calendar year in which the services are performed to which Compensation is attributable, a Participant may make an election (a "Change in Control Election") (which shall be irrevocable as of December 31 of the year preceding the calendar year for which it is made) to receive, in a single lump sum payment, upon the occurrence of a Change in Control (provided that the Change in Control also is a change in control for purposes of IRC Section 409A, as amended, and the regulations issued thereunder), the balance of such Participant's Mandatory Deferred Compensation Account and/or Voluntary Deferred Compensation Account attributable to such Compensation, determined as of the valuation date immediately preceding the Change in Control. Each such election shall be in writing and in conformity with such rules as may be prescribed by the Committee.

7.2 **Amendment on or after Change in Control.** On or after a Change in Control, or before, but in connection with, a Change in Control, no action shall be taken that would affect adversely the rights of any Participant or the operation of this Article VII with respect to the balance in the Participant's Accounts immediately before such action, including, by way of example and not of limitation, the amendment, suspension or termination of the Plan.

7.3 **Attorney's Fees.** The Company shall pay all legal fees and related expenses incurred by a Participant in seeking to obtain or enforce any payment, benefit or right such Participant may be entitled to under the plan after a Change in Control. The Participant shall reimburse the Company for such fees and expenses at such time as a court of competent jurisdiction, or another independent third party having similar authority, determines that the Participant's claim was frivolously brought without reasonable expectation of success on the merits thereof.

ARTICLE VIII

Miscellaneous

8.1 Nonalienation of Benefits. Participant shall not have the right to sell, assign, transfer or otherwise convey or encumber in whole or in part the right to receive any payment under this Plan except in accordance with Article V.

8.2 Acceptance of Terms. The terms and conditions of this Plan shall be binding upon the heirs, beneficiaries and other successors in interest of Participant to the same extent that said terms and conditions are binding upon the Participant.

8.3 Administration of the Plan. The Plan shall be administered by the Committee which may make such rules and regulations and establish such procedures for the administration of this Plan as it deems appropriate. In the event of any dispute or disagreements as to the interpretation of this Plan or of any rule, regulation or procedure or as to any questioned right or obligation arising from or related to this Plan, the decision of the Committee shall be final and binding upon all persons.

8.4 Termination and Amendment. The Plan may be terminated at any time by the Board of Directors of Sunoco Partners LLC, and may be amended at any time by the Committee; *provided, however,* that, without the prior written consent of the Participant, no such amendment or termination shall affect adversely the rights of any Participant or beneficiary of a Participant with respect to amounts credited to such Participant's Mandatory Deferred Compensation Account and/or Voluntary Deferred Compensation Account prior to such amendment or termination.

8.5 Severability. In the case any one or more of the provisions contained in this Plan shall be invalid, illegal or unenforceable in any respect the remaining provisions shall be construed in order to effectuate the purposes hereof and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

8.6 Governing Law. THIS PLAN SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

**SUNOCO PARTNERS LLC
LONG-TERM INCENTIVE PLAN**

Amended as January 1, 2005, and Restated Effective December 20, 2005

**SUNOCO PARTNERS LLC
LONG-TERM INCENTIVE PLAN**

SECTION 1. Purpose of the Plan.

The Sunoco Partners LLC Long-Term Incentive Plan (the “Plan”) is intended to promote the interests of Sunoco Logistics Partners L.P., a Delaware limited partnership (the “Partnership”), by providing to employees and directors of Sunoco Partners LLC, a Pennsylvania limited liability company (the “Company”), and its Affiliates who perform services for the Partnership and its subsidiaries, incentive awards for superior performance that are based on Units. The Plan is also intended to enhance the ability of the Company and its Affiliates to attract and retain employees whose services are key to the growth and profitability of the Partnership, and to encourage them to devote their best efforts to the business of the Partnership and its subsidiaries, thereby advancing the Partnership’s interests.

SECTION 2. Definitions.

As used in the Plan, the following terms shall have the meanings set forth below:

2.1 **Affiliate** means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

2.2 **Award** means a grant of one or more Options or Restricted Units pursuant to the Plan, and shall include any tandem DERs granted with respect to such Award.

2.3 **Board** means the Board of Directors of the Company.

2.4 **Cause** means:

(i) fraud or embezzlement on the part of the Participant;

(ii) conviction of or the entry of a plea of *nolo contendere* by the Participant to any felony;

(iii) the willful and continued failure or refusal by the Participant to perform substantially the Participant’s duties with the Company or an Affiliate thereof (other than any such failure resulting from incapacity due to physical or mental illness, or death, or following notice of employment termination by the Participant for Good Reason) within thirty (30) days following the delivery of a written demand for substantial performance to the Participant by the Board, or any employee of the Company or an Affiliate with supervisory authority over the Participant, that specifically identifies the manner in which the Board or such supervising employee believes that the Participant has not substantially performed the Participant’s duties; or

(iv) any act of willful misconduct by the Participant which:

(a) is intended to result in substantial personal enrichment of the Participant at the expense of the Partnership, the Company or any of their Affiliates; or

(b) has a material adverse impact on the business or reputation of the Partnership, the Company or any Affiliate thereof (such determination to be made by the Partnership, the Company or any such Affiliate in the good faith exercise of its reasonable judgment).

2.5 “Change of Control” means, and shall be deemed to have occurred upon the occurrence of one or more of the following events:

(i) the consolidation, reorganization, merger or other transaction pursuant to which more than 50% of the combined voting power of the outstanding equity interests in the Company cease to be owned by Sunoco and its Affiliates;

(ii) a “Change in Control” of Sunoco, as defined from time to time in the Sunoco stock plans; or

(iii) the general partner (whether the Company or any other Person) of the Partnership ceases to be an Affiliate of Sunoco.

2.6 “Committee” means the Compensation Committee of the Board, such subcommittee thereof, or such other committee of the Board appointed to administer the Plan.

2.7 “DER” or “Distribution Equivalent Right” means contingent right, granted in tandem with a specific Restricted Unit, to receive an amount in cash equal to the cash distributions made by the Partnership with respect to a Unit during the period such Restricted Unit is outstanding.

2.8 “Director” means a member of the Board who is not an Employee.

2.9 “Employee” means any employee of the Company or an Affiliate, who performs services for the Partnership.

2.10 “Exchange Act” means the Securities Exchange Act of 1934, as amended.

2.11 “Fair Market Value” means, as of any date and in respect of any Unit, the opening price of a Unit on such date (which price shall be the closing price of a Unit on the previous trading day, as reflected in the consolidated trading tables of The Wall Street Journal or any other publication selected by the Committee). If there is no sale of Units on the New York Stock Exchange for more than ten (10) days immediately preceding such date, or if deemed appropriate by the Committee for any other reason, the Fair Market Value of such Units shall be as determined in good faith by the Committee in such other manner as it may deem appropriate.

2.12 “Good Reason” means:

(i) a reduction in the Participant’s annual base salary;

(ii) failure to pay the Participant any compensation due under an employment agreement, if any;

(iii) failure to continue to provide benefits substantially similar to those then enjoyed by the Participant unless the Partnership, the Company or their Affiliates provide aggregate benefits equivalent to those then in effect;

(iv) failure to continue a compensation plan or to continue the Participant’s participation in a plan on a basis not materially less favorable to the Participant, subject to the power of the Partnership, the Company or their Affiliates to amend such plans in their reasonable discretion, including, without limitation, providing a replacement plan; or

(v) the Partnership, the Company or their Affiliates purported termination of the Participant's employment for Cause not pursuant to a procedure indicating the specific provision of the definition of Cause contained in this Plan as the basis for such termination of employment;

The Participant may not terminate for Good Reason unless he has given written notice delivered to the Partnership, the Company or their Affiliates, as appropriate, of the action or inaction giving rise to Good Reason, such notice to state with specificity the nature of the breach, failure or refusal, and such action or inaction is not corrected within thirty (30) days thereafter.

2.13 "Member" means, as of any date, any Person that has executed the limited liability company operating agreement of the Company (the "LLC Agreement") as a member of the Company, and thereafter been admitted to the Company as a member as provided in the LLC Agreement, but such term does not include any Person who has ceased to be a member in the Company.

2.14 "Option" means an option to purchase Units granted under the Plan.

2.15 "Participant" means any Employee or Director granted an Award under the Plan.

2.16 "Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Partnership.

2.17 "Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

2.18 "Restricted Period" means the period established by the Committee with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.

2.19 "Restricted Unit" means a phantom, or notional, unit granted under the Plan which is equivalent in value and in distribution rights to a Unit and which, upon vesting, entitles the Participant to receive a Unit or its Fair Market Value in cash, whichever is determined by the Committee.

2.20 "Rule 16b-3" means Rule 16b-3 promulgated by the SEC under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

2.21 "SEC" means the Securities and Exchange Commission, or any successor thereto.

2.22 "Sunoco" means Sunoco, Inc.

2.23 "Unit" means a Common Unit of the Partnership.

SECTION 3. Administration.

The Plan shall be administered by the Committee. A majority of the Committee shall constitute a quorum, and the acts of the members of the Committee who are present at any meeting thereof at which a quorum is present, or acts unanimously approved by the members of the Committee in writing, shall be the acts of the Committee. Annual grant levels for Participants will be recommended to the Committee by the Chief Executive Officer of the Company.

Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to:

- (i) designate Participants;
- (ii) determine the type or types of Awards to be granted to a Participant;
- (iii) determine the number of Units to be covered by Awards;
- (iv) determine the terms and conditions of any Award;
- (v) determine whether, to what extent, and under what circumstances Awards may be settled, exercised, canceled, or forfeited;
- (vi) interpret and administer the Plan and any instrument or agreement relating to an Award made under the Plan
- (vii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and
- (viii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, the Partnership, any Affiliate, any Participant, and any beneficiary of any Award.

Subject to the following and any applicable law, the Committee, in its sole discretion, may delegate any or all of its powers and duties under the Plan to the Chief Executive Officer of the Company, including the power to grant Awards under the Plan, provided the Chief Executive Officer is also a member of the Board, subject to such limitations on such delegated powers and duties as the Committee may impose, if any. Upon any such delegation all references in the Plan to the "Committee", other than in Section 7 ("Amendment and Termination"), shall be deemed to include the Chief Executive Officer; provided, however, that such delegation shall not limit the Chief Executive Officer's right to receive Awards under the Plan. Notwithstanding the foregoing, the Chief Executive Officer may not grant Awards to, or take any action with respect to any Award previously granted to, a person who is an officer subject to Rule 16b-3 or a member of the Board.

SECTION 4. Units Available for Awards.

4.1 Units Available. Subject to adjustment as provided in Section 4.3, the number of Units with respect to which Awards may be granted under the Plan is one million two hundred fifty thousand (1,250,000). If any Award is forfeited or otherwise terminates or is canceled without the delivery of Units, then the Units covered by such Award, to the extent of such forfeiture, termination, or cancellation, shall again be Units with respect to which Awards may be granted.

4.2 Sources of Units Deliverable Under Awards. Any Units delivered pursuant to an Award shall consist, in whole or in part, of Units acquired in the open market, from any Affiliate, the Partnership or any other Person, or any combination of the foregoing, as determined by the Committee in its discretion.

4.3 Adjustments. If the Committee determines that any distribution (whether in the form of cash, Units, other securities, or other property), re-capitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Units or other securities of the Partnership, issuance of warrants or other rights to purchase Units or other securities of the Partnership, or other similar transaction or event affects the Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of:

- (i) the number and type of Units (or other securities or property) with respect to which Awards may be granted;
- (ii) the number and type of Units (or other securities or property) subject to outstanding Awards; and
- (iii) if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; provided, that the number of Units subject to any Award will always be a whole number.

SECTION 5. Eligibility.

Any Employee or Director will be eligible to be designated a Participant and receive an Award under the Plan.

SECTION 6. Awards.

6.1 Options. The Committee shall have the authority to determine the Employees and Directors to whom Options will be granted, the number of Units to be covered by each Option, the purchase price therefor and the conditions and limitations applicable to the exercise of the Option, including the following terms and conditions and such additional terms and conditions, as the Committee shall determine, that are not inconsistent with the provisions of the Plan.

(i) *Exercise Price.* The purchase price per Unit purchasable under an Option shall be determined by the Committee at the time the Option is granted but shall not be less than its Fair Market Value as of the date of grant.

(ii) *Time and Method of Exercise.* The Committee shall determine the Restricted Period, *i.e.*, the time or times at which an Option may be exercised in whole or in part, and the method or methods by which payment of the exercise price with respect thereto may be made or deemed to have been made which may include, without limitation, cash, check acceptable to the Company, a “cashless-broker” exercise (through procedures approved by the Company), other securities or other property, a note from the Participant (in a form acceptable to the Company), or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price.

(iii) *Forfeiture.* Except as otherwise provided in the terms of the Option grant, upon termination of a Participant’s employment with the Company and its Affiliates or membership on the Board, whichever is applicable, for any reason during the applicable Restricted Period, all Options shall be forfeited by the Participant, unless otherwise provided in a written employment agreement (if any) between the Participant and the Company or one or more of its Affiliates. The Committee may, in its discretion, waive in whole or in part such forfeiture with respect to a Participant’s Options.

6.2 Restricted Units. The Committee shall have the authority to determine the Employees and Directors to whom Restricted Units shall be granted, the number of Restricted Units to be granted to each such Participant, the duration of the Restricted Period, the conditions under which the Restricted Units may become vested or forfeited, and such other terms and conditions as the Committee may establish respecting such Awards, including whether DERs are granted with respect to such Restricted Units.

(i) **DERs.** To the extent provided by the Committee, in its discretion, a grant of Restricted Units may include a tandem DER grant, which may provide that such DERs shall be paid directly to the Participant, be credited to a bookkeeping account (with or without interest in the discretion of the Committee) subject to the same restrictions as the tandem Award, or be subject to such other provisions or restrictions as determined by the Committee in its discretion. Notwithstanding the foregoing, payment of all DERs under a tandem DER grant made pursuant to this Section 6.2(i) shall be made no later than two and one-half (2-1/2) months following the calendar year in which such DERs become nonforfeitable.

(ii) **Forfeiture.** Except as otherwise provided in the terms of the Award agreement, upon termination of a Participant's employment with the Company and its Affiliates or membership on the Board, whichever is applicable, for any reason during the applicable Restricted Period, all Restricted Units shall be forfeited by the Participant, unless otherwise provided in a written employment agreement (if any) between the Participant and the Company or one or more of its Affiliates. The Committee may, in its discretion, waive in whole or in part such forfeiture with respect to a Participant's Restricted Units.

(iii) **Lapse of Restrictions.** Upon, or as soon as reasonably practicable following, the vesting of each Restricted Unit, but no later than two and one-half (2-1/2) months following the calendar year in which such Restricted Unit becomes nonforfeitable, the Participant shall be entitled to receive from the Company, and the Company shall pay to the Participant, one Unit or its Fair Market Value, in cash, as determined by the Committee, subject to the provisions of Section 8.2."

6.3 General.

(i) **Awards May Be Granted Separately or Together.** Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for any other Award granted under the Plan or any award granted under any other plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or awards granted under any other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(ii) **Limits on Transfer of Awards.**

(a) Except as provided in (b) below:

(1) no Award and no right under any such Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate

(2) each Option shall be exercisable only by the Participant during the Participant's lifetime, or by the person to whom the Participant's rights shall pass by will or the laws of descent and distribution; and

(b) To the extent specifically provided by the Committee with respect to an Option grant, an Option may be transferred by a Participant without consideration to immediate family members or related family trusts, limited partnerships or similar entities or on such terms and conditions as the Committee may from time to time establish. In addition, Awards may be transferred by will and the laws of descent and distribution.

(iii) *Term of Awards.* The term of each Award shall be for such period as may be determined by the Committee.

(iv) *Unit Certificates.* All certificates for Units or other securities of the Partnership delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Units or other securities are then listed, and any applicable federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(v) *Consideration for Grants.* Awards may be granted for such consideration as the Committee determines including, without limitation, services or such minimal cash consideration as may be required by applicable law.

(vi) *Delivery of Units or other Securities and Payment by Participant of Consideration.* Notwithstanding anything in the Plan or any grant agreement to the contrary, delivery of Units pursuant to the exercise or vesting of an Award may be deferred for any period during which, in the good faith determination of the Committee, the Company is not reasonably able to obtain Units to deliver pursuant to such Award without violating the rules or regulations of any applicable law or securities exchange. No Units or other securities shall be delivered pursuant to any Award until payment in full of any amount required to be paid pursuant to the Plan or the applicable Award agreement (including, without limitation, any exercise price or any tax withholding) is received by the Company. Such payment may be made by such method or methods and in such form or forms as the Committee shall determine, including, without limitation, cash, other Awards, withholding of Units, cashless broker exercises with immediate sale, or any combination thereof; *provided, however,* that the combined value, as determined by the Committee, of all cash and cash equivalents and the Fair Market Value of any such Units or other property so tendered to the Company, as of the date of such tender, is at least equal to the full amount required to be paid to the Company pursuant to the Plan or the applicable Award agreement.

(vii) *Change of Control.* In the event of a Change in Control, Restricted Units will be paid to the Participant no later than the earlier of ninety (90) days following the date of occurrence of such Change in Control or two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control, regardless of whether the applicable performance goals or targets have been met."

For a Change of Control occurring within the first consecutive twelve-month period following the date of grant, the number of performance-based Restricted Units paid out with regard to such grant shall be equal to the total number of Restricted Units outstanding in

such grant as of the Change of Control, not adjusted for any performance factors.

For a Change of Control occurring after the first consecutive twelve-month period following the date of grant, the number of performance-based Restricted Units paid out with regard to such grant shall be the greater of:

(a) the total number of Restricted Units outstanding in such grant as of the Change of Control, not adjusted for any performance factors, or

(b) the total number of such Restricted Units outstanding in such grant, multiplied by the applicable performance factors related to the Partnership's actual performance immediately prior to the Change of Control.

In the case of an award of Restricted Units conditioned upon the Participant's continued employment, the total number of Restricted Units outstanding in such grant as of the Change of Control shall be paid to the Participant.

The Participant's Restricted Units shall be payable to the Participant in cash or Units, as determined by the Committee prior to the Change of Control, as follows:

(c) if the Participant is to receive Units, the Participant will receive the total number of Units stated above in this Section 6.3(vii); or

(d) if the Participant is to receive cash, the Participant will be paid an amount in cash equal to the number of Units stated above in this Section 6.3(vii), multiplied by the Fair Market Value per Unit. Such amount will be reduced by the applicable federal, state and local withholding taxes due.

On or before the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control, the Participant will be paid an amount in cash equal to the value of the applicable DERs on the number of Units being paid pursuant to this Section 6.3(vii) for the time period immediately preceding the Change in Control. Payout of Restricted Units and DERs shall be made to each Participant:

(e) who is employed by the Company on the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2 1/2) months following the end of the calendar year in which occurs the date of such Change in Control; or

(f) whose employment relationship with the Company is terminated:

(1) for Good Reason, or as a result of any "Qualifying Termination" (as such term may be defined in the applicable agreement with the Participant, evidencing the grant) prior to the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control; or

(2) as a result of death, permanent disability or retirement (as each is determined by the Committee), that has occurred prior to the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control.

The Committee may establish, at the time of the grant of Restricted Units, other conditions that must be met for payout to occur. These conditions shall be set forth in the Committee's resolution granting the Restricted Units and in the applicable agreements with

Participants.

Notwithstanding any provisions to the contrary in agreements evidencing Options granted thereunder, or in this Plan, each outstanding Option shall become immediately and fully exercisable upon the occurrence of any Change of Control.

(viii) *Sale of Significant Assets.* In the event the Company or the Partnership sells or otherwise disposes of, other than to an Affiliate, a significant portion of the assets under its control, (such significance to be determined by action of the Board of the Company in its sole discretion), and as a consequence of such disposition:

(a) a Participant's employment is terminated by the Partnership, the Company or their Affiliates without Cause or by the Participant for Good Reason; provided, however, that in the case of any such termination by the Participant under this subparagraph 6.3(viii)(a), such termination shall not be deemed to be for Good Reason unless the termination occurs within 180 days after the occurrence of the applicable sale or disposition constituting the reason for the termination; or

(b) as a result of such sale or disposition, the Participant's employer shall no longer be the Partnership, the Company or one of their Affiliates, then all of such Participant's Awards shall automatically vest and become payable or exercisable, as the case may be, in full. In this regard, all Restricted Periods shall terminate and all performance criteria, if any, shall be deemed to have been achieved at the maximum level. Payment of Restricted Units (and applicable DERs) under this Section 6.3(viii) shall be made to the Participant no later than the earlier of ninety (90) days following the date of such sale or other disposition or two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such sale or other disposition.

SECTION 7. Amendment and Termination.

Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award agreement or in the Plan:

(i) Amendments to the Plan. Except as required by applicable law or the rules of the principal securities exchange on which the Units are traded and subject to Section 7(ii) below, the Board or the Committee may amend, alter, suspend, discontinue, or terminate the Plan in any manner; *provided, however,* that neither the Board nor the Committee may increase the number of Units available for Awards under the Plan, without the express prior written consent of the Members of the Company.

(ii) Amendments to Awards. The Committee may waive any conditions or rights under, amend any terms of, or alter any Award theretofore granted, provided no change, other than pursuant to Section 7(iii), in any Award shall materially reduce the benefit to Participant without the consent of such Participant.

(iii) Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.3 of the Plan) affecting the Partnership or the financial statements of the Partnership, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution

or enlargement of the benefits or potential benefits intended to be made available under the Plan.

SECTION 8. General Provisions.

8.1 No Rights to Awards. No Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants. The terms and conditions of Awards need not be the same with respect to each Participant.

8.2 Withholding. The Company or any Affiliate is authorized to withhold from any Award, from any payment due or transfer made under any Award or from any compensation or other amount owing to a Participant the amount (in cash, Units, other securities, Units that otherwise would be issued pursuant to such Award or other property) of any applicable taxes payable in respect of the grant of an Award, its exercise, the lapse of restrictions thereon, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy its withholding obligations for the payment of such taxes.

8.3 No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained in the employment of the Company or any Affiliate or to remain on the Board, as applicable. Further, the Company or an Affiliate may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award agreement.

8.4 Governing Law. THE VALIDITY, CONSTRUCTION, AND EFFECT OF THE PLAN AND ANY RULES AND REGULATIONS RELATING TO THE PLAN SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA AND APPLICABLE FEDERAL LAW.

8.5 Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

8.6 Other Laws. The Committee may refuse to issue or transfer any Units or other consideration under an Award if, in its sole discretion, it determines that the issuance or transfer of such Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Units are then traded, or entitle the Partnership or an Affiliate to recover the entire then Fair Market Value thereof under Section 16(b) of the Exchange Act, and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

8.7 No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any general unsecured creditor of the Company or any Affiliate.

8.8 No Fractional Units. No fractional Units shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional Units or whether such fractional Units or any rights thereto shall be canceled, terminated, or otherwise eliminated.

8.9 Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

8.10 Facility Payment. Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Committee may select, and the Company shall be relieved of any further liability for payment of such amounts.

8.11 Gender and Number. Words in the masculine gender shall include the feminine and the neuter, the plural shall include the singular and the singular shall include the plural.

SECTION 9. Term of the Plan.

The Plan shall be effective on the date of its approval by the Board and shall continue until the date terminated by the Board or Units are no longer available for grants of Awards under the Plan, whichever occurs first. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted prior to such termination, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under such Award, shall extend beyond such termination date.

**RESTRICTED UNIT AGREEMENT
under the
SUNOCO PARTNERS LLC LONG-TERM INCENTIVE PLAN**

This Restricted Unit Agreement (the "Agreement"), entered into as of _____ (the "Agreement Date"), by and between Sunoco Partners LLC (the "Company") and _____, an employee of the Company or one of its subsidiaries (the "Participant");

W I T N E S S E T H:

WHEREAS, in order to make certain awards to officers and/or key employees, the Company maintains the Sunoco Partners LLC. Long-Term Incentive Plan (the "Plan"); and

WHEREAS, the Plan is administered by the Compensation Committee of the Company's Board of Directors (the "Committee"); and

WHEREAS, the Committee has determined to make an award to the Participant of Restricted Units, representing rights to receive common units, representing limited partnership interests in Sunoco Logistics Partners L.P. (the "Partnership"), which are subject to a risk of forfeiture by the Participant, pursuant to the terms and conditions of the Plan; and

WHEREAS, the Participant has determined to accept such award;

NOW, THEREFORE, the Company and the Participant each, intending to be legally bound hereby, agree as follows:

**ARTICLE I
AWARD OF RESTRICTED UNITS**

1.1 Identifying Provisions. For purposes of this Agreement, the following terms shall have the following respective meanings:

- | | | |
|--------------------------------|---|-------|
| (a) Participant | : | _____ |
| (b) Date of Grant | : | _____ |
| (c) Number of Restricted Units | : | _____ |
| (d) Restricted Period | : | _____ |

Any initially capitalized terms and phrases used in this Agreement but not otherwise defined herein, shall have the respective meanings ascribed to them in the Plan.

1.2 Award of Restricted Units. Subject to the terms and conditions of the Plan and this Agreement, the Participant is hereby granted the number of Restricted Units set forth herein at Section 1.1.

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1.3 Distribution Equivalent Rights (“DERs”). The Participant shall be entitled to receive payment from the Company in an amount equal to each cash distribution payable subsequent to the Date of Grant (each such entitlement being a distribution equivalent right or “DER”), just as though the Participant, on the applicable record date for payment of such cash distribution, had been the holder of record of common units, representing limited partnership interests in the Partnership, equal to the actual number of Restricted Units, if any, earned and received by the Participant at the end of the Restricted Period. The Company shall establish a bookkeeping methodology to account for the distribution equivalents to be credited to the Participant in recognition of these DERs. Such distribution equivalents will not bear interest.

1.4 Performance Measures. Exhibit _____, attached hereto and made a part hereof, sets forth the performance measures that will be applied to determine the amount of the award earned pursuant to this Agreement. Any or all of these performance measures may be modified by the Committee during, and after the end of, the Restricted Period to reflect significant events that occur during such Restricted Period.

1.5 Payment of Restricted Units and Related DERs. Payment in respect of the Restricted Units, and the related DERs, shall be paid to Participant after the Restricted Period for such Restricted Units has ended, but only to the extent the Committee determines that the applicable performance targets have been met.

(a) *Payment in respect of Restricted Units earned.* Except as provided by Section 1.6 hereof, all payment for Restricted Units earned shall be made in common units representing limited partnership interests in the Partnership. The number of common units paid shall be equal to the number of Restricted Units earned; *provided, however,* that any fractional units shall be distributed as an amount of cash equal to the Fair Market Value of such fractional unit on the date of payment. Payment shall be made no later than two and one-half (2-1/2) months following the calendar year in which such Restricted Units become nonforfeitable.

(b) *Payment of Earned DERs.* The Participant will be entitled to receive from the Company at the end of the Restricted Period, payment of an amount in cash equal to the DERs earned, as determined in accordance with the applicable provisions of Exhibit _____. Payment of all DERs shall be made no later than two and one-half (2-1/2) months following the calendar year in which such DERs become nonforfeitable.

Applicable federal, state and local taxes shall be withheld in accordance with Section 2.6 hereof.

1.6 Change of Control.

(a) *Payment of Restricted Units.* In the event of a Change of Control, the Restricted Units subject to this award will be paid to the Participant no later than the earlier of ninety (90) days following the date of occurrence of such Change in Control or two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control, regardless of whether the applicable Restricted Period has expired or whether applicable performance goals or targets have been met.

For a Change of Control occurring within the first consecutive twelve-month period following the Date of Grant, the number of performance-based Restricted Units paid out shall be equal to the total number of Restricted Units outstanding in this award as of the Change of Control, not adjusted for any performance factors.

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For a Change of Control occurring after the first consecutive twelve-month period following the Date of Grant, the number of performance-based Restricted Units paid out shall be the greater of:

- (1) the total number of Restricted Units outstanding in this award as of the Change of Control, not adjusted for any performance factors, or
- (2) the total number of Restricted Units outstanding in this grant, multiplied by the applicable performance factors related to the Partnership's actual performance immediately prior to the Change of Control.

The Restricted Units subject to this award shall be payable to the Participant in cash or Units, as determined by the Committee prior to the Change of Control, as follows:

- (3) if the Participant is to receive Units, the Participant will receive the total number of Units stated above in this Section 1.6(a); or
 - (4) if the Participant is to receive cash, the Participant will be paid an amount in cash equal to the number of Units stated above in this Section 1.6(a), multiplied by the Fair Market Value per Unit immediately prior to the Change of Control. Such amount will be reduced by the applicable federal, state and local withholding taxes due.
- (b) Distribution Equivalents. On or before the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control, the Participant will be paid an amount in cash equal to the value of the applicable DERs on the number of Units being paid pursuant to Section 1.6(a) hereof, for the time period immediately preceding the Change in Control.
- (c) Eligibility for Payout. Payout of Restricted Units and DERs shall be made to each Participant:
- (1) who is employed by the Company on the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control; or
 - (2) whose employment relationship with the Company is terminated:
 - (A) for Good Reason, or as a result of any Qualifying Termination prior to the the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control; or
 - (B) as a result of death, permanent disability or retirement (as each is determined by the Committee), that has occurred prior to the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control.
- (d) Qualifying Termination — shall mean the following:
- (1) a termination of employment by the Company within six (6) months after a Change of Control, other than for Cause, death or permanent disability;
 - (2) a termination of employment by the Participant within six (6) months after a Change of Control for one or more of the following reasons:

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- (i) the assignment to such Participant of any duties inconsistent in a way significantly adverse to such Participant, with such Participant's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control, or a significant reduction in the duties and responsibilities held by the Participant immediately prior to the Change of Control, in each case except in connection with such Participant's termination of employment by the Company for Cause; or
- (ii) a reduction by the Company in the Participant's combined annual base salary and guideline (target) bonus as in effect immediately prior to the Change of Control; or
- (iii) the Company requires the Participant to be based anywhere other than the Participant's present work location or a location within thirty-five (35) miles from the present location; or the Company requires the Participant to travel on Company business to an extent substantially more burdensome than such Participant's travel obligations during the period of twelve (12) consecutive months immediately preceding the Change of Control;

provided, however, that in the case of any such termination of employment by the Participant under this subparagraph (d), such termination shall not be deemed to be a Qualifying Termination unless the termination occurs within 120 days after the occurrence of the event or events constituting the reason for the termination; or

- (3) before a Change of Control, a termination of employment by the Company, other than a termination for Cause, or a termination of employment by the Participant for one of the reasons set forth in (2) above, if the affected Participant can demonstrate that such termination or circumstance in (2) above leading to the termination:
 - (i) was at the request of a third party with which the Company had entered into negotiations or an agreement with regard to a Change of Control; or
 - (ii) otherwise occurred in connection with a Change of Control;
- provided, however,* that in either such case, a Change of Control actually occurs within one (1) year following the Participant's employment termination date.

1.7 Termination of Employment.

- (a) Death, Disability or Retirement. The Committee has determined that, with regard to any particular Restricted Period, no portion of the Participant's Restricted Units, and related DERs, for such Restricted Period shall be forfeited as a result of the occurrence, prior to the end of that Restricted Period, of either of the following :
 - (1) the death of the Participant; or
 - (2) the termination of the Participant's employment with the Company by reason of retirement or permanent disability (as each is determined by the Committee).

Instead, the Participant's Restricted Units, and related DERs, earned for such Restricted Period shall remain and be paid out as though the Participant had continued in the employment of the Company through the end of the applicable Restricted Period.

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The Participant's Restricted Units, and related DERs will remain subject to adjustment for any performance factors in accordance with the applicable provisions of Exhibit _____ attached hereto, and will be paid out only as, if, and when the applicable performance goals have been met and the Restricted Period has ended, just as though the Participant had continued in the employment of the Company through the end of the Restricted Period.

- (b) **Other Termination of Employment.** Except as provided in Sections 1.6 and 1.7(a) above, or as determined by the Committee, upon termination of the Participant's employment with the Company at any time prior to the end of the Restricted Period, the Participant shall forfeit 100% of such Participant's Restricted Units, together with the related DERs, and the Participant shall not be entitled to receive any common units, representing limited partnership interests of the Partnership, or any payment in respect of any DERs, regardless of the level of performance goals achieved for all or any part of the Restricted Period.

ARTICLE II GENERAL PROVISIONS

- 2.1 **Non-Assignability.** The Restricted Units and the related earned DERs covered by this Agreement shall not be assignable or transferable by the Participant, except by will or the laws of descent and distribution, unless otherwise provided by the Committee. During the life of the Participant, the Restricted Units and the related DERs covered by this Agreement shall be payable only to the Participant or the guardian or legal representative of such Participant, unless the Committee provides otherwise.
- 2.2 **Heirs and Successors.** This Agreement shall be binding upon and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. In the event of the Participant's death prior to payment of the Restricted Units and/or the related DERs, payment may be made to the estate of the Participant to the extent such payment is otherwise permitted by this Agreement. Subject to the terms of the Plan, any benefits distributable to the Participant under this Agreement that are not paid at the time of the Participant's death shall be paid at the time and in the form determined in accordance with the provisions of this Agreement and the Plan, to the legal representative or representatives of the estate of the Participant.
- 2.3 **No Right of Continued Employment.** The receipt of this award does not give the Participant, and nothing in the Plan or in this Agreement shall confer upon the Participant, any right to continue in the employment of the Company or any of its subsidiaries. Nothing in the Plan or in this Agreement shall affect any right which the Company or any of its subsidiaries may have to terminate the employment of the Participant. The payment of earned Restricted Units, and the related DERs, under this Agreement shall not give the Company or any of its subsidiaries any right to the continued services of the Participant for any period.
- 2.4 **Rights as a Limited Partner.** Neither the Participant nor any other person shall be entitled to the privileges of ownership of common units, representing limited partnership interests in the Partnership, or otherwise have any rights as a limited partner, by reason of the award of the Restricted Units covered by this Agreement or any Partnership common units, issuable in respect of such Restricted Units, unless and until such common units have been validly issued to such Participant or such other person as fully paid common units, representing limited partnership interests in the Partnership.

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- 2.5 **Registration of Common Units.** Notwithstanding any other provision of this Agreement, the Restricted Units shall not be or become payable in whole or in part unless a registration statement with respect to the common units subject thereto has been filed with the Securities and Exchange Commission and has become effective.
- 2.6 **Tax Withholding.** All distributions under this Agreement are subject to withholding of all applicable taxes.
- (a) *Payment in Common Units.* Immediately prior to the payment of any common units to Participant in respect of earned Restricted Units, the Participant shall remit an amount sufficient to satisfy any Federal, state and/or local withholding tax due on the receipt of such common units. At the election of the Participant, and subject to such rules as may be established by the Committee, such withholding obligations may be satisfied through the surrender of common units representing limited partnership interests in the Partnership and otherwise payable to Participant in respect of such earned Restricted Units.
 - (b) *Payment in Cash.* Cash payments in respect of any earned Restricted Units, and/or the related DERs, shall be made net of any applicable federal, state, or local withholding taxes.
- 2.7 **Adjustments.** In the event of any change in the outstanding common units by reason of a distribution of common units, re-capitalization, merger, consolidation, split-up, combination, exchange of common units or the like, the Committee may appropriately adjust the number of common units which may be issued under the Plan, the number of common units payable with respect to the Award, and/or any other Restricted Units previously granted under the Plan, and any and all other matters deemed appropriate by the Committee.
- 2.8 **Leaves of Absence.** The Committee shall make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence taken by the Participant. Without limiting the generality of the foregoing, the Committee shall be entitled to determine:
- (a) whether or not any such leave of absence shall constitute a termination of employment within the meaning of the Plan; and
 - (b) the impact, if any, of any such leave of absence on any prior awards made to the Participant under the Plan.
- 2.9 **Administration.** Pursuant to the Plan, the Committee is vested with conclusive authority to interpret and construe the Plan, to adopt rules and regulations for carrying out the Plan, and to make determinations with respect to all matters relating to this Agreement, the Plan and awards made pursuant thereto. The authority to manage and control the operation and administration of this Agreement shall be likewise vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Committee, and any decision made by the Committee with respect to this Agreement, shall be final and binding.
- 2.10 **Effect of Plan; Construction.** The entire text of the Plan is expressly incorporated herein by this reference and so forms a part of this Agreement. In the event of any inconsistency or discrepancy between the provisions of this Restricted Unit Agreement and the terms and conditions of the Plan under which such Restricted Units are granted, the provisions in the Plan shall govern and prevail. The Restricted Units, the related DERs and this Agreement are each subject in all respects to, and the Company and the Participant each hereby agree to be bound by, all of the terms and conditions of the Plan, as the same may

**Form of Restricted Unit Agreement (Generic Performance)
As of December 20, 2005**

have been amended from time to time in accordance with its terms; *provided, however,* that no such amendment shall deprive the Participant, without such Participant's consent, of any rights earned or otherwise due to Participant hereunder.

- 2.11 **Amendment.** This Agreement shall not be amended or modified except by an instrument in writing executed by both parties to this Agreement, without the consent of any other person, as of the effective date of such amendment.
- 2.12 **Captions.** The captions at the beginning of each of the numbered Sections and Articles herein are for reference purposes only and will have no legal force or effect. Such captions will not be considered a part of this Agreement for purposes of interpreting, construing or applying this Agreement and will not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms and conditions.
- 2.13 **Governing Law.** THE VALIDITY, CONSTRUCTION, INTERPRETATION AND EFFECT OF THIS INSTRUMENT SHALL EXCLUSIVELY BE GOVERNED BY AND DETERMINED IN ACCORDANCE WITH THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF), EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW, WHICH SHALL GOVERN.
- 2.14 **Notices.** All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, by facsimile, by overnight courier or by registered or certified mail, postage prepaid and return receipt requested. Notices to the Company shall be deemed to have been duly given or made upon actual receipt by the Company. Such communications shall be addressed and directed to the parties listed below (except where this Agreement expressly provides that it be directed to another) as follows, or to such other address or recipient for a party as may be hereafter notified by such party hereunder:

(a) if to the Company:
SUNOCO PARTNERS LLC
Board of Directors
Ten Penn Center
1801 Market Street
Philadelphia, Pennsylvania, 19103-1699
Attention: Vice President, General Counsel and Secretary

(b) if to the Participant: to the address for Participant as it appears on the Company's records.

- 2.15 **Severability.** If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof.
- 2.16 **Entire Agreement.** This Agreement constitutes the entire understanding and supersedes any and all other agreements, oral or written, between the parties hereto, in respect of the subject matter of this Agreement and embodies the entire understanding of the parties with respect to the subject matter hereof.

[SIGNATURE PAGE FOLLOWS]

Form of Restricted Unit Agreement (Generic Performance)
As of December 20, 2005

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement as of the day first above written.

SUNOCO PARTNERS LLC

By: _____
Deborah M. Fretz
President & Chief Executive Office

By: _____
Participant

**Form of Restricted Unit Agreement (Generic Performance)
As of December 20, 2005**

**SUNOCO PARTNERS LLC
LONG TERM INCENTIVE PLAN**

Restricted Unit Awards

_____ Grant Date

(the “_____ Regular Grant”)

Performance Criteria and Methodology

Methodology

The Restricted Period for this award runs from _____ through _____. This Exhibit A describes the methodology used to determine the portion of the Participant's _____ Regular Grant that will vest on _____, based upon the level of achievement by Sunoco Logistics Partners L.P. (the “Partnership”) of specified targets for distributable cash flow during the period from _____ to _____. In no event will any vested portion of the award become payable until the end of the Restricted Period (*i.e.*, _____).

Weighting

The following methodology will be used to determine the number of Restricted Units earned at _____:

[Formula for calculating Restricted Units earned]

Company Performance Goals:

[Description of applicable performance goals]

Exhibit _____

**Form of Restricted Unit Agreement (Generic Performance)
As of December 20, 2005**

**RESTRICTED UNIT AGREEMENT
under the
SUNOCO PARTNERS LLC LONG-TERM INCENTIVE PLAN**

This Restricted Unit Agreement (the "Agreement"), entered into as of _____ (the "Agreement Date"), by and between Sunoco Partners LLC (the "Company") and _____, an employee of the Company or one of its subsidiaries (the "Participant");

W I T N E S S E T H:

WHEREAS, in order to make certain awards to key employees of the Company and its subsidiaries, the Company maintains the Sunoco Partners LLC Long-Term Incentive Plan (the "Plan"); and

WHEREAS, the Plan is administered by the Compensation Committee of the Company's Board of Directors (the "Committee"); and

WHEREAS, the Committee has determined to grant to Participant, pursuant to the terms and conditions of the Plan, an award (the "Award") of Restricted Units, representing rights to receive common units, representing limited partnership interests in of Sunoco Logistics Partners L.P. (the "Partnership"), which are subject to a risk of forfeiture by the Participant, with the payout of such Restricted Units being conditioned upon the Participant's continued employment with the Company through the end of a three-year restricted period (the "Restricted Period"); and

WHEREAS, the Participant has determined to accept such Award;

NOW, THEREFORE, the Company and the Participant, each intending to be legally bound hereby, agree as follows:

**ARTICLE I
AWARD OF RESTRICTED UNITS**

1.1 Identifying Provisions. For purposes of this Agreement, the following terms shall have the following respective meanings:

- (a) Participant : _____
- (b) Date of Grant : _____
- (c) Number of Restricted Units : _____
- (d) Restricted Period : _____

Any initially capitalized terms and phrases used in this Agreement but not otherwise defined herein, shall have the respective meanings ascribed to them in the Plan.

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- 1.2 **Award of Restricted Units.** Subject to the terms and conditions of the Plan and this Agreement, the Participant is hereby granted the number of Restricted Units set forth herein at Section 1.1.
- 1.3 **Distribution Equivalent Rights (“DERs”).** The Participant shall be entitled to receive payment from the Company in an amount equal to each cash distribution payable subsequent to the Date of Grant (each such entitlement being a distribution equivalent right or “DER”), just as though the Participant, on the applicable record date for payment of such cash distribution, had been the holder of record of common units, representing limited partnership interests in the Partnership, equal to the actual number of Restricted Units, if any, earned and received by the Participant at the end of the Restricted Period. The Company shall establish a bookkeeping methodology to account for the distribution equivalents to be credited to the Participant in recognition of these DERs. Such distribution equivalents will not bear interest.
- 1.4 **Payment of Restricted Units and Related DERs.** Full payout of the Award is conditioned only upon the Participant’s continued employment with the Company throughout the Restricted Period beginning on _____ and ending on _____. The full Award shall become vested and payable, if the Participant is employed by the Company at such time.
- (a) *Payment in respect of Restricted Units earned.* Except as provided by Section 1.5 hereof, all payment for Restricted Units earned shall be made in common units representing limited partnership interests in the Partnership. The number of common units paid shall be equal to the number of Restricted Units earned; *provided, however,* that any fractional units shall be distributed as an amount of cash equal to the Fair Market Value of such fractional unit on the date of payment. Payment shall be made no later than two and one-half (2-1/2) months following the calendar year in which such Restricted Units become nonforfeitable.
- (b) *Payment of Earned DERs.* The Participant will be entitled to receive from the Company at the end of the Restricted Period, payment of an amount in cash equal to the DERs earned. Payment of all DERs shall be made no later than two and one-half (2-1/2) months following the calendar year in which such DERs become nonforfeitable.

Applicable federal, state and local taxes shall be withheld in accordance with Section 2.6 hereof.

1.5 **Change of Control.**

- (a) *Payment of Restricted Units.* In the event of a Change of Control, the Restricted Units subject to this award will be paid to the Participant no later than the earlier of ninety (90) days following the date of occurrence of such Change in Control or two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control. The number of Restricted Units paid out shall be equal to the total number of Restricted Units outstanding in this award as of the Change of Control, regardless of whether the applicable Restricted Period has expired. The Restricted Units subject to this award shall be payable to the Participant in cash or Units, as determined by the Committee prior to the Change of Control, as follows:
- (1) if the Participant is to receive Units, the Participant will receive the total number of Units stated above in this Section 1.5(a); or
- (2) if the Participant is to receive cash, the Participant will be paid an amount in cash equal to the number of Units stated above in this Section

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1.5(a), multiplied by the Fair Market Value per Unit immediately prior to the Change of Control. Such amount will be reduced by the applicable federal, state and local withholding taxes due.

(b) Distribution Equivalents. On or before the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control, the Participant will be paid an amount in cash equal to the value of the applicable DERs on the number of Units being paid pursuant to this Section 1.5(a) hereof, for the time period immediately preceding the Change in Control.

(c) Eligibility for Payout. Payout of Restricted Units and DERs shall be made to each Participant:

(1) who is employed by the Company on the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control; or

(2) whose employment relationship with the Company is terminated:

(A) for Good Reason, or as a result of any Qualifying Termination prior to the earlier of the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control; or

(B) as a result of death, permanent disability or retirement (as each is determined by the Committee), that has occurred prior to the ninetieth (90th) day following the date of occurrence of such Change in Control or the day that is two and one-half (2-1/2) months following the end of the calendar year in which occurs the date of such Change in Control.

(d) Qualifying Termination — shall mean the following:

(1) a termination of employment by the Company within six (6) months after a Change of Control, other than for Cause, death or permanent disability;

(2) a termination of employment by the Participant within six (6) months after a Change of Control for one or more of the following reasons:

(i) the assignment to such Participant of any duties inconsistent in a way significantly adverse to such Participant, with such Participant's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control, or a significant reduction in the duties and responsibilities held by the Participant immediately prior to the Change of Control, in each case except in connection with such Participant's termination of employment by the Company for Cause; or

(ii) a reduction by the Company in the Participant's combined annual base salary and guideline (target) bonus as in effect immediately prior to the Change of Control; or

(iii) the Company requires the Participant to be based anywhere other than the Participant's present work location or a location within thirty-five (35) miles from the present location; or the Company

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requires the Participant to travel on Company business to an extent substantially more burdensome than such Participant's travel obligations during the period of twelve (12) consecutive months immediately preceding the Change of Control;

provided, however, that in the case of any such termination of employment by the Participant under this subparagraph (d), such termination shall not be deemed to be a Qualifying Termination unless the termination occurs within 120 days after the occurrence of the event or events constituting the reason for the termination; or

(3) before a Change of Control, a termination of employment by the Company, other than a termination for Cause, or a termination of employment by the Participant for one of the reasons set forth in (2) above, if the affected Participant can demonstrate that such termination or circumstance in (2) above leading to the termination:

- (i) was at the request of a third party with which the Company had entered into negotiations or an agreement with regard to a Change of Control; or
- (ii) otherwise occurred in connection with a Change of Control;

provided, however, that in either such case, a Change of Control actually occurs within one (1) year following the Participant's employment termination date.

1.6 Termination of Employment.

(a) *Death, Disability or Retirement.* Upon the occurrence, prior to the end of the Restricted Period, of either of the following :

- (1) the death of the Participant;
- (2) the termination of the Participant's employment with the Company by reason of retirement or permanent disability (as each is determined by the Committee); or
- (3) other involuntary termination not for Cause, and not associated with any Change of Control,

a portion of the Restricted Units subject to this award automatically shall vest and become payable to the Participant in an amount of cash equal to the number of Restricted Units outstanding multiplied by:

- (4) a fraction, the numerator of which is the number of full and partial months from _____ through the date of termination of such Participant's employment with the Company, and the denominator of which is _____ (_____); and
- (5) the average closing price for Common Units of Sunoco Logistics Partners L.P. (the "Partnership"), reflected in the consolidated trading tables of The Wall Street Journal (presently the New York Stock Exchange Composite Transactions quotations) for the thirty (30) trading day period prior the date of termination of such Participant's employment, and rounding the result upwards to the nearest whole number.

The Participant also will be entitled to payment in cash in respect of the related DERs applicable to such vested portion of the award.

(b) *Other Termination of Employment.* Except as provided in Sections 1.5 and 1.6(a) above, or as determined by the Committee, upon termination of the Participant's employment with the Company prior to the end of the Restricted

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Period (whether as a result of termination for Cause by the Company, or voluntary resignation by Participant, or otherwise), the Participant shall forfeit 100% of such Participant's Restricted Units, together with the related DERs, and the Participant shall not be entitled to receive any Common Units, representing limited partnership interests of the Partnership, or any payment in respect of any DERs.

ARTICLE II GENERAL PROVISIONS

- 2.1 **Non-Assignability.** The Restricted Units and the related earned DERs covered by this Agreement shall not be assignable or transferable by the Participant, except by will or the laws of descent and distribution, unless otherwise provided by the Committee. During the life of the Participant, the Restricted Units and the related DERs covered by this Agreement shall be payable only to the Participant or the guardian or legal representative of such Participant, unless the Committee provides otherwise.
- 2.2 **Heirs and Successors.** This Agreement shall be binding upon and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. In the event of the Participant's death prior to payment of the Restricted Units and/or the related DERs, payment may be made to the estate of the Participant to the extent such payment is otherwise permitted by this Agreement. Subject to the terms of the Plan, any benefits distributable to the Participant under this Agreement that are not paid at the time of the Participant's death shall be paid at the time and in the form determined in accordance with the provisions of this Agreement and the Plan, to the legal representative or representatives of the estate of the Participant.
- 2.3 **No Right of Continued Employment.** The receipt of this award does not give the Participant, and nothing in the Plan or in this Agreement shall confer upon the Participant, any right to continue in the employment of the Company or any of its subsidiaries. Nothing in the Plan or in this Agreement shall affect any right which the Company or any of its subsidiaries may have to terminate the employment of the Participant. The payment of earned Restricted Units, and the related DERs, under this Agreement shall not give the Company or any of its subsidiaries any right to the continued services of the Participant for any period.
- 2.4 **Rights as a Limited Partner.** Neither the Participant nor any other person shall be entitled to the privileges of ownership of common units, representing limited partnership interests in the Partnership, or otherwise have any rights as a limited partner, by reason of the award of the Restricted Units covered by this Agreement or any Partnership common units, issuable in respect of such Restricted Units, unless and until such common units have been validly issued to such Participant, or such other person, as fully paid common units, representing limited partnership interests in the Partnership.
- 2.5 **Registration of Common Units.** Notwithstanding any other provision of this Agreement, the Restricted Units shall not be or become payable in whole or in part unless a registration statement with respect to the common units subject thereto has been filed with the Securities and Exchange Commission and has become effective.
- 2.6 **Tax Withholding.** All distributions under this Agreement are subject to withholding of all applicable taxes.
- (b) Payment in Common Units. Immediately prior to the payment of any common units

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to Participant in respect of earned Restricted Units, the Participant shall remit an amount sufficient to satisfy any Federal, state and/or local withholding tax due on the receipt of such common units. At the election of the Participant, and subject to such rules as may be established by the Committee, such withholding obligations may be satisfied through the surrender of common units representing limited partnership interests in the Partnership and otherwise payable to Participant in respect of such earned Restricted Units.

- (b) **Payment in Cash.** Cash payments in respect of any earned Restricted Units, and/or the related DERs, shall be made net of any applicable federal, state, or local withholding taxes.

2.7 **Adjustments.** In the event of any change in the outstanding common units by reason of a distribution of common units, re-capitalization, merger, consolidation, split-up, combination, exchange of common units or the like, the Committee may appropriately adjust the number of common units which may be issued under the Plan, the number of common units payable with respect to the Award, and/or any other Restricted Units previously granted under the Plan, and any and all other matters deemed appropriate by the Committee.

2.8 **Leaves of Absence.** The Committee shall make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence taken by the Participant. Without limiting the generality of the foregoing, the Committee shall be entitled to determine:

- (a) whether or not any such leave of absence shall constitute a termination of employment within the meaning of the Plan; and
- (b) the impact, if any, of any such leave of absence on any prior awards made to the Participant under the Plan.

2.9 **Administration.** Pursuant to the Plan, the Committee is vested with conclusive authority to interpret and construe the Plan, to adopt rules and regulations for carrying out the Plan, and to make determinations with respect to all matters relating to this Agreement, the Plan and awards made pursuant thereto. The authority to manage and control the operation and administration of this Agreement shall be likewise vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Committee, and any decision made by the Committee with respect to this Agreement, shall be final and binding.

2.10 **Effect of Plan; Construction.** The entire text of the Plan is expressly incorporated herein by this reference and so forms a part of this Agreement. In the event of any inconsistency or discrepancy between the provisions of this Restricted Unit Agreement and the terms and conditions of the Plan under which such Restricted Units are granted, the provisions in the Plan shall govern and prevail. The Restricted Units, the related DERs and this Agreement are each subject in all respects to, and the Company and the Participant each hereby agree to be bound by, all of the terms and conditions of the Plan, as the same may have been amended from time to time in accordance with its terms; *provided, however,* that no such amendment shall deprive the Participant, without such Participant's consent, of any rights earned or otherwise due to Participant hereunder.

2.11 **Amendment.** This Agreement shall not be amended or modified except by an instrument in writing executed by both parties to this Agreement, without the consent of

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any other person, as of the effective date of such amendment.

- 2.12 **Captions.** The captions at the beginning of each of the numbered Sections and Articles herein are for reference purposes only and will have no legal force or effect. Such captions will not be considered a part of this Agreement for purposes of interpreting, construing or applying this Agreement and will not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms and conditions.
- 2.13 **Governing Law.** THE VALIDITY, CONSTRUCTION, INTERPRETATION AND EFFECT OF THIS INSTRUMENT SHALL EXCLUSIVELY BE GOVERNED BY AND DETERMINED IN ACCORDANCE WITH THE LAW OF THE COMMONWEALTH OF PENNSYLVANIA (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF), EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW, WHICH SHALL GOVERN.
- 2.14 **Notices.** All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, by facsimile, by overnight courier or by registered or certified mail, postage prepaid and return receipt requested. Notices to the Company shall be deemed to have been duly given or made upon actual receipt by the Company. Such communications shall be addressed and directed to the parties listed below (except where this Agreement expressly provides that it be directed to another) as follows, or to such other address or recipient for a party as may be hereafter notified by such party hereunder:

(a) if to the Company: SUNOCO PARTNERS LLC
Board of Directors
Ten Penn Center
1801 Market Street
Philadelphia, Pennsylvania, 19103-1699
Attention: Vice President, General Counsel and Secretary

(b) if to the Participant: to the address for Participant as it appears on the Company's records.

- 2.15 **Severability.** If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof.
- 2.16 **Entire Agreement.** This Agreement constitutes the entire understanding and supersedes any and all other agreements, oral or written, between the parties hereto, in respect of the subject matter of this Agreement and embodies the entire understanding of the parties with respect to the subject matter hereof.

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement as of the day first above written.

SUNOCO PARTNERS LLC

By: _____
Deborah M. Fretz
President & Chief Executive Officer

By: _____

Name: _____
Participant

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