

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-31219

SUNOCO LOGISTICS PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

23-3096839

(I.R.S. Employer
Identification No.)

Mellon Bank Center

1735 Market Street, Suite LL, Philadelphia, PA

(Address of principal executive offices)

19103-7583

(Zip Code)

Registrant's telephone number, including area code: (866) 248-4344

Former name, former address and formal fiscal year, if changed since last report: Not Applicable

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act.: Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At August 5, 2008, the number of the registrant's Common Units outstanding was 28,657,485.

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(in thousands, except unit and per unit amounts)

| | Three Months Ended June 30, | |
|--|--------------------------------|------------|
| | 2008 | 2007 |
| Revenues | | |
| Sales and other operating revenue: | | |
| Affiliates (Note 3) | \$ 756,718 | \$ 391,370 |
| Unaffiliated customers | 2,558,703 | 1,238,910 |
| Other income | 8,783 | 7,698 |
| Total Revenues | 3,324,204 | 1,637,978 |
| Costs and Expenses | | |
| Cost of products sold and operating expenses | 3,240,861 | 1,580,330 |
| Depreciation and amortization | 9,830 | 9,407 |
| Selling, general and administrative expenses | 14,126 | 13,487 |
| Total Costs and Expenses | 3,264,817 | 1,603,224 |
| Operating Income | 59,387 | 34,754 |
| Net interest with affiliates (Note 3) | 523 | 1,059 |
| Other interest cost and debt expense, net | 8,405 | 9,386 |
| Capitalized interest | (864) | (945) |
| Net Income | \$ 51,323 | \$ 25,254 |
| Calculation of Limited Partners' interest in Net Income (Note 4): | | |
| Net Income | \$ 51,323 | \$ 25,254 |
| Less: General Partner's interest in Net Income | (16,565) | (3,552) |
| Limited Partners' interest in Net Income | \$ 34,758 | \$ 21,702 |
| Net Income per Limited Partner unit: | | |
| Basic | \$ 1.21 | \$ 0.76 |
| Diluted | \$ 1.21 | \$ 0.76 |
| Weighted average Limited Partners' units outstanding (Note 4): | | |
| Basic | 28,657,485 | 28,586,280 |
| Diluted | 28,840,262 | 28,723,884 |

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(in thousands, except unit and per unit amounts)

| | Six Months Ended June 30, | |
|--|------------------------------|-------------------|
| | 2008 | 2007 |
| Revenues | | |
| Sales and other operating revenue: | | |
| Affiliates (Note 3) | \$ 1,393,104 | \$ 843,439 |
| Unaffiliated customers | 4,316,706 | 2,336,411 |
| Other income | 13,609 | 12,737 |
| Total Revenues | <u>5,723,419</u> | <u>3,192,587</u> |
| Costs and Expenses | | |
| Cost of products sold and operating expenses | 5,564,111 | 3,079,588 |
| Depreciation and amortization | 19,489 | 18,311 |
| Selling, general and administrative expenses | 29,557 | 29,006 |
| Impairment charge (Note 5) | 5,674 | — |
| Total Costs and Expenses | <u>5,618,831</u> | <u>3,126,905</u> |
| Operating Income | 104,588 | 65,682 |
| Net interest cost paid to affiliates (Note 3) | 417 | 1,594 |
| Other interest cost and debt expense, net | 16,981 | 18,025 |
| Capitalized interest | (1,636) | (1,498) |
| Net Income | <u>\$ 88,826</u> | <u>\$ 47,561</u> |
| Calculation of Limited Partners' interest in Net Income (Note 4): | | |
| Net Income | \$ 88,826 | \$ 47,561 |
| Less: General Partner's interest in Net Income | (26,219) | (5,631) |
| Limited Partners' interest in Net Income | <u>\$ 62,607</u> | <u>\$ 41,930</u> |
| Net Income per Limited Partner unit: | | |
| Basic | \$ 2.19 | \$ 1.47 |
| Diluted | \$ 2.17 | \$ 1.46 |
| Weighted average Limited Partners' units outstanding (Note 4): | | |
| Basic | 28,642,571 | 28,575,697 |
| Diluted | <u>28,823,146</u> | <u>28,713,365</u> |

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

| | <u>June 30, 2008</u> | <u>December 31, 2007</u> |
|--|--------------------------|------------------------------|
| | <u>(UNAUDITED)</u> | |
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 2,000 | \$ 2,000 |
| Advances to affiliates (Note 3) | 14,234 | 8,060 |
| Accounts receivable, affiliated companies (Note 3) | 279,072 | 62,167 |
| Accounts receivable, net | 1,977,472 | 1,200,782 |
| Inventories: | | |
| Crude oil | 37,647 | 29,145 |
| Refined product additives | 424 | 682 |
| Materials, supplies and other | 842 | 842 |
| Total Current Assets | <u>2,311,691</u> | <u>1,303,678</u> |
| Properties, plants and equipment | 1,672,338 | 1,625,782 |
| Less accumulated depreciation and amortization | (555,418) | (536,520) |
| Properties, plants and equipment, net | <u>1,116,920</u> | <u>1,089,262</u> |
| Investment in affiliates (Note 6) | 85,623 | 84,985 |
| Deferred charges and other assets | 36,094 | 26,717 |
| Total Assets | <u>\$ 3,550,328</u> | <u>\$2,504,642</u> |
| Liabilities and Partners' Capital | | |
| Current Liabilities | | |
| Accounts payable | \$ 2,294,493 | \$1,289,402 |
| Accrued liabilities | 48,113 | 45,159 |
| Accrued taxes other than income taxes | 46,807 | 34,277 |
| Total Current Liabilities | <u>2,389,413</u> | <u>1,368,838</u> |
| Long-term debt (Note 7) | 514,201 | 515,104 |
| Other deferred credits and liabilities | 28,683 | 29,655 |
| Commitments and contingent liabilities (Note 8) | | |
| Total Liabilities | <u>2,932,297</u> | <u>1,913,597</u> |
| Partners' Capital: | | |
| Limited partners' interest | 597,186 | 582,357 |
| General partner's interest | 20,845 | 8,688 |
| Total Partners' Capital | <u>618,031</u> | <u>591,045</u> |
| Total Liabilities and Partners' Capital | <u>\$ 3,550,328</u> | <u>\$2,504,642</u> |

(See Accompanying Notes)

SUNOCO LOGISTICS PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

| | Six Months Ended June 30, | |
|---|------------------------------|-----------------|
| | 2008 | 2007 |
| Cash Flows from Operating Activities: | | |
| Net Income | \$ 88,826 | \$ 47,561 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 19,489 | 18,311 |
| Impairment charge | 5,674 | — |
| Restricted unit incentive plan expense | 2,280 | 3,389 |
| Changes in working capital pertaining to operating activities: | | |
| Accounts receivable, affiliated companies | (216,905) | 23,026 |
| Accounts receivable, net | (776,690) | (145,799) |
| Inventories | (8,244) | (21,351) |
| Accounts payable and accrued liabilities | 1,007,970 | 124,153 |
| Accrued taxes other than income | 12,530 | (2,916) |
| Other | (754) | 6,978 |
| Net cash provided by operating activities | <u>134,176</u> | <u>53,352</u> |
| Cash Flows from Investing Activities: | | |
| Capital expenditures | (52,495) | (50,642) |
| Completed Acquisitions | — | (13,173) |
| MagTex Acquisition deposit | (10,462) | — |
| Net cash used in investing activities | <u>(62,957)</u> | <u>(63,815)</u> |
| Cash Flows from Financing Activities: | | |
| Distributions paid to Limited Partners and General Partner | (64,694) | (57,271) |
| Payments of statutory withholding on net issuance of Limited Partner units under restricted unit incentive plan | (1,278) | (1,479) |
| Contributions from General Partner for Limited Partner unit transactions | 76 | 58 |
| Advances to affiliates, net | (6,174) | (3,874) |
| Borrowings under credit facility | 85,000 | 91,900 |
| Repayments under credit facility | (86,000) | (20,000) |
| Contributions from affiliate | 1,851 | 752 |
| Net cash (used in) provided by financing activities | <u>(71,219)</u> | <u>10,086</u> |
| Net change in cash and cash equivalents | — | (377) |
| Cash and cash equivalents at beginning of year | 2,000 | 9,412 |
| Cash and cash equivalents at end of period | <u>\$ 2,000</u> | <u>\$ 9,035</u> |

(See Accompanying Notes)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**1. Basis of Presentation**

Sunoco Logistics Partners L.P. (the "Partnership") is a Delaware limited partnership formed by Sunoco, Inc. ("Sunoco") in October 2001 to acquire, own and operate a substantial portion of Sunoco's logistics business, consisting of refined product pipelines, terminalling and storage assets, crude oil pipelines, and crude oil acquisition and marketing assets located in the Northeast, Midwest and South Central United States. Sunoco, Inc. and its wholly-owned subsidiaries including Sunoco, Inc. (R&M) are collectively referred to as "Sunoco". The financial statements of the Partnership contain the accounts of the Partnership and its subsidiaries. Equity ownership interests in corporate joint ventures, which are not consolidated, are accounted for under the equity method.

The consolidated financial statements reflect the results of Sunoco Logistics Partners L.P. and its wholly-owned partnerships, including Sunoco Logistics Partners Operations L.P. (the "Operating Partnership"). Equity ownership interests in corporate joint ventures, which are not consolidated, are accounted for under the equity method.

The accompanying condensed consolidated financial statements are presented in accordance with the requirements of Form 10-Q and accounting principles generally accepted in the United States for interim financial reporting. They do not include all disclosures normally made in financial statements contained in Form 10-K. In management's opinion, all adjustments necessary for a fair presentation of the results of operations, financial position and cash flows for the periods shown have been made. All such adjustments are of a normal recurring nature, except for the impairment charge (Note 5). Results for the six months ended June 30, 2008 are not necessarily indicative of results for the full year 2008.

2. Acquisitions**Syracuse Terminal Acquisition**

On June 4, 2007, the Partnership purchased a 50% undivided interest in a refined products terminal located in Syracuse, New York from Mobil Pipe Line Company, an affiliate of Exxon Mobil Corporation for approximately \$13.4 million. Total terminal storage capacity is approximately 550,000 barrels. The purchase price of the acquisition was funded with borrowings under the Partnership's Credit Facility, and has been preliminarily allocated to property, plants and equipment based on the relative fair value of the assets acquired on the acquisition date. The results of the acquisition are included in the financial statements within the Terminal Facilities business segment from the date of acquisition.

MagTex Refined Products Pipeline System Acquisition

On April 28, 2008, Sunoco Pipeline L.P., a subsidiary of the Partnership, entered into a definitive agreement to acquire a refined products pipeline system and certain other real and personal property interests and assets from Mobil Pipe Line Company, an affiliate of Exxon Mobil Corporation. The pipeline system consists of approximately 275 miles of refined products pipeline originating in Beaumont and Port Arthur, Texas and terminating in Hearne, Texas and an additional 197 miles of refined products pipeline extending from Beaumont, Texas and terminating in Waskom, Texas. In addition to the pipeline system, Sunoco Partners Marketing & Terminals L.P., a subsidiary of the Partnership, entered into definitive agreements with Exxon Mobil Corporation, Mobil Pipe Line Company and ExxonMobil Oil Corporation, also affiliates of Exxon Mobil Corporation, to acquire six refined products terminal facilities. The terminal facilities are located in Hearne, Hebert, Waco, Center and Waskom, Texas and Arcadia, Louisiana and have combined storage capacity of approximately 1.2 million shell barrels. The acquisitions are subject to certain closing conditions. The transactions, with a combined purchase price of approximately \$200.0 million, are expected to be completed in the third quarter of 2008.

3. Related Party Transactions*Advances to/from Affiliate*

The Partnership has a treasury services agreement with Sunoco pursuant to which it, among other things, participates in Sunoco's centralized cash management program. Under this program, all of the Partnership's cash receipts and cash disbursements are processed, together with those of Sunoco and its other subsidiaries, through Sunoco's cash accounts with a corresponding credit or charge to an intercompany account. The intercompany balances are settled periodically, but no less frequently than monthly. Amounts due from Sunoco earn interest at a rate equal to the average rate of the Partnership's third-party money market investments, while amounts due to Sunoco bear interest at a rate equal to the interest rate provided in the Partnership's \$400 million revolving credit facility (see Note 7).

Administrative Services

Selling, general and administrative expenses in the condensed consolidated statements of income include costs incurred by Sunoco for the provision of certain centralized corporate functions such as legal, accounting, treasury, engineering, information technology, insurance and other corporate services, including the administration of employee benefit plans. These are provided to the Partnership under an omnibus agreement (“Omnibus Agreement”) with Sunoco for an annual administrative fee. The fee for the annual period ended December 31, 2007 was \$6.5 million. In January 2008, the parties extended the term of Section 4.1 of the Omnibus Agreement (which concerns the Partnership’s obligation to pay the annual fee for provision of certain general and administrative services) by one year. The annual administrative fee applicable to this one-year extension is \$6.0 million, which reflects the Partnership directly incurring some of these general and administrative costs. These costs may be increased if the acquisition or construction of new assets or businesses requires an increase in the level of general and administrative services received by the Partnership. There can be no assurance that Section 4.1 of the Omnibus Agreement will be extended beyond 2008, or that, if extended, the administrative fee charged by Sunoco will be at or below the current administrative fee. In the event that the Partnership is unable to obtain such services from Sunoco or third parties at or below the current cost, the Partnership’s financial condition and results of operations may be adversely impacted.

The annual administrative fee does not include the costs of shared insurance programs, which are allocated to the Partnership based upon its share of the cash premiums incurred. This fee also does not include salaries of pipeline and terminal personnel or other employees of the general partner, or the cost of their employee benefits. These employees are employees of the Partnership’s general partner or its affiliates, which are wholly-owned subsidiaries of Sunoco. The Partnership has no employees. Allocated Sunoco employee benefit plan expenses for employees who work in the pipeline, terminalling, storage and crude oil gathering operations, including senior executives, include non-contributory defined benefit retirement plans, defined contribution 401(k) plans, employee and retiree medical, dental and life insurance plans, incentive compensation plans, and other such benefits. The Partnership is reimbursing Sunoco for these costs and other direct expenses incurred on its behalf. These expenses are reflected in cost of products sold and operating expenses and selling, general and administrative expenses in the condensed consolidated statements of income.

Affiliated Revenues and Accounts Receivable, Affiliated Companies

Affiliated revenues in the statements of income consist of sales of crude oil as well as the provision of crude oil and refined product pipeline transportation, terminalling and storage services to Sunoco. Sales of crude oil are priced using market based rates. Pipeline revenues are generally determined using posted tariffs. In 2002, the Partnership entered into a pipelines and terminals storage and throughput agreement and various other agreements with Sunoco under which the Partnership is charging Sunoco fees for services provided under these agreements that, in management’s opinion, are comparable to those charged in arm’s-length, third-party transactions. Under the pipelines and terminals storage and throughput agreement, Sunoco has agreed to pay the Partnership a minimum level of revenues for transporting refined products. Sunoco also has agreed to minimum throughputs of crude oil and liquefied petroleum gas in the Partnership’s Inkster Terminal, Fort Mifflin Terminal Complex and certain crude oil pipelines. During the first quarter of 2007, the agreement to throughput at the Partnership’s refined product terminals and to receive and deliver refined product into the Partnership’s Marcus Hook Tank Farm expired. On March 1, 2007 the Partnership entered into new five year agreements with Sunoco to provide these services. These new agreements contain no minimum throughput obligations for Sunoco.

Under various other agreements entered into in 2002, Sunoco is, among other things, purchasing from the Partnership, at market-based rates, particular grades of crude oil that the Partnership’s crude oil acquisition and marketing business purchases for delivery to certain pipelines. These agreements automatically renew on a monthly basis unless terminated by either party on 30 days’ written notice. Sunoco has also leased the Partnership’s 58 miles of interrefinery pipelines between Sunoco’s Philadelphia and Marcus Hook refineries for a term of 20 years.

Capital Contributions

The Partnership has agreements with Sunoco which requires Sunoco to, among other things, reimburse the Partnership for certain expenditures. These agreements include:

- the Interrefinery Lease Agreement, which requires Sunoco to reimburse the Partnership for any non-routine maintenance expenditures incurred, as defined through February 2022; and
- the Eagle Point purchase agreements, which requires Sunoco to reimburse the Partnership for certain capital improvement projects incurred regarding the assets acquired. On January 24, 2008 Sunoco and the Partnership entered into an Amended and Restated Dock and Terminal Throughput Agreement for the Eagle Point logistics assets. Pursuant to the amended agreement the Partnership is obligated to make certain capital improvements to the Eagle Point docks. The term for the parties’ obligations with respect to the docks has been extended from March 31, 2016 to December 31, 2026. The rates to be paid by Sunoco for throughput across the docks have been modified to reflect the capital improvements, and the rates escalate annually based on the Consumer Price Index. Sunoco’s throughput obligations across the docks remain unchanged.

The parties' obligations with respect to the Eagle Point terminal remain unchanged except that the throughput rates escalate annually based on the increase in the Consumer Price Index.

During the six months ended June 30, 2008 and 2007, the Partnership was reimbursed \$1.9 million and \$0.8 million, respectively, associated with these agreements. The reimbursement of these amounts was recorded by the Partnership as capital contributions to Partners' Capital within the condensed consolidated balance sheet at June 30, 2008.

In February 2008 and 2007 the Partnership issued 0.1 million common units in each period to participants in the Sunoco Partners LLC Long-Term Incentive Plan ("LTIP") upon completion of award vesting requirements. As a result of these issuances of common units, the general partner contributed \$0.1 million in each period to the Partnership to maintain its 2.0 percent general partner interest. The Partnership recorded these amounts as capital contributions to Partners' Capital within its condensed consolidated balance sheets.

4. Net Income Per Unit Data

Basic and diluted net income per limited partner unit is calculated by dividing net income, after deducting the amount allocated to the general partner's interest, by the weighted-average number of limited partner common and subordinated units outstanding during the period.

The general partner's interest in net income consists of its 2.0 percent general partner interest and "incentive distributions", which are increasing percentages, up to 50 percent of quarterly distributions in excess of \$0.50 per limited partner unit (see Note 11). The general partner was allocated net income of \$16.6 million (representing 32.3 percent of total net income for the period) and \$3.6 million (representing 14.1 percent of total net income for the period) for the three months ended June 30, 2008 and 2007, respectively, and \$26.2 million (representing 29.5 percent of total net income for the period) and \$5.6 million (representing 11.8 percent of total net income for the period) for the six months ended June 30, 2008 and 2007, respectively. Diluted net income per limited partner unit is calculated by dividing net income applicable to limited partners' by the sum of the weighted-average number of common and subordinated units outstanding and the dilutive effect of incentive unit awards, as calculated by the treasury stock method.

The following table sets forth the reconciliation of the weighted average number of limited partner units used to compute basic net income per limited partner unit to those used to compute diluted net income per limited partner unit for the three and six months ended June 30, 2008 and 2007:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2008 | 2007 | 2008 | 2007 |
| Weighted average number of limited partner units outstanding – basic | 28,657,485 | 28,586,280 | 28,642,571 | 28,575,697 |
| Add effect of dilutive unit incentive awards | 182,777 | 137,604 | 180,575 | 137,668 |
| Weighted average number of limited partner units – diluted | 28,840,262 | 28,723,884 | 28,823,146 | 28,713,365 |

5. Impairment Charge

Long-lived assets other than those held for sale are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In the first quarter of 2008, the Partnership recognized an impairment of \$5.7 million related to Management's decision to discontinue efforts to expand liquefied petroleum gas storage capacity at its Inkster, Michigan facility. The impairment charge reflects the entire cost associated with the project.

6. Investment in Affiliates

The Partnership's ownership percentages in corporate joint ventures as of June 30, 2008 and December 31, 2007 were as follows:

| | Partnership Ownership Percentage |
|--|--|
| Explorer Pipeline Company | 9.4% |
| West Shore Pipe Line Company | 12.3% |
| Yellowstone Pipe Line Company | 14.0% |
| Wolverine Pipe Line Company | 31.5% |
| West Texas Gulf Pipe Line Company | 43.8% |
| Mid-Valley Pipeline Company ⁽¹⁾ | 55.3% |

⁽¹⁾ The Partnership's interest in the Mid-Valley Pipeline Company includes 50 percent voting rights.

The following table provides summarized combined statement of income data on a 100 percent basis for the Partnership's corporate joint venture interests for the three and six months ended June 30, 2008 and 2007 (in thousands of dollars):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-------------------------------|--------------------------------|------------|------------------------------|------------|
| | 2008 | 2007 | 2008 | 2007 |
| Income Statement Data: | | | | |
| Total revenues | \$ 123,870 | \$ 133,564 | \$ 232,173 | \$ 243,253 |
| Net income | \$ 30,741 | \$ 40,573 | \$ 56,152 | \$ 70,545 |

The following table provides summarized combined balance sheet data on a 100 percent basis for the Partnership's corporate joint venture interests as of June 30, 2008 and December 31, 2007 (in thousands of dollars):

| | June 30, 2008 | December 31, 2007 |
|----------------------------|------------------|----------------------|
| Balance Sheet Data: | | |
| Current assets | \$ 133,770 | \$ 181,683 |
| Non-current assets | \$ 667,483 | \$ 692,331 |
| Current liabilities | \$ 126,108 | \$ 122,229 |
| Non-current liabilities | \$ 591,213 | \$ 661,777 |
| Net equity | \$ 83,932 | \$ 90,008 |

The Partnership's investments in Wolverine, West Shore, Yellowstone, and West Texas Gulf at June 30, 2008 include an excess investment amount of approximately \$54.0 million, net of accumulated amortization of \$3.6 million. The excess investment is the difference between the investment balance and the Partnership's proportionate share of the net assets of the entities. The excess investment was allocated to the underlying tangible and intangible assets. Other than land and indefinite-lived intangible assets, all amounts allocated, principally to pipeline and related assets, are amortized using the straight-line method over their estimated useful life of 40 years and included within depreciation and amortization in the condensed consolidated statements of income.

7. Long-Term Debt

The components of long-term debt are as follows (in thousands of dollars):

| | June 30, 2008 | December 31, 2007 |
|---|-------------------|----------------------|
| Credit Facility – due November 2012 | \$ 90,000 | \$ 91,000 |
| Credit Facility – due May 2009 | — | — |
| Senior Notes – 7.25%, due February 15, 2012 | 250,000 | 250,000 |
| Senior Notes – 6.125%, due May 15, 2016 | 175,000 | 175,000 |
| Less unamortized bond discount | (799) | (896) |
| | <u>\$ 514,201</u> | <u>\$ 515,104</u> |

\$400 Million Credit Facility

Sunoco Logistics Partners Operations L.P. (the "Operating Partnership"), a wholly-owned entity of the Partnership, has a five-year \$400 million credit facility ("Credit Facility"). The Credit Facility is available to fund the Operating Partnership's working capital requirements, to finance future acquisitions, to finance future capital projects and for general partnership purposes. The Credit Facility matures in November 2012 and may be prepaid at any time. It bears interest at the Operating Partnership's option, at either (i) LIBOR plus an applicable margin, (ii) the higher of the federal funds rate plus 0.50 percent or the Citibank prime rate (each plus the applicable margin) or (iii) the federal funds rate plus an applicable margin. The Credit Facility contains various covenants limiting the Operating Partnership's ability to incur indebtedness; grant certain liens; make certain loans, acquisitions and investments; make

any material change to the nature of its business; acquire another company; or enter into a merger or sale of assets, including the sale or transfer of interests in the Operating Partnership's subsidiaries. The Credit Facility also limits the Operating Partnership, on a rolling four-quarter basis, to a maximum total debt to EBITDA ratio of 4.75 to 1, which can generally be increased to 5.25 to 1 during an acquisition period. The Operating Partnership is in compliance with this requirement as of June 30, 2008. The Partnership's ratio of total debt to EBITDA was 2.5 to 1 at June 30, 2008.

\$100 Million Credit Facility

In anticipation of the pending MagTex Acquisition, the Operating Partnership, entered into a \$100 million 364 day revolving credit facility (" \$100 million Credit Facility") on May 28, 2008. The \$100 million Credit Facility is available to fund the same activities as the Credit Facility described above. If the MagTex Acquisition is terminated, this new revolver will be terminated. The \$100 million Credit Facility matures in May 2009 and can be prepaid at any time. Interest on outstanding borrowings is calculated, at the Operating Partnership's option, using either (i) LIBOR plus an applicable margin or (ii) the higher of (a) the Federal funds rates plus 0.50 percent plus an applicable margin, and (b) the Citibank prime rate plus an applicable margin. The \$100 million Credit Facility contains the same covenant requirements as the Credit Facility described above. As of June 30, 2008 there were no borrowings outstanding under the \$100 million Credit Facility.

Letters of Credit

The Partnership entered into two standby letters of credit totaling \$130.4 million. The letters of credit, which were effective January 1, 2008, are required in connection with certain crude oil exchange contracts in which the Partnership is a party. During the quarter, the Partnership met certain performance requirements defined within these contracts which reduced the letters of credit to \$88.0 million. The letters of credit, which will expire in September 2008, are subject to commitment fees, which are not material.

Interest Rate Swap

The Partnership uses interest rate swaps, a type of derivative financial instrument, to manage interest costs and minimize the effects of interest rate fluctuations on cash flows associated with its credit facility. The Partnership does not use derivatives for trading or speculative purposes. While interest rate swaps are subject to fluctuations in value, these fluctuations are generally offset by the value of the underlying exposures being hedged. The Partnership minimizes the risk of credit loss by entering into these agreements with major financial institutions that have high credit ratings. The Partnership accounts for its interest rate swaps in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), which requires that all derivatives be recorded on the balance sheet at fair value. SFAS 133 also requires that changes in the fair value be recorded each period in current earnings or other comprehensive income, depending on whether a derivative has been designated as part of a hedge transaction and, if it is, depending on the type of hedge transaction. Interest rate swaps are designated as cash flow hedges. Changes in the fair value of a cash flow hedge, to the extent the hedge is effective, are recorded, net of tax, in other comprehensive income (loss), a component of Partners' capital, until earnings are affected by the variability of the hedged cash flows. Cash flow hedge ineffectiveness, defined as the extent that the changes in the fair value of the derivative exceed the variability of cash flows of the forecasted transaction, is recorded currently in earnings.

In January 2008, the Partnership entered into a \$50.0 million floating to fixed interest rate swap agreement (the "Swap"), maturing January 2010. Under the Swap, the Partnership receives interest equivalent to the three-month LIBOR and pays a fixed rate of interest of 3.489 percent with settlements occurring quarterly. The objective of the hedge is to eliminate the variability of cash flows in interest payments for \$50.0 million of floating rate debt. To maintain hedge accounting for the Swap, the Partnership is committed to maintaining at least \$50.0 million in borrowings at an interest rate based on the three-month LIBOR, plus an applicable margin, through January 2010. The Swap's fair value of (\$0.1) million as of June 30, 2008, is included in accrued liabilities on the condensed consolidated balance sheet and the corresponding change in fair value is included in other comprehensive income, a component of Partners' equity.

8. Commitments and Contingent Liabilities

The Partnership is subject to numerous federal, state and local laws which regulate the discharge of materials into the environment or that otherwise relate to the protection of the environment. These laws and regulations result in liabilities and loss contingencies for remediation at the Partnership's facilities and at third-party or formerly owned sites. At June 30, 2008 and December 31, 2007, there were accrued liabilities for environmental remediation in the condensed consolidated balance sheets of \$0.9 million and \$1.1 million, respectively. The accrued liabilities for environmental remediation do not include any amounts attributable to unasserted claims, nor have any recoveries from insurance been assumed. Charges against income for environmental remediation totaled \$0.3 million and \$1.9 million for the three month periods ended June 30, 2008 and 2007, respectively, and \$0.5 million and \$2.3 million for the six month periods ended June 30, 2008 and 2007, respectively.

Total future costs for environmental remediation activities will depend upon, among other things, the identification of any additional sites, the determination of the extent of the contamination at each site, the timing and nature of required remedial actions, the technology available and needed to meet the various existing legal requirements, the nature and extent of future environmental laws, inflation rates and the determination of the Partnership's liability at multi-party sites, if any, in light of uncertainties with respect to joint and several liability, and the number, participation levels and financial viability of other parties. As discussed below, the Partnership's current and future costs have been and will be impacted by an indemnification from Sunoco.

The Partnership is a party to certain pending and threatened claims. Although the ultimate outcome of these claims cannot be ascertained at this time, it is reasonably possible that some portion of them could be resolved unfavorably to the Partnership and its predecessor. Management does not believe that any liabilities which may arise from such claims and the environmental matters discussed above would be material in relation to the financial position of the Partnership at June 30, 2008. Furthermore, Management does not believe that the overall costs for such matters will have a material impact, over an extended period of time, on the Partnership's operations, cash flows or liquidity.

Sunoco has indemnified the Partnership for 30 years from environmental and toxic tort liabilities related to the assets contributed to the Partnership that arise from the operation of such assets prior to the closing of the February 2002 IPO. Sunoco has indemnified the Partnership for 100 percent of all losses asserted within the first 21 years of closing of the February 2002 IPO. Sunoco's share of liability for claims asserted thereafter will decrease by 10 percent a year. For example, for a claim asserted during the twenty-third year after closing of the February 2002 IPO, Sunoco would be required to indemnify the Partnership for 80 percent of its loss. There is no monetary cap on the amount of indemnity coverage provided by Sunoco. The Partnership has agreed to indemnify Sunoco for events and conditions associated with the operation of the Partnership's assets that occur on or after the closing of the February 2002 IPO and for environmental and toxic tort liabilities to the extent Sunoco is not required to indemnify the Partnership.

Sunoco also has indemnified the Partnership for liabilities, other than environmental and toxic tort liabilities related to the assets contributed to the Partnership, that arise out of Sunoco's ownership and operation of the assets prior to the closing of the February 2002 IPO and that are asserted within 10 years after closing of the February 2002 IPO. In addition, Sunoco has indemnified the Partnership from liabilities relating to certain defects in title to the assets contributed to the Partnership and associated with failure to obtain certain consents and permits necessary to conduct its business that arise within 10 years after closing of the February 2002 IPO as well as from liabilities relating to legal actions currently pending against Sunoco or its affiliates and events and conditions associated with any assets retained by Sunoco or its affiliates.

Management of the Partnership does not believe that any liabilities which may arise from claims indemnified by Sunoco would be material in relation to the financial position of the Partnership at June 30, 2008. There are certain other pending legal proceedings related to matters arising after the February 2002 IPO that are not indemnified by Sunoco. Management believes that any liabilities that may arise from these legal proceedings will not be material in relation to the financial position of the Partnership at June 30, 2008.

Sunoco Partners Marketing & Terminals L.P. ("SPMT"), which is wholly owned by the Partnership, has received a proposed penalty assessment from the Internal Revenue Service ("IRS") in the aggregate amount of \$5.1 million based on a failure to timely file excise tax information returns relating to its terminal operations during the calendar years 2004 and 2005. SPMT became current on its information return filings with the IRS in July of 2006. SPMT believes it had reasonable cause for the failure to not file the information returns on a timely basis, and provided this information to the IRS on October 19, 2007 in a formal filing. SPMT is currently awaiting a response from the IRS. The proposed penalties are for the failure to file information returns rather than any failure to pay taxes due, as no taxes were owed by SPMT in connection with such information. The timing or outcome of this claim, and the total costs to be incurred by SPMT in connection therewith, cannot be reasonably estimated at this time.

9. Fair Value Measurements

Effective January 1, 2008, the Partnership adopted the provisions of Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS No. 157") which pertain to certain balance sheet items measured at fair value on a recurring basis. SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about such measurements that are permitted or required under other accounting pronouncements. While SFAS No. 157 may change the method of calculating fair value, it does not require any new fair value measurements.

In accordance with SFAS No. 157, the Partnership determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As required, the Partnership utilizes valuation techniques that maximize the use of observable inputs (levels 1 and 2) and minimize the use of unobservable inputs (level 3) within the fair value hierarchy established by SFAS No. 157. The Partnership generally applies the "market approach" to determine fair value. This method uses pricing and other information generated by market transactions for identical or comparable assets and liabilities. Assets and liabilities are classified within the fair value hierarchy based on the lowest level (least observable) input that is significant to the measurement in its entirety. The Partnership's financial instruments recorded at fair value were not material at June 30, 2008. The Partnership is currently evaluating the impact on its financial statements of the remaining provisions of SFAS No. 157, which must be adopted by January 1, 2009.

In addition, in February 2007, Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159") was issued and became effective January 1, 2008. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other eligible items at fair value that were not previously required to be measured at fair value, with unrealized gains and losses on such items reported in earnings. The Partnership did not adopt the use of fair value measurements for any new items as of the January 1, 2008 effective date of this new standard.

10. Management Incentive Plan

Sunoco Partners LLC, the general partner of the Partnership, participates in the Sunoco Partners LLC Long-Term Incentive Plan ("LTIP") for employees and directors of the general partner who perform services for the Partnership. The LTIP is administered by the independent directors of the Compensation Committee of the general partner's board of directors with respect to employee awards, and by the non-independent members of the general partners' board of directors with respect to awards granted to the independent members. The LTIP currently permits the grant of restricted units and unit options covering an aggregate of 1,250,000 common units. There have been no grants of unit options since the inception of the LTIP. Restricted unit awards may also include tandem distribution equivalent rights ("DER's") at the discretion of the Compensation Committee.

The Partnership issued 71,205 and 50,410 common units under the LTIP for the six month periods ended June 30, 2008 and 2007, respectively, and recognized share-based compensation expense of \$3.4 million in both of the six month periods ended June 30, 2008 and 2007. Each of the restricted unit grants also have tandem DER's which are recognized as a reduction of Partners' Capital when earned.

11. Cash Distributions

Within 45 days after the end of each quarter, the Partnership distributes all cash on hand at the end of the quarter, less reserves established by the general partner in its discretion. This is defined as "available cash" in the partnership agreement. The general partner has broad discretion to establish cash reserves that it determines are necessary or appropriate to properly conduct the Partnership's business. The Partnership will make quarterly distributions to the extent there is sufficient cash from operations after establishment of cash reserves and payment of fees and expenses, including payments to the general partner.

The Partnership issued 11,383,639 subordinated units to its general partner in connection with the initial public offering in February 2002. These subordinated units were convertible to common units on a one-for-one basis provided the Partnership met applicable financial tests set forth in the partnership agreement. The Partnership met the minimum quarterly distribution requirements on all outstanding units for each of the four-quarter periods ended December 31, 2005 and 2006. As a result, subordinated units converted to common units in February 2005 and 2006 with the balance converting in February, 2007.

If cash distributions exceed \$0.50 per unit in a quarter, the general partner will receive increasing percentages, up to 50 percent, of the cash distributed in excess of \$0.70 per unit. These distributions are referred to as "incentive distributions".

Distributions paid by the Partnership for the period from January 1, 2007 through June 30, 2008 were as follows:

| <u>Date Cash Distribution Paid</u> | <u>Cash Distribution per Limited Partner Unit</u> | <u>Total Cash Distribution to Limited Partners</u> <u>(\$ in millions)</u> | <u>Total Cash Distribution to the General Partner</u> <u>(\$ in millions)</u> |
|------------------------------------|---|---|--|
| February 14, 2007 | \$ 0.8125 | \$ 23.2 | \$ 5.1 |
| May 15, 2007 | \$ 0.8250 | \$ 23.6 | \$ 5.4 |
| August 14, 2007 | \$ 0.8375 | \$ 23.9 | \$ 5.8 |
| November 14, 2007 | \$ 0.8575 | \$ 24.3 | \$ 6.1 |
| February 14, 2008 | \$ 0.8700 | \$ 24.9 | \$ 6.7 |
| May 15, 2008 | \$ 0.8950 | \$ 25.6 | \$ 7.5 |

On July 22, 2008, Sunoco Partners LLC, the general partner of Sunoco Logistics Partners L.P., declared a cash distribution of \$0.9350 per common partnership unit (\$3.74 annualized), representing the distribution for the second quarter 2008. The \$35.4 million distribution, including \$8.6 million to the general partner, will be paid on August 14, 2008 to unitholders of record at the close of business on August 7, 2008.

12. Business Segment Information

The following table sets forth condensed statement of income information concerning the Partnership's business segments and reconciles total segment operating income to net income for the three months ended June 30, 2008 and 2007, respectively (in thousands of dollars):

| | Three Months Ended June 30, | |
|--|--------------------------------|------------------|
| | 2008 | 2007 |
| Segment Operating Income | | |
| Eastern Pipeline System: | | |
| Sales and other operating revenue: | | |
| Affiliates | \$ 20,875 | \$ 19,455 |
| Unaffiliated customers | 8,076 | 8,461 |
| Other income | 2,971 | 3,796 |
| Total Revenues | <u>31,922</u> | <u>31,712</u> |
| Operating expenses | 10,034 | 13,627 |
| Depreciation and amortization | 2,465 | 2,249 |
| Selling, general and administrative expenses | 4,866 | 5,021 |
| Total Costs and Expenses | <u>17,365</u> | <u>20,897</u> |
| Operating Income | <u>\$ 14,557</u> | <u>\$ 10,815</u> |
| Terminal Facilities: | | |
| Sales and other operating revenue: | | |
| Affiliates | \$ 24,966 | \$ 23,038 |
| Unaffiliated customers | 14,306 | 12,241 |
| Other income | 825 | — |
| Total Revenues | <u>40,097</u> | <u>35,279</u> |
| Operating expenses | 13,913 | 12,797 |
| Depreciation and amortization | 4,056 | 3,815 |
| Selling, general and administrative expenses | 4,218 | 3,139 |
| Total Costs and Expenses | <u>22,187</u> | <u>19,751</u> |
| Operating Income | <u>\$ 17,910</u> | <u>\$ 15,528</u> |
| Western Pipeline System: | | |
| Sales and other operating revenue: | | |
| Affiliates | \$ 710,877 | \$ 348,870 |
| Unaffiliated customers | 2,536,321 | 1,218,208 |
| Other income | 4,987 | 3,909 |
| Total Revenues | <u>3,252,185</u> | <u>1,570,987</u> |
| Cost of products sold and operating expenses | 3,216,914 | 1,553,906 |
| Depreciation and amortization | 3,309 | 3,343 |
| Selling, general and administrative expenses | 5,042 | 5,327 |
| Total Costs and Expenses | <u>3,225,265</u> | <u>1,562,576</u> |
| Operating Income | <u>\$ 26,920</u> | <u>\$ 8,411</u> |
| Reconciliation of Segment Operating Income to Net Income: | | |
| Operating Income: | | |
| Eastern Pipeline System | \$ 14,557 | \$ 10,815 |
| Terminal Facilities | 17,910 | 15,528 |
| Western Pipeline System | 26,920 | 8,411 |
| Total segment operating income | <u>59,387</u> | <u>34,754</u> |
| Net interest expense | 8,064 | 9,500 |
| Net Income | <u>\$ 51,323</u> | <u>\$ 25,254</u> |

The following table sets forth condensed statement of income information concerning the Partnership's business segments and reconciles total segment operating income to net income for the six months ended June 30, 2008 and 2007, respectively (in thousands of dollars):

| | Six Months Ended June 30, | |
|--|------------------------------|------------------|
| | 2008 | 2007 |
| Segment Operating Income | | |
| Eastern Pipeline System: | | |
| Sales and other operating revenue: | | |
| Affiliates | \$ 41,114 | \$ 38,299 |
| Unaffiliated customers | 16,729 | 16,591 |
| Other income | 4,250 | 6,332 |
| Total Revenues | 62,093 | 61,222 |
| Operating expenses | 21,985 | 25,583 |
| Depreciation and amortization | 4,879 | 4,556 |
| Selling, general and administrative expenses | 9,936 | 10,580 |
| Total Costs and Expenses | 36,800 | 40,719 |
| Operating Income | \$ 25,293 | \$ 20,503 |
| Terminal Facilities: | | |
| Sales and other operating revenue: | | |
| Affiliates | \$ 49,676 | \$ 44,474 |
| Unaffiliated customers | 28,980 | 23,685 |
| Other income | 825 | — |
| Total Revenues | 79,481 | 68,159 |
| Operating expenses | 27,601 | 25,278 |
| Depreciation and amortization | 7,993 | 7,490 |
| Selling, general and administrative expenses | 9,093 | 7,608 |
| Impairment charge | 5,674 | — |
| Total Costs and Expenses | 50,361 | 40,376 |
| Operating Income | \$ 29,120 | \$ 27,783 |
| Western Pipeline System: | | |
| Sales and other operating revenue: | | |
| Affiliates | \$1,302,314 | \$ 760,651 |
| Unaffiliated customers | 4,270,997 | 2,296,135 |
| Other income | 8,534 | 6,420 |
| Total Revenues | 5,581,845 | 3,063,206 |
| Cost of products sold and operating expenses | 5,514,525 | 3,028,727 |
| Depreciation and amortization | 6,617 | 6,265 |
| Selling, general and administrative expenses | 10,528 | 10,818 |
| Total Costs and Expenses | 5,531,670 | 3,045,810 |
| Operating Income | \$ 50,175 | \$ 17,396 |
| Reconciliation of Segment Operating Income to Net Income: | | |
| Operating Income: | | |
| Eastern Pipeline System | \$ 25,293 | \$ 20,503 |
| Terminal Facilities | 29,120 | 27,783 |
| Western Pipeline System | 50,175 | 17,396 |
| Total segment operating income | 104,588 | 65,682 |
| Net interest expense | 15,762 | 18,121 |
| Net Income | \$ 88,826 | \$ 47,561 |

The following table provides the identifiable assets for each segment as of June 30, 2008 and December 31, 2007 (in thousands):

| | June 30, 2008 | December 31, 2007 |
|---------------------------|---------------------|----------------------|
| Eastern Pipeline System | \$ 378,820 | \$ 370,278 |
| Terminal Facilities | 417,187 | 400,509 |
| Western Pipeline System | 2,720,731 | 1,710,093 |
| Corporate and other | 33,590 | 23,762 |
| Total identifiable assets | <u>\$ 3,550,328</u> | <u>\$ 2,504,642</u> |

Corporate and other assets consist primarily of cash and cash equivalents, advances to affiliates and deferred charges.

13. Supplemental Condensed Consolidating Financial Information

The Partnership and the operating partnerships of the Operating Partnership served as joint and several guarantors of the Senior Notes and of any obligations under the previous credit facility. The Partnership continues to serve as guarantor of the Senior Notes and of any obligations under the new credit facilities. These guarantees are full and unconditional. In connection with the Partnership's \$400 million Credit Facility, the Subsidiary Guarantors were released from their obligations both under the previous credit facility, and the 7.25 percent and 6.125 percent Senior Notes in August 2007. Given that certain, but not all subsidiaries of the Partnership were guarantors, the Partnership was required to present the following supplemental condensed consolidating financial information. For purposes of the following footnote, Sunoco Logistics Partners, L.P. is referred to as "Parent" and Sunoco Logistics Partners Operations L.P. is referred to as "Subsidiary Issuer." In the 2008 schedules and 2007 balance sheet schedule, Sunoco Partners Marketing and Terminals L.P., Sunoco Pipeline L.P., Sun Pipeline Company of Delaware LLC, Sunoco Pipeline Acquisition LLC, Sunoco Logistics Partners GP LLC, Sunoco Logistics Partners Operations GP LLC and Sunoco Partners Lease Acquisition & Marketing LLC, are collectively referred to as "Non-Guarantor Subsidiaries." In the 2007 schedules of income and cash flows, Sunoco Partners Marketing and Terminals L.P., Sunoco Pipeline L.P., Sun Pipeline Company of Delaware LLC and Sunoco Pipeline Acquisition LLC are collectively referred to as the "Subsidiary Guarantors", and Sunoco Logistics Partners GP LLC, Sunoco Logistics Partners Operations GP LLC and Sunoco Partners Lease Acquisition & Marketing LLC, are referred to as "Non-Guarantor Subsidiaries."

The following supplemental condensed consolidating financial information (in thousands) reflects the Parent's separate accounts, the Subsidiary Issuer's separate accounts, the combined accounts of the Subsidiary Guarantors, the combined accounts of the Non-Guarantor Subsidiaries, the combined consolidating adjustments and eliminations and the Parent's consolidated accounts for the dates and periods indicated. For purposes of the following condensed consolidating information, the Parent's investments in its subsidiaries and the Subsidiary Issuer's investments in its subsidiaries are accounted for under the equity method of accounting.

Condensed Consolidating Statement of Income
Three Months Ended June 30, 2008
(unaudited)

| | <u>Parent</u> | <u>Subsidiary Issuer</u> | <u>Non- Guarantor Subsidiaries</u> | <u>Consolidating Adjustments</u> | <u>Total</u> |
|--|-----------------|------------------------------|--|--------------------------------------|------------------|
| Revenues | | | | | |
| Sales and other operating revenue: | | | | | |
| Affiliates | \$ — | \$ — | \$ 756,718 | \$ — | \$ 756,718 |
| Unaffiliated customers | — | — | 2,558,703 | — | 2,558,703 |
| Equity in earnings of subsidiaries | 51,321 | 58,560 | 6 | (109,887) | — |
| Other income | — | — | 8,783 | — | 8,783 |
| Total Revenues | <u>51,321</u> | <u>58,560</u> | <u>3,324,210</u> | <u>(109,887)</u> | <u>3,324,204</u> |
| Costs and Expenses | | | | | |
| Cost of products sold and operating expenses | — | — | 3,240,861 | — | 3,240,861 |
| Depreciation and amortization | — | — | 9,830 | — | 9,830 |
| Selling, general and administrative expenses | — | — | 14,126 | — | 14,126 |
| Total Costs and Expenses | <u>—</u> | <u>—</u> | <u>3,264,817</u> | <u>—</u> | <u>3,264,817</u> |
| Operating Income | 51,321 | 58,560 | 59,393 | (109,887) | 59,387 |
| Net interest cost paid to (received from) affiliates | — | (302) | 825 | — | 523 |
| Other interest cost and debt expenses, net | — | 8,405 | — | — | 8,405 |
| Capitalized interest | — | (864) | — | — | (864) |
| Net Income (Loss) | <u>\$51,321</u> | <u>\$ 51,321</u> | <u>\$ 58,568</u> | <u>\$ (109,887)</u> | <u>\$ 51,323</u> |

Condensed Consolidating Statement of Income
Three Months Ended June 30, 2007
(unaudited)

| | Parent | Subsidiary Issuer | Subsidiary Guarantors | Non- Guarantor Subsidiaries | Consolidating Adjustments | Total |
|--|-----------------|----------------------|--------------------------|-----------------------------------|------------------------------|------------------|
| Revenues | | | | | | |
| Sales and other operating revenue: | | | | | | |
| Affiliates | \$ — | \$ — | \$ 391,370 | \$ — | \$ — | \$ 391,370 |
| Unaffiliated customers | — | — | 1,238,910 | — | — | 1,238,910 |
| Equity in earnings of subsidiaries | 25,257 | 33,932 | — | 3 | (59,192) | — |
| Other income | — | — | 7,698 | — | — | 7,698 |
| Total Revenues | <u>25,257</u> | <u>33,932</u> | <u>1,637,978</u> | <u>3</u> | <u>(59,192)</u> | <u>1,637,978</u> |
| Costs and Expenses | | | | | | |
| Cost of products sold and operating expenses | — | — | 1,580,324 | 6 | — | 1,580,330 |
| Depreciation and amortization | — | — | 9,407 | — | — | 9,407 |
| Selling, general and administrative expenses | — | — | 13,487 | — | — | 13,487 |
| Total Costs and Expenses | <u>—</u> | <u>—</u> | <u>1,603,218</u> | <u>6</u> | <u>—</u> | <u>1,603,224</u> |
| Operating Income | 25,257 | 33,932 | 34,760 | (3) | (59,192) | 34,754 |
| Net interest cost paid to affiliates | — | 234 | 825 | — | — | 1,059 |
| Other interest cost and debt expenses, net | — | 9,386 | — | — | — | 9,386 |
| Capitalized interest | — | (945) | — | — | — | (945) |
| Net Income (Loss) | <u>\$25,257</u> | <u>\$ 25,257</u> | <u>\$ 33,935</u> | <u>\$ (3)</u> | <u>\$ (59,192)</u> | <u>\$ 25,254</u> |

Condensed Consolidating Statement of Income
Six Months Ended June 30, 2008
(unaudited)

| | Parent | Subsidiary Issuer | Non- Guarantor Subsidiaries | Consolidating Adjustments | Total |
|--|-----------------|----------------------|-----------------------------------|------------------------------|------------------|
| Revenues | | | | | |
| Sales and other operating revenue: | | | | | |
| Affiliates | \$ — | \$ — | \$1,393,104 | \$ — | \$1,393,104 |
| Unaffiliated customers | — | — | 4,316,706 | — | 4,316,706 |
| Equity in earnings of subsidiaries | 88,825 | 102,937 | 10 | (191,772) | — |
| Other income | — | — | 13,609 | — | 13,609 |
| Total Revenues | <u>88,825</u> | <u>102,937</u> | <u>5,723,429</u> | <u>(191,772)</u> | <u>5,723,419</u> |
| Costs and Expenses | | | | | |
| Cost of products sold and operating expenses | — | — | 5,564,111 | — | 5,564,111 |
| Depreciation and amortization | — | — | 19,489 | — | 19,489 |
| Selling, general and administrative expenses | — | — | 29,557 | — | 29,557 |
| Impairment charge | — | — | 5,674 | — | 5,674 |
| Total Costs and Expenses | <u>—</u> | <u>—</u> | <u>5,618,831</u> | <u>—</u> | <u>5,618,831</u> |
| Operating Income | 88,825 | 102,937 | 104,598 | (191,772) | 104,588 |
| Net interest cost paid to / (received from) affiliates | — | (1,233) | 1,650 | — | 417 |
| Other interest cost and debt expenses, net | — | 16,981 | — | — | 16,981 |
| Capitalized interest | — | (1,636) | — | — | (1,636) |
| Net Income | <u>\$88,825</u> | <u>\$ 88,825</u> | <u>\$ 102,948</u> | <u>\$ (191,772)</u> | <u>\$ 88,826</u> |

Condensed Consolidating Statement of Income
Six Months Ended June 30, 2007
(unaudited)

| | Parent | Subsidiary Issuer | Subsidiary Guarantors | Non- Guarantor Subsidiaries | Consolidating Adjustments | Total |
|--|-----------------|----------------------|--------------------------|-----------------------------------|------------------------------|------------------|
| Revenues | | | | | | |
| Sales and other operating revenue: | | | | | | |
| Affiliates | \$ — | \$ — | \$ 843,439 | \$ — | \$ — | \$ 843,439 |
| Unaffiliated customers | — | — | 2,336,411 | — | — | 2,336,411 |
| Equity in earnings of subsidiaries | 47,561 | 64,032 | — | 6 | (111,599) | — |
| Other income | — | — | 12,737 | — | — | 12,737 |
| Total Revenues | <u>47,561</u> | <u>64,032</u> | <u>3,192,587</u> | <u>6</u> | <u>(111,599)</u> | <u>3,192,587</u> |
| Costs and Expenses | | | | | | |
| Cost of products sold and operating expenses | — | — | 3,079,582 | 6 | — | 3,079,588 |
| Depreciation and amortization | — | — | 18,311 | — | — | 18,311 |
| Selling, general and administrative expenses | — | — | 29,006 | — | — | 29,006 |
| Total Costs and Expenses | <u>—</u> | <u>—</u> | <u>3,126,899</u> | <u>6</u> | <u>—</u> | <u>3,126,905</u> |
| Operating Income | 47,561 | 64,032 | 65,688 | — | (111,599) | 65,682 |
| Net interest cost paid to / (received from) affiliates | — | (56) | 1,650 | — | — | 1,594 |
| Other interest cost and debt expenses, net | — | 18,025 | — | — | — | 18,025 |
| Capitalized interest | — | (1,498) | — | — | — | (1,498) |
| Net Income | <u>\$47,561</u> | <u>\$ 47,561</u> | <u>\$ 64,038</u> | <u>\$ —</u> | <u>\$ (111,599)</u> | <u>\$ 47,561</u> |

Condensed Consolidating Balance Sheet
June 30, 2008
(unaudited)

| | Parent | Subsidiary Issuer | Non- Guarantor Subsidiaries | Consolidating Adjustments | Total |
|--|------------------|----------------------|-----------------------------------|------------------------------|--------------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | \$ — | \$ 2,000 | \$ — | \$ — | \$ 2,000 |
| Advances to affiliates | 21,617 | 48,000 | (55,383) | — | 14,234 |
| Accounts receivable, affiliated companies | — | — | 279,072 | — | 279,072 |
| Accounts receivable, net | — | — | 1,977,472 | — | 1,977,472 |
| Inventories | | | | | |
| Crude oil | — | — | 37,647 | — | 37,647 |
| Refined product | — | — | 424 | — | 424 |
| Materials, supplies and other | — | — | 842 | — | 842 |
| Total Current Assets | <u>21,617</u> | <u>50,000</u> | <u>2,240,074</u> | <u>—</u> | <u>2,311,691</u> |
| Properties, plants and equipment, net | — | — | 1,116,920 | — | 1,116,920 |
| Investment in affiliates | 505,151 | 1,005,772 | 660,933 | (2,086,233) | 85,623 |
| Deferred charges and other assets | — | 2,971 | 33,123 | — | 36,094 |
| Total Assets | <u>\$526,768</u> | <u>\$1,058,743</u> | <u>\$4,051,050</u> | <u>\$(2,086,233)</u> | <u>\$3,550,328</u> |
| Liabilities and Partners' Capital Current Liabilities | | | | | |
| Accounts payable | \$ — | \$ — | \$2,294,493 | \$ — | \$2,294,493 |
| Accrued liabilities | 981 | 2,555 | 44,577 | — | 48,113 |
| Accrued taxes other than income taxes | — | — | 46,807 | — | 46,807 |
| Total Current Liabilities | <u>981</u> | <u>2,555</u> | <u>2,385,877</u> | <u>—</u> | <u>2,389,413</u> |
| Long-term debt | — | 514,201 | — | — | 514,201 |
| Other deferred credits and liabilities | — | — | 28,683 | — | 28,683 |
| Total Liabilities | <u>981</u> | <u>516,756</u> | <u>2,414,560</u> | <u>—</u> | <u>2,932,297</u> |
| Total Partners' Capital | <u>525,787</u> | <u>541,987</u> | <u>1,636,490</u> | <u>(2,086,233)</u> | <u>618,031</u> |
| Total Liabilities and Partners' Capital | <u>\$526,768</u> | <u>\$1,058,743</u> | <u>\$4,051,050</u> | <u>\$(2,086,233)</u> | <u>\$3,550,328</u> |

Condensed Consolidating Balance Sheet
December 31, 2007

| | Parent | Subsidiary Issuer | Non- Guarantor Subsidiaries | Consolidating Adjustments | Total |
|--|------------------|----------------------|-----------------------------------|------------------------------|--------------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | \$ — | \$ 2,000 | \$ — | \$ — | \$ 2,000 |
| Advances to affiliates | 4,348 | 46,000 | (42,288) | — | 8,060 |
| Accounts receivable, affiliated companies | — | — | 62,167 | — | 62,167 |
| Accounts receivable, net | — | — | 1,200,782 | — | 1,200,782 |
| Inventories | | | | | |
| Crude oil | — | — | 29,145 | — | 29,145 |
| Refined product additives | — | — | 682 | — | 682 |
| Materials, supplies and other | — | — | 842 | — | 842 |
| Total Current Assets | <u>4,348</u> | <u>48,000</u> | <u>1,251,330</u> | <u>—</u> | <u>1,303,678</u> |
| Properties, plants and equipment, net | — | — | 1,089,262 | — | 1,089,262 |
| Investment in affiliates | 584,060 | 1,101,139 | 85,084 | (1,685,298) | 84,985 |
| Deferred charges and other assets | — | 3,278 | 23,439 | — | 26,717 |
| Total Assets | <u>\$588,408</u> | <u>\$1,152,417</u> | <u>\$2,449,115</u> | <u>\$(1,685,298)</u> | <u>\$2,504,642</u> |
| Liabilities and Partners' Capital Current Liabilities | | | | | |
| Accounts payable | \$ — | \$ — | \$1,289,402 | \$ — | \$1,289,402 |
| Accrued liabilities | 980 | 3,863 | 40,316 | — | 45,159 |
| Accrued taxes other than income taxes | — | — | 34,277 | — | 34,277 |
| Total Current Liabilities | <u>980</u> | <u>3,863</u> | <u>1,363,995</u> | <u>—</u> | <u>1,368,838</u> |
| Long-term debt | — | 515,104 | — | — | 515,104 |
| Other deferred credits and liabilities | — | — | 29,655 | — | 29,655 |
| Total Liabilities | <u>980</u> | <u>518,967</u> | <u>1,393,650</u> | <u>—</u> | <u>1,913,597</u> |
| Total Partners' Capital | <u>587,428</u> | <u>633,450</u> | <u>1,055,465</u> | <u>(1,685,298)</u> | <u>591,045</u> |
| Total Liabilities and Partners' Capital | <u>\$588,408</u> | <u>\$1,152,417</u> | <u>\$2,449,115</u> | <u>\$(1,685,298)</u> | <u>\$2,504,642</u> |

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2008
(unaudited)

| | <u>Parent</u> | <u>Subsidiary Issuer</u> | <u>Non- Guarantor Subsidiaries</u> | <u>Consolidating Adjustments</u> | <u>Total</u> |
|---|-----------------|------------------------------|--|--------------------------------------|-----------------|
| Net Cash Flows from Operating Activities | \$ 88,826 | \$ 87,749 | \$ 149,373 | \$ (191,772) | \$134,176 |
| Cash Flows from Investing Activities: | | | | | |
| Capital expenditures | — | — | (52,495) | — | (52,495) |
| MagTex Acquisition | — | — | (10,462) | — | (10,462) |
| Intercompany | (6,939) | (84,749) | (100,084) | 191,772 | — |
| | <u>(6,939)</u> | <u>(84,749)</u> | <u>(163,041)</u> | <u>191,772</u> | <u>(62,957)</u> |
| Cash Flows from Financing Activities: | | | | | |
| Distribution paid to Limited Partners and General Partner | (64,694) | — | — | — | (64,694) |
| Payments of statutory withholding on net issuance of Limited Partner units under restricted unit incentive plan | — | — | (1,278) | — | (1,278) |
| Contribution from General Partner for Limited Partner unit transactions | 76 | — | — | — | 76 |
| Advances to affiliates, net | (17,269) | (2,000) | 13,095 | — | (6,174) |
| Borrowings under credit facility | — | 85,000 | — | — | 85,000 |
| Repayments under credit facility | — | (86,000) | — | — | (86,000) |
| Contributions from affiliate | — | — | 1,851 | — | 1,851 |
| | <u>(81,887)</u> | <u>(3,000)</u> | <u>13,668</u> | <u>—</u> | <u>(71,219)</u> |
| Net change in cash and cash equivalents | — | — | — | — | — |
| Cash and cash equivalents at beginning of year | — | 2,000 | — | — | 2,000 |
| Cash and cash equivalents at end of year | <u>\$ —</u> | <u>\$ 2,000</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 2,000</u> |

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2007
(unaudited)

| | <u>Parent</u> | <u>Subsidiary Issuer</u> | <u>Subsidiary Guarantors</u> | <u>Non- Guarantor Subsidiaries</u> | <u>Consolidating Adjustments</u> | <u>Total</u> |
|--|-----------------|------------------------------|----------------------------------|--|--------------------------------------|-----------------|
| Net Cash Flows from Operating Activities | \$ 47,514 | \$ 46,293 | \$ 71,144 | \$ — | \$ (111,599) | \$ 53,352 |
| Cash Flows from Investing Activities: | | | | | | |
| Capital expenditures | — | — | (50,642) | — | — | (50,642) |
| Acquisitions | — | — | (13,173) | — | — | (13,173) |
| Intercompany | 2,726 | (109,054) | (5,271) | — | 111,599 | — |
| | <u>2,726</u> | <u>(109,054)</u> | <u>(69,086)</u> | <u>—</u> | <u>111,599</u> | <u>(63,815)</u> |
| Cash Flows from Financing Activities: | | | | | | |
| Distribution paid to Limited Partners and General Partner | (57,271) | — | — | — | — | (57,271) |
| Payments of statutory withholding on net issuance of Limited Partner units under restricted unit incentive plan | — | — | (1,479) | — | — | (1,479) |
| Contribution from General Partner for Limited Partner unit transactions | 58 | — | — | — | — | 58 |
| Repayments from (advances to) affiliates, net | 6,973 | (9,516) | (1,331) | — | — | (3,874) |
| Borrowings under credit facility | — | 91,900 | — | — | — | 91,900 |
| Repayments under credit facility | — | (20,000) | — | — | — | (20,000) |
| Contributions from (distributions to) affiliate | — | — | 752 | — | — | 752 |
| | <u>(50,240)</u> | <u>62,384</u> | <u>(2,058)</u> | <u>—</u> | <u>—</u> | <u>10,086</u> |
| Net change in cash and cash equivalents | — | (377) | — | — | — | (377) |
| Cash and cash equivalents at beginning of year | — | 9,412 | — | — | — | 9,412 |
| Cash and cash equivalents at end of period | <u>\$ —</u> | <u>\$ 9,035</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 9,035</u> |

Results of Operations – Three Months Ended June 30, 2008 and 2007

Sunoco Logistics Partners L.P.
Operating Highlights
Three Months Ended June 30, 2008 and 2007

| | Three Months Ended June 30, | |
|---|--------------------------------|------------|
| | 2008 | 2007 |
| Eastern Pipeline System:⁽¹⁾ | | |
| Total shipments (barrel miles per day) ⁽²⁾ | 61,028,163 | 63,253,888 |
| Revenue per barrel mile (cents) | 0.521 | 0.485 |
| Terminal Facilities: | | |
| Terminal throughput (bpd): | | |
| Refined product terminals ⁽³⁾ | 428,704 | 440,152 |
| Nederland terminal | 526,350 | 529,462 |
| Refinery terminals ⁽⁴⁾ | 622,011 | 715,462 |
| Western Pipeline System:⁽¹⁾ | | |
| Crude oil pipeline throughput (bpd) | 547,489 | 535,715 |
| Crude oil purchases at wellhead (bpd) | 177,317 | 180,390 |
| Gross margin per barrel of pipeline throughput (cents) ⁽⁵⁾ | 54.1 | 20.2 |

(1) Excludes amounts attributable to equity ownership interests in corporate joint ventures.

(2) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

(3) Includes results from the Partnership's purchase of a 50% undivided interest in a refined products terminal in Syracuse, New York in June 2007.

(4) Consists of the Partnership's Fort Mifflin Terminal Complex, the Marcus Hook Tank Farm and the Eagle Point Dock.

(5) Represents total segment sales minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.

Analysis of Consolidated Net Income

Net income was \$51.3 million for the second quarter 2008 as compared with \$25.3 million for the second quarter 2007, an increase of \$26.0 million. The increase was the result of continued margin improvement across all segments, stronger asset utilization in the Western Pipeline system and additional tankage placed into service at the Nederland terminal during 2007 and 2008. These increases were partially offset by lower volumes in our Eastern Pipeline and Terminal systems.

Net interest expense decreased \$1.4 million to \$8.1 million for the second quarter 2008 from \$9.5 million for the prior year's quarter primarily due to lower interest rates related to the Partnership's revolving Credit Facility.

Analysis of Segment Operating Income*Eastern Pipeline System*

Operating income for the Eastern Pipeline System increased \$3.8 million to \$14.6 million for the second quarter 2008 from \$10.8 million for the second quarter 2007. Sales and other operating revenue increased by \$1.0 million to \$29.0 million due primarily to higher fees across the Partnership's refined product and crude oil pipelines, partially offset by decreased volumes. Other income decreased \$0.8 million compared to the prior year's quarter due primarily to a decrease in equity income associated with the Partnership's joint venture interests. Cost of goods sold and operating expenses decreased by \$3.6 million to \$10.0 million compared to the prior year's quarter due primarily to the impact of increased crude oil and refined product prices on operating gains and a decreased level of environmental charges. These decreases were partially offset by increased utility costs throughout the system.

Terminal Facilities

The Terminal Facilities business segment had operating income of \$17.9 million for the second quarter 2008, as compared to \$15.5 million for the prior year's second quarter. Sales and other operating revenue increased by \$4.0 million to \$39.3 million due primarily to the addition of tankage at the Nederland terminal, increased terminal fees, sales of product overages which were favorably impacted by the increased price of crude oil and increased product additive revenues. Other income increased \$0.8 million from the prior year's second quarter as a result of the final insurance recovery for hurricane damage sustained during 2005 at the Partnership's Nederland terminal. Cost of goods sold and operating expenses increased by \$1.1 million to \$13.9 million for the second quarter of 2008 due primarily to increased product additive costs, higher utility costs and timing of maintenance activity. Selling, general and administrative expenses increased by \$1.1 million to \$4.2 million for the second quarter of 2008. During 2007, expenses were reduced by \$0.9 million in connection with an insurance recovery.

Western Pipeline System

Operating income for the Western Pipeline System increased \$18.5 million to \$26.9 million for the second quarter of 2008 compared to the prior year's quarter due primarily to improved asset utilization resulting from the creation of a bi-directional pipeline connection to the Partnership's Nederland terminal, increased pipeline volumes and fees and higher lease acquisition margins. Additionally, the Partnership benefited in the second quarter of 2008 from third party contracts, to purchase and sell crude oil inventory, that were entered into in conjunction with a contract to exchange crude oil inventory with the Department of Energy ("DOE"). In accordance with accounting standards, these third party contracts were deemed to be derivatives, which required a mark to market adjustment to be recorded in income during the second quarter of 2008. The accounting for the third party contracts, along with the exchange contract with the DOE, resulted in \$3.2 million in income being recognized during the second quarter 2008. These contracts will be settled during the third quarter of 2008. Other income increased \$1.1 million compared to the prior year's quarter due primarily to a gain recognized on the insurance recovery discussed earlier.

Higher crude oil prices were a key driver of the overall increase in total revenue, cost of products sold and operating expenses from the prior year's quarter. The average price of West Texas Intermediate crude oil at Cushing, Oklahoma increased to \$124.00 per barrel for the second quarter of 2008 from \$65.02 per barrel for the second quarter of 2007.

Results of Operations – Six Months Ended June 30, 2008 and 2007

Sunoco Logistics Partners L.P. Operating Highlights Six Months Ended June 30, 2008 and 2007

| | Six Months Ended June 30, | |
|---|------------------------------|------------|
| | 2008 | 2007 |
| Eastern Pipeline System:⁽¹⁾ | | |
| Total shipments (barrel miles per day) ⁽²⁾ | 60,705,947 | 63,372,001 |
| Revenue per barrel mile (cents) | 0.524 | 0.479 |
| Terminal Facilities: | | |
| Terminal throughput (bpd): | | |
| Refined product terminals ⁽³⁾ | 423,662 | 427,923 |
| Nederland terminal | 539,702 | 536,840 |
| Refinery terminals ⁽⁴⁾ | 648,604 | 664,768 |
| Western Pipeline System:⁽¹⁾ | | |
| Crude oil pipeline throughput (bpd) | 548,957 | 534,816 |
| Crude oil purchases at wellhead (bpd) | 174,381 | 182,757 |
| Gross margin per barrel of pipeline throughput (cents) ⁽⁵⁾ | 52.3 | 22.5 |

(1) Excludes amounts attributable to equity ownership interests in corporate joint ventures.

(2) Represents total average daily pipeline throughput multiplied by the number of miles of pipeline through which each barrel has been shipped.

(3) Includes results from the Partnership's purchase of a 50% undivided interest in a refined products terminal in Syracuse, New York.

- (4) Consists of the Partnership's Fort Mifflin Terminal Complex, the Marcus Hook Tank Farm and the Eagle Point Dock.
- (5) Represents total segment sales and other operating revenue minus cost of products sold and operating expenses and depreciation and amortization divided by crude oil pipeline throughput.

Analysis of Consolidated Net Income

Net income was \$88.8 million for the six month period ended June 2008 as compared with \$47.6 million for the comparable period in 2007. The increase was driven primarily by higher operating income resulting from higher margins and fees across all segments, improved asset utilization within the Western Pipeline system and additional tankage placed into service at the Nederland terminal during 2007 and 2008. These improvements to operating income were partially offset by lower volumes in the Eastern Pipeline system and Terminal Facilities along with a \$5.7 million non-cash impairment charge related to a cancelled project. A decrease in interest expense further contributed to the \$41.2 million increase in net income.

Net interest expense decreased \$2.4 million to \$15.8 million for the first six months of 2008 from \$18.1 million for the first six months of 2007 due to decreased borrowings and lower interest rates related to the Partnership's revolving Credit Facility.

Analysis of Segment Operating Income

Eastern Pipeline System

Operating income for the Eastern Pipeline System increased \$4.8 million to \$25.3 million for the first six months of 2008 from \$20.5 million for the first six months of 2007. Sales and other operating revenue increased from \$54.9 million for the prior year's period to \$57.8 million for the six months ended June 2008 due mainly to higher fees across the Partnership's refined product and crude oil pipelines, partially offset by decreased volumes. Other income decreased by \$2.1 million to \$4.2 million for the first six months of 2008 from \$6.3 million for the prior year period due primarily to a decrease in equity income associated with the Partnership's joint venture interests. Operating expenses decreased by \$3.6 million to \$22.0 million due primarily to the impact of increased crude oil and refined product prices on operating gains and a decreased level of environmental charges. This decrease was partially offset by increased utility costs throughout the system.

Terminal Facilities

The Terminal Facilities segment had operating income of \$29.1 million for the six months ended June 2008, as compared to \$27.8 million for the first six months of 2007. Operating income was reduced during the first six months of 2008 due to a \$5.7 million non-cash impairment charge related to the Partnership's decision to discontinue efforts to expand LPG storage capacity at its Inkster, Michigan facility. Sales and other operating revenue increased \$10.5 million to \$78.7 million in the first half of 2008 due primarily to the addition of new tankage at the Nederland terminal, higher fees at the Partnership's Nederland and refined products terminals, the sale of product overages which were favorably impacted by the increased price of crude oil and increased product additive revenues. The increases were partially offset by decreased volumes in the Partnership's refinery and refined product terminals. Other income increased \$0.8 million from the first six months of 2008 as a result of the insurance recovery discussed above. Cost of goods sold and operating expenses increased by \$2.3 million to \$27.6 million for the six months ended June 2008 due primarily to increased utility costs and timing of maintenance activity. Selling, general and administrative expenses increased by \$1.5 million to \$9.1 million for the six months ended June 30, 2008. During 2007, expenses were reduced by \$0.9 million in connection with an insurance recovery.

Western Pipeline System

Operating income for the Western Pipeline System increased \$32.8 million to \$50.2 million for the first six months of 2008 from \$17.4 million for the first six months of 2007. The increase was due primarily to improved asset utilization resulting from creation of a bi-directional pipeline connection to the Partnership's Nederland terminal, increased pipeline volumes and fees and higher lease acquisition margins. Additionally, the Partnership benefited in the first six months of 2008 from third party contracts, to purchase and sell crude oil inventory, that were entered into in conjunction with a contract to exchange crude oil inventory with the Department of Energy ("DOE"). In accordance with accounting standards, these third party contracts were deemed to be derivatives, which required a mark to market adjustment to be recorded in income during the second quarter of 2008. The accounting for the third party contracts, along with the exchange contract with the DOE, resulted in \$5.1 million in income being recognized for the first six months of 2008. These contracts will be settled during the third quarter of 2008. Other income also contributed to the increased profitability due to increased equity income associated with the Partnership's joint venture interests and the gain on an insurance recovery discussed above.

Higher crude oil prices were a key driver of the overall increase in total revenue, cost of products sold and operating expenses from the prior year period. The average price of West Texas Intermediate crude oil at Cushing, Oklahoma increased to \$110.98 per barrel for the first six months of 2008 from \$61.64 per barrel for the first six months of 2007.

Liquidity and Capital Resources

Liquidity

Cash generated from operations and borrowings under the credit facilities are the Partnership's primary sources of liquidity. At June 30, 2008, the Partnership had available borrowing capacity under the credit facilities of \$410.0 million. The Partnership's working capital position reflects crude oil inventories based on historical costs under the LIFO method of accounting. If the inventories had been valued at their current replacement cost, the Partnership would have had working capital of \$181.2 million at June 30, 2008.

On April 28, 2008, Sunoco Pipeline L.P., a subsidiary of the Partnership, entered into a definitive agreement to acquire a refined products pipeline system and certain other real and personal property interests and assets from Mobil Pipe Line Company. In addition to the pipeline system, Sunoco Partners Marketing & Terminals L.P., a subsidiary of the Partnership, entered into definitive agreements with Exxon Mobil Corporation, Mobil Pipe Line Company and ExxonMobil Oil Corporation, to acquire six refined products terminal facilities. Subject to necessary regulatory filings and approvals and the satisfaction of certain closing conditions, the transactions, with a combined purchase price of approximately \$200.0 million, are expected to be completed in the third quarter of 2008. These acquisitions are expected to be funded through a combination of cash on hand and the Partnership's revolving credit facilities and other borrowings. For further information on these transactions see "Item 1. Notes to Condensed Consolidated Financial Statements (unaudited)—Note 2."

Capital Resources

The Partnership periodically supplements its cash flows from operations with proceeds from debt and equity financing activities.

\$400 Million Credit Facility

Sunoco Logistics Partners Operations L.P. (the "Operating Partnership"), a wholly-owned entity of the Partnership, has a five-year \$400 million Credit Facility, which is available to fund the Operating Partnership's working capital requirements, to finance future acquisitions, to finance future capital projects and for general partnership purposes. The Credit Facility matures in November 2012. At December 31, 2007, there was \$91.0 million outstanding under the credit facility. During the first six months of 2008, the Partnership had net repayments of \$1.0 million resulting in an outstanding balance of \$90.0 million at June 30, 2008.

The Credit Facility bears interest at the Operating Partnership's option, at either (i) LIBOR plus an applicable margin, (ii) the higher of the federal funds rate plus 0.50 percent or the Citibank prime rate (each plus the applicable margin) or (iii) the federal funds rate plus an applicable margin.

The Credit Facility contains various covenants limiting the Operating Partnership's ability to a) incur indebtedness, b) grant certain liens, c) make certain loans, acquisitions and investments, d) make any material change to the nature of its business, e) acquire another company, or f) enter into a merger or sale of assets, including the sale or transfer of interests in the Operating Partnership's subsidiaries. The Credit Facility also requires the Operating Partnership to maintain, on a rolling four-quarter basis, a maximum total debt to EBITDA ratio of 4.75 to 1, which can generally be increased to 5.25 to 1 during an acquisition period. The Operating Partnership is in compliance with this requirement as of June 30, 2008. The Partnership's ratio of total debt to EBITDA was 2.5 to 1 at June 30, 2008.

\$100 Million Credit Facility

In anticipation of the pending MagTex Acquisition, the Operating Partnership entered into a \$100 million 364 day revolving credit facility ("\$100 million Credit Facility") on May 28, 2008. This \$100 million Credit Facility is available to fund the same activities as the Credit Facility described above. If the MagTex Acquisition is terminated, this new revolver will be terminated. The \$100 million Credit Facility matures in May 2009 and can be prepaid at any time. Interest on outstanding borrowings is calculated, at the Operating Partnership's option, using either (i) LIBOR plus and applicable margin or (ii) the higher of (a) the federal funds rates plus 0.50 percent plus an applicable margin, and (b) the Citibank prime rate plus an applicable margin. The \$100 million Credit Facility contains the same covenant requirements as the Credit Facility described above. As of June 30, 2008 there were no borrowings outstanding under the \$100 million Credit Facility.

Letters of Credit

The Partnership entered into two standby letters of credit totaling \$130.4 million. The letters of credit, which were effective January 1, 2008, are required in connection with certain crude oil exchange contracts in which the Partnership is a party. During the quarter, the Partnership met certain performance requirements defined within these contracts which reduced the letters of credit to \$88.0 million. The letters of credit, which will expire in September 2008, are subject to commitment fees, which are not material.

Cash Flows and Capital Expenditures

Net cash provided by operating activities for the six months ended June 30, 2008 was \$134.2 million compared with \$53.4 million of net cash provided by operating activities for the first six months of 2007. Net cash provided by operating activities for the first six months of 2008 was primarily the result of net income of \$88.8 million, depreciation and amortization of \$19.5 million, the \$5.7 million impairment charge, and an \$18.7 million decrease in working capital. The decrease in working capital was the result of an increase in both accounts payable and accounts receivable activity driven primarily by commodity prices. Net cash provided by operating activities for the first six months of 2007 was primarily the result of net income of \$47.5 million and depreciation and amortization of \$18.3 million, partially offset by a \$22.9 million increase in working capital. The increase in working capital was primarily attributable to an increase in revenues along with an increase in inventory volumes associated with contango inventory positions.

Net cash used in investing activities for the first six months of 2008 was \$63.0 million compared with \$63.8 million for the first six months of 2007.

Net cash used in financing activities for the first six months of 2008 was \$71.2 million compared with \$10.1 million net cash provided by financing activities for the first six months of 2007. Net cash used in financing activities for the first six months of 2008 resulted from \$64.7 million in distributions paid to limited partners and the general partner and an increase in advances to affiliates of \$6.2 million. Net cash provided by financing activities for the first six months of 2007 was the result of \$71.9 million increase in net borrowings under the Partnership's Credit Facility to fund the Partnership's organic growth capital program, contango inventory positions, and to purchase a 50% undivided interest in a refined products terminal located in Syracuse, New York. This increase was partially offset by \$57.3 million in distributions paid to limited partners and the general partner and \$3.9 million in net advances to affiliates.

Under a treasury services agreement with Sunoco, the Partnership participates in Sunoco's centralized cash management program. Advances from affiliates in the Partnership's condensed consolidated balance sheets at June 30, 2008 represent amounts due to Sunoco under this agreement. Advances to affiliates at December 31, 2007 represent amounts due from Sunoco under this agreement.

Capital Requirements

The pipeline, terminalling, and crude oil transport operations are capital intensive, requiring significant investment to maintain, upgrade or enhance existing operations and to meet environmental and operational regulations. The capital requirements have consisted, and are expected to continue to consist, primarily of:

- Maintenance capital expenditures, such as those required to maintain equipment reliability, tankage and pipeline integrity and safety, and to address environmental regulations; and
- Expansion capital expenditures to acquire assets to grow the business and to expand existing and construct new facilities, such as projects that increase storage or throughput volume.

The following table summarizes maintenance and expansion capital expenditures, including net cash paid for acquisitions, for the periods presented (in thousands of dollars):

| | Six Months Ended June 30, | |
|-------------|------------------------------|-----------------|
| | 2008 | 2007 |
| Maintenance | \$ 7,771 | \$ 7,541 |
| Expansion | 44,724 | 56,274 |
| | <u>\$52,495</u> | <u>\$63,815</u> |

Management anticipates maintenance capital expenditures to be approximately \$26.0 million for the year ended December 31, 2008, excluding reimbursements from Sunoco in accordance with the terms of certain agreements. Maintenance capital expenditures for both periods presented include recurring expenditures such as pipeline integrity costs, pipeline relocations, repair and upgrade of field instrumentation, including measurement devices, repair and replacement of tank floors and roofs, upgrades of cathodic protection systems, crude trucks and related equipment, and the upgrade of pump stations.

Expansion capital expenditures for the six months ended June 30, 2008 were \$44.7 million compared to \$56.3 million for the first six months of 2007. The decrease is attributable to the \$13.4 million acquisition of a 50 percent interest in the Syracuse, New York refined products terminal in 2007. Expansion capital for 2008 includes construction in progress, in connection with the Partnership's agreement with Motiva Enterprises LLC, of three crude oil storage tanks at its Nederland Terminal and a crude oil pipeline from Nederland to Motiva's Port Arthur, Texas refinery. Expansion capital also includes construction of five additional crude oil storage tanks at Nederland, of which two began construction during the second quarter of 2008. These five crude oil storage tanks will have a combined shell capacity of approximately 3.0 million barrels.

The Partnership expects to fund capital expenditures, including pending and future acquisitions, from both cash provided by operations and, to the extent necessary, from the proceeds of borrowings under the Credit Facility, other borrowings and the issuance of additional common units.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our exposure to interest-rate risk relates primarily to variable-rate borrowings. Variable-rate debt outstanding at June 30, 2008 was \$90.0 million and averaged \$73.7 million during the second quarter of 2008. The Partnership issues long-term debt either at fixed rates or use interest rate swaps to limit exposure to changes in interest rates on variable-rate, long-term debt. On January 8, 2008, the Partnership entered into an interest rate swap with a notional amount of \$50.0 million maturing January 2010. Under the swap agreement, the Partnership receives interest equivalent to the three-month LIBOR and pays a fixed rate of interest of 3.489 percent with settlements occurring quarterly. To maintain hedge accounting for the Swap, the Partnership is committed to maintaining at least \$50.0 million in borrowings at an interest rate based on the three-month LIBOR, plus an applicable margin, through January 2010. Additional variable-rate borrowings under the revolving credit facilities will be subject to fluctuations in interest rates.

Commodity Market Risk

The Partnership is exposed to volatility in crude oil commodity prices. To manage such exposures, inventory levels and expectations of future commodity prices are monitored when making decisions with respect to risk management and inventory carried. The Partnership does not hold or issue any derivative instruments for trading purposes. In January 2008, the Partnership commenced an exchange contract with the Department of Energy ("DOE"). Under the terms of this contract, the DOE was required to deliver various grades of crude oil to the Partnership during the period of January 2008 through June 2008. In return, the Partnership agreed to deliver an equivalent amount of crude oil to the DOE during the period of February 2008 through July 2008. In connection with this contract, the Partnership entered into third party contracts to balance the timing of crude oil receipts and purchases. In accordance with accounting standards, these third party contracts were deemed to be derivatives, and therefore a mark to mark adjustment was recorded in income during the second quarter of 2008. The combination of these contracts, along with the exchange contract with the DOE, resulted in \$5.1 million of income being recognized as of June 30, 2008. These contracts will be settled during the third quarter of 2008.

Forward-Looking Statements

Some of the information included in this quarterly report on Form 10-Q contains "forward-looking" statements, as such term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act, and information relating to Sunoco Logistics Partners L.P. that is based on the beliefs of its management as well as assumptions made by and information currently available to management.

Forward-looking statements discuss expected future results based on current and pending business operations, and may be identified by words such as "anticipates," "believes," "expects," "planned," "scheduled" or similar expressions. Although management of the Partnership believes these forward-looking statements are reasonable, they are based upon a number of assumptions, any or all of which may ultimately prove to be inaccurate. Statements made regarding future results are subject to numerous assumptions, uncertainties and risks that may cause future results to be materially different from the results stated or implied in this document.

The following are among the important factors that could cause actual results to differ materially from any results projected, forecasted, estimated or budgeted:

- Our ability to successfully consummate announced acquisitions or expansions and integrate them into our existing business operations;
- Delays related to construction of, or work on, new or existing facilities and the issuance of applicable permits;
- Changes in demand for, or supply of, crude oil, refined petroleum products and natural gas liquids that impact demand for the Partnership's pipeline, terminalling and storage services;
- Changes in the demand for crude oil we both buy and sell;
- The loss of Sunoco R&M as a customer or a significant reduction in its current level of throughput and storage with the Partnership;
- An increase in the competition encountered by the Partnership's petroleum products terminals, pipelines and crude oil acquisition and marketing operations;
- Changes in the financial condition or operating results of joint ventures or other holdings in which the Partnership has an equity ownership interest;
- Changes in the general economic conditions in the United States;
- Changes in laws and regulations to which the Partnership is subject, including federal, state, and local tax, safety, environmental and employment laws;
- Changes in regulations concerning required composition of refined petroleum products that result in changes in throughput volumes, pipeline tariffs and/or terminalling and storage fees;
- Improvements in energy efficiency and technology resulting in reduced demand for petroleum products;
- The Partnership's ability to manage growth and/or control costs;
- The effect of changes in accounting principles and tax laws and interpretations of both;
- Global and domestic economic repercussions, including disruptions in the crude oil and petroleum products markets, from terrorist activities, international hostilities and other events, and the government's response thereto;
- Changes in the level of operating expenses and hazards related to operating facilities (including equipment malfunction, explosions, fires, spills and the effects of severe weather conditions);
- The occurrence of operational hazards or unforeseen interruptions for which the Partnership may not be adequately insured;
- The age of, and changes in the reliability and efficiency of the Partnership's operating facilities;
- Changes in the expected level of capital, operating, or remediation spending related to environmental matters;
- Changes in insurance markets resulting in increased costs and reductions in the level and types of coverage available;
- Risks related to labor relations and workplace safety;
- Non-performance by or disputes with major customers, suppliers or other business partners;
- Changes in the Partnership's tariff rates implemented by federal and/or state government regulators;
- The amount of the Partnership's indebtedness, which could make the Partnership vulnerable to adverse general economic and industry conditions, limit the Partnership's ability to borrow additional funds, place it at competitive disadvantages compared to competitors that have less debt, or have other adverse consequences;
- Restrictive covenants in the Partnership's or Sunoco, Inc.'s credit agreements;
- Changes in the Partnership's or Sunoco, Inc.'s credit ratings, as assigned by ratings agencies;
- The condition of the debt capital markets and equity capital markets in the United States, and the Partnership's ability to raise capital in a cost-effective way;

-
- Changes in interest rates on the Partnership's outstanding debt, which could increase the costs of borrowing;
 - Claims of the Partnership's non-compliance with regulatory and statutory requirements; and
 - The costs and effects of legal and administrative claims and proceedings against the Partnership or any entity in which it has an ownership interest, and changes in the status of, or the initiation of new litigation, claims or proceedings, to which the Partnership, or any entity in which it has an ownership interest, is a party.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the Partnership's forward-looking statements. Other factors could also have material adverse effects on future results. The Partnership undertakes no obligation to update publicly any forward-looking statement whether as a result of new information or future events.

Item 4. Controls and Procedures

(a) Disclosure controls and procedures are designed to ensure that information required to be disclosed in the Partnership reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Partnership reports under the Exchange Act is accumulated and communicated to management, including the President and Chief Executive Officer of Sunoco Partners LLC (the Partnership's general partner) and the Vice President and Chief Financial Officer of the general partner, as appropriate, to allow timely decisions regarding required disclosure.

(b) As of June 30, 2008, the Partnership carried out an evaluation, under the supervision and with the participation of the management of the general partner (including the President and Chief Executive Officer and the Vice President and Chief Financial Officer), of the effectiveness of the design and operation of the Partnership's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the general partner's President and Chief Executive Officer, and its Vice President and Chief Financial Officer, concluded that the Partnership's disclosure controls and procedures are effective.

(c) No change in the Partnership's internal control over financial reporting has occurred during the fiscal quarter ended June 30, 2008 that has materially affected, or that is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

PART II**OTHER INFORMATION****Item 1. Legal Proceedings**

There are certain legal and administrative proceedings arising prior to the February 2002 IPO pending against the Partnership's Sunoco-affiliated predecessors and the Partnership (as successor to certain liabilities of those predecessors). Although the ultimate outcome of these proceedings cannot be ascertained at this time, it is reasonably possible that some of them may be resolved unfavorably. Sunoco has agreed to indemnify the Partnership for 100 percent of all losses from environmental liabilities related to the transferred assets arising prior to, and asserted within 21 years of February 8, 2002. There is no monetary cap on this indemnification from Sunoco. Sunoco's share of liability for claims asserted thereafter will decrease by 10 percent each year through the thirtieth year following the February 8, 2002 date. Any remediation liabilities not covered by this indemnity will be the Partnership's responsibility. In addition Sunoco is obligated to indemnify the Partnership under certain other agreements executed after the February 2002 IPO.

There are certain other pending legal proceedings related to matters arising after the February 2002 IPO that are not indemnified by Sunoco. Management believes that any liabilities that may arise from these legal proceedings will not be material to the Partnership's financial position at June 30, 2008.

Item 1A. Risk Factors

There have been no material changes from the risk factors described previously in Part I, Item 1A of the Partnership's Annual Report on Form 10-K for the year ended December 31, 2007, filed on February 26, 2008.

Item 2. Unregistered Sales of Equity Securities and Uses of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits

- 2.1 Sale and Purchase Agreement for Magtex Refined Products Pipeline System between Mobil Pipe Line Company and Sunoco Pipeline L.P., executed April 28, 2008
- 2.1.1 List of Schedules and Exhibits to Sale and Purchase Agreement omitted from this filing. Registrant hereby undertakes, pursuant to Regulation S-K Item 601(2) to furnish any such schedules and exhibits to the SEC supplementally, upon request.
- 2.2 Terminals Sale and Purchase Agreement for Center, TX, Hearne(East), TX, Waco, TX and Waskom, TX Terminals between ExxonMobil Oil Corporation and Sunoco Partners Marketing & Terminals L.P., executed April 28, 2008
- 2.2.1 List of Schedules and Exhibits to Terminals and Purchase Agreement omitted from this filing. Registrant hereby undertakes, pursuant to Regulation S-K Item 601(2) to furnish any such schedules and exhibits to the SEC supplementally, upon request.
- 2.3 Terminals Sale and Purchase Agreement for Arcadia, LA Terminal between Exxon Mobil Corporation and Sunoco Partners Marketing & Terminals L.P., executed April 28, 2008
- 2.3.1 List of Schedules and Exhibits to Terminals and Purchase Agreement omitted from this filing. Registrant hereby undertakes, pursuant to Regulation S-K Item 601(2) to furnish any such schedules and exhibits to the SEC supplementally, upon request.
- 2.4 Terminals Sale and Purchase Agreement for Hearne, TX (West) Terminal between Mobil Pipe Line Company and Sunoco Partners Marketing & Terminals L.P., executed April 28, 2008
- 2.4.1 List of Schedules and Exhibits to Terminals and Purchase Agreement omitted from this filing. Registrant hereby undertakes, pursuant to Regulation S-K Item 601(2) to furnish any such schedules and exhibits to the SEC supplementally, upon request.
- 10.1 Sunoco Partners LLC Executive Summary Compensation Sheet
- 12.1 Statement of Computation of Ratio of Earnings to Fixed Charges
- 31.1 Chief Executive Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(a)
- 31.2 Chief Financial Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(a)
- 32.1 Chief Executive Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(b) and U.S.C. §1350
- 32.2 Chief Financial Officer Certification of Periodic Report Pursuant to Exchange Act Rule 13a-14(b) and U.S.C. §1350

We are pleased to furnish this Form 10-Q to unitholders who request it by writing to:

Sunoco Logistics Partners L.P.
Investor Relations
Mellon Bank Center
1735 Market Street
Philadelphia, PA 19103-7583

or through our website at www.sunocologistics.com.

SALE AND PURCHASE AGREEMENT
FOR
MAGTEX REFINED PRODUCTS PIPELINE SYSTEM
BETWEEN
MOBIL PIPE LINE COMPANY,
SELLER
AND
SUNOCO PIPELINE L.P.,
BUYER
April 28, 2008

PIPELINE SALE AND PURCHASE AGREEMENT
EXECUTION VERSION

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SALE AND PURCHASE AGREEMENT

FOR MAGTEX REFINED PRODUCTS PIPELINE SYSTEM

This Sale and Purchase Agreement for MAGTEX REFINED PRODUCTS PIPELINE SYSTEM (the "Agreement") is made and entered into this 28th day of April, 2008 (the "Effective Date") by and between **MOBIL PIPE LINE COMPANY**, a Delaware corporation ("SELLER" or "MPLCO") and **SUNOCO PIPELINE L.P.**, a Texas limited partnership ("BUYER"). SELLER and BUYER are hereinafter sometimes referred to individually as "Party" or collectively as "Parties" in this Agreement.

PRELIMINARY STATEMENTS

SELLER owns and operates a pipeline system originating at Beaumont, Texas and terminating at destinations in Houston and other east Texas markets. SELLER now desires to sell this pipeline system and related rights, and BUYER wishes to purchase the system on the terms and conditions set forth below.

TERMS OF AGREEMENT

SELLER and BUYER therefore agree as follows:

Definitions. The following terms shall have the meanings set forth below for all purposes of this Agreement:

- (A) "**Affiliate**" shall mean a party's Parent Company and Affiliated Companies; for the purpose of this definition (a) a party's "Parent Company" shall mean a company or companies having a Controlling Interest in such party; (b) a party's "Affiliated Companies" shall mean any and all companies in which the party, or the Parent Company of such party, has a direct or indirect Controlling Interest; and (c) "Controlling Interest" shall mean a legal or beneficial ownership of more than fifty percent (50%) of the voting stock in a company.
- (B) "**Aldine Consideration**" has the meaning provided in Section 44(A).
- (C) "**Aldine Option**" has the meaning provided in Section 44(A).
- (D) "**Aldine Option Closing**" has the meaning provided in Section 44(A).
- (E) "**Aldine Option Parcel**" shall mean Parcel A together with that portion of Parcel B, if any, which BUYER elects to exercise the Aldine Option on.
- (F) "**Aldine Parcel**" has the meaning provided in Section 1(A)(viii).
- (G) "**Assets**" has the meaning provided in Section 1.
- (H) "**Assignment and Assumption Agreement**" has the meaning provided in Section 1(D).
- (I) "**Assumed Environmental Liabilities**" has the meaning provided in Section 7(D).

PIPELINE SALE AND PURCHASE AGREEMENT
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- (J) “**Authorized Representative**” means any employee, agent, representative, consultant, contractor, or subcontractor.
- (K) “**Baseline Condition**” has the meaning provided in Section 7(B).
- (L) “**Buyer Indemnitee**” has the meaning provided in Section 15(A).
- (M) “**Cause**” means and includes fraud, theft, act(s) constituting a felony, gross neglect of duties, material dishonesty, gross insubordination, gross misconduct, disloyalty, intentional or grossly negligent violation of any state or federal law(s), attending work under the influence of alcohol or illegal drugs, or public conduct materially detrimental to the reputation of the employer.
- (N) “**Claim**” and “**Claims**” means all liability, costs (including without limitation any attorney fees and costs), expenses, claims, demands, fines, penalties, causes of action or other obligation of whatever nature, whether under express or implied contract, at common law or under any applicable law, rule or regulation, including without limitation applicable Environmental Laws.
- (O) “**Closing**” has the meaning provided in Section 16.
- (P) “**Closing Date**” has the meaning provided in Section 16.
- (Q) “**Closing Credits**” has the meaning provided in Section 18.
- (R) “**Code**” has the meaning provided in Section 24.
- (S) “**Consent**” has the meaning provided in Section 4(E)
- (T) “**Damages**” means any and all obligations, liabilities, damages (including, without limitation, physical damage to real or personal property or natural resources), fines, liens, penalties, deficiencies, losses, judgments, settlements, personal injuries (including, without limitation, injuries or death arising from exposure to Regulated Substances), costs and expenses (including, without limitation, environmental costs, accountants’ fees, attorneys’ fees, fees of engineers, health, safety, environmental and other outside consultants and investigators, and reasonable court costs, appellate costs, and bonding fees), whether based in tort, contract or any local, state or federal law, common law, statute, ordinance or regulation, whether legal or equitable, past, present or future, ascertained or unascertained, known or unknown, suspected or unsuspected, absolute or contingent, liquidated or unliquidated, choate or inchoate or otherwise.
- (U) “**Easements**” has the meaning provided in Section 1(C).
- (V) “**Effective Date**” has the meaning provided in the preamble to this Agreement.
- (W) “**Employees**” has the meaning provided in Section 8(A).
- (X) “**Environmental Condition**” means the existence of Regulated Substances in or on the soil, surface water, groundwater at, on or under the Assets, or migrating from the Assets to a contiguous property or properties to the extent the levels of any such Regulated Substances exceed naturally occurring background levels in such areas.

PIPELINE SALE AND PURCHASE AGREEMENT
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- (Y) “**Environmental Documents**” means all of the documents set forth in Exhibit I.
- (Z) “**Environmental Law**” or “**Environmental Laws**” means any and all applicable common law, statutes and regulations, of the United States, the State of Texas, and local and county areas concerning the environment, preservation or reclamation of natural resources, natural resource damages, human health and safety, prevention or control of spills or pollution, or to the management (including, without limitation, generation, treatment, storage, transportation, arrangement for transport, disposal, arrangement for disposal, or other handling), Release or threatened Release of Regulated Substances, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq.), the Hazardous Material Transportation Authorization Act of 1994 (49 U.S.C. §5101 et seq.), the Solid Waste Disposal Act (42 U.S.C. §6901 et seq.) (including the Resource Conservation and Recovery Act of 1976, as amended), the Clean Water Act (33 U.S.C. §1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. §2701 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Emergency Planning and Right-To-Know Act of 1986 (42 U.S.C. §11101 et seq.), the Endangered Species Act of 1973 (16 U.S.C. §1531 et seq.), the Lead-Based Paint Exposure Reduction Act (15 U.S.C. §2681 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. §4321 et seq.), and all State of Texas, county and local laws of a similar nature to federal law, and the rules and regulations promulgated thereunder, each as amended and, unless otherwise provided in this Agreement, in effect as of the Closing Date.
- (AA) “**Environmental Liabilities**” means any Damages or Proceedings (whether incurred, existing or first occurring on, before or after the Closing Date) relating to or arising out of ownership or operation of the Assets (whether on, before or after the Closing Date) pursuant to any applicable Environmental Laws as in effect at any time, including without limitation: (i) any Third Party Environmental Claim; (ii) any Governmental Environmental Enforcement Action; or (iii) any Remediation Activities.
- (BB) “**Environmental Permits**” shall mean those permits, authorizations, approvals, registrations, certificates, Orders, waivers, variances or other approvals and licenses issued by or required to be filed with any Governmental Authority under any applicable Environmental Law that are related to the Assets.
- (CC) “**ERISA**” means the United States Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.
- (DD) “**ERISA Affiliate**” means any entity, trade or business (whether or not incorporated) that is controlled by, controlling or under common control (within the meaning of Section 414 of the Code or Section 4001(a)(14) or Section 4001(b)(1) of ERISA) with the SELLER.
- (EE) “**Excluded Employees**” has the meaning provided in Section 8(A).
- (FF) “**Excluded Equipment**” has the meaning provided in Section 2(A).
- (GG) “**Excluded Books and Records**” has the meaning provided in Section 2(B).
- (HH) “**ExxonMobil/Ancon Policy**” shall mean any property and/or liability insurance policies issued to SELLER, Exxon Mobil Corporation or any of their divisions or Affiliates,

PIPELINE SALE AND PURCHASE AGREEMENT
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including without limitation, any property and/or liability coverage policies issued to SELLER, Exxon Mobil Corporation or any of their divisions or Affiliates by Ancon Insurance Company, Inc. (“Ancon”), a Vermont corporation, (which is Exxon Mobil Corporation’s wholly-owned captive insurer), or its predecessor companies or by a locally admitted insurer which are reinsured by Ancon.

- (II) “**Facilities**” has the meaning provided in Section 1(A)(xi).
- (JJ) “**FMV**” has the meaning provided in Section 44(A)(ii).
- (KK) “**Final Repair Plans**” has the meaning provided in Section 43
- (LL) “**Governmental Authority**” or “**Governmental Authorities**” means any federal, state or local governmental authority, administrative agency, regulatory body, board, commission, judicial body or other body having jurisdiction over the matter.
- (MM) “**Governmental Environmental Enforcement Action**” means any order, settlement agreement, consent decree, directive, notice of violation, notice of enforcement, letter of notice, notice of noncompliance, corrective action, or similar type of legal requirement or instrument that is issued by, entered into with, or otherwise required by a Governmental Authority with respect to an actual or alleged noncompliance under applicable Environmental Laws.
- (NN) “**Hired Employees**” has the meaning provided in Section 8(A).
- (OO) “**Identified Defects**” means such defects or conditions identified by the Pipeline Integrity Assessments requiring repair in accordance with prudent petroleum pipeline industry practices and applicable Law.
- (PP) “**Intended Hired Employees**” has the meaning provided in Section 8(A).
- (QQ) “**IRS**” means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.
- (RR) “**Knowledge**” means the knowledge of individuals currently employed by Seller or Buyer, as applicable, in supervisory positions at any time during the two year period immediately preceding the Closing Date who, in the normal scope of their employment would have knowledge of the matter.
- (SS) “**Laws**” has the meaning provided in Section 1(F)
- (TT) “**MPLCO**” means Mobil Pipe Line Company or Seller, a party to this Agreement.
- (UU) “**Magtex System**” has the meaning provided in Section 1(A).
- (VV) “**Memorandum of Option**” has the meaning provided in Section 44(B).
- (WW) “**MPLCO Information**” has the meaning provided in Section 11.
- (XX) “**Off-Site**” means those areas contiguous to the Real Property to be conveyed under this Agreement and not considered On-Site.

PIPELINE SALE AND PURCHASE AGREEMENT
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(YY) “**Off-Site Disposal Activities**” means any off-site transportation, storage, disposal, or treatment, or any arrangement for off-site transportation, storage, disposal, or treatment of any Regulated Substance; provided however, that the term “Off-Site Disposal Activities” shall not include the Off-Site portion of an Environmental Condition that has migrated from the Assets.

(ZZ) “**Off-Site Remediation Activities**” means any Remediation Activities with respect to the Assets that relate to Off-Site Disposal Activities.

(AAA) “**On-Site**” means the Real Property to be conveyed under this Agreement.

(BBB) “**Operational Assessment**” has the same meaning as provided in Section 6 of this Agreement.

(CCC) “**Option Exercise Notice**” has the meaning provided in Section 44(A).

(DDD) “**Option Period**” has the meaning provided in Section 44(A).

(EEE) “**Order**” means any judgment, order, settlement agreement, writ, injunction or decree of any Governmental Authority having jurisdiction over the matter and still in effect as of the Closing Date.

(FFF) “**Parcel A**” means that parcel labeled Parcel A on Exhibit AA.

(GGG) “**Parcel B**” means that parcel labeled Parcel B on Exhibit AA.

(HHH) “**Party**” means SELLER (also “MPLCO”) or Buyer, individually.

(III) “**Parties**” mean SELLER (also “MPLCO”) and Buyer, collectively.

(JJJ) “**Permit**” means any license, permit, concession, franchise, authority, consent or approval granted by any Governmental Authority, excluding Environmental Permits.

(KKK) “**Permitted Exceptions**” means (i) liens for taxes, assessments and government or other similar charges that are not yet due and payable; (ii) covenants, conditions, restrictions, easements, encroachments or encumbrances of record that do not materially interfere with the present occupancy of the Real Property or BUYER’S anticipated use of such Real Property; and (iii) zoning, building codes and other land use laws regulating the use or occupancy of the Real Property or the activities conducted thereon which are imposed by any governmental authority having jurisdiction over the Real Property and not violated by the present occupancy of the Real Property.

(LLL) “**Permitted Title Exceptions**” has the meaning provided for in Section 4(F).

(MMM) “**Pipeline Integrity Assessments**” means the inspections of the Facilities, including in-line inspections, conducted for the purpose of assessing the integrity and general operating condition of the Facilities.

(NNN) “**Proceedings**” means any actions, causes of action, written demands, written claims, suits, investigations, arbitration, administrative or judicial proceeding, and any appeals.

PIPELINE SALE AND PURCHASE AGREEMENT
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(OOO) **“Property Taxes”** has the meaning provided in Section 18.

(PPP) **“Real Property”** means the real property being conveyed under this Agreement as described further in Section 1(B) and Exhibit A-2.

(QQQ) **“Records”** has the meaning provided in Section 1(F).

(RRR) **“Regulated Substance”** means any (a) chemical, substance, material, or waste that is designated, classified, or regulated as “industrial waste,” “hazardous waste,” “hazardous material,” “hazardous substance,” “toxic substance,” or words of similar import, under any applicable Environmental Law; (b) petroleum, petroleum hydrocarbons, petroleum products, petroleum substances, crude oil, and components, fractions, derivatives, or by-products thereof; (c) asbestos or asbestos-containing material (regardless of whether in a friable or non-friable condition), or polychlorinated biphenyls; and (d) substance that, whether by its nature or its use, is subject to regulation under any applicable Environmental Law in effect at that time or for which a Governmental Authority requires Remediation Activities with respect to the Assets.

(SSS) **“Release”** shall have the meaning specified in CERCLA; provided, however, that, to the extent the Environmental Laws in effect at any time after the Closing Date establish a meaning for “Release” that is broader than that specified in CERCLA, such broader meaning shall apply to any “Release” occurring after Closing.

(TTT) **“Release Agreement”** has the meaning provided in Section 7(G).

(UUU) **“Remediation Activities”** means any investigation, study, assessment, testing, monitoring, containment, removal, disposal, closure, corrective action, remediation (regardless of whether active or passive), natural attenuation, bioremediation, response, cleanup or abatement of an Environmental Condition to standards required by applicable Environmental Laws in effect at such time or as required by an appropriate Governmental Authority for property used for continued usage as the Assets are currently being used. It is expressly understood, however, that taking no action other than monitoring and sampling may constitute Remediation Activities if, after investigation, taking no action other than monitoring and sampling is determined to be consistent with or allowed under applicable Environmental Laws in effect at that time. If taking no action other than monitoring and sampling is not consistent with or allowed under applicable Environmental Laws in effect at that time, the alternative to taking no action other than monitoring and sampling, such as (i) a risk-based closure that may or may not require institutional controls including, without limitation, structure and land use restrictions, well restrictions, declarations of environmental restriction or other forms of deed notice regarding the presence of contamination, and establishment of groundwater classification exception areas, or (ii) the installation of engineering controls to contain or stabilize Regulated Substances including, without limitation, caps, covers, dikes, trenches, leachate collection systems, signs, fences and access controls may constitute Remediation Activities, provided that any such alternative is consistent with or otherwise allowed under applicable Environmental Laws in effect at the time of performance.

(VVV) **“Required Repairs”** means the repair of each Identified Defect in accordance with prudent petroleum pipeline industry practices and applicable Law for the operation of the Facilities in accordance with SELLER’s current practices, including current operating pressures.

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- (WWW) “**Required Repair Costs**” means the cost to make all Required Repairs to the standards prescribed by applicable Law and in accordance with prudent petroleum pipeline industry practices. Such costs (i) shall include excavation, technical analysis (on-site and/or laboratory) expense, purging costs (if required) and material costs and (ii) shall be as mutually agreed by the Parties or, absent such mutual agreement, as determined by a qualified engineering firm selected by BUYER and reasonably satisfactory to SELLER. The fees and costs of any such engineering firm shall be borne equally by SELLER and BUYER.
- (XXX) “**Retained Environmental Liability**” has the meaning provided in Section 7(C) of this Agreement.
- (YYY) “**Schedules**” means the schedules attached to this Agreement and referenced herein.
- (ZZZ) “**Seller Benefit Plan**” means any employee benefit plan, program, policy, agreement or other arrangement (including any “employee benefit plan,” as defined in Section 3(3) of ERISA) sponsored, maintained or contributed to by SELLER or any ERISA Affiliate for the benefit of any current or former Employees.
- (AAAA) “**Seller Indemnitor**” has the meaning provided in Section 15(A).
- (BBBB) “**Subdividing**” has the meaning provided in Section 44(A)(iii).
- (CCCC) “**Survey**” has the meaning provided in Section 10(C).
- (DDDD) “**Tax**” means any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees’ income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative, add-on minimum and other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever and any interest, penalty, addition or additional amount thereon imposed, assessed or collected by or under the authority of any Governmental Authority or payable under any tax-sharing agreement or any other contract.
- (EEEE) “**Third Party**” means any individual or legal business entity other than: (i) a Party; (ii) a Party’s Affiliates; (iii) a Party’s Authorized Representatives; (iv) employees, officers, directors, agents and representatives and all successors of a Party and its Affiliates; and, (v) a Party’s permitted assigns.
- (FFFF) “**Third Party Environmental Claim**” means a Proceeding by any Third Party alleging Damages relating to or arising out of exposure to, or Off-Site migration of, a Regulated Substance (including, without limitation, Damages for Proceedings arising under applicable Environmental Laws in connection with Damages for Remediation Activities undertaken by a Third Party at its property). Notwithstanding anything to the contrary in this Agreement, to the extent that Remediation Activities are required by Governmental Entities as a result of a Third Party Environmental Claim, such

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Remediation Activities shall be governed by the provisions under this Agreement dealing with Remediation Activities; provided that in no event shall a Third Party Environmental Claim include any Claim resulting from, or based on, a Retained Environmental Liability.

(GGGG) “**Title Commitment**” has the meaning provided in Section 10(B).

(HHHH) “**Title Company**” means Stewart Title Guaranty Company.

(IIII) “**Title Cure Period**” has the meaning provided in Section 10(D).

(JJJJ) “**Title Objections**” has the meaning provided in Section 10(D).

(KKKK) “**Title Policies**” has the meaning provided in Section 16(B)(vii).

Capitalized terms defined in this Agreement shall be equally applicable to both the singular and plural forms of such defined terms. As used in this Agreement, (i) “include”, “includes” and “including” shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import, (ii) unless otherwise specified, “hereof”, “herein”, “hereunder” and comparable terms refer to this entire Agreement and not to any particular article, section or other subdivisions, and (iii) pronouns of whatever gender, shall include all natural persons, corporations, limited liability companies, partnerships, associations and other entities of every kind and character unless the context otherwise requires.

1. Sale and Purchase. Subject to the terms and conditions of this Agreement, SELLER agrees to sell and BUYER agrees to buy all of SELLER’s right, title and interest in the following (collectively, the “Assets”):

- (A) The MPLCO Magtex Refined Products Pipeline System originating in and around Beaumont in Jefferson County, Texas and terminating at various points throughout Houston, Texas and other east Texas locations, collectively described as the “Magtex System” and more specifically described as follows:
- (i) The Beaumont to Hebert mainline segment (“Beaumont Line”) consisting of approximately 12 miles of 10/12/14-inch diameter pipe extending from ExxonMobil’s Beaumont Refinery in Jefferson County, Texas to MPLCO’s Hebert Station in Jefferson County, Texas, including approximately 1 mile of 8-inch diameter pipe extending laterally into TEPPCo’s facility in Jefferson County; and
 - (ii) The Port Arthur to Hebert mainline segment (“Port Arthur Line”) consisting of approximately 10.5 miles of 12-inch diameter pipe extending from a point near the Motiva Refinery in Jefferson County, Texas to MPLCO’s Hebert Station; and
 - (iii) The Hebert to Center/Waskom mainline segment (“East Texas Line”) consisting of approximately 179 miles of 8-inch diameter pipe extending from Hebert Station in Jefferson County, Texas to Center, Texas in Shelby County and extending to Waskom, Texas in Harrison County; and
 - (iv) The Hebert to Houston mainline segment (“Houston Line”) consisting of approximately 98 miles of 8/6-inch diameter pipe extending from Hebert Station

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in Jefferson County, Texas to points in Houston, Texas near the Petroleum Wholesalers, Inc terminal and extending to Motiva Enterprises LLC terminal, both located in Harris County; and

- (v) The Hebert to Hearne mainline segment (“Hearne Line”) consisting of approximately 178 miles of 12-inch diameter pipe extending from Hebert Station in Jefferson County, Texas to terminals near Hearne, Texas in Robertson County; and
 - (vi) The Aldine to Hull No. 4 Crude segment (“No. 4 Line”) consisting of approximately 48 miles of idle 8-inch diameter pipe extending from Aldine Station in Harris County, Texas to Hull Station in Liberty County, Texas; and
 - (vii) The MPLCO Hebert Pipeline Station and storage tanks (“Hebert Station”) and Hebert Truck Terminal (“Hebert Terminal”) consisting of approximately 68.5 acres of land, and the truck rack located thereon (“Hebert Truck Rack”) in the William Sigler Survey A-48, Jefferson County, Texas; and
 - (viii) The Aldine parcel, which shall include the MPLCO Aldine Warehouse consisting of approximately 2.75 acres which constitutes all of the real property included in lots 257 and 264 and lots 217 and 224 inclusive to the Aldine Townsite, according to the plat of said townsite recorded in record of maps and plats, Volume 2, page 27, Harris County, Texas, all being located in the Christopher Walter Survey, Abstract No. 849, along with the twenty seven and one-half (27.5) acre parcel depicted as the eastern most parcel on Exhibit AA and labeled “Part of Sale” (collectively, the “Aldine Parcel”); and
 - (ix) The known MPLCO idle line segments as described on Exhibit A-1 and any other unknown idle line segments owned by MPLCO and located adjacent or parallel to the existing operating pipelines described in this Section 1(A); and
 - (x) The MPLCO microwave towers located in Hardin County and Harris County, Texas as listed in Exhibit A-1; and
 - (xi) All of the Assets as listed in this Section 1(A) and as more particularly described in Exhibit A-1 and attached hereto and made a part hereof, together with attached pumps, motors, valves, fittings, pipe, spare parts inventory, and all related facilities (the “Facilities”), and SELLER covenants and agrees to assign at the Closing to BUYER the Beaumont Pump Station Easement and the Beaumont Pump Station Access Agreement.
- (B) (i) Subject to the Permitted Title Exceptions, all of MPLCO’s real property related to the Assets and owned by it in fee, listed in Exhibit A-2 (the “Real Property”), other than the Hebert Station, and the Aldine Parcel, which shall be conveyed to BUYER by one or more Deeds Without Warranty in the form of Exhibit P of this Agreement. Commencing with the Closing, BUYER shall lease back to MPLCO the real property described in, and subject to the terms of, the Ground Lease, substantially in the form of Exhibit V hereto.

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- (ii) Subject to the Permitted Title Exceptions, the Hebert Station and Aldine Parcel properties, which shall be conveyed to BUYER by one or more Special Warranty Deeds in the form of Exhibit O of this Agreement.
- (C) To the extent assignable, the easements, right of way agreements, and, those land-use and water crossing licenses, permits, governmental authorizations, and other real property entitlements relating to the Facilities, listed in Exhibit B hereto (collectively, the "Easements"). At Closing, where SELLER is not retaining an Easement or rights thereunder, SELLER shall execute, and fully assign to BUYER, one or more of the Assignments in the form of Exhibit G-1; and where SELLER is retaining an Easement or rights thereunder, SELLER shall execute, and partially assign to BUYER, one or more of the Assignments in the form of Exhibit G-2.
- (D) The Environmental Permits and all other Permits to be assigned and assumed pursuant to the terms of an assignment and assumption agreement in the form of Exhibit N (the "Assignment and Assumption Agreement").
- (E) All of SELLER's right-of-way and Department of Transportation records, files and other data, pertaining to the Easements and the Facilities, subject to SELLER's right to retain such records, files and other data (i) deemed necessary or required in SELLER's reasonable judgment to be in compliance with applicable regulations, provided, that, BUYER shall be entitled to copies of such retained records, files and other data to be provided at SELLER's expense or (ii) which pertain to SELLER facilities not included in the Assets.
- (F) The historical books and records relating to the Facilities (the "Records"), including, but not limited to, all non-proprietary records, cathodic protection records, pipeline repair records, electrical drawings, pipeline drawings, mechanical drawings, operating manuals and maps used by SELLER in its operation of the Facilities and to maintain compliance with any other law, regulation, Order or other legal requirement of any Governmental Authority (the "Laws"), excluding any confidential files relating to employees, and also including any such documents that are stored or maintained in electronic storage format, such as computer disks or tapes. If any required Records are not delivered, then SELLER at its expense will provide such Records as are required to comply with such applicable Laws.
- (G) All programmable logic controllers, human machine interface (HMI) computers and displays located at pump stations, surveillance sites, or control buildings included with the Assets, flow computers, electronic control equipment, TANO spare cards and copies of programs for all computerized control equipment associated with each of the Facilities. EMPCo SCADA hub computers and their respective licensed or proprietary software are not part of the Assets.

2. Exclusions.

- (A) Except as specifically provided in Exhibit A-1, the Assets do not include any vehicles, boats, tools, computers, warehouse stock, equipment or materials temporarily located on the property where any of the Assets are located unless the same are intended for use in connection with the Assets or any inventory, equipment, materials, pipelines, fixtures or interests owned by any person or entity other than SELLER (the "Excluded Equipment").

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- (B) The Assets specifically do not include the books and records relating to the Facilities and which are set forth in Exhibit A-3 (the “Excluded Books and Records”).
- (C) This Agreement does not license or authorize BUYER to use or display the “Mobil” name or any trademark owned by SELLER, Exxon Mobil Corporation, or any of their Affiliates and BUYER shall, at its expense, remove (or, with respect to pipeline markers, cover) all signs and markings at or on the Assets which indicate that they were ever owned or operated by SELLER, Exxon Mobil Corporation or any of their Affiliates and return any removed signs to SELLER. BUYER shall remove (or, with respect to pipeline markers, cover) all signs and markings located at or on the Assets within ninety (90) days after Closing (as defined in Section 16).
- (D) The Assets do not include any interest in any insurance or bonds maintained by or on behalf of SELLER or Exxon Mobil Corporation, or any of their divisions or Affiliates. No claims regarding any matter whatsoever, whether or not arising from events occurring prior to Closing, shall be made by BUYER, its successors or assigns, against or with respect to any insurance policy covering the assets or operations of SELLER, any other ExxonMobil entity insurance policy or ExxonMobil/Ancon Policy regardless of their date of issuance. Accordingly, BUYER, individually and on behalf of its successors and assigns, does hereby disclaim any right or interest under any insurance policy covering the assets or operations of SELLER, any other ExxonMobil entity insurance policies or such ExxonMobil/Ancon Policies generally and specifically with regard to the Assets or any claims associated with the Assets.
- (E) Any insurance coverage under any insurance policies that relate to the Assets, or any part of the Assets, and any rights under such insurance policies, whether such policies benefit Seller, or any Affiliate of Seller, or any other person or entity, and whether such insurance policies are underwritten by one or more of Seller’s Affiliates, or an unaffiliated Third Party. Any and all such policies that, but for the Closing, would have insured the Assets, or any part of the Assets, are deemed to be terminated, commuted and cancelled as of the moment of Closing.

3. Purchase Price and Additional Payments.

- A. Amount. The total monetary consideration (the “Purchase Price”) to be paid by Buyer to SELLER for the Assets shall be (i) ONE HUNDRED SEVENTY-FIVE MILLION AND NO/100 U.S. Dollars (\$ 175,000,000).

As evidence of good faith, BUYER, upon execution of this Agreement, shall deposit (i) the amount of \$ EIGHT MILLION, SEVEN HUNDRED AND FIFTY THOUSAND AND NO/100 (\$ 8,750,000) (the “Earnest Money”) with the Title Company, to be held by the Title Company in an interest-bearing account for payment to Seller at Closing or otherwise for application as provided in this Agreement, and (ii) the amount of FIVE HUNDRED AND NO/100 DOLLARS (\$500) (the “Independent Consideration”) with Seller. The Independent Consideration shall be in addition to and independent of any other consideration provided under this Agreement, shall be non-refundable and shall be retained by SELLER under all circumstances. The Parties acknowledge the sufficiency of the Independent Consideration to support this Agreement. The Earnest Money, exclusive of any interest (which SELLER shall retain for its own account), will be applied to the Purchase Price at Closing. Except as specifically provided otherwise in this Agreement, the Earnest Money shall be non-refundable.

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- B. Payment of Purchase Price. At Closing, BUYER shall pay to SELLER the Purchase Price, less the (i) Earnest Money, (ii) the Independent Consideration, (iii) the Aldine Consideration, and (iv) Seller's allocated share of property taxes under Section 18 of this Agreement, in U. S. currency in immediately available funds via bank wire-transfer to a bank account designated by SELLER in writing to BUYER not less than three (3) business days prior to the Closing Date.
- C. Allocation of Purchase Price. The Purchase Price shall be allocated for tax accounting purposes in accordance with Schedule 3(C) attached hereto. BUYER and SELLER agree that they will not take (and will not permit any Affiliate to take), for income tax purposes, any position inconsistent with the allocation on Schedule 3(C).

4. SELLER's Representations and Warranties.

SELLER hereby represents and warrants the following:

- (A) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER WILL SELL THE ASSETS TO BUYER ON AN AS-IS, WHERE-IS AND WITH ALL FAULTS BASIS. SELLER MAKES NO REPRESENTATIONS OR EXPRESS OR IMPLIED WARRANTIES (OTHER THAN AS EXPRESSLY CONTAINED HEREIN) WITH RESPECT TO THE ASSETS. SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED (OTHER THAN AS EXPRESSLY CONTAINED HEREIN), AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS, DATA, INFORMATION, OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED BUYER IN CONNECTION WITH THE ASSETS AND EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK. BUYER EXPRESSLY WAIVES THE PROVISIONS OF CHAPTER XVII, SUBCHAPTER E, SECTIONS 17.41 THROUGH 17.63, INCLUSIVE (OTHER THAN SECTION 17.555, WHICH IS NOT WAIVED), VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE CODE (THE "DECEPTIVE TRADE PRACTICES—CONSUMER PROTECTION ACT" AS WELL AS THE PROVISIONS OF ANY SIMILAR LAW OF ANY OTHER STATE HAVING JURISDICTION OVER ANY PARTY HERETO OR THE ASSETS).
- (B) SELLER is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to carry on its business in the state of Texas.
- (C) SELLER has the corporate power and authority to execute and deliver this Agreement and each agreement and instrument to be delivered by SELLER under it, and to carry out its obligations under this Agreement.
- (D) (i) The execution, delivery and performance of this Agreement and each agreement and instrument to be delivered pursuant hereto by SELLER, and the consummation of the transactions contemplated by the Parties under this Agreement have been duly authorized and approved by all requisite corporate action of MPLCO, (ii) no other corporate act or proceeding on the part of SELLER or its Affiliates or shareholders is necessary to authorize the execution, delivery or performance of this Agreement and (iii) this Agreement is a legal, valid, binding and enforceable obligation of SELLER, except as may be limited by bankruptcy or other laws of such general application affecting creditors' rights generally.

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- (E) Except as specified in Schedule 4(E), no consent, approval, or notices of or to any other person (“Consent”) is required with respect to SELLER or any of its Affiliates in connection with the execution, delivery or enforceability of this Agreement or the consummation of the transactions provided for hereby other than (i) those for which any adverse consequence arising out of the failure to obtain such Consent or to make such filing are immaterial, individually and in the aggregate, to the Assets, (ii) those required for the transfer of the Easements, if any, and (iii) filings made under the Hart- Scott- Rodino Antitrust Improvements Act of 1976, as amended.
- (F) Except for the Easements and the fee properties being transferred hereunder by Deeds Without Warranty, and except as specified in Schedule 4(F), Seller has, and on the Closing Date will have, good and valid title to the Assets, free and clear of all liens of any kind. SELLER has not leased or otherwise granted to any person the right to use or occupy the Assets or any portion thereof; and there are no outstanding options, rights of first offer or refusal to purchase the Assets or any portion thereof or interest therein or any other preferential purchase rights held by any person or entity to purchase or acquire any interest in the Assets. At Closing, SELLER will convey the Assets to BUYER free and clear of all mortgages, liens (including federal, state and local tax liens), claims, judgments, assessments, charges, pledges, security interests and other encumbrances, subject to the following items (collectively, the “Permitted Title Exceptions”):
- (i) Permitted Exceptions; and
 - (ii) any materialman’s and/or mechanic’s lien.
- (G) Except as set forth in Schedule 4(G), there is no suit, action, claim, arbitration, administrative or legal or other proceeding or governmental investigation, pending or, to SELLER’s Knowledge, threatened against or related to the Assets, and (ii) to SELLER’s Knowledge, there are no facts or events which can give rise to a claim against SELLER related to the Assets. Except as set forth in Schedule 4(G), there is no Order in effect relating specifically to the Assets. There is no condemnation or eminent domain proceeding pending or, to SELLER’s Knowledge, threatened against the Assets by publication or other writing.
- (H) SELLER has not incurred any obligation or liability, contingent or otherwise, for brokers’ or finders’ fees in connection with the transactions contemplated by this Agreement for which BUYER shall have any responsibility or liability. SELLER agrees to pay and to indemnify fully, hold harmless and defend BUYER and its Affiliates from and against, and pay, any claims by any person alleging a right to a broker’s or finder’s fee based upon any actions of SELLER or its Affiliates in connection with these transactions.
- (I) Exhibit I identifies all information of which Seller has Knowledge related to, affecting or concerning the Environmental Condition or status of the Assets and that such information could reasonably be expected to form the basis of an Environmental Liability Claim.
- (J) Exhibit J lists all material Environmental Permits in effect (and all pending applications therefor) with respect to the Assets on the date of this Agreement. Except as disclosed on Exhibit 4(J), neither Seller nor its Affiliates has received any notice of any violation,

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claim or default relating to the Environmental Permits. All such permits are final, valid and in full force and effect and the permit holder is in compliance in all material respects therewith.

- (K) Except as listed on Schedule 4(K), there is no collective bargaining relationship or agreement with any labor organization representing any Employees.
- (L) For all Taxes that are due and payable on or before the Closing Date, SELLER has paid, or prior to the Closing Date will pay, all Taxes assessed against, arising from or related to the Assets for all taxable years or taxable periods prior to the Closing Date (including portions of taxable years or periods with respect to which Taxes are due and payable on or before the Closing Date). Seller may incur and will be responsible for Taxes that are assessed at the time of the audit for any taxable years prior to the Closing Date.
- (M) With respect to the ownership of the Assets, SELLER is not in violation of any Law, except for violations that would not reasonably be expected to have a material adverse effect. No investigation or review by any Governmental Authority relating to the conduct of the business of Seller or the ownership of the Assets is pending or, to Seller's Knowledge, threatened. Except as set forth in Schedule 4(M), as of the Closing Date, Seller has not received written notice of any violation of any Law related to the Assets, nor is Seller in default with respect to any Order applicable to any of the Assets, other than violations and defaults the consequences of which would not reasonably be expected to have a material adverse effect.
- (N) Set forth (i) on Exhibit X is a listing of each Pipeline Integrity Assessment scheduled to be conducted in respect of the Facilities prior to the Closing Date, and (ii) on Exhibit U is a listing of the Final Repair Plans identifying those Identified Defects, resulting from the Pipeline Integrity Assessment(s), the repairs of which have not been completed by SELLER prior to the Closing Date.

5. BUYER's Representations and Warranties.

Buyer hereby represents and warrants the following:

- (A) BUYER IS ACQUIRING THE ASSETS FOR ITS OWN BENEFIT AND ACCOUNT AND NOT WITH THE INTENT OF DISTRIBUTING FRACTIONAL UNDIVIDED INTERESTS THEREOF SUCH AS WOULD BE SUBJECT TO REGULATION BY FEDERAL OR STATE SECURITIES LAWS.
- (B) BY REASON OF BUYER'S KNOWLEDGE AND EXPERIENCE IN THE EVALUATION, ACQUISITION, AND OPERATION OF SIMILAR PROPERTIES, BUYER HAS EVALUATED THE MERITS AND RISKS OF PURCHASING THE ASSETS AND HAS FORMED AN OPINION BASED UPON BUYER'S KNOWLEDGE AND EXPERIENCE AND NOT UPON ANY REPRESENTATIONS OR WARRANTIES (OTHER THAN AS EXPRESSLY CONTAINED HEREIN) BY SELLER WITH RESPECT TO THE ASSETS OR AS TO THE ACCURACY OR COMPLETENESS OF ANY FILES, RECORDS, DATA, INFORMATION, OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED TO BUYER IN CONNECTION WITH THE ASSETS, AND ANY RELIANCE ON OR USE OF THE SAME HAS BEEN AND WILL BE AT BUYER'S SOLE RISK.

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- (C) BUYER HAS MADE ALL INVESTIGATION NECESSARY IN ITS JUDGMENT TO PURCHASE THE ASSETS, INCLUDING, BUT NOT LIMITED TO, INVESTIGATION OF ENVIRONMENTAL AND PHYSICAL CONDITIONS OF THE PREMISES.
- (D) BUYER is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Texas.
- (E) BUYER has the partnership power and authority to execute and deliver this Agreement and each agreement and instrument to be delivered by BUYER pursuant hereto, and to carry out its obligations hereunder. The execution, delivery and performance of this Agreement and each agreement and instrument to be delivered pursuant hereto by BUYER and the consummation of the transactions provided for hereby have been duly authorized and approved by all requisite partnership action of BUYER and no other partnership act or proceeding on the part of BUYER or its Affiliates or partners is necessary to authorize the execution, delivery or performance of this Agreement and this Agreement is a legal, valid, binding and enforceable obligation of BUYER, except as may be limited by bankruptcy or other laws of such general application affecting creditors' rights generally.
- (F) No Consent or filing is required with respect to BUYER or any of its Affiliates in connection with the execution, delivery or enforceability of this Agreement or the consummation of the transactions provided for hereby, other than (i) those for which any adverse consequence arising out of the failure to obtain such Consent are immaterial, individually and in the aggregate, to the sale and purchase of the Assets, and (ii) filings made under the Hart- Scott- Rodino Antitrust Improvements Act of 1976, as amended.
- (G) The execution and delivery of this Agreement and the consummation of the transactions provided for hereby does not violate any other agreement, contract, or instrument to which BUYER is subject or is a party.
- (H) No action, suit, proceeding, order or Claim is pending or to BUYER's Knowledge threatened against BUYER seeking to restrain or prohibit this Agreement or the transactions contemplated hereby, or to obtain damages, a discovery order or other relief in connection with this Agreement or the transactions contemplated hereby.
- (I) BUYER has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in connection with the transactions contemplated by this Agreement for which SELLER shall have any responsibility or liability. BUYER agrees to pay and to indemnify fully, hold harmless and defend SELLER and its Affiliates from and against, and pay, any claims by any person alleging a right to a broker's or finder's fee based upon any actions of BUYER or its Affiliates in connection with these transactions.

6. Operational Review Period. BUYER acknowledges that prior to signing this Agreement, BUYER was given the opportunity and waived such opportunity to conduct, or BUYER conducted or had conducted on its behalf, at its own risk and expense and to BUYER's satisfaction, an assessment of the Assets consisting of (a) Easements, permits, licenses or other matters related to title of the Assets; (b) operational files, including available historical files regarding, maintenance, and regulatory required inspections, if any, for the Assets; and (c) financial data associated specifically with the Assets. Except as set forth in this Agreement, BUYER acknowledges that SELLER makes no representations or warranties, express or implied,

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with regard to the accuracy or completeness of any files or other records reviewed. The activities covered by this paragraph are collectively called the "Operational Assessment". Notwithstanding the foregoing, the preceding provisions of this Section 6 shall not preclude any additional assessment as BUYER shall determine to be necessary in preparation for its taking ownership of the Assets.

7. Environmental Review Period.

- A. Environmental Assessment. BUYER acknowledges that prior to signing this Agreement, BUYER was given the opportunity and waived such opportunity to conduct, or BUYER conducted or had conducted on its behalf, at its own risk and expense and to BUYER's satisfaction, an environmental assessment of the Assets consisting of (i) a non-intrusive surface inspection of the Assets, and (ii) an inspection of Seller's available historical files for information, if any, covering any environmental issues, including but not limited to, spills or disposal of crude oil, petroleum, petroleum products or hazardous substances, underground injection or solid waste disposal on the Real Property. In the event that BUYER determines that additional assessments or inspections in addition to (i) above are necessary, BUYER shall submit an inspection plan to Seller which details the locations, methods and other information pertaining to the desired inspection for Seller's approval. Such approval shall not be unreasonably withheld. BUYER acknowledges that except as expressly set forth in this Agreement, Seller makes no representations or warranties, express or implied, with regard to the accuracy or completeness of any files or other records reviewed. The activities covered by this paragraph are collectively called the "Environmental Assessment".
- B. Baseline Condition. In order to establish the Environmental Condition of the Assets, Seller, BUYER and its Authorized Representatives have reviewed or acknowledged the existence of the Environmental Documents, which include the results of all tests conducted by BUYER and its Authorized Representatives under Section 7(A), if any, and have agreed that Exhibit I includes or references all material information, known to exist by either Party, related to, affecting or concerning the Environmental Condition or status of the Assets as of the Closing Date and that such information shall constitute the Baseline Condition of the Assets (the "Baseline Condition"). Seller shall not be responsible for any Environmental Condition whether or not identified as part of the Baseline Condition.
- C. SELLER's Retained Environmental Liabilities. SELLER shall retain and be solely responsible only for Environmental Liabilities in connection with Off-Site Disposal Activities performed by Seller prior to the Closing Date ("Retained Environmental Liability").
- D. BUYER's Assumed Environmental Liabilities. Except for SELLER's Retained Environmental Liability, from and after the Closing Date, BUYER shall assume and be solely responsible for all Environmental Liabilities of SELLER relating to or arising out of SELLER'S ownership or operation of the Assets, whether existing or asserted before, on or after the Closing Date, whether known or unknown, whether based on past, present or future conditions or events, including but not limited to undertaking such Remediation Activities of the Environmental Conditions as may be required by applicable laws, regulations, or governmental orders (such Environmental Liabilities, other than the Retained Environmental Liability the "Assumed Environmental Liabilities"). In no event, absent the express written consent of SELLER, shall BUYER's obligations under

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this Section 7 terminate upon the lease, sale, or other transfer of the Assets or any portion of the Assets regardless of any assumption of such obligations by a subsequent lessee, purchaser, or other transferee.

- E. Seller's Environmental Indemnity. For purposes of this Section 7(E), where BUYER is the indemnified party, the term "BUYER" shall include BUYER and its Affiliates and the directors, officers and employees, and all successors and assigns of the foregoing. From and after the Closing Date, SELLER agrees to indemnify, hold harmless and defend BUYER from and against any Damages and Proceedings asserted against or incurred by BUYER relating to or arising out of Retained Environmental Liabilities. SELLER's obligations under this Section 7(E) with respect to Retained Environmental Liabilities shall not be limited by and shall survive beyond the Closing Date.
- F. BUYER's Environmental Indemnity. For purposes of this Section 7(F), where Seller is the indemnified party, the term "Seller" shall include Seller and its Affiliates and the directors, officers and employees, and all successors and assigns of the foregoing. From and after the Closing Date, BUYER shall indemnify, hold harmless and defend Seller from and against any Damages and Proceedings asserted against or incurred by Seller relating to the Assumed Environmental Liabilities, including but not limited to, those resulting from:
- (i) Any Release of any Regulated Substance related to operations of the Assets occurring prior to, on or after the Closing Date;
 - (ii) Any residual Environmental Condition remaining at the Assets or any areas Off-Site on or after the Closing Date;
 - (iii) Any Third Party Environmental Claim made by a Third Party on or after the Closing Date related to or arising out of ownership or operation of the Facilities occurring before, on or after the Closing Date;
 - (iv) Any Governmental Environmental Enforcement Action that is taken against Buyer or Seller for events or conditions occurring before, on or after the Closing Date;
 - (v) Any Off-Site Disposal Activities resulting from the ownership or operation of the Assets on or after the Closing Date;
 - (vi) Any On-Site or Off-Site Remediation Activities resulting from the ownership or operation of the Assets occurring before, on or after the Closing Date;
 - (vii) Exacerbation of any Environmental Condition (whether resulting in On-Site or Off-Site impacts) by BUYER or its Authorized Representatives (which for purposes of this Section 7(F) shall include its tenants, customers, invitees, licensees, or any users of the Assets (except Seller); and
 - (viii) Failure to comply with any Environmental Permit, including transferred or assigned Environmental Permits identified on Exhibit J by BUYER or its Authorized Representatives.

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Buyer's indemnity obligations under this Section 7(F) will be set forth in the deed(s) conveying the Real Property, will be a covenant running with the land, and will bind the successors, heirs and assigns of Buyer.

- G. Buyer's Release of Seller for Environmental Liabilities. BUYER, in consideration of the negotiated amount of the Purchase Price, hereby unconditionally, completely and forever releases and discharges Seller, its Affiliates, and employees, officers, directors, agents and representatives and all successors and assigns of the foregoing, from all Environmental Liabilities except Seller's Retained Environmental Liability, including but not limited to the following:
- (i) Any Governmental Environmental Enforcement Action taken against BUYER and attributable to any failure by Seller to own or operate the Assets prior to the Closing Date in compliance with applicable Environmental Laws;
 - (ii) Any Third Party Environmental Claim with respect to the Assets resulting from any Release occurring prior to the Closing Date and caused by Seller's ownership or operation of the Assets; and
 - (iii) Any obligation by Seller to perform or ensure the performance of any Remediation Activities.

On the Closing Date, Buyer shall execute and deliver to Seller a release agreement in the form of Exhibit M (the "Release Agreement"). Buyer's obligations to conduct, and to assume responsibility for, Remediation Activities will be set forth in the deed conveying the Real Property, will be a covenant running with the land, and will bind the successors, heirs and assigns of Buyer."

- H. Seller's Access to the Assets. Upon request by Seller in connection with any written request or demand from any Governmental Authority, BUYER shall, at no cost to Seller, permit Seller, its Affiliates, and its Authorized Representatives reasonable access to the Assets for the purpose, and to the extent reasonably required to permit Seller to respond to such Governmental Authority request or demand. Seller, its Affiliates or Authorized Representatives shall provide forty-eight (48) hours written notice to BUYER for any routine access by Seller or its Affiliates or Authorized Representatives. Seller will provide thirty (30) days written notice to BUYER for any access that may reasonably be expected to result in a material impact to BUYER's operations. Seller will make reasonable efforts to minimize impacts on BUYER's operations. Such access shall be subject to such conditions or procedures relating to the health and safety as BUYER may reasonably impose. BUYER's obligations under this Section 7(H) will be set forth in any Special Warranty Deed or other instrument of conveyance, conveying any Real Property to be conveyed under this agreement and will under this Section 7 be a covenant running with the land and will bind the successors and assigns of BUYER. Upon written request by Seller, in connection with any request to Seller from any Governmental Authority, BUYER shall provide Seller at Seller's cost copies of all reports, correspondence, notices and communications in BUYER's possession or control sent or received from Governmental Authorities regarding the Environmental Condition of the Assets or any remediation and/or investigation at the Assets related to the Baseline Condition or other copies of all reports, correspondence, notices and communications in BUYER's possession or control sent to or received from third parties concerning conditions that would obligate Seller, financially or otherwise.

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I. Environmental Issues.

- (i) BUYER acknowledges that there may have been spills of wastes, crude oil, petroleum products, produced water, or other materials in the past at or on the Assets or in connection with their operation, and tank bottoms or other wastes may have been placed at, on or under the Assets. In addition, the Assets may contain asbestos in piping coating, undisplaced crude oil, coats of lead-based paints, PCB's in transformers, mercury in electrical switches, Naturally Occurring Radioactive Material (NORM), and other materials, substances and contaminants. Except to the extent it may constitute SELLER's Retained Environmental Liabilities, BUYER assumes all liability for or in connection with the assessment, remediation, removal, transportation, and disposal of any such materials and associated activities in accordance with all relevant rules, regulations, and requirements of governmental agencies.
- (ii) As part of the consideration for the sale of the Assets, BUYER for itself, its successors and permitted assigns, covenants and agrees that no part of the Real Property may be used for any of the following specifically listed facilities or uses, or any similar facility or use: residential, child care, nursery school, preschool, or any other educational facility, place of worship, playground, hotel, motel, inn, bed and breakfast or rooming house, nursing home, rehabilitation center, hospital or community center and that the installation of any water wells for drinking or irrigation purposes along with the construction of basements is prohibited, provided, however, that none of the restrictions contained herein shall in any way limit or restrict BUYER'S right to maintain, repair and replace all water wells in use at the Real Property immediately prior to the date of Closing; that these covenants and agreements shall survive the Closing; that these covenants and agreements are to run with the Real Property; that these restrictive measures will be inserted in the Special Warranty Deed to be delivered at the Closing and that similar restrictive covenants shall be inserted in any deed, lease or other instrument conveying or demising the Real Property or any part thereof. Furthermore, BUYER for itself, its successors and permitted assigns agrees to execute any documents required by any Governmental Authority having jurisdiction over the Assets that are consistent with the above use restrictions.
- (iii) If Closing does not occur within the time required by this Agreement, or upon earlier termination of this Agreement, upon Seller's request, BUYER shall promptly deliver to Seller all originals and copies (whether written or electronic) that are in BUYER's or its Authorized Representatives' possession of the information, reports, or materials including specifically those concerning the environmental or other condition of the Assets together with all information, reports, or material furnished to BUYER by Seller, and BUYER shall promptly cause third parties to deliver to Seller such materials that are in their possession.
- (iv) BUYER and Seller shall cooperate with each other in all reasonable respects as to the transfer or assignment of the Environmental Permits or Orders that can be transferred or assigned under applicable Environmental Laws and the making of any filings or notifications or obtaining any authorizations required under applicable Environmental Laws in connection with the transfer of the Assets to BUYER. Seller shall, if applicable, assist BUYER in the transfer or assignment of any Environmental Permits or Orders. BUYER, however, shall be solely

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responsible for all subsequent communications and filings needed to follow through and complete the timely transfer or assignment of such Environmental Permits or Orders. With respect to any Environmental Permits or Orders issued under applicable Environmental Laws prior to the Closing Date that are transferred to BUYER, Seller, within thirty (30) calendar days after the Closing Date shall submit a letter to each applicable Governmental Authority acknowledging that BUYER is assuming the obligations of Seller under such Permit or Order, such letter to be in the form of Exhibit Z.

- (v) As between BUYER and Seller, BUYER shall be responsible for all filing costs and administrative expenses associated with such transfer or assignment of any Environmental Permits or Orders pursuant to this Agreement and for all costs and expenses relating to or arising out of any change in terms or conditions of such Environmental Permits or Orders resulting from any transfer, assignment or re-issuance of such Environmental Permits or Orders to BUYER, except for any such costs and expenses related to or arising out of Seller's non-compliance with such Environmental Permits or Orders. With respect to those Environmental Permits or Orders that cannot be transferred or assigned under applicable Environmental Laws, will use reasonable efforts at BUYER's cost and expense to obtain new permits or orders.

8. Employment.

- (A) Schedule 8(A) contains a list of all of the SELLER's eligible employees who are actively involved in the operation of the Assets or the Terminals (as such term is defined in the Terminals Sale and Purchase Agreement, dated as of the date hereof, between ExxonMobil Oil Corporation and Sunoco Partners Marketing & Terminals L.P.) prior to the Closing Date (the "Employees"). As soon as reasonably practicable after the Effective Date, and in any event within fifteen (15) days following execution of this Agreement by both Parties, SELLER shall provide BUYER and its Affiliates the opportunity to meet with and interview all of the Employees. Within thirty (30) calendar days following the Effective Date, BUYER shall provide SELLER with a list of Employees to whom BUYER or one of its Affiliates intends to offer employment as of the Closing Date (the "Intended Hired Employees"). Employees not included on the list of Intended Hired Employees, and employees on the list of Intended Hired Employees who do not become employees of BUYER or one of its Affiliates in connection with the consummation of the transactions contemplated by this Agreement shall be referred to herein as "Excluded Employees". During the period from the Effective Date to the Closing Date, SELLER shall take no action to interfere with or discourage the ongoing employment of any Intended Hired Employees, will comply with the terms of any applicable employment contracts in existence on the Effective Date, and will undertake commercially reasonable efforts, consistent with past practices, to maintain good relationships with the Intended Hired Employees; provided, however, SELLER may terminate any Employee (a) for Cause upon notice to BUYER or (b) with BUYER's prior written consent, which shall not be unreasonably withheld or delayed. On the Closing Date, or as soon thereafter as reasonably practicable, BUYER shall provide notice to SELLER of any Intended Hired Employees who do not accept BUYER's or one of its Affiliate's offer of employment. On the Closing Date, SELLER shall terminate all of the Intended Hired Employees and BUYER shall hire all of the Intended Hired Employees who accept BUYER's or one of its Affiliate's offer of employment (the "Hired Employees"). SELLER shall retain all liability for any liability, claim or obligation

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relating to or arising out of the employment by SELLER, or termination of employment by SELLER, of SELLER's employees. BUYER shall have exclusive liability for any liability, claim or obligation relating to or arising out of the employment of any Hired Employees by BUYER or one of its Affiliates, or BUYER's termination of the employment of any Hired Employee.

- (B) Neither BUYER nor any of its Affiliates shall be under any obligation to offer employment to any of the Employees; provided, however, BUYER shall comply with applicable federal, state and local laws prohibiting discrimination in hiring, and shall be liable for the failure to comply with such laws. Neither BUYER nor any of its Affiliates shall be under any obligation to accept, assume or adopt any existing collective bargaining agreement, provisions, letters of understanding, amendments, letters, notices, memorandum of agreement or other similar documents relating to any Employee of SELLER.
- (C) SELLER shall be responsible for any severance benefit payments with respect to the termination of employment of the Excluded Employees, and BUYER shall be under no obligation to provide severance pay or any other termination benefit with respect to the termination by SELLER of any Employees.
- (D) Neither BUYER nor any of its Affiliates shall assume or be deemed to have assumed any Seller Benefit Plans nor shall any of them have any obligations under, or assume any liabilities with respect to, any Seller Benefit Plans. Without limiting the scope of the preceding sentence, SELLER shall retain all responsibility and liabilities for all severance and employment obligations for the Employees (regardless of whether they become Hired Employees) for the period prior to the Closing and associated with the termination of any Employee's employment from SELLER.
- (E) Effective as of the Closing Date, and subject to the consummation of the Closing, each Hired Employee shall receive credit for service with the Seller for purposes of Buyer's vacation policies, but for no other purpose. Subject to Section 8(D) hereof, each Hired Employee and his or her eligible dependents shall be eligible for coverage under employee benefit plans, programs, practices or arrangements as determined and provided for in the sole discretion of BUYER. Claims by any Hired Employee for workers' compensation benefits from claims arising out of occurrences prior to the Closing Date, whether such claims were made prior to, on or after the Closing Date, shall be the responsibility of SELLER. Claims by any Hired Employee for workers' compensation benefits arising out of occurrences on or after the Closing Date shall be the responsibility of BUYER. Claims by a Hired Employee for all employment related issues arising out of occurrences prior to the Closing Date, whether such claims were made prior to, on or after the Closing Date, shall be the responsibility of SELLER. Claims by a Hired Employee for all employment related issues arising out of occurrences on or after the Closing Date shall be the responsibility of BUYER. Nothing in this Agreement shall be deemed or construed to (i) give rise to any rights, claims, benefits or causes of action by any Excluded Employee or (ii) prevent, restrict or limit BUYER following the Closing from terminating the employment of any Hired Employee, modifying the terms of employment of any Hired Employee or modifying, terminating or replacing any of its employee related matters as it may deem appropriate, subject to applicable law.

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- (F) The parties agree to furnish each other with such information concerning employees, and to take such other action as is necessary and appropriate to effect the transactions contemplated by this Section 8.
- (G) Prior to Closing, SELLER will not create any new Seller Benefit Plan, enter into any collective bargaining or labor agreement on behalf of Employees or permit the transfer, promotion or increase in compensation of any Employee outside of the ordinary course of business.
- (H) Each of SELLER and BUYER hereby covenants and agrees that, unless this Agreement is terminated, for a period of one year after the Closing Date, it will not, whether for its own account or for the account of any other person, solicit for hire or employment any person who is an employee of the other party with respect to the Assets except with the written permission of such person's employer or as otherwise specifically contemplated by this Agreement; provided, however, that this Section 8(H) shall not apply to (i) contact initiated by an employee or (ii) any solicitation (or any hiring as a result of any solicitation) that consists of advertising in a newspaper or periodical of general circulation or through the Internet.

9. Right of Entry. BUYER agrees that the provisions of this Section 9 shall apply to any and all access to the Assets or other SELLER property in connection with this Agreement, whether such access occurred before or will occur after the execution of this Agreement. SELLER will, to the extent it has the legal right to do so, provide BUYER and any Authorized Representative of BUYER with reasonable access to the Assets to conduct the Environmental Assessment and Operational Assessment. BUYER and/or its contractor shall comply with prudent safety and industrial hygiene procedures, including without limitation, the Safety Requirements set forth in Exhibit C attached hereto, and shall review such procedures with SELLER prior to commencement of the Environmental Assessment and Operational Assessment. BUYER, its employees, agents and/or contractors shall comply with the Drug and Alcohol Prohibitions and Requirements set forth in Exhibit D attached hereto, while present on the Assets or other SELLER property.

BUYER shall submit schedules to SELLER which show when BUYER plans to enter the Assets or other SELLER property. BUYER shall ensure that the schedules provide sufficient detail to allow SELLER to determine in advance the approximate number of employees, contractors, subcontractors and equipment that BUYER will have on the sites where the Assets are located at any time. BUYER also shall provide the schedules to SELLER sufficiently in advance of the date or dates of entry to enable SELLER to arrange to have an inspector(s) present at the site(s).

BUYER shall not enter the real property on which the Assets are located without the presence of an MPLCO employee or MPLCO contractor. It is understood that there are risks associated with entry onto the Assets, and BUYER assumes responsibility for the safety of personnel and property of both BUYER and BUYER's contractors. BUYER agrees to inspect the Assets for safety purposes prior to such entry and to exercise precautions and conduct its actions in a way that will, in so far as reasonably possible, assure the safety of persons and property.

10. Title.

- A. Review of Title. Prior to the Closing Date, BUYER will have conducted a review of the Easements, including permits and licenses, made available by Seller to determine whether Seller has valid rights to the Easements and whether any consents or approvals

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are required for assignment of the Easements and/or Permits. If consents or approvals are required for assignment of any Easement, Seller shall, prior to, and if necessary, immediately following Closing, use commercially reasonable efforts to obtain such consents and/or approvals, provided that (i) Seller shall not be required to incur any expense beyond Seller's usual overhead administrative expense, (ii) Seller shall make no compensation to the grantor for the assignment or transfer of any Easements and or Permits, (iii) BUYER shall cooperate in obtaining any such consents and or approvals, and (iv) BUYER shall execute any reasonable documentation requested by the Party(ies) whose consent or approval may be required, and (v) BUYER accepts the assignment documents in the form attached hereto as Exhibits G-1 and G-2.

If SELLER cannot obtain consents after ninety (90) days following Closing, SELLER shall retain the applicable Easements until the earlier of (i) the date on which BUYER has exercised its right of eminent domain and obtained such Easements or (ii) the date which is three hundred sixty five (365) days following the expiration of such ninety (90) day period. SELLER shall have no other responsibility to obtain consent and BUYER shall endeavor to obtain such assignments or transfers of easements. SELLER shall execute any reasonable documentation requested by the parties whose consent or approval may be required.

- B. Title Insurance. BUYER shall promptly place an order to procure a commitment for an ALTA Owner's Title Insurance Policy 2006 Form (or other form of policy available in the jurisdiction and acceptable to BUYER) for the Hebert Station and Aldine Parcel properties from the Title Company, together with a copy of all documents referenced therein (the "Title Commitment"). Any abstracting, title certification, and charges for title examination will be at BUYER's expense. BUYER shall cause the Title Company to deliver to BUYER, with a copy to SELLER, a title commitment setting forth the status of title to the Hebert Station and Aldine Parcel properties on or before the thirtieth (30th) day following the Effective Date.
- C. Survey. BUYER shall promptly cause to be prepared, at its expense, current land title surveys of the Hebert Station and Aldine Parcel properties, prepared by a licensed surveyor satisfactory to BUYER and conforming to 2005 Minimum Detail Requirements for ALTA/ACSM Land Title Surveys, including Table A Items Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(l), 7(c), 8, 9, 10, 11(b), 13, 14, 15, 16, 17, 18 and 19 and such other standards as the Title Company and BUYER require as a condition to the removal of any survey exceptions from the Title Commitments, and certified by BUYER and the Title Company (the "Survey"). Upon completion of the Survey, BUYER shall deliver promptly three (3) prints thereof to SELLER and at least one (1) print to the Title Company. The Survey will (i) show the location of all streets, roads, railroads, creeks or other water courses, fences, easements, rights-of-way and other encumbrances or encroachments on or adjacent to the property, including all of the title matters shown on the Title Commitment and (ii) set forth a certified legal description of the properties. SELLER agrees to furnish the surveyor with copies of all existing deeds.
- D. Title Objections. Within fifteen (15) days after receiving the later of the Title Commitment or the Survey, BUYER shall notify SELLER if the Title Commitment or Survey reveals any liens, encumbrances, claims or exceptions that, in BUYER'S reasonable judgment, are unacceptable ("Title Objections"). If SELLER is unable or unwilling to cure any Title Objections, SELLER will provide written notice thereof to BUYER within fifteen (15) days following receipt of notice of Title Objections from

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BUYER and BUYER shall have the right, at its option, by written notice to SELLER within fifteen (15) days following receipt of SELLER'S written notice, either (i) to terminate this Agreement and obtain a refund of the Earnest Money and all interest thereon, whereafter both Parties shall be relieved and discharged of any rights, liabilities or obligations hereunder, or (ii) to waive such defect and proceed to Closing. BUYER'S failure to exercise the right to terminate within the said fifteen (15) day period shall constitute a waiver of BUYER'S right to terminate with respect to such title matters. However, if SELLER elects to cure the Title Objections (although SELLER will have no such obligation to do so), SELLER shall provide BUYER with notice of its intention to cure same within the fifteen (15) days aforesaid and SELLER shall have an opportunity, at its expense, to remove such Title Objections within sixty (60) days following receipt of written notice from BUYER identifying the Title Objections (the "Title Cure Period"). In no event shall SELLER have any obligation to commence litigation or to incur costs in excess of One Thousand Dollars (\$1,000.00) to cure or remove any Title Objections. If SELLER is unable to cure any Title Objections within the Title Cure Period that, in the reasonable opinion of the Title Company or BUYER, must be cured in order to deliver good and marketable title, BUYER may, as its sole and exclusive remedy, and upon written notice to SELLER within fifteen (15) days after expiration of the Title Cure Period, terminate this Agreement, in which event the Earnest Money shall be fully refunded to BUYER.

11. Confidentiality. SELLER and BUYER are parties to a Confidentiality Agreement dated August 9, 2006, a copy of which is attached hereto as Exhibit E. The Parties hereby agree that the terms of the Confidentiality Agreement shall be deemed to cover not only the "Evaluative Information" described in that agreement, but also any other information obtained by Buyer from SELLER in connection with or as part of the Assets including, without limitation, the provisions of this Agreement (collectively "MPLCO Information"). In accordance with the provisions of the Confidentiality Agreement, BUYER shall maintain in confidence and not disclose to third parties or its employees who are not involved in evaluating this asset acquisition any MPLCO Information obtained in the review of title or any other information obtained from SELLER.
12. Records. BUYER shall not destroy or otherwise dispose of any records, files and other data acquired hereunder for a period of three (3) years following Closing (except as to tax records, for which the period shall be the applicable statute of limitations) except upon thirty (30) days prior written notice to SELLER. During such periods, BUYER shall, at SELLER's reasonable expense, make such records, files and other data available to SELLER or its authorized representatives to the extent reasonably required in connection with any Proceeding or Claim in a manner which does not have a material adverse effect on or the unreasonably interfere with BUYER's business operations. Additionally, SELLER shall have the right to retain copies of any records, files or other data transferred to BUYER hereunder.
13. Option to Terminate.
 - (A) Except as hereinafter provided, BUYER shall have the option of terminating this Agreement by providing written notice to SELLER in the event BUYER determines prior to Closing that the Assets are subject to any (i) Material Defect (as defined below) in the Facilities or (ii) Material Defect in the title to any of the Assets. To be effective, any such notice shall specifically identify and describe the basis for such termination, and shall include reasonable evidence thereof. Minor deviations in the location of a pipeline relative to a defined right of way in an Easement shall not be deemed to constitute a title defect for purposes of this Agreement.

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For purposes of this Section, 13, a "Material Defect" shall mean either a condition or series of conditions which, when taken together, will significantly impair the operating functions or safety of the Facilities or a defect or such defects in title which (a) would cost in excess of ONE MILLION AND NO/100 DOLLARS (\$1,000,000) cash to cure or remedy, and (b) was not disclosed to or to the Knowledge of BUYER prior to BUYER's execution of this Agreement. To be included in the calculation of the cumulative amount of Material Defects an applicable individual Material Defect must exceed ONE HUNDRED THOUSAND AND NO/100 U.S. DOLLARS (\$100,000.00).

Notwithstanding the delivery of such a notice of termination by BUYER to SELLER, this Agreement shall not be terminated if within thirty (30) days after SELLER's receipt of such notice (1) SELLER remedies or agrees to remedy, to a degree which is mutually agreed upon in writing prior to Closing, such Material Defect or (2) SELLER and BUYER mutually agree in writing on an adjustment to the Purchase Price.

- (B) In addition to the rights under Section 13(A), this Agreement may be terminated at any time prior to the Closing:
- (i) by the mutual consent of SELLER and BUYER; or
 - (ii) if the Closing has not occurred by the close of business on September 30, 2008, then by SELLER if any condition specified in Section 16(A) has not been satisfied on or before such close of business, and shall not theretofore have been waived by SELLER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by SELLER to fulfill any undertaking or commitment provided for herein on the part of SELLER that is required to be fulfilled on or prior to Closing; or
 - (iii) if the Closing has not occurred by the close of business on September 30, 2008, then by BUYER if any condition specified in Section 16(B) has not been satisfied or waived on or before such close of business, and shall not theretofore have been waived by BUYER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by BUYER to fulfill any undertaking or commitment provided for herein on the part of BUYER that is required to be fulfilled on or prior to Closing.

If the Agreement is terminated pursuant to Section 13(A), 13(B)(i) or 13(B)(ii), or Section 13(B)(iii) so long as the failure of any condition specified therein is not the fault of BUYER, the Earnest Money shall be returned to BUYER.

14. Indemnification and Release. In addition to BUYER's release or indemnity in any other Section of this Agreement or in any other agreement executed pursuant to or in connection with this Agreement, BUYER agrees, except with respect to any Assumed Environmental Liabilities which are addressed in Section 7, as follows:

- (A) BUYER, its successors and assigns (hereinafter in this Section 14 individually and collectively, "BUYER Indemnitor") agrees to release, indemnify, defend, and hold harmless SELLER, Exxon Mobil Corporation and its Affiliates, and their respective officers, directors, employees, contractors, representatives, successors, and assigns (hereinafter in this Section 14 individually and collectively, "SELLER Indemnitee") from all Claims arising from or related to the ownership, operation, use, repair, removal,

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separation or control of the Assets at any time after the Closing (and BUYER Indemnitor expressly disclaims any liability in respect of any such Claim related to any time prior to the Closing) including, without limitation, performance of BUYER Indemnitor's obligations under Sections 5, 6, 7, 9, 11, and 22 of this Agreement, but excluding any such Claim based on any event or circumstance for which SELLER Indemnitor would have liability pursuant to Section 15(A) or Section 15(B) without regard to the proviso to such Section or any applicable statute of limitations or other time limitation; provided, however, that no Seller Indemnitee shall be entitled to indemnity pursuant to this Section 14 for any breach of any covenant, obligation, condition or agreement of which SELLER had Knowledge at the Closing; provided, that no Seller Indemnitee shall be entitled to indemnity pursuant to this Section 14 for any breach of any covenant, obligation, condition or agreement of which SELLER had Knowledge at the Closing.

- (B) IT IS THE EXPRESS INTENTION OF THE PARTIES THAT THE RELEASES AND INDEMNITIES IN THIS SECTION 14 SHALL APPLY TO CLAIMS THAT MAY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE, OR STRICT LIABILITY OF SELLER'S INDEMNITEE, WHETHER ACTIVE, PASSIVE, JOINT, CONCURRENT, OR SOLE. THE PARTIES HERETO ALSO ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND CONSTITUTES CONSPICUOUS NOTICE.
- (C) If any provision or provisions of this Section 14, or any portions thereof, should be deemed invalid or unenforceable pursuant to a final determination of any court of competent jurisdiction or as a result of future laws, such determination or action shall be construed so as not to affect the validity or effect of any other portion or portions of this Section 14 not held to be invalid or unenforceable.
- (D) BUYER Indemnitor shall select (subject to SELLER Indemnitee's reasonable approval) the attorneys to defend any matter subject to indemnification and/or taking all actions necessary or appropriate to resolve, defend, and/or settle such matters, and shall be entitled to contest, on its own behalf and on the SELLER Indemnitee's behalf, the existence or amount of any obligation, cost, expense, debt or liability giving rise to such claim. Nothing in this Section 14(D) shall be construed as prohibiting SELLER Indemnitee from participating in the defense (which may include hiring its own counsel) in any matter subject to indemnification, as long as SELLER Indemnitee does so at its own expense, unless and to the extent that BUYER Indemnitor or an Affiliate is also subject to such claim and SELLER Indemnitee has determined in good faith that BUYER Indemnitor has a conflict of interest vis-à-vis SELLER Indemnitee and/or SELLER Indemnitee has defenses available to it that are not available to BUYER Indemnitor, in which case BUYER Indemnitor shall be responsible for the expense of SELLER Indemnitee's counsel. The BUYER Indemnitor shall keep SELLER Indemnitee fully and timely informed as to actions taken on such matters. The SELLER Indemnitee shall cooperate fully with BUYER Indemnitor and its counsel and shall provide them reasonable access to SELLER's employees, consultants, agents, attorneys, accountants, and files to the extent necessary or appropriate to defend or resolve the matter, BUYER Indemnitor reimbursing SELLER Indemnitee with respect to the reasonable cost of any such access. With respect to any matter for which a Party has an indemnification and/or defense obligation under this Agreement, the Parties shall maintain a joint defense privilege, where applicable, in connection with such matters for the Party's post-Closing communications and those of their respective Affiliates and Authorized Representatives, which post-Closing communications concern the matters subject to such indemnification and/or defense obligation.

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15. Indemnification. In addition to SELLER's indemnity in any other Section of this Agreement or in any other agreement executed pursuant to or in connection with this Agreement, SELLER agrees, except with respect to any Assumed Environmental Liabilities which are addressed in Section 7, as follows:
- (A) SELLER, its successors and assigns (hereinafter in this Section 15 individually and collectively, "SELLER Indemnitor") agrees to release, indemnify, defend, and hold harmless BUYER and its Affiliates, and their respective officers, directors, partners, employees, contractors, representatives, successors, and permitted assigns (hereinafter in this Section 15 individually and collectively, "BUYER Indemnitee") from all Claims arising from or related to the inaccuracy of any representation or the breach of any representation or warranty of SELLER set forth in this Agreement; provided, however, that no BUYER Indemnitee shall be entitled to indemnification pursuant to this Section 15 for any breach of a representation or warranty of which BUYER had Knowledge at or prior to the Closing.
 - (B) SELLER Indemnitor agrees to release, indemnify, defend, and hold harmless BUYER Indemnitee from all Claims arising from or related to the breach of any covenant, obligation, condition, or agreement of SELLER set forth in this Agreement or from the exercise by SELLER of its rights under Section 7(H); provided however that no BUYER Indemnitee shall be entitled to indemnity pursuant to this Section 15 for any breach of such covenant, obligation, condition or agreement of which BUYER had Knowledge at Closing.
 - (C) If any provision or provisions of this Section 15, or any portions thereof, should be deemed invalid or unenforceable pursuant to a final determination of any court of competent jurisdiction or as a result of future laws, such determination or action shall be construed so as not to affect the validity or effect of any other portion or portions of this Section 15 not held to be invalid or unenforceable.
 - (D) SELLER Indemnitor shall select (subject to the BUYER Indemnitee's reasonable approval) the attorneys to defend any matter subject to indemnification and/or taking all actions necessary or appropriate to resolve, defend, and/or settle such matters, and shall be entitled to contest, on its own behalf and on the Indemnitee's behalf, the existence or amount of any obligation, cost, expense, debt or liability giving rise to such claim. Nothing in this Section 15(D) shall be construed as prohibiting the BUYER Indemnitee from participating in the defense (which may include hiring its own counsel) in any matter subject to indemnification, as long as the BUYER Indemnitee does so at its own expense, unless and to the extent that the SELLER Indemnitor or an Affiliate is also subject to such claim and BUYER Indemnitee has determined in good faith that SELLER Indemnitor has a conflict of interest vis-à-vis BUYER Indemnitee and/or BUYER Indemnitee has defenses available to it that are not available to SELLER Indemnitor, in which case the SELLER Indemnitor shall be responsible for the expense of the BUYER Indemnitee's counsel. The SELLER Indemnitor shall keep the BUYER Indemnitee fully and timely informed as to actions taken on such matters. The BUYER Indemnitee shall cooperate fully with the SELLER Indemnitor and its counsel and shall provide them reasonable access to the BUYER's employees, consultants, agents, attorneys, accountants, and files to the extent necessary or appropriate to defend or resolve the

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matter, the SELLER Indemnitor reimbursing the BUYER Indemnitee with respect to the reasonable cost of any such access. With respect to any matter for which a Party has an indemnification and/or defense obligation under this Agreement, the Parties shall maintain a joint defense privilege, where applicable, in connection with such matters for the Party's post-Closing communications and those of their respective Affiliates and Authorized Representatives, which post-Closing communications concern the matters subject to such indemnification and/or defense obligation.

- (E) SELLER Indemnitor agrees to release, indemnify, defend, and hold harmless BUYER Indemnitee from all Claims arising from any liabilities arising from or in connection with Section 4(F)(ii) of this Agreement.
- (F) SELLER shall have no indemnification obligation under Section 15(A) unless SELLER has received a claim from BUYER, specifying in reasonable detail the basis for such claim, within one (1) year following the Closing, except, that, in the case of (i) a claim based on the representations and warranties set forth in Section 4(B) and Section 4(C), SELLER shall have received such claim from BUYER at any time and (ii) a claim based on the representations and warranties set forth in Section 4(M), SELLER shall have received such claim from BUYER within ninety (90) days following the termination of the applicable statute of limitations.

16. Closing. The closing of the sale of Assets under this Agreement (the "Closing") shall occur no later than September 30, 2008 (the "Closing Date"), at the offices of SELLER at 800 Bell Street, Houston, Texas, unless the parties mutually agree to another location. Time shall be of the essence to this Agreement. The obligations of the Parties shall be subject to the following:

- A. Conditions Precedent to Seller's Obligations. SELLER's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by SELLER) of each of the following conditions:
 - (i) the representations and warranties of BUYER in Section 5 as of the Closing Date shall be true and correct (in the case of any such representation and warranty qualified by materiality) and true and correct in all material respects (in the case of all other representation and warranties);
 - (ii) BUYER must have performed and complied with in all material respects all of its covenants required by this Agreement to be performed or complied with on or prior to the Closing;
 - (iii) all consents and notifications necessary for the transfer of the Assets to BUYER (except those consents related to the assignment of the Easements, if any), and the assumption by BUYER of the obligations and liabilities to be transferred to and assumed by BUYER, at the Closing shall have been obtained or made (and must be in full force and effect), in each case in form and substance reasonably satisfactory to SELLER, all necessary declarations, filings, and registrations with Governmental Authorities shall have been made by BUYER, and all applicable waiting and other time periods (including extensions thereof, if any) under any applicable legislation or regulation, including under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, of any relevant jurisdiction shall have expired, lapsed, or been terminated;

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- (iv) there must not be issued and in effect any order, decree or ruling restraining, enjoining or prohibiting the transactions contemplated hereby;
 - (v) BUYER shall have executed and delivered the documents to which it is a party listed in Section 16(C); and
 - (vi) BUYER shall have delivered to SELLER a certificate in form and substance reasonably satisfactory to SELLER to the effect that each of the conditions specified above in this Section 16(A) is satisfied in all respects.
- B. Conditions Precedent to Buyer's Obligations. BUYER's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by BUYER) of each of the following conditions:
- (i) the representations and warranties of SELLER in Section 4 as of the Closing Date shall be true and correct (in the case of any such representation and warranty qualified by materiality) and true and correct in all material respects (in the case of all other representation and warranties);
 - (ii) SELLER must have performed and complied with in all material respects all of its covenants required by this Agreement to be performed or complied with on or prior to the Closing;
 - (iii) all consents and notifications necessary for the transfer of the Assets to BUYER (except those consents related to the assignment of the Easements, if any), and the assumption by BUYER of the obligations and liabilities to be transferred and assumed by BUYER, at the Closing shall have been obtained or made (and must be in full force and effect), in each case in form and substance reasonably satisfactory to BUYER, all necessary declarations, filings, and registrations with Governmental Authorities shall have been made by SELLER, and all applicable waiting and other time periods (including extensions thereof, if any) under any applicable legislation or regulation, including under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, of any relevant jurisdiction shall have expired, lapsed, or been terminated;
 - (iv) there must not be issued and in effect any order, decree or ruling restraining, enjoining or prohibiting the transactions contemplated hereby;
 - (v) SELLER shall have delivered to BUYER a certificate in form and substance reasonably satisfactory to BUYER to the effect that each of the conditions specified above in this Section 16(B) is satisfied in all respects;
 - (vi) SELLER shall have executed and delivered the documents to which it is a party listed in Section 16(C);
 - (vii) BUYER shall have obtained title insurance policies (which may be in the form of a mark-up of a pro forma of the Title Commitments) in accordance with the Title Commitments, insuring the BUYER'S fee simple title to the Hebert Station and Aldine Parcel properties and insuring BUYER'S rights to the Aldine Option as of the Closing Date (including all recordable appurtenant easements insured as separate legal parcels) with gap coverage from Seller through the date of

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recording, subject only to Permitted Title Exceptions (the "Title Policies"). Each of the Title Policies shall have the creditor's rights exception deleted, and shall include an extended coverage endorsement (insuring over the general or standard exceptions), comprehensive endorsement, access endorsement, contiguity endorsement, and all other endorsements reasonably requested by BUYER, in form and substance reasonably satisfactory to BUYER; and

(viii) BUYER shall have obtained a Title Insurance Policy for the Aldine Option, which Title Insurance Policy shall insure that there are no other options or rights of first refusal to the Aldine Option Parcel and which shall in all other ways be reasonably acceptable to BUYER.

C. At the Closing, SELLER and/or BUYER, as appropriate shall execute and/or deliver each of the following documents:

- (i) a Special Warranty Deed for the Real Property listed in Exhibit A-2, and described in Section 1(A) paragraphs (vii) and (viii) as Hebert Station and Aldine Parcel respectively and in the form attached hereto as Exhibit O, in recordable form, signed and duly notarized, with the Special Warranty Deed for the Aldine Parcel to be held in escrow by the Title Company on behalf of BUYER in the event that any necessary subdividing or platting has not been completed as of the Closing;
- (ii) a Deed Without Warranty for the Real Property listed in Exhibit A-2, in the form attached hereto as Exhibit P and in recordable form, signed and duly notarized;
- (iii) Intentionally Omitted;
- (iv) a Bill of Sale to Buyer in the form attached hereto as Exhibit F-1 covering the Facilities (other than the Hebert Truck Rack) and a Bill of Sale to Sunoco Partners Marketing & Terminals L.P. in the form attached hereto as Exhibit F-2 covering the Hebert Truck Rack;
- (v) an Assignment in the form attached hereto as Exhibits G-1 and G-2 covering the Easements, in recordable form, signed and duly notarized;
- (vi) a Parent Guaranty in the form attached hereto as Exhibit H;
- (vii) a certificate of non-foreign status provided to BUYER by SELLER in the form attached hereto as Exhibit Y;
- (viii) Incumbency certificates for all signatory officers of BUYER and SELLER;
- (ix) Articles of Incorporation & Bylaws, or other similar organizational documents, of BUYER and SELLER, certified as true and correct by the corporate secretary or officer of similar authority;
- (x) Certified Corporate Resolutions of BUYER and SELLER authorizing all aspects of transactions contemplated under this Agreement;
- (xi) a Closing Statement;

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- (xii) Environmental Baseline Condition of the Assets as mutually agreed to by the parties prior to Closing and attached hereto as Exhibit I;
- (xiii) Environmental Permits;
- (xiv) a Release Agreement in the form of Exhibit M;
- (xv) an Assignment and Assumption Agreement in the form of Exhibit N;
- (xvi) any other documents, instruments, and/or certificates reasonably requested by SELLER or BUYER or otherwise contemplated by this Agreement;
- (xvii) Tariff and Continuing Services Agreement, in the form of Exhibit Q;
- (xviii) Facilities Sharing Agreement in the form of Exhibit R;
- (xix) Facilities Separation Agreement in the form of Exhibit S, with such changes as shall be reasonably acceptable to BUYER and SELLER;
- (xx) Beaumont Pump Station Access Agreement in the form of Exhibit T-1, with such changes as shall be reasonably acceptable to BUYER and SELLER;
- (xxi) Beaumont Pump Station Easement in the form of Exhibit T-2, with such changes as shall be reasonably acceptable to BUYER and SELLER, in recordable form, signed and duly notarized;
- (xxii) Final Repair Plans in the form of Exhibit U;
- (xxiii) Hebert Ground Lease in the form of Exhibit V;
- (xxiv) Memorandum of Option to Purchase in the form of Exhibit BB, in recordable form, signed and duly notarized; and
- (xxv) Easement Agreements, as necessary, pertaining to that property which the Magtex System runs over, but which SELLER will retain title to, in the form of Exhibit CC.

The above listed closing documents shall be executed at Closing and made effective as of 12:01 a.m. on the Closing Date unless SELLER and BUYER mutually agree to the contrary. BUYER shall deliver the balance of the Purchase Price to SELLER's account by wire transfer of immediately available funds at Closing, without discount or deduction other than as expressly set forth in this Agreement and shown on a closing statement executed by both BUYER and SELLER.

- D. Closing Contingency. Notwithstanding anything to the contrary in this Agreement, the Parties' respective obligations to close the transactions contemplated by this Agreement are contingent upon the simultaneous closing of the sale and purchase of Exxon Mobil Corporation's Arcadia, LA terminal under a separate agreement, the simultaneous closing of the sale and purchase of ExxonMobil Oil Corporation's Center, Hearne (East), Waco and Waskom, TX terminals under a separate agreement, and the simultaneous closing of the sale and purchase of SELLER's Hearne (West), TX terminal also under a separate agreement.

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17. Permits. It shall be BUYER's responsibility to obtain the issuance or transfer of all Permits (except for the issuance, transfer, or assignment of Environmental Permits, which shall be governed by the provisions of Sections 7(I)(iv) and (v)); provided however, that SELLER shall reasonably cooperate with BUYER's reasonable efforts to obtain the transfer of such permits. Seller will notify the permit issuing agency of the transfer of ownership of the "Assets" after the Closing Date or the termination of registration.
18. Property Taxes. All ad valorem taxes and special assessments for the current year ("Property Taxes") applicable to the Assets shall be allocated between SELLER and BUYER as of the Closing Date on the basis of no applicable discount. The allocation shall be based on the number of days that each party owns the Assets during the year of the sale. If the amount of such Property Taxes with respect to any of the Assets for the calendar year in which the Closing occurs has not been determined as of the Closing Date, then the Property Taxes with respect to such Assets for the preceding calendar year, on the basis of no applicable discount, shall be used to calculate such allocations, with known changes in valuation applied. SELLER's allocated share of the Property Taxes for the current year shall be credited to BUYER at Closing as a reduction in Purchase Price and BUYER shall assume the responsibility to pay the Property Taxes, unless SELLER has already paid the current year's Property Taxes, in which case SELLER shall be credited at Closing as an increase in Purchase Price with BUYER's allocated share of the Property Taxes (the "Closing Credits"). If the actual amount of any Property Taxes varies by more than Twenty Thousand Dollars (\$20,000) from estimates used at the Closing to prorate such Property Taxes, then the parties shall re-prorate such Property Taxes within ten (10) days following a request by either party based on the actual amount of the tax bills. After the Closing Date, if BUYER receives a bill for any Property Taxes assessed against the Assets that includes taxes for taxable years or taxable periods on or before the Closing Date (including taxes assessed for portions of taxable years or periods on or before the Closing Date), BUYER shall forward the bill to SELLER for payment. After the Closing Date, if SELLER receives a bill for any Taxes assessed against the Assets that includes Taxes for taxable years or taxable periods after the Closing Date (including Taxes assessed for portions of taxable years or taxable periods after the Closing Date), SELLER shall forward the bill to BUYER for payment.
19. Other Taxes. As may be required by relevant taxing agencies, SELLER shall collect and BUYER shall pay on the date of Closing all applicable state and local sales tax, use tax, gross receipts tax, business license tax, other taxes except taxes imposed by reason of capital or income of SELLER and fees. SELLER and BUYER agree that no Texas sales and use taxes will be reported on any of the Assets transferred to BUYER since such Assets fall within the Texas occasional sale exemption. Any state or local tax specified above, inclusive of any penalty and interest, assessed at a future date against SELLER with respect to the transaction covered herein shall be paid by BUYER or, if paid by SELLER, BUYER shall promptly reimburse SELLER therefor. Any documentary stamp tax which may be due shall be paid by BUYER. After the Closing Date, if BUYER receives a bill for any Taxes assessed against the Assets that includes taxes for taxable years or taxable periods on or before the Closing Date (including taxes assessed for portions of taxable years or periods on or before the Closing Date), BUYER shall forward the bill to SELLER for payment. After the Closing Date, if SELLER receives a bill for any Taxes assessed against the Assets that includes Taxes for taxable years or taxable periods after the Closing Date (including Taxes assessed for portions of taxable years or taxable periods after the Closing Date), SELLER shall forward the bill to BUYER for payment.

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20. Allocation of Carrier Obligations and Proceeds. The Facilities may contain petroleum product which is held for the account of shipper(s). It is understood that title to the contents of the Facilities will remain with the shipper(s) and that BUYER assumes the obligation to deliver such contents in accordance with SELLER's existing arrangements with the shipper(s), whether under a published tariff or a private transportation or storage agreement. Further, to the extent that petroleum products have been offered for shipment in the Facilities under a published tariff or pursuant to rights under a private transportation agreement, but not yet delivered to SELLER, BUYER shall receive those products for transportation in the normal course of business. Tariff charges for transportation during the month of sale shall be allocated between SELLER and BUYER on the basis of the number of days that each party owns the Facilities during the month of sale, provided that payments of such charges shall be allocated and divided between SELLER and BUYER only after receipt thereof, unless received prior to the date of Closing. On the day immediately preceding the Closing, the amount of petroleum products in the Facilities shall be determined by SELLER and BUYER in accordance with the procedures set forth in the form of Exhibit W hereto.
21. Notices. All notices, requests, demands, instructions and other communications required or permitted to be given hereunder shall be in writing and shall be delivered personally or mailed by registered mail, postage prepaid, as follows:

If to BUYER, addressed to:

Sunoco Pipeline L.P.
Attention: Vice President & General Counsel
1735 Market Street
Suite LL – 29th Floor
Philadelphia, PA 19103
Fax: (215) 246-8113

If to SELLER, addressed to:

Mobil Pipe Line Company
Attention: Business Development Manager
P.O. Box 2220
Houston, Texas 77252-2220

or to such other place as either Party may designate as to itself by written notice to the other. All notices will be deemed given on the date of receipt at the appropriate address.

22. Default. If BUYER defaults on or prior to Closing in a material way on BUYER's obligations, including but not limited to BUYER's absence at the designated time and place for Closing, SELLER, as its sole and exclusive remedy hereunder, shall be entitled to retain the Earnest Money as liquidated damages. Further, SELLER shall be free immediately to sell the Assets to any third party without any restriction under or by reason of this Agreement. If SELLER defaults on or prior to Closing in a material way on SELLER's obligations, including but not limited to SELLER's absence at the designated time and place for Closing, BUYER, as its sole and exclusive remedy hereunder, may terminate this Agreement and receive a refund of the Earnest Money.

Upon termination of this Agreement in accordance with its terms, the Parties shall have no further rights, duties or obligations under this Agreement except with respect to any provisions of this Agreement that are designated to survive such termination.

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23. Governing Law and Venue. The provisions of this Agreement and the documents delivered pursuant hereto shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflicts of laws provisions which if applied might require the application of the laws of another jurisdiction. Each Party hereby submits to the exclusive jurisdiction of the courts of the State of Texas and the United States District Court located in Harris County Texas. Furthermore, each Party hereby waives any right or basis it may have to object to or claim a venue other than Harris County Texas.
24. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except for any assignment of this Agreement to effectuate a like kind exchange in accordance with Section 1031 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), this Agreement may not be assigned, in whole or in part, without the prior written consent of the other Party hereto, and any such assignment that is made without such consent shall be void and of no force and effect.
25. Entire Agreement; Amendments. This Agreement, including the attached Exhibits, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, superseding any and all prior negotiations, discussions, agreements and understandings, whether oral or written, relating to such subject matter. Exhibits A-1 through CC and the enumerated Schedules, as more specifically described herein or in the attached "Schedule and Exhibits", are incorporated herein for all purposes. This Agreement may not be amended and no rights hereunder may be waived except by a written document signed by the Party to be charged with such amendment or waiver.
26. Publicity. All notices to third parties and other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated by and between BUYER and SELLER; provided, however, no such notices or other publicity shall disclose the Purchase Price, except as required by law or applicable stock exchange rules. No party shall act unilaterally in this regard without the prior written approval of the other, unless required by Law or applicable stock exchange rules.
27. Survival. The following provisions of this Agreement shall not survive the Closing: Section 1, 3(A), 3(B) and 16. Such provisions will be merged with and will be superseded by the documents executed at Closing. Notwithstanding the fact that the other provisions of this Agreement are not expressly included in the conveyance documents, all other provisions of this Agreement shall survive Closing and shall not be deemed merged therewith.
28. No Third Party Beneficiary. It is expressly understood that the provisions of this Agreement do not impart enforceable rights in anyone who is not a Party or a successor or assign of a party hereto.
29. Joint Efforts. This Agreement was prepared with each of the Parties having access to their own legal counsel. Accordingly, the Parties stipulate and agree that this Agreement shall be deemed and considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, submittal or other event of negotiation or drafting.
30. Headings. The division of this Agreement into articles, sections, and subsections and the insertion of headings and table of contents, if any, are for convenience only and shall not be used in or affect the construction or interpretation of this Agreement.

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31. Updates to Schedules. SELLER will update the Schedules hereto between the signing of this Agreement and Closing in order to make these representations true as stated at Closing; provided, however, that for the purpose of determining whether SELLER's obligation pursuant to Section 16(B) has been satisfied, no such update by SELLER to the Schedules subsequent to the signing of this Agreement shall be considered to have been made unless expressly accepted by BUYER, which acceptance or rejection shall not be unreasonably delayed.
32. Severability. If any term or provision or portions thereof is deemed invalid or unenforceable pursuant to a final determination of any court of competent jurisdiction or as a result of future laws, such determination or action shall be construed so as not to affect the validity or effect of any other portion or portions of this Agreement. Furthermore, it is the intent and agreement of the Parties that this Agreement shall be deemed amended by modifying such term or provision to the extent necessary to render it valid and enforceable while preserving the original intent of the affected term or provision or if that is not possible, by substituting therefor another provision that is valid and enforceable and achieves the same objective.
33. Further Assurances and Documents. Each Party shall promptly take such further actions, including the execution of further documents, as shall be reasonably required in order to carry out the intent and purposes of this Agreement or to protect the rights and remedies hereby created or intended to be created in favor of one or both Parties including, without limitation, assisting in obtaining any consents that may be required for the transfer of any Assets. SELLER shall use its good faith efforts, and shall cause its agents and employees to use their good faith efforts, in effecting the transition of the operations of the Facilities to BUYER, including, but not limited to, assisting in the transfer of permits related to the operation of Facilities to BUYER. In connection with the foregoing, SELLER shall provide BUYER and its Affiliates with reasonable access to the agents and employees of SELLER who have significant responsibility for the Assets for the purpose of ensuring a smooth transition.
34. Tax-deferred Exchange. Notwithstanding the general prohibition against an assignment of all or any portion of this Agreement contained in Section 24 of this Agreement, BUYER hereby agrees that SELLER may elect to structure the transaction contemplated herein as a tax-deferred exchange in accordance with Section 1031 of the Code provided that SELLER shall give the BUYER notice of not less than ten (10) days prior to the Closing, and provided further that notwithstanding any such assignment, SELLER shall remain liable for each of its obligations under this Agreement and under each instrument and agreement required to be delivered by SELLER hereunder at the Closing to the same extent as though no such assignment had occurred. In the event that SELLER elects to effect a tax-deferred exchange, BUYER further agrees to reasonably assist and accommodate SELLER by (1) consenting and agreeing to the assignment from SELLER to a qualified intermediary of all of SELLER's right, title and interest in and to this Agreement; and (2) agreeing to accept title to the Assets in the form of a cash sale direct from SELLER, and (3) agreeing to pay the full purchase price, adjusted for any Closing Credits due to BUYER hereunder, for the Property at the closing of the sale contemplated herein direct to the qualified intermediary. BUYER shall incur no additional costs, delays, expenses, or liabilities in this transaction as a result of or in connection with said tax-deferred exchange and all of the foregoing shall be the sole responsibility of Seller.
35. Parent Guaranty or Insurance. BUYER shall obtain an executed Parent Guaranty from its parent organization in the form of Exhibit H and shall deliver such guaranty to SELLER as provided in Section 16(C).

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36. Limitations of Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER PARTY SHALL BE LIABLE OR RESPONSIBLE TO ANOTHER PARTY HERETO OR ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, OR FOR LOSS OF PROFITS OR REVENUES (COLLECTIVELY REFERRED TO AS SPECIAL DAMAGES) INCURRED BY SUCH PARTY OR ITS AFFILIATES THAT ARISE OUT OF OR RELATE TO THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES UNDER OR RESULTS FROM CONTRACT, TORT OR STRICT LIABILITY, provided that the foregoing limitation is not intended and shall not affect Special Damages imposed in favor of individuals or entities that are not Parties to this Agreement.
37. Tariff Rates and Continuation of Services. The Parties and/or their Affiliates have agreed on certain matters concerning the pipeline tariff rates to be charged on the Beaumont Line, Port Arthur Line, Houston Line, Hearne Line, and East Texas line following Closing and on certain matters concerning the continuation of transportation services. The agreements are specifically described in the Tariff and Continuing Services Agreement in the Form of Exhibit Q.
38. Condition of Assets. SELLER has maintained and operated the Assets in the ordinary course of its business. Until Closing, SELLER will continue to operate and maintain the Assets in accordance with its historic practices including the conduct of any scheduled Pipeline Integrity Assessments as listed on Exhibit X.
39. Interim Operations. Prior to Closing the Parties and/or their Affiliates will have agreed on the interim operations of the assets and training of personnel as specifically described in the Interim Monitoring and Operations Control Center Agreement in the form set forth on Exhibit L.
40. Transition. In order to permit the efficient and orderly transition of the operation of the Magtex Systems, SELLER shall assist BUYER, for a period of ninety (90) days, and on such terms as are customarily provided in connection with transactions of the type contemplated by this Agreement, and otherwise as the parties shall agree.
41. Facilities Separation. BUYER and SELLER shall agree to perform or arrange for the performance of certain tasks necessary to separate and/or segregate certain retained MPLCO facilities from the Facilities purchased by the BUYER as more fully described in the Facilities Separation Agreement, in form of Exhibit S attached hereto. Segregation of the existing MPLCO SCADA control will occur at the field controlling equipment and BUYER shall provide their separate and independent communication link to their controlling location.
42. Information Technology and SCADA. Except as set forth below, any information technology, services, programs, systems, or software that are fully integrated into SELLER's existing systems, including proprietary and third party licensed software, and MPLCO's Supervisory Control and Data Acquisition ("SCADA") hardware and software, are not included in this transaction. Where it is determined that third party software is necessary for the continued maintenance and operation of the assets following the Closing, or until the interim operating period is completed, the software can be transferred to BUYER only as permitted under the existing licensing agreement with Seller. SCADA configuration information shall be provided by SELLER to BUYER in the form of documentation, reports, screen prints or data base files for the following:
- (A) Data base configuration information for all data base points including, discrete inputs and outputs, analog inputs and outputs, meters, and tanks for all facilities being operated from the SCADA system.

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- (B) Screen prints of the displays currently in use to operate the assets.
 - (C) Configuration information on protocols used and scan tables to bring SCADA data into the host system from the remote PLC sites.
 - (D) Copies of drawings for the communication and network hardware at each facility that is connected to the SCADA system.
43. Required Repairs. Prior to Closing, SELLER will provide BUYER with specific pipeline repair plans for integrity repairs not completed by MPLCO prior to Closing as more fully described in the final HCA repair plans for each segment (the "Final Repair Plans") attached hereto in the form of Exhibit U. BUYER assumes all responsibility, at BUYER'S sole expense, for the completion of the integrity repairs on the Assets as may be required for regulatory compliance.
44. Aldine Option to Purchase.
- A. Aldine Option. Upon the consummation of the Closing, SELLER shall grant to BUYER an irrevocable option (the "Aldine Option") to purchase Parcel A independently, or purchase Parcel A together with any or all of Parcel B, which such parcels are depicted on Exhibit AA. The Aldine Option shall survive for a period that begins on the Closing and runs for one hundred and twenty (120) days thereafter (the "Option Period"). As consideration for the Aldine Option, BUYER has made the representations and warranties and shall perform the conditions and obligations contained in this Agreement, and BUYER shall pay to SELLER, at Closing, One Hundred Dollars and NO/100 (\$100.00) (the "Aldine Consideration"). The Parties acknowledge the sufficiency of the Aldine Consideration to support the Aldine Option. BUYER may, in its sole and absolute discretion, elect to exercise the Aldine Option by delivering notice ("Option Exercise Notice") to SELLER. If BUYER delivers the Option Exercise Notice to SELLER within the Option Period, then SELLER shall convey to BUYER fee simple title, subject only to Permitted Exceptions, to that portion of the Aldine Option Parcel specified in the Option Exercise Notice within sixty (60) days after receipt of the Option Exercise Notice (the "Aldine Option Closing"). If the Option Exercise Notice is not delivered within the Option Period, this Aldine Option shall be terminated and of no further force and effect.
 - (i) Parcel B. If BUYER elects to exercise the Aldine Option on Parcel A and less than all of Parcel B, then BUYER shall specify which portion of the Parcel B BUYER has elected to purchase in the Option Exercise Notice; provided, however, that the Parties agree that the portion of Parcel B which BUYER exercises the Aldine Option on shall run the depth of the property, from the north border to the south border of the Parcel B with a reasonably consistent width from border to border.
 - (ii) Aldine Option Price. The purchase price for the Aldine Option Parcel shall be the fair market value of such parcel at the time the Option Exercise Notice is delivered to SELLER (the "FMV"). The FMV shall be determined by the mutual agreement of the Parties. If the Parties can not agree as to the FMV, the FMV

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shall be the average of two (2) appraisals performed by one (1) appraiser chosen by BUYER and one (1) appraiser chosen by SELLER. Each of the appraisers shall be licensed within the State of Texas and shall have a minimum of fifteen (15) years of appraisal experience, and shall be otherwise qualified for the matters set forth herein. BUYER and SELLER shall each bear the respective costs of the appraiser they select.

(iii) Aldine Option Closing. Upon receipt by SELLER of the Option Exercise Notice, the Parties shall determine what state, county and municipal laws or ordinances apply to subdividing or platting (“Subdividing”) the Aldine Option Parcel into a separate legal parcel. BUYER and SELLER shall share the costs of any such Subdividing equally. BUYER shall order a Title Commitment and Survey for the Aldine Option Parcel pursuant to Section 10, and all terms of Section 10 shall apply to the acquisition of the Aldine Option Parcel. At the Aldine Option Closing, SELLER shall deliver to BUYER a Special Warranty Deed in substantially the same form as Exhibit O, and BUYER shall deliver to SELLER the FMV, as adjusted for prorations as consistent with Section 18.

- B. Memorandum of Aldine Option. The Parties agree to execute and record at Closing a Memorandum of the Aldine Option in substantially the form of Exhibit BB (the “Memorandum of Option”).
- C. Aldine Option Closing Condition. It shall be a condition to Closing that BUYER obtain a Title Insurance Policy for the Aldine Option, which Title Insurance Policy shall insure that there are no other options or rights of first refusal to the Aldine Option Parcel and which shall in all other ways be reasonably acceptable to BUYER. All conditions set forth in Section 16(A) and 16(B) of this Agreement shall be conditions to closing for the Aldine Option Parcel. Section 7 of this Agreement, along with all other terms, obligations and conditions of this Agreement, shall apply to the Aldine Option Closing. At such closing, SELLER shall convey fee interest in the subject parcel, subject only to Permitted Exceptions. If SELLER has leased all or any portion of the Aldine Option Parcel, or granted any rights to the Aldine Option Parcel to any third parties prior to BUYER’S exercise of its Aldine Option, SELLER shall terminate such lease or such third party rights prior to conveying fee simple title to BUYER.
- D. Due Diligence Period. At any time during the Option Period, BUYER shall have the right to reasonably conduct any diligence BUYER deems necessary, which shall include the right to enter onto the Aldine Option Parcel at mutually agreed times to conduct any and all reasonable non-invasive tests and inspections which BUYER deems necessary. Any due diligence conducted by BUYER shall be at BUYER’S expense. SELLER shall produce all documents and information related to the Aldine Option Parcel in SELLER’S control for BUYER’S review and inspection.

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| Exhibit F-2 | Form of Bill of Sale (Herbert Truck Rack) |
| Exhibit G-1 | Form of Assignment |
| Exhibit G-2 | Form of Partial Assignment |
| Exhibit H | Form of Parent Guaranty |
| Exhibit I | Environmental Baseline Condition of Assets |
| Exhibit J | Environmental Permits |
| Exhibit K | Intentionally Blank |
| Exhibit L | Interim Monitoring and Operations Control Center Agreement |
| Exhibit M | Form of Release |
| Exhibit N | Form of Assignment and Assumption Agreement |
| Exhibit O | Form of Special Warranty Deed |
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| Exhibit U | Form of Final Repair Plans |
| Exhibit V | Form of Hebert Office and Ground Lease |
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BETWEEN

EXXONMOBIL OIL CORPORATION,

SELLER

AND

**SUNOCO PARTNERS
MARKETING & TERMINALS L.P.,**

BUYER

Center, TX

Hearne, TX (East)

Waco, TX

Waskom, TX

TERMINALS

April 28, 2008

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| Exhibit H | Form of Special Warranty Deed - Texas |
| Exhibit I | Form of Bill of Sale |
| Exhibit J | Form of Indemnity Letter to Title Company |
| Exhibit K | Form of Seller's FIRPTA Certification |
| Exhibit L | Form of Parent Guaranty |
| Exhibit M | Form of Terminating Services Agreement |
| Exhibit N | Form of Assignment and Assumption Agreement |
| Exhibit O-1 | Form of RELLC Remediation Agreement |
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TERMINALS SALE AND PURCHASE AGREEMENT

This Terminals Sale and Purchase Agreement (“Agreement”) is made as of this 28th day of April, 2008 (“Effective Date”), by and between **EXXONMOBIL OIL CORPORATION**, a New York corporation (“Seller”), and **SUNOCO PARTNERS MARKETING & TERMINALS L.P.**, a Texas limited partnership (“Buyer”). In this Agreement, Buyer and Seller are sometimes individually referred to as a “Party” and collectively as the “Parties.”

PRELIMINARY STATEMENTS

Seller owns and operates four petroleum products terminals in Center, Hearne, Waco and Waskom, Texas, and now desires to sell and Buyer desires to purchase these facilities on the terms and conditions set forth in this Agreement.

TERMS OF AGREEMENT

Seller and Buyer therefore agree as follows:

ARTICLE I

DEFINITIONS

The following terms shall have the meanings set forth below for all purposes of this Agreement:

- 1.1 “Assumed Environmental Liabilities” has the meaning specified in Section 7.4.
- 1.2 “Affiliate” means, with respect to a Party, any individual or legal business entity that, directly or indirectly, controls, is controlled by, or is under common control with, such Party. The term “control” (including the terms “controlled by” and “under common control with”) as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies.
- 1.3 “Authorized Representative” means any employee, agent, representative, consultant, contractor, or subcontractor.

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- 1.4 "Baseline Condition" of the Terminals has the meaning specified in Section 7.2.
- 1.5 "Books and Records" has the meaning specified in Section 2.1(f).
- 1.6 "Bottoms" has the meaning specified in Section 2.4(a).
- 1.7 "BS&W" means bottom sediment and water, as provided in Section 2.4(a).
- 1.8 "Buyer" means Sunoco Partners Marketing & Terminals L.P., a Texas limited partnership.
- 1.9 "Buyer's Knowledge" means the knowledge of individuals currently employed by Buyer in supervisory positions at any time during the two year period immediately preceding the Closing Date who, in the normal scope of their employment would have knowledge of the matter.
- 1.10 "Casualty" has the meaning specified in Section 14.1(a).
- 1.11 "Closing" has the meaning specified in Section 4.1.
- 1.12 "Closing Date" has the meaning specified in Section 4.1.
- 1.13 "Code" means the Internal Revenue Code of 1986, as amended.
- 1.14 "Condemnation" has the meaning specified in Section 14.1(b).
- 1.15 "Damages" means any and all obligations, liabilities, damages (including, without limitation, physical damage to real or personal property or natural resources), fines, liens, penalties, deficiencies, losses, judgments, settlements, personal injuries (including, without limitation, injuries or death arising from exposure to Regulated Substances), costs and expenses (including, without limitation, accountants' fees, attorneys' fees, fees of engineers, health, safety, environmental and other outside consultants and investigators, and reasonable court costs, appellate costs, and bonding fees), whether based in tort, contract or any local, state or federal law, common law, statute, ordinance or regulation, whether legal or equitable, past, present or future, ascertained or unascertained, known or unknown, suspected or unsuspected, absolute or contingent, liquidated or unliquidated, choate or inchoate or otherwise.
- 1.16 "Effective Date" has the meaning specified in the preamble of this Agreement.
- 1.17 "ExxonMobil Policies" has the meaning specified in Section 2.2(i).
- 1.18 "Environmental Condition" means the existence of Regulated Substances in or on the soil, surface water, groundwater at, on or under the Terminals, or migrating from the Terminals to a contiguous property or properties to the extent the levels of any such Regulated Substances exceeds naturally occurring background levels in such areas.

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- 1.19 “Environmental Documents” means those documents that are in Seller’s possession and are, to Seller’s Knowledge, material with respect to Environmental Conditions at the Terminals, a complete list of which is on Schedule 7.2.
- 1.20 “Environmental Law” or “Environmental Laws” means any and all applicable common law, statutes and regulations, of the United States, the State of Texas, and local and county areas concerning the environment, preservation or reclamation of natural resources, natural resource damages, prevention or control of spills or pollution, or the management (including, without limitation, generation, treatment, storage, transportation, arrangement for transport, disposal, arrangement for disposal, or other handling), Release or threatened Release of Regulated Substances, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq.), the Hazardous Material Transportation Authorization Act of 1994 (49 U.S.C. §5101 et seq.), the Solid Waste Disposal Act (42 U.S.C. §6901 et seq.) (including the Resource Conservation and Recovery Act of 1976, as amended), the Clean Water Act (33 U.S.C. §1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. §2701 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Emergency Planning and Right-To-Know Act of 1986 (42 U.S.C. §11101 et seq.), the Endangered Species Act of 1973 (16 U.S.C. §1531 et seq.), the Lead-Based Paint Exposure Reduction Act (15 U.S.C. §2681 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. §4321 et seq.), and all State of Texas laws and, county and local laws of a similar nature to federal law, and the rules and regulations promulgated thereunder, each as amended and, unless otherwise provided in this Agreement, in effect as of the Closing Date.
- 1.21 “Environmental Liabilities” means any Damages or Proceedings (whether incurred, existing or first occurring on, before or after the Closing Date) relating to or arising out of ownership or operation of the Terminals (whether on, before or after the Closing Date) pursuant to any applicable Environmental Laws as in effect at any time, including without limitation: (i) any Third Party Environmental Claim; (ii) any Governmental Environmental Enforcement Action; or (iii) any Remediation Activities.
- 1.22 “Environmental Permits” shall mean those permits, authorizations, approvals, registrations, certificates, orders, waivers, variances or other approvals and licenses issued by or required to be filed with any Governmental Authority under any applicable Environmental Law that are in the name of Seller, related to the Terminals, a complete list of which is set forth on Exhibit R-1, R-2, R-3, and R-4.

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- 1.23 “Excluded Personal Property” has the meaning specified in Section 2.2(g).
- 1.24 “Exclusions” has the meaning specified in Section 2.2.
- 1.25 “Feasibility Study Period” has the meaning specified in Section 7.1.
- 1.26 “Governmental Authority” or “Governmental Authorities” means any federal, state or local governmental authority, administrative agency, regulatory body, board, commission, judicial body or other body having jurisdiction over the matter.
- 1.27 “Governmental Environmental Enforcement Action” means any order, settlement agreement, consent decree, directive, notice of violation, notice of enforcement, letter of notice, notice of noncompliance, corrective action, or similar type of legal requirement or instrument that is issued by, entered into with, or otherwise required by a Governmental Authority with respect to an actual or alleged noncompliance under applicable Environmental Laws.
- 1.28 “Improvements” has the meaning specified in Section 2.1(b).
- 1.29 “Indemnitee” has the meaning specified in Section 9.5(a).
- 1.30 “Indemnity Letter” has the meaning specified in Sections 4.2(g), 5.4(b), and Exhibit J.
- 1.31 “Indemnitor” has the meaning specified in Section 9.5(a).
- 1.32 “Inspector” has the meaning specified in Section 2.4(b).
- 1.33 “IRS” means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.
- 1.34 “Laws” means any provision of any rule, law, regulation, Order or other legal requirement of any Governmental Authority.
- 1.35 “Linefill” has the meaning specified in Section 2.4(a).
- 1.36 “Material Contracts” means all material contracts to which Seller is a party relating to the Terminals, which contracts are described in Exhibit E. The term “Material Contracts” does not include any contracts between Seller and one or more of Seller’s Affiliates, or any revenue-generating contracts related to the Terminals, including, but not limited to, terminaling or throughput agreements, exchange agreements, and lease agreements.
- 1.37 “Off-Site” means those areas contiguous to the Real Property to be conveyed under this Agreement and not considered On-Site.

- 1.38 "Off-Site Disposal Activities" means any off-site transportation, storage, disposal, or treatment, or any arrangement for off-site transportation, storage, disposal, or treatment of any Regulated Substance; provided however, that the term "Off-Site Disposal Activities" shall not include (i) the Off-Site portion of an Environmental Condition that has migrated from the Terminals, (ii) Environmental Conditions on Off-Site contiguous property under Terminals dock lines and dock facilities, if any, and (iii) Environmental Conditions of waterways extending beyond the Terminal's shoreline, if any.
- 1.39 "Off-Site Remediation Activities" means any Remediation Activities with respect to the Terminals that relate to Off-Site Disposal Activities.
- 1.40 "On-Site" means the Real Property to be conveyed under this Agreement.
- 1.41 "Order" means any current judgment, order, settlement agreement, writ, injunction or decree of any Governmental Authority having jurisdiction over the matter and still in effect as of the Closing Date.
- 1.42 "Party" and "Parties" have the same respective meanings as provided in the opening paragraph of this Agreement.
- 1.43 "Permits" has the meaning specified in Section 2.1(h).
- 1.44 "Permitted Title Exceptions" has the meaning specified in Section 5.4.
- 1.45 "Personal Property" has the meaning specified in Section 2.1(d).
- 1.46 "Proceedings" means any actions, causes of action, written demands, written claims, suits, investigations, and any appeals therefrom.
- 1.47 "Products" has the meaning specified in Section 2.4(a).
- 1.48 "Purchase Price" has the meaning specified in Section 3.1.
- 1.49 "Real Property" has the meaning specified in Section 2.1(a).
- 1.50 "Reasonable Written Notification" means written notice provided within sixty (60) days of any notice of an alleged claim being received in writing by the party seeking indemnity, but in any event prior to the date any formal response to such claim is required. Such written notice shall describe in reasonable detail the nature of the Damages and Proceedings for which indemnification and defense is sought. Notice of any Third Party Environmental Claim or Governmental Environmental Enforcement Action shall include, at a minimum, a copy of the notice received from the Third Party or the Governmental Authority, respectively. Furthermore, if a Party receives notice from a Governmental Authority relating to a matter that may ultimately lead to a settlement agreement, consent decree, or supplemental environmental project, then Reasonable Written Notification

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shall be provided on the basis of such first notice, and not delayed until receipt of the ultimate settlement agreement, consent decree or supplemental environmental project.

- 1.51 “Regulated Substance” means any (a) chemical, substance, material, or waste that is designated, classified, or regulated as “industrial waste,” “hazardous waste,” “hazardous material,” “hazardous substance,” “toxic substance,” or words of similar import, under any applicable Environmental Law; (b) petroleum, petroleum hydrocarbons, petroleum products, petroleum substances, crude oil, and components, fractions, derivatives, or by-products thereof; (c) asbestos or asbestos-containing material (regardless of whether in a friable or non-friable condition), or polychlorinated biphenyls; and (d) substance that, whether by its nature or its use, is subject to regulation under any applicable Environmental Law in effect at that time or for which a Governmental Authority requires Remediation Activities with respect to the Terminals.
- 1.52 “Release” shall have the meaning specified in CERCLA; provided, however, that, to the extent the Environmental Laws in effect at any time after the Closing Date establish a meaning for “Release” that is broader than that specified in CERCLA, such broader meaning shall apply to any “Release” occurring after Closing.
- 1.53 “Remediation Activities” means any investigation, study, assessment, testing, monitoring, containment, removal, disposal, closure, corrective action, remediation (regardless of whether active or passive), natural attenuation, bioremediation, response, cleanup or abatement, whether On-Site or Off-Site, of an Environmental Condition to standards required by applicable Environmental Laws in effect at such time or as required by an appropriate Governmental Authority for property used for continued bulk petroleum storage and distribution, including but not limited to maintaining any engineering controls to contain or stabilize Regulated Substances (including without limitation, caps, covers, dikes, trenches, leachate collection systems, signs, fences and access controls).
- 1.54 “Retained Environmental Liabilities” has the meaning specified in Section 7.3.
- 1.55 “Seller” means ExxonMobil Oil Corporation, a New York corporation.
- 1.56 “Seller’s Knowledge” means the knowledge of individuals currently employed by Seller in supervisory positions at any time during the two year period immediately preceding the Closing Date who, in the normal scope of their employment would have knowledge of the matter.
- 1.57 “Survey” has the meaning specified in Section 11.2.

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- 1.58 "Taxes" means any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative, add-on minimum and other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever and any interest, penalty, addition or additional amount thereon imposed, assessed or collected by or under the authority of any Governmental Authority or payable under any tax-sharing agreement or any other contract.
- 1.59 "Terminals" has the meaning specified in Section 2.1.
- 1.60 "Terminal Inventory" has the meaning specified in Section 2.4(a).
- 1.61 "Third Party" means any individual or legal business entity other than: (i) a Party; (ii) a Party's Affiliates; (iii) a Party's Authorized Representatives; (iv) employees, officers, directors, agents and representatives and all successors of a Party and its Affiliates; and, (v) a Party's permitted assigns.
- 1.62 "Third Party Environmental Claim" means a Proceeding by any Third Party alleging Damages relating to or arising out of exposure to, or Off-Site migration of, a Regulated Substance (including, without limitation, Damages for Proceedings arising under applicable Environmental Laws in connection with an Environmental Condition and Damages for Remediation Activities undertaken by a Third Party at its property) related to any of the Terminals. Notwithstanding anything to the contrary in this Agreement, to the extent that Remediation Activities are required by Governmental Entities as a result of a Third Party Environmental Claim, such Remediation Activities shall be governed by the provisions under this Agreement dealing with Remediation Activities.
- 1.63 "Title Commitment" has the meaning specified in Section 11.1.
- 1.64 "Title Company" means Stewart Title Guaranty Company.
- 1.65 "Title Cure Period" has the meaning specified in Section 11.3.
- 1.66 "Title Objections" has the meaning specified in Section 11.3.
- 1.67 "Title Policies" has the meaning specified in Section 8.1(h).
- 1.68 "Transfer" has the meaning specified in Section 15.21.
- 1.69 "Use Restrictions" has the meaning specified in Section 7.9(a).

Capitalized terms defined in this Agreement shall be equally applicable to both the singular and plural forms of such defined terms. As used in this Agreement, (i) "include", "includes" and "including" shall be deemed to be followed by "without

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limitation” whether or not they are in fact followed by such words or words of like import, (ii) unless otherwise specified, “hereof”, “herein”, “hereunder” and comparable terms refer to this entire Agreement and not to any particular article, section or other subdivisions, and (iii) pronouns of whatever gender shall include all natural persons, corporations, limited liability companies, partnerships, associations and other entities of every kind and character unless the context otherwise requires.

ARTICLE II

SALE AND PURCHASE OF TERMINALS

2.1 **Terminals.** On the terms and subject to the conditions of this Agreement and for the consideration stated in this Agreement, at the Closing, Buyer shall purchase and receive from Seller, and Seller shall sell, convey and deliver to Buyer, free and clear of any and all liens, pledges and encumbrances except for Permitted Title Exceptions, all of Seller’s right, title and interest in and to the following, which taken together constitute the “Terminals”:

(a) The real property legally described in Exhibits A-1, A-2, A-3 and A-4 (collectively, the “Real Property”) and located in Center, Hearne (East), Waco and Waskom, Texas, respectively;

(b) The improvements (the “Improvements”) located on the Real Property, including, but not limited to, above-ground and underground piping, buildings, underground and above-ground storage tanks, additive systems, fixtures, facilities and appurtenances, and any of Seller’s equipment at the Real Property that Buyer will require to conduct Remediation Activities after Closing, including but not limited to monitoring wells, but excluding the Excluded Personal Property described in Section 2.2(g) and Exhibits C-1, C-2, C-3, C-4 and G;

(c) All transferable appurtenances, rights, privileges, easements, licenses, and all other transferable real property entitlements benefiting or pertaining to the Real Property;

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(d) All supplies, spare parts, tools, drawings, plats, files, equipment, furniture, and other property used solely in connection with the Terminals, including any of the equipment that Seller has used to conduct Remediation Activities at the Terminals before Closing, including but not limited to monitoring wells (the "Personal Property"), but not including those items listed on Exhibits C-1, C-2, C-3, C-4 and G;

(e) Any rights of Seller to the warranties and licenses received from manufacturers and sellers of the Personal Property, the Improvements, if any, or otherwise relating to the Terminals excluding the Top Tech terminal automation licenses and any other warranties and licenses of the Personal Property that are not assignable or transferable;

(f) The historical books and records relating to the Terminal's operations that are specified in Exhibits D-1, D-2, D-3 and D-4 (the "Books and Records"), including, but not limited to, all non-proprietary records, customer and driver files, drawings, operating manuals and maps used by Seller in its operation of the Terminals and to maintain compliance with any applicable Laws and Orders (but excluding any confidential employee files), and also including any such documents that are stored or maintained in electronic storage format, such as computer disks or tapes, it being understood and agreed that if any of the Books and Records are not delivered to Buyer, Seller, at its expense will provide such copies of the same as are required to comply with such applicable Laws and Orders;

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(g) All Material Contracts (and all of Seller's rights and obligations thereunder) to the extent such contracts are assignable listed in Exhibit E (the "Material Contracts") to be assigned and assumed under the Assignment and Assumption Agreement to be executed by the Parties at Closing (the form of which is attached as Exhibit N);

(h) The Environmental Permits and all other permits, licenses, registrations, certificates, consents, orders, notices, approvals or similar rights from any Government Authority that are necessary for the operation or ownership of the Terminals, as described on Exhibits F-1, F-2, F-3 and F-4 (the "Permits") and Exhibits R-1, R-2, R-3 and R-4 (the "Environmental Permits") to the extent any of the above are assignable or transferable as indicated on Exhibits F-1, F-2, F-3 and F-4 and Exhibits R-1, R-2, R-3 and R-4; and

(i) TMS-5 cabinets (and the contents thereof), BOL impact printers, TMS-5 servers, phone systems, and uninterrupted power source units.

2.2 **Exclusions.** The transactions covered by this Agreement consist only of the sale of assets, and not the sale of a business. The Terminals do not include the properties and assets of Seller listed or described below in this Section 2.2 (all such properties and assets are herein referred to as the "Exclusions"):

(a) Intercompany accounts and contracts of Seller or its Affiliates;

(b) Cash or bank accounts of Seller or its Affiliates;

(c) Defenses and claims that Seller or its Affiliates could assert against Third Parties (except to the extent that such defenses and claims relate to liabilities that Buyer is assuming);

(d) Accounts and notes receivable;

(e) Accounts payable;

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(f) Trademarks, service marks, logos, insignia, imprints, brand identifications, advertising and trade names of Seller or its Affiliates;

(g) The items listed on Exhibits C-1, C-2, C-3 and C-4 (the "Excluded Personal Property");

(h) The improvements, equipment or goods located at the Terminals that are not owned by Seller, which are listed on Exhibit G;

(i) Any insurance coverage under any insurance policies that relate to the Terminals, or any part of the Terminals, (the "ExxonMobil Policies") and any rights under such insurance policies, whether such policies benefit Seller, or any Affiliate of Seller, or any other person or entity, and whether such insurance policies are underwritten by one or more of Seller's Affiliates, or an unaffiliated third party; any and all such policies that, but for the Closing, would have insured the Terminals, or any part of the Terminals, are deemed to be terminated, commuted and cancelled as of the moment of Closing; no claims regarding any matter whatsoever, whether or not arising from events occurring prior to the Closing, shall be made by Buyer against or with respect to any of the ExxonMobil Policies regardless of their date of issuance;

(j) Anything else that is stated in this Agreement as remaining the property or responsibility of Seller, its Affiliates or any Third Party;

(k) Any other property that is owned by Seller or its Affiliates and not used in connection with the Terminals;

(l) Seller's liabilities, if any, under the litigation, as described in Schedule 5.5; and

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(m) Any labor, employment, or collective bargaining agreements between Seller and its employees or between an Affiliate of Seller and such Affiliate's employees, or any employee benefit plans of Seller or its Affiliates.

2.3 **Disclaimer.** Buyer acknowledges that it has examined the Terminals, independently and personally. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE TERMINALS SHALL BE SOLD BY SELLER AND ACCEPTED BY BUYER "AS IS, WHERE IS," WITH ALL FAULTS KNOWN AND UNKNOWN, WITH NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED (OTHER THAN AS EXPRESSLY CONTAINED HEREIN), OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONDITION, DESIGN, OPERATION, CAPACITY OR OTHERWISE. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT OR RELATED TO BUYER'S INTENDED OR ACTUAL USE OF THE TERMINALS AFTER CLOSING. IN ADDITION, AND NOT BY WAY OF LIMITATION, SELLER MAKES NO REPRESENTATION OR WARRANTY (OTHER THAN AS EXPRESSLY CONTAINED HEREIN), WITH RESPECT TO THE QUALITY, ACCURACY OR COMPLETENESS OF ANY OPERATING MANUALS CONVEYED AS PART OF THE TERMINALS' BOOKS AND RECORDS. BUYER'S SUBSEQUENT USE OF SUCH MANUALS WILL BE AT BUYER'S OWN RISK AND BUYER RELEASES SELLER FROM ANY LOSS, LIABILITY, OR DAMAGE ARISING FROM, ASSOCIATED WITH, OR RELATED TO BUYER'S USE OF SUCH MANUALS. Within ninety (90) days after Closing, Buyer shall convert the Terminal's OPA 90 Plan and SPCC Plan to its company name, and shall make any operational changes to such plans as Buyer in its discretion deems necessary or desirable. Seller will not be

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responsible for cleaning tanks or removing tank bottoms, including water, sludge, and sediment for tanks that are in service or idle as of the Closing Date, or prior to or after the Closing Date. At Closing, Seller shall execute a Bill of Sale in favor of Buyer, in substantially the form set forth in Exhibit I conveying any improvements, fixtures, equipment and personal property included in the Terminals, which Bill of Sale shall contain special warranties of title and the "AS IS, WHERE IS" provision contained in this Section 2.3.

2.4 Inventories.

(a) Seller shall close or cause to be closed the Terminals to all receipts and deliveries of product at 12:00 a.m. on the Closing Date. Beginning at 6:00 a.m. on the Closing Date, the Parties, or their Authorized Representatives, shall identify, calculate or measure all contents located (i) in above-ground storage tanks at each of the Terminals, and (ii) in the linefill at each of the Terminals, all of which contents are hereinafter called the "Terminal Inventory." The calculation of each Terminal Inventory shall be recorded using the following categories of items: (A) all volumes of bottom sediment and water ("BS&W") as measured by hand gauge lines; (B) as measured by hand gauge lines, all volumes of petroleum products in above-ground storage tanks minus those products calculated as Bottoms in accordance with subsection 2.4(a)(C) ("Products"); (C) as determined by minimum tank operating levels established by the Terminals using certified tank strapping charts, all volumes of products below one of the following two points, whichever is physically higher ("Bottoms"): (i) that point where loading rack or critical transfer pumps lose suction, OR (ii) if so equipped, that point of the tank where the support legs, at low setting, of an

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internal floating pan are just clear of striking the tank bottom; and (D) all volumes of products in pipelines and other piping at the Terminals ("Linefill"). Seller and Buyer shall agree to the calculation of Linefill prior to Closing. The volumes of petroleum products measured shall be adjusted to 60 degrees Fahrenheit and, as indicated by the separate measurement of BS&W, shall exclude any water.

(b) All gauging, temperature determination, sampling, and testing will be done by an independent petroleum inspection company (the "Inspector") mutually agreeable to the Buyer and Seller. Both parties shall have the right to participate in the physical inventory determination by observing the gauging, temperature readings, sampling, etc. The Inspector will provide all gauging tapes, electronic thermometers, and sampling equipment used in the determination of the Terminal Inventory. The tapes and thermometers will be calibrated and all parties may review the Inspector's calibration records. All parties may witness the verification of the portable electronic thermometers prior to their use for inventory determination. All laboratory equipment used for testing of the inventory samples will also be calibrated / standardized in accordance with industry and manufacturers' procedures.

(c) All gauging, sampling, and testing related to the determination of quality and quantity of the products in each tank shall be done in accordance with the American Petroleum Institute Manual of Petroleum Measurement Standards (API MPMS) (latest revisions) or the American Society for Testing Materials (ASTM) standards (latest revisions). The specific standards to be used shall be determined by the Buyer and Seller in conjunction with the Inspector at the time of selecting the Inspector.

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(d) The gauging and temperature determination for a tank shall be done at the agreed time by a team composed of an Inspector and representatives from the Parties. The Parties shall be deemed to have accepted the accuracy of the gauging and temperature measurements of a tank as recorded by the inspector on the worksheets (either the Inspector's standard tank gauging form or a form mutually developed by the Buyer and Seller) if the Buyer and Seller agree on the individual tank worksheet. All inventory measurements (such as gauges, temperature determination, and sampling) shall be resolved to the best of their abilities by Buyer's and Seller's representatives at the time the measurements are taken. Any disputes will be resolved on-site.

(e) The following items will be measured, recorded, and/or obtained for each atmospheric tank:

1. Tank number.
2. Product stored in the tank.
3. Manual gauge of product reported in feet, inches, and fractions of inches or feet and hundredths of a foot to the minimum increment of the tank calibration table.
4. Digital temperature readings will be determined in accordance with API MPMS Chapter 7.3. If the tank contains more than ten (10) feet of product, temperatures will be reported for the middle of the upper, middle, and lower thirds of the tank product. If the tank contains ten (10) feet or less of product, the temperature of the middle of the product will be reported.

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5. The Inspector shall sample all tanks containing liquids. Part of the sample shall be analyzed and the remainder (at least one quart) sealed by the Inspector and retained. The sealed sample shall be held for ninety (90) days, or until disposal is mutually agreed in writing, whichever would occur sooner. All retained samples are available to either party after a three (3) day notice has been tendered to the other party of the first party's intent to break the seal and test the material. Additional samples will be taken by the Inspector upon the request of either party at the sole expense of the requesting party.

6. Both Buyer's and Seller's representatives shall sign the worksheets for each tank inventoried, which shall indicate agreement with all physical measurements recorded on the worksheet.

(f) Prior to the Closing Date:

1. A tank list will be developed by the Seller and will list:

- a) Tank number;
- b) Specific product stored in the tank;
- c) Tank reference gauge height;
- d) Method of tank gauging (ullage or innage), based on how tank calibration table was developed; and
- e) Minimum increments in the tank calibration table (1/8 or 1/16 Inch or 1/100 of a foot).

2. Personnel at the Terminals will provide the Buyer, Seller, and Inspector with copies of all tank calibration tables prior to the Closing Date.

3. Seller will provide Buyer and Inspector with the product volume contained in Terminal linefill.

4. Buyer, Seller and Inspector shall review the tank list and develop a schedule to inventory each tank.

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5. All tanks that are deemed inactive may be gauged on the day immediately prior to the Closing Date.

(g) The fees of the Inspector's services, including incidental costs (such as sample cans, sample bombs, seals, etc.), shall be shared equally (50:50 basis) by the Buyer and Seller. Any additional sampling or testing will be charged to the requesting party.

(h) At Closing, for the Terminals, Seller shall transfer or cause to be transferred custody of the Products to Buyer and shall transfer or cause to be transferred title to and custody of the Terminal's BS&W, generic additive, ULSD lubricity additive, TxLED additive and red dye additive to Buyer. Seller shall indemnify, discharge and hold Buyer harmless from any claim by any such third party that it has an inventory balance in excess of the amount of Product apportioned to that Third Party, or any claim by any other person that such person has title to any Product at the Terminals as of the Closing.

(i) At Closing, in addition to the Purchase Price, Buyer shall purchase from Seller all volumes of generic additive, ULSD lubricity additive, TxLED additive and red dye additive owned by Seller as of the Closing for a price of \$7.16 per U.S. gallon for generic additive, \$8.99 per U.S. gallon for ULSD lubricity additive, \$19.84 per U.S. gallon for TxLED additive and \$11.33 per U.S. gallon for red dye additive. Upon receipt of Buyer's payment, Seller shall transfer or cause to be transferred custody thereof and title thereto to Buyer.

(j) At Closing, title to any party's proprietary additives, if any, shall remain with such party, although custody thereof will transfer to Buyer at Closing.

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2.5 **Continued Operation of Terminals.** Until Closing, Seller will continue to operate and maintain the Terminals in accordance with Seller's historic practices and within Seller's normal course of business.

ARTICLE III

PURCHASE PRICE

3.1 **Purchase Price.** The total monetary consideration to be paid by Buyer to Seller for the Terminals shall be fifteen million seven hundred thousand U.S. Dollars (\$15,700,000) (the "Purchase Price"), plus all taxes and fees applicable to bulk sales of petroleum products. Upon Buyer's execution of this Agreement, Buyer will deliver seven hundred and eighty-five thousand U.S. Dollars (\$785,000) to the Title Company, to be held by the Title Company in an interest-bearing account ("Earnest Money") for payment to Seller at Closing or otherwise for application as provided in this Agreement. Buyer shall pay the Purchase Price to Seller in accordance with Section 3.2.

3.2 **Payment of Purchase Price.** Subject to adjustment, if any, under Section 13.2, at Closing, Buyer shall pay to Seller the Purchase Price, less: (i) the Earnest Money and any accrued interest thereon and (ii) a credit of 50% of the filing fees under the HSR Act in accordance with Section 15.22, in U.S. Dollars in immediately available federal funds via bank wire transfer to a bank account designated by Seller, which designation shall be given to Buyer in writing at least three (3) business days prior to the Closing Date.

3.3 **Allocation of Purchase Price.** The Purchase Price shall be allocated for tax accounting purposes in accordance with Schedule 3.3 attached hereto. Buyer and Seller agree that they will not take (and will not permit any Affiliate to take), for income tax purposes, any position inconsistent with the allocation on Schedule 3.3.

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ARTICLE IV

THE CLOSING

4.1 **Time and Place; Escrow Agent.** Subject to any extension of the Closing Date as may be required in order to accommodate the provisions of Section 11.3 and to satisfaction or waiver of the conditions set forth in Article VIII, the closing of the transaction contemplated hereby (the "Closing") shall be held at the offices of the Seller on or before ninety (90) days after execution of this Agreement (the "Closing Date"), or at such other time or place or in such other manner, including by mail, as Seller and Buyer may mutually agree in writing. Except as may be permitted by Section 11.3, Section 14.2 and Article VIII of this Agreement, if Buyer fails to close on or before the Closing Date for any reason not permitted by this Agreement, Seller shall be entitled, in its discretion to retain all Earnest Money and interest thereon, and neither Party will have any further right or obligation under this Agreement. The Parties reserve the right to close through an escrow agent, mutually acceptable to both Parties. The costs of the escrow agent, if any, will be shared equally by both Parties.

4.2 **Seller's Deliveries.** At the Closing, Seller shall deliver to Buyer the following:

- (a) Special Warranty Deed, or other document of title as may be required under applicable law, for the Real Property, in the form attached as Exhibit H, executed and acknowledged by Seller;
- (b) Bill of Sale, in the form attached as Exhibit I (the "Bill of Sale"), executed by Seller;
- (c) Possession of the Terminals;
- (d) The Books and Records;

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- (e) Counterparts executed by Seller of those agreements required by the provisions of Section 4.4;
- (f) Certified copies of appropriate corporate action by Seller authorizing the transactions contemplated by this Agreement and authorizing the person(s) executing the documents listed in this Section 4.2 and Section 4.4 to enter into this Agreement and such other documents on behalf of Seller;
- (g) A copy of the executed Indemnity Letter to the Title Company, in the form attached as Exhibit J, if Seller elects under Section 5.4 to deliver such letter to the Title Company;
- (h) Such affidavits and certificates as the Title Company may reasonably require, including certificates necessary to delete standard title insurance exceptions and to protect Buyer against claims that may give rise to any mechanic's, materialman's or other liens against the Real Property related to Seller;
- (i) A certificate or affidavit that the representations and warranties made by Seller in this Agreement are true and correct in all material respects (except in the case of any representations and warranties qualified by materiality or otherwise, which shall be true and correct in all respects) as of the Closing Date;
- (j) A Non-Foreign (FIRPTA) Certification, in the form attached as Exhibit K, executed by Seller;
- (k) A fully executed Release Agreement in the form of Exhibit S;
- (l) All consents or waivers of any third parties required for the consummation of the transactions as provided in Section 8.2(d); and

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(m) Such other documents, certificates and instruments customarily delivered upon consummation of transactions similar to those contemplated by this Agreement as may reasonably be requested by Buyer.

4.3 **Buyer's Deliveries.** At the Closing, Buyer shall deliver to Seller, or effect the delivery to Seller of, the following:

- (a) The Purchase Price, in accordance with Sections 3.1 and 3.2;
- (b) Counterparts executed by Buyer of all those agreements required by the provisions of Section 4.4;
- (c) Certified copies of appropriate corporate action by Buyer authorizing the transactions contemplated by this Agreement and authorizing the person(s) executing the documents listed in this Section 4.3 and Section 4.4 to enter into this Agreement and such other documents on behalf of Buyer;
- (d) If required by Seller, a Guaranty from Sunoco Logistics Partners L.P., in the form attached as Exhibit L;
- (e) A certificate or affidavit that the representations and warranties made by Buyer in this Agreement are true and correct in all material respects (except in the case of any representations and warranties qualified by materiality or otherwise, which shall be true and correct in all respects) as of the Closing Date;
- (f) A fully executed Release Agreement in the form of Exhibit S; and
- (g) Such other documents, certificates and instruments customarily delivered upon consummation of transactions similar to those contemplated by this Agreement as may reasonably be requested by Seller.

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4.4 **Ancillary Agreements.**

(a) The following agreements shall be entered into between Seller and Buyer on the Closing Date:

1. Assignment and Assumption Agreement in the form of Exhibit N;
2. Joint Letter Transferring Responsibility for Remediation Activities in the form of Exhibit Q; and
3. Terminating Services Agreement in the form of Exhibit M;

(b) The following agreement shall be entered into between Resource Environmental LLC and Buyer on the Closing Date:

1. RELLC Remediation Agreement in the form of Exhibit O.

4.5 **Effectiveness of Ancillary Agreements.** No agreement described in Section 4.4 shall be effective prior to Closing.

4.6 **Seller's Remedies.** Except as provided in Section 4.1, if Buyer defaults in the performance of its obligations under this Agreement, and Seller elects to terminate this Agreement, the Earnest Money and interest thereon shall be retained by Seller as damages for Buyer's default and as Seller's sole remedy at law or in equity for such default. Seller and Buyer acknowledge that they have made good faith reasonable efforts to determine what Seller's damages would be in the event of Buyer's default, and they agree that such damages would be extremely difficult and impractical to determine. Therefore, the Earnest Money and any accrued interest thereon shall serve as liquidated damages and shall be Seller's sole right to damages for Buyer's failure to complete the purchase or otherwise perform if Buyer is in default.

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4.7 **Closing Contingency.** Notwithstanding anything to the contrary in this Agreement, the Parties' respective obligations to close the transactions contemplated by this Agreement are contingent upon the simultaneous closing by the Parties of all of the Terminals identified herein, along with the simultaneous closing of the sale and purchase of Exxon Mobil Corporation's Arcadia, LA terminal under a separate agreement, the closing of the sale and purchase of Mobil Pipe Line Company's Hearne, TX (West) terminal under a separate agreement, and the closing of the sale and purchase of Mobil Pipeline Company's Magtex Pipeline System, also under a separate agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

5.1 **Organization.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of New York, is duly authorized to do business in, and is in good standing in the state where the Terminals are located, and has all requisite corporate power and authority to execute, deliver and perform this Agreement and each agreement and instrument to be executed and delivered by Seller pursuant hereto.

5.2 **Due Authorization.** The execution, delivery and performance by Seller of this Agreement and each agreement and instrument to be executed and delivered by Seller pursuant hereto, and the taking by Seller of the actions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of Seller. This Agreement is, and each agreement and instrument to be executed and delivered by Seller pursuant hereto will be, when so executed and delivered, a valid and binding obligation of Seller enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity.

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5.3 **No Violation.** The execution, delivery and performance by Seller of this Agreement and each instrument and agreement to be executed and delivered by Seller pursuant hereto and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of Seller's Articles of Incorporation or Bylaws, (b) conflict with or violate any Laws (c) conflict with or result in a breach or default of any agreement (other than a Material Contract), or other instrument to which Seller is a party or by which it is bound, the adverse consequences of which, either individually or in the aggregate, would impair Seller's ability to consummate the transactions contemplated by this Agreement or materially impair Buyer's ownership, use or operation of the Terminals from and after Closing, (d) violate or breach any Order applicable to Seller, (e) result in a breach, default, termination or acceleration of performance of any Material Contract, or (f) result in the imposition of an encumbrance on any Terminal.

5.4 **Title to Properties.** Except as specified in Schedule 5.4, Seller has, and on the Closing Date will have, good, marketable and indefeasible title to all the Terminals. Seller has not leased, except as identified on Exhibit T, or otherwise granted to any person the right to use or occupy the Terminals or any portion thereof; and there are no outstanding options, rights of first refusal to purchase the Terminals or any portion thereof or interest therein or any other preferential purchase rights held by any person or entity to purchase or acquire any interest in the Terminals. At Closing, Seller will convey the Terminals to Buyer free and clear of all mortgages, liens (including federal, state and local tax liens), claims, judgments, assessments, charges, pledges, security interests and other encumbrances, subject only to the following items (collectively, the "Permitted Title Exceptions"):

- (a) Those matters specified in Schedule 5.4;

(b) Any tax, materialmen's and/or mechanic's lien against which Seller elects to indemnify the Title Company by delivering to the Title Company an Indemnity Letter in the form of Exhibit J at Closing as a result of which such liens do not appear as exceptions in the Title Commitment;

(c) Such other matters as do not interfere in any material respect with the ownership, use, occupancy or operations of Buyer upon the Real Property as used in the normal course of business on the Closing Date; and

(d) Any other matters approved in writing by Buyer.

5.5 **Litigation.** Except as set forth in Schedule 5.5, there is no suit, action, claim, arbitration, administrative or legal or other proceeding or governmental investigation pending or, to Seller's Knowledge, threatened against or related to the Terminals, and (ii) to Seller's Knowledge, there are no facts or events which can give rise to a claim against Seller related to the Terminals. Except as set forth in Schedule 5.5, there is no Order in effect relating specifically to the Terminals.

5.6 **Condemnation and Zoning.** There is no condemnation or eminent domain proceeding pending or, to Seller's Knowledge, threatened against the Terminals by publication or other writing, nor is there any proceeding pending or, to Seller's Knowledge, threatened, which could materially adversely affect the zoning classification of the Terminals in effect as of the date hereof.

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5.7 **Permits.** Exhibits F-1, F-2, F-3 and F-4 and R-1, R-2, R-3 and R-4 list all material Permits and Environmental Permits in effect (and all pending applications therefor) with respect to the Terminals on the date of this Agreement. Except as disclosed on Exhibits F-1, F-2, F-3 and F-4 and R-1, R-2, R-3 and R-4, neither Seller nor its Affiliates has received any notice of any violation, claim or default relating to the Permits or Environmental Permits. All material Permits and Environmental Permits are final, valid and in full force and effect and the permit holder is in compliance in all material respects therewith.

5.8 **Condition of Terminals.** Seller has continued to maintain and operate the Terminals in the ordinary course of its business, and will continue to do so until Closing.

5.9 **Material Contracts.** Seller has delivered to Buyer true and correct copies of all Material Contracts. The Material Contracts have not been modified except as provided in amendments delivered to Buyer and described on Exhibit E. Neither Seller nor, to Seller's Knowledge, any other party to the Material Contracts, is in breach or default thereunder. Except as disclosed in Schedule 5.9, under the terms of the Material Contracts, the Material Contracts may be assigned to and assumed by Buyer without penalty or expense.

5.10 **Compliance with Laws.** Except (a) to the extent, if any, disclosed on Schedule 5.10 or in the Environmental Documents, (b) as to any matter with respect to which Seller has agreed to be responsible for or indemnify Buyer in Article VII, and (c) as to any matter relating to, arising out of, or resulting in Remediation Activities at the Terminals, to Seller's ownership, use and operation of the Terminals as of the Closing Date will be in compliance in all material respects with all applicable Laws (including but not limited to, all applicable Environmental Laws) in effect and requiring compliance as of the Closing Date and Seller has not received notice from any Government Authority asserting any act of non-compliance.

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5.11 **Consents.** Except as set forth on Schedule 5.11, no consent or approval from or filing with any third party is required in connection with the execution and performance by Seller of this Agreement, and there are no options or other preferential purchase rights held by any person or entity not a party to this Agreement to purchase or acquire any interest in the Terminals.

5.12 **Taxes.** For all taxes that are due and payable on or before the Closing Date, Seller has paid, or prior to the Closing Date will pay, all taxes assessed against, arising from or related to the Terminals for all taxable years or taxable periods prior to the Closing Date (including portions of taxable years or periods with respect to which Taxes are due and payable on or before the Closing Date). Seller may incur and will be responsible for taxes that are assessed at the time of the audit for any taxable years prior to the Closing Date.

5.13 **Foreign Person.** Seller is not a "foreign person" as defined in Section 1445 of the Code and the regulations promulgated thereunder. Seller's U.S. tax identification number is 13-540-1570.

5.14 **Sufficiency of Terminals.** The appurtenances, rights, privileges, easements and licenses benefiting or pertaining to the Real Property and included among the Terminals have been sufficient for the operation of the Terminals by Seller for Seller's normal course of business.

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ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

6.1 **Organization.** Buyer is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Texas, is or will be by the Closing Date duly authorized to do business in and is in good standing in the State of Texas and has all requisite power and authority to execute, deliver and perform this Agreement and each agreement and instrument to be executed and delivered by Buyer pursuant hereto.

6.2 **Due Authorization.** The execution, delivery and performance by Buyer of this Agreement and each agreement and instrument to be executed and delivered by Buyer pursuant hereto, and the taking by Buyer of the actions contemplated hereby and thereby, have been duly authorized by all necessary action on the part of Buyer. This Agreement is, and each agreement and instrument to be executed and delivered by Buyer pursuant hereto will be, when so executed and delivered, a valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors generally and general principles of equity.

6.3 **No Violation.** The execution, delivery and performance by Buyer of this Agreement and each instrument and agreement to be executed and delivered by Buyer pursuant hereto and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of Buyer's limited partnership agreement, (b) conflict with or violate any Laws, (c) conflict with or result in a breach or default of any agreement or other instrument to which Buyer is a party or by which it is bound, or (d) violate or breach any Order applicable to Buyer.

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ARTICLE VII

ENVIRONMENTAL

7.1 **Feasibility Study Period.** Prior to the date of this Agreement Seller has made available to Buyer and its Authorized Representatives the Environmental Documents, Orders, and Environmental Permits. Seller has provided Buyer with timely, reasonable access to Seller's Authorized Representatives with knowledge of any relevant facts relating to the Environmental Documents, the Environmental Conditions, or the Remediation Activities. Seller has provided Buyer and its Authorized Representatives access to the Real Property prior to the signing of this document to inspect and to survey the Real Property and conduct Buyer's due diligence investigations of the Terminals ("Feasibility Study Period"). Seller has provided Buyer and its Authorized Representatives reasonable access during normal business hours to the Terminals to conduct such activities during the Feasibility Study Period, subject to Seller's policies and regulations regarding safety and security.

7.2 **Environmental Documents.** In order to establish the environmental status of the Terminals, Seller, Buyer and its Authorized Representatives have reviewed or acknowledged the existence of the Environmental Documents, which include the results of all tests conducted by Buyer and its Authorized Representatives under Section 7.1, if any. Seller and Buyer have agreed that Schedule 7.2 includes or references all material information, known to exist by either Party, related to, affecting or concerning the Environmental Condition or status of the Terminals as of the Closing Date and that such information shall constitute the "Baseline Condition" of the Terminals. Seller shall not be responsible for any Environmental Condition, whether or not identified as part of the Baseline Condition.

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7.3 **Seller's Retained Environmental Liabilities.** Seller shall retain and be solely responsible for the following matters (collectively, "Retained Environmental Liabilities"): Environmental Liabilities in connection with Off-Site Disposal Activities performed by Seller prior to the Closing Date.

7.4 **Buyer's Assumed Environmental Liabilities.** Except for Seller's Retained Environmental Liabilities, Buyer shall assume and be solely responsible for all Environmental Liabilities of Seller relating to or arising out of Seller's ownership or operation of the Terminals, whether existing or asserted before, on, or after the Closing Date, whether known or unknown, whether based on past, present, or future conditions or events, including but not limited to undertaking such Remediation Activities of the Environmental Conditions as may be required by applicable laws, regulations, or government orders ("Assumed Environmental Liabilities").

7.5 **Seller's Environmental Indemnity.** For purposes of this Section 7.5, where Buyer is the indemnified party, the term "Buyer" shall include Buyer and its Affiliates and the directors, officers, employees, agents and representatives, and all successors and assigns of the foregoing. From and after the Closing Date, Seller shall indemnify, hold harmless and defend Buyer from and against any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of the Retained Environmental Liabilities; provided, however, that:

(a) Seller's obligations under this Section 7.5 with respect to Retained Environmental Liabilities shall survive beyond the Closing Date;

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(b) Seller shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of such Retained Environmental Liabilities for which Seller has not received Reasonable Written Notification from Buyer;

(c) Seller shall have no liability, indemnity or defense obligation for any Damages or Proceedings asserted against or incurred by Buyer subsequent to any change in all or any part of the Terminals to a residential use, or other change in use of all or any part of the Terminals that results in a materially adverse change in Seller's risk exposure hereunder;

(d) Buyer shall make available all relevant existing information that, based on information and belief formed after reasonable inquiry, are known by Buyer to be in the possession or control of Buyer and provide timely, reasonable access to all personnel of Buyer with knowledge of relevant facts, and shall cooperate in all reasonable respects with Seller in connection with Seller's defense of any Third Party Environmental Claim or Governmental Environmental Enforcement Action under this Section 7.5. Seller shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of such Third Party Environmental Claim or Governmental Environmental Enforcement Action if Buyer unreasonably denies Seller such access; and

(e) To the extent any Third Party Environmental Claim or Governmental Environmental Enforcement Action relates to events or conditions occurring both prior to and after the Closing, then Seller's indemnification and defense obligations for such Third Party Environmental Claim or Governmental

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Environmental Enforcement Action shall not exceed that portion of Damages and Proceedings attributable to events or conditions occurring prior to the Closing and will not include any attorney's fees or professional fees incurred by Buyer in connection with that part of the Third Party Environmental Claim or Governmental Environmental Enforcement Action attributable to events or circumstances occurring after the Closing.

7.6 **Buyer's Environmental Indemnities.** For purposes of this Section 7.6, where Seller is the indemnified party, the term "Seller" shall include Seller and its Affiliates and the directors, officers, employees, agents and representatives, and all successors and assigns of the foregoing. From and after the Closing Date, Buyer shall indemnify, hold harmless and defend Seller from and against any Damages and Proceedings asserted against or incurred by Seller relating to or arising out of the Assumed Environmental Liabilities, including:

- (a) Any Release of any Regulated Substance related to operations of the Terminals occurring on or after the Closing Date;
- (b) Remediation of any Environmental Condition at the Terminals or any areas Off-Site occurring before, on, or after the Closing Date;
- (c) Any Off-Site Disposal Activities or Off-Site Remediation Activities resulting from the ownership or operation of the Terminals at or after the Closing;
- (d) Any Third Party Environmental Claim or Governmental Environmental Enforcement Action related to or arising out of the ownership or operation of the Terminals occurring before, on, or after the Closing Date;
- (e) Failure to comply with any Permit or Order, including transferred or assigned Environmental Permits or Orders identified on Exhibits F-1, F-2, F-3 and F-4 and R-1, R-2, R-3 and R-4 by Buyer or its Authorized Representatives; and

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(f) Buyer's indemnity obligations under this Section 7.6 will be set forth in the deed conveying the Real Property, will be a covenant running with the land, and will bind the successors, heirs and assigns of Buyer.

Buyer shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Seller relating to or arising out of such Assumed Environmental Liabilities for which Buyer has not received Reasonable Written Notification from Seller.

7.7 Buyer's Release of Seller for Environmental Liabilities. Except for Seller's Retained Environmental Liabilities, Buyer, in consideration of the negotiated amount of the Purchase Price, hereby unconditionally, completely and forever releases and discharges Seller, its Affiliates, and employees, officers, directors, agents and representatives and all successors and assigns of the foregoing, from all Environmental Liabilities. On the Closing Date, Buyer shall unconditionally, completely, and forever discharge Seller, its Affiliates, employees, officers, directors, agents and representatives, and all successors of the foregoing and the permitted assigns of Seller, from any obligation by Seller to perform or ensure the performance of any Remediation Activities under this Agreement (but excluding any Remediation Activities related to Seller's Retained Environmental Liabilities). On the Closing Date, Buyer shall execute and deliver to Seller the Release Agreement in the form of Exhibit S. Buyer's obligations to conduct, and to assume responsibility for, Remediation Activities will be set forth in the Special Warranty Deed conveying the Real Property, will be a covenant running with the land, and will bind the successors, heirs and assigns of Buyer.

7.8 Seller's Access to the Terminals.

(a) Upon request by Seller in connection with any written request or demand from any Governmental Authority or in response to any Third Party Environmental Claim, Buyer shall, at no cost to Seller but upon reasonable notice and during normal business hours, permit Seller, its Affiliates, and its Authorized Representatives reasonable access to the Terminals for the purpose, and to the extent, reasonably required to permit Seller to respond to such Governmental Authority request or demand or Third Party Environmental Claim. Seller will make reasonable efforts to minimize impacts on Buyer's operations. Such access shall be subject to such conditions or procedures relating to health and safety as Buyer may reasonably impose, the Buyer's obligations under this Section 7.8(a) will be set forth in the Special Warranty Deed conveying the Real Property and will be a covenant running with the land and will bind the successors and assigns of Buyer. Seller shall be solely responsible for, and shall indemnify and hold Buyer harmless from and against any loss, damage or injury and any and all costs resulting from Seller's access to the Assets pursuant to this Section 7.8(a), except to the extent any such loss, damage or injury or other cost results from Buyer's gross negligence or willful actions and not including any special, consequential, incidental or punitive damages or loss or profits or revenues as further provided in Section 15.24.

(b) Upon written request by Seller, in connection with any request to Seller from any Governmental Authority or in response to any Third Party Claim, Buyer shall provide Seller, at Seller's cost, copies of all reports, correspondence, notices and communications in Buyer's possession or control sent or received

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from Governmental Authorities regarding the Environmental Condition of the Terminals or any remediation and/or investigation at the Terminals related to the Baseline Condition or other copies of all reports, correspondence, notices and communications in Buyer's possession or control sent to or received from any Third Party concerning conditions that would obligate (financially or otherwise) Seller.

7.9 Other Environmental Issues and Related Use Restrictions.

(a) Buyer acknowledges that the Terminals have been used for the storage, disposal, sale, and transfer of petroleum products or derivatives and Seller hereby advises Buyer that (i) releases of such products into the soil have occurred from time to time in the past; and (ii) the Terminals have contaminated subsurface conditions. Any warranty, covenant or provision in the Deed from Seller to Buyer with respect to the Terminals do not, nor will it be deemed to, extend or apply to any release or presence of petroleum products, derivatives, or any other type of contaminant on, in, under, or about the Terminals including, but not limited to, the surface area, size, and location of such substances and/or the description of the types of contaminants contained therein. As part of the consideration for the sale of the Terminals, Buyer for itself, its successors and permitted assigns, covenants and agrees that neither the Real Property, nor any part thereof shall at any time be used for any of the following specifically listed facilities or uses, or any similar facility or use: (1) any residential use, (2) any purpose that would constitute a "permitted use" under any of the "residence" or "residential" zones, districts, or classifications set forth in any applicable municipal, county or state zoning laws in effect on the date of the Special

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Warranty Deed, (3) any school or other educational facility, (4) any group day-care center, child care center, nursery, nursing home, rehabilitation or convalescent facility or other facility which is intended to house or provide care for children, the elderly or the infirm, (5) any playground or recreational park, (6) any health care clinic, hospital or other medical facility, (7) any place of worship, (8) any agricultural use, or (9) any handling of fresh food. In addition, Buyer agrees that it will not at any time construct or install any basements or any water wells for any purpose (collectively the "Use Restrictions"); provided, however, that none of the Use Restrictions contained herein shall in any way limit or restrict Buyer's right to maintain, repair and replace all water wells in use at the property immediately prior to the date of Closing. Any water wells found on the property by Buyer will be plugged in accordance with state or local regulations; provided, however, that all water wells in use at the property immediately prior to Closing will explicitly not be required to be plugged. Buyer also agrees to implement and maintain any institutional controls on the property that either are or may be required by federal, state or local agencies. Buyer agrees that these covenants and agreements shall survive the Closing; that these covenants and agreements are to run with the Real Property; that these Use Restrictions and the agreement to evaluate and utilize, if required, engineering and institutional controls as set forth in Exhibit H will be inserted in the Special Warranty Deed to be delivered at the Closing and that similar restrictive covenants shall be inserted in any deed, lease or other instrument conveying or demising the Real Property or any part thereof. Furthermore, Buyer for itself, its successors and permitted assigns agrees to execute any documents required by any Governmental Authority having jurisdiction over the Terminals that are consistent with the above Use Restrictions.

(b) The terms and provisions of this Agreement, and all test information, reports and other materials concerning the environmental or other condition of the Terminals shall be maintained by Buyer and its Authorized Representatives as confidential, other than any such information (i) that is in the public domain through a source other than Buyer, or (ii) that is compelled in any judicial, administrative, regulatory or arbitration proceeding or otherwise required by law or by a governmental authority. Buyer may, however, share environmental information under a comparable confidentiality agreement with any affiliated companies, potential subsequent purchasers of the Terminals or a potential joint venture owner of the Terminals.

(c) If Closing does not occur within the time required by this Agreement, or upon earlier termination of this Agreement, then upon Seller's request, Buyer shall promptly deliver to Seller all originals and copies (whether written or electronic) that are in Buyer's or its Authorized Representatives' possession of the information, reports, or materials including specifically those concerning the environmental or other condition of the Terminals together with all information, reports, or material furnished to Buyer by Seller, and Buyer shall promptly cause any Third Party to deliver to Seller such materials that are in their possession.

(d) The Environmental Documents, including those generated by Buyer, may be used by Seller to prepare and file reports, where applicable, with the appropriate Governmental Authorities.

(e) Seller's responsibilities in this Article VII shall inure to the benefit of Buyer solely and do not transfer to Buyer's heirs and assigns. In the event Seller agrees to the transfer and assignment of Seller's responsibilities in this Article VII, which agreement shall only be effective if provided in writing by Seller, Buyer's obligations under this Article VII shall be incorporated into any lease or subsequent sales agreement for the Terminals and any tenant or subsequent buyer shall be required to fulfill all obligations of Buyer set forth in this Article VII. In no event shall Buyer's obligations under this Article VII terminate upon the lease or sale of all or a portion of the Terminals. Any attempt to assign Seller's responsibilities in this Article VII without the express prior written approval of Seller as set forth above shall be void and of no effect.

(f) Buyer and Seller shall cooperate with each other in all reasonable respects as to the transfer or assignment of the Environmental Permits or Orders that can be transferred or assigned under applicable Environmental Laws and the making of any filings or notifications or obtaining any authorizations required under applicable Environmental Laws in connection with the transfer of the Terminals to Buyer. Seller shall take the lead on all initial notifications to applicable Governmental Authorities requesting such transfer or assignment of any Environmental Permits or Orders. Buyer, however, shall be solely responsible for all subsequent communications and filings needed to follow through and complete the timely transfer or assignment of such Environmental Permits or Orders. If the assignment of any Environmental Permit is denied by the applicable Governmental Authority, Exhibits R-1, R-2, R-3 and R-4 of this Agreement will be deemed automatically amended, and Buyer shall apply for the

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issuance of a new Environmental Permit as soon as reasonably possible. With respect to any Environmental Permits or Orders issued under applicable Environmental Laws prior to the Closing Date and Buyer's obligations for Remediation Activities, Seller and Buyer, within ten (10) calendar days after the Closing Date shall submit a joint letter to each applicable Governmental Authority acknowledging that Buyer is assuming the obligations of Seller under such Order and/or Remediation Activities, such letter to be in the form of Exhibit Q. Along with the joint letter and with respect to obligations for Remediation Activities set forth in such joint letter that Buyer is assuming, Buyer shall also execute and deliver to Seller the Release Agreement for remediation liability for all Environmental Conditions in the form of Exhibit S.

(g) As between Buyer and Seller, Buyer and Seller shall share equally in all filing costs and administrative expenses associated with such transfer or assignment of any Environmental Permits or Orders pursuant to this Agreement. Buyer, however, shall be solely responsible for all costs and expenses relating to or arising out of any change in terms or conditions of such Environmental Permits or Orders resulting from any transfer, assignment or reissuance of such Environmental Permits or Orders to Buyer, except for any such costs and expenses related to or arising out of Seller's non-compliance with such Environmental Permits or Orders (which costs and expenses shall be borne solely by Seller). With respect to those Environmental Permits or Orders that cannot be transferred or assigned under applicable Environmental Laws, Buyer will use reasonable efforts at Buyer's cost and expense to obtain new permits or orders.

(h) After the Closing Date, Buyer shall be solely responsible for the filing of any post-Closing reports or notices required by any Governmental Authority regardless of whether the reporting period began or occurred prior to the Closing Date (as long as the required submission deadline for such reports or notices is not prior to the Closing Date). Such reports may include, but are not limited to, Annual Air Emissions Report, Air Permit Reports (excluding Title V semi-annual and annual certifications, which are addressed below), SARA 313 Form R Reports, annual hazardous waste reports, gasoline maximum achievable control technology (GMACT) certifications and ground water monitoring reports required under state above ground storage tank regulations. At least 10 days prior to the Closing Date, Seller will provide Buyer with a listing of all such material reports and notices required to be filed with any Governmental Authority that are due within sixty (60) days after the Closing Date. Within thirty (30) days after the Closing Date, Seller shall provide to Buyer records relating to operation of the Terminals through the Closing Date needed to complete all such material reports. As to any information that must be provided to any Governmental Authority as part of a routine report submitted in relation to a Title V semi-annual or annual certification, if the Closing Date occurs during the required reporting period, each Party agrees to be responsible and liable for the collection, compilation and submission of such certification with respect to that portion of the reporting period falling under such Party's ownership. Each Party shall cooperate fully with the other and shall provide the other Party with reasonable access to its employees and files to the extent necessary or appropriate to assist the other Party in preparing its report. In the event that the Closing Date occurs

on or after the end of the required reporting period but before such report is due, Seller will be responsible and liable for the collection, compilation and submission of such report as it concerns Seller's operation of the Terminals. In that instance, Buyer shall cooperate fully with Seller and shall provide Seller with reasonable access to Buyer's employees and files to the extent necessary or appropriate to assist Seller in preparing the report. Buyer shall be solely responsible and liable for all subsequently submitted reports.

7.10 **Arbitration Procedures.** Except as otherwise provided herein, any dispute between the Parties under this Article VII shall be resolved by arbitration in Fairfax, Virginia in accordance with the rules of the American Arbitration Association and subject to the provisions of this Section 7.10.

(a) If good faith efforts to resolve any such dispute fail, either Party may commence arbitration after thirty (30) days written notice of that Party's intent to commence arbitration. Seller shall appoint one arbitrator and Buyer shall appoint one arbitrator. The two arbitrators so appointed shall select a third arbitrator. All arbitrators for non-engineering disputes must be licensed attorneys. If either Seller or Buyer fails to appoint an arbitrator within twenty (20) days after a request for such an appointment is made by the other Party in writing, or if the arbitrators so appointed fail within twenty (20) days after the appointment of the second of them to agree on a third arbitrator, the arbitrator or arbitrators necessary to complete a panel of three arbitrators shall be appointed by the American Arbitration Association upon application thereto by either Party.

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(b) The panel so constituted shall fix a reasonable time and place for a hearing of the dispute. Each of the Parties shall submit to the panel of arbitrators at the hearing such Party's proposed resolution of the dispute, together with such supporting evidence as such Party may desire to present to the panel of arbitrators. The panel of arbitrators shall consider only the proposed resolutions and evidence as presented by the Parties.

(c) Within thirty (30) days of such hearing, the panel of arbitrators shall select the proposed resolution presented by a Party that most closely achieves the intention of the Parties as expressed in this Article VII. The Panel must choose either the resolution of the dispute proposed by Buyer or the resolution of the dispute proposed by Seller. The panel of arbitrators is not empowered to select a compromise of any kind between either proposal. If more than one dispute is between the arbitrators at any one time, the arbitrators shall resolve each such dispute independently of the other dispute.

(d) The action of a majority of the members of the panel of arbitrators shall govern and their decision in writing shall be final and binding on the Parties.

(e) All arbitrators appointed under this procedure shall be disinterested individuals who are not and never have been officers, directors, employees, consultants, or attorneys of Seller or of Buyer or of any of Seller's or Buyer's Affiliates. Such individuals must be experienced in the environmental aspects of the petroleum and chemical industries and competent to pass judgment on the issues in dispute. The losing Party shall bear all reasonable and customary fees and expenses (Seller's and Buyer's) of the entire arbitration process.

7.11 **Environmental Notices.** Except as otherwise stated in this Article VII, all notices or correspondence required or permitted to be given under this Article VII shall be in writing. Notices may be given in person, or may be sent by nationally-recognized

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overnight courier, registered or certified mail (postage prepaid and return receipt requested) or facsimile with written confirmation to the Party to be notified at the following address:

If to Seller: ExxonMobil Oil Corporation
c/o Exxon Mobil Corporation
Global Remediation
Attn: Global Major Projects Manager
3225 Gallows Road
Fairfax, VA 22037
703/846-6051 Telephone
703/846-5298 Facsimile

If to Buyer: Sunoco Partners Marketing & Terminals L.P.
Attn: Vice President & General Counsel
1735 Market Street, Suite LL – 29th Floor
Philadelphia, PA 19103
215-977-3135 Telephone
215-246-8287 Facsimile

Either Party may change its address or facsimile number by providing written notice to the other at least ten (10) days prior to the effective date of such change. Notices given in accordance with this Article VII shall concern only those matters governed by this Article VII. Notices given in accordance with this Section 7.11 shall be deemed to have been given: (a) at the time of delivery when delivered personally; (b) upon receipt when sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested); or (c) upon completion of successful transmission when sent by facsimile (unless transmission is completed outside recipient's normal working hours, in which case such notice shall be deemed given at the start of recipient's next business day). Any notice required or permitted to be given under any other Article of this Agreement shall be separated from Article VII notices, and shall be given in accordance with Section 15.4 of this Agreement.

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ARTICLE VIII

CONDITIONS PRECEDENT TO CLOSING

8.1 **Obligation of Buyer to Close**. The obligation of Buyer to consummate the purchase of the Terminals on the Closing Date is subject to (i) the satisfaction of the following conditions on or prior to the Closing Date and/or (ii) Buyer's written waiver of any such conditions as remain unsatisfied as of the Closing Date:

- (a) **Accuracy of Representations**. All representations and warranties made by Seller in this Agreement shall be true and correct in all material respects (except in the case of any representation or warranties qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Closing Date;
- (b) **No Default**. Seller shall have complied in all material respects with each covenant and agreement to be performed by Seller under this Agreement by or on the Closing Date;
- (c) **Disclosure**. Buyer shall have received from Seller all Environmental Documents received or generated by Seller or its Affiliates after the date of this Agreement and prior to the Closing Date;
- (d) **Agreements**. Seller shall have executed, or is prepared to execute or cause the execution of simultaneously with Closing, all documents and agreements provided for in this Agreement, including the documents and agreements listed in Sections 4.2 and 4.4, duly notarized and in recordable form where applicable;

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(e) **Required Consents.** The Parties shall have obtained the consent (if required) of any applicable Government Authority or Third Party to the assignment to and the assumption by Buyer of any assignable Permit and Environmental Permit, and the assignment or the novation of all Material Contracts, under which as of the Closing Date Buyer assumes Seller's rights and obligations and Seller is released from any and all such obligations.

(f) **Transfer of Documents.** Seller has delivered, or is prepared to simultaneously deliver to Buyer at Closing, all Books and Records, as stated in Section 2.1(f) of this Agreement;

(g) **Defects in Title.** Any Title Objections shall be resolved in accordance with the provisions of Section 11.3, and Buyer shall not have terminated this Agreement under Section 11.3;

(h) **Title Commitment.** Buyer shall have obtained title insurance policies (which may be in the form of a mark-up of a pro forma of the Title Commitments) in accordance with the Title Commitments, insuring the Buyer's fee simple title to the Real Property as of the Closing Date (including all recordable appurtenant easements insured as separate legal parcels) with gap coverage from Seller through the date of recording, subject only to Permitted Title Exceptions (the "Title Policies"). Each of the Title Policies shall have the creditor's rights exception deleted, and shall include an extended coverage endorsement (insuring over the general or standard exceptions), comprehensive endorsement, access endorsement, contiguity endorsement, and all other endorsements reasonably requested by Buyer, in form and substance reasonably satisfactory to Buyer;

(i) **No Termination.** Buyer shall not have terminated this Agreement under Section 14.2;

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(j) **Hart Scott Rodino.** Seller and Buyer shall have filed (in accordance with Section 15.22), and received all necessary approvals or clearances, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

(k) **Simultaneous Closings.** The transactions contemplated by Section 4.7, shall be consummated simultaneously with the Closing; and

(l) **Seller's Deliveries.** Buyer shall have received all of Seller's Deliveries under Section 4.2.

8.2 **Obligation of Seller to Close.** The obligation of Seller to consummate the sale of the Terminals on the Closing Date shall be subject to (i) the satisfaction of the following conditions on or prior to the Closing Date and/or (ii) Seller's written waiver of any such conditions as remain unsatisfied as of the Closing Date:

(a) **Accuracy of Representations.** All representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects (except in the case of any representation or warranties qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Closing Date;

(b) **No Default.** Buyer shall have complied in all material respects with each covenant and agreement to be performed by Buyer under this Agreement by or on the Closing Date;

(c) **Agreements.** Buyer shall have executed, or is prepared to execute simultaneously with Closing, all documents and agreements provided for in this Agreement to be signed by Buyer, including the documents and agreements listed in Sections 4.3 and 4.4;

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(d) **Required Consents.** The Parties shall have obtained the consent (if required) of any applicable Government Authority or Third Party to the assignment to and the assumption by Buyer of any assignable Permit and Environmental Permit, and the assignment or the novation of all Material Contracts, under which as of the Closing Date, Buyer assumes Seller's rights and obligations and Seller is released from any and all such obligations;

(e) **Hart Scott Rodino.** Buyer and Seller shall have filed (in accordance with Section 15.22), and received all necessary approvals or clearances, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

(f) **Simultaneous Closings.** The transactions contemplated by Section 4.7 shall be consummated simultaneously with the Closing; and

(g) **Buyer's Deliveries.** Seller shall have received all of Buyer's Deliveries under Section 4.3.

ARTICLE IX

INDEMNIFICATION

9.1 **Definitions.** As used in this Article IX, "Loss" shall mean any claim, liability, obligation, expense, cost or other damage or loss (including without limitation, reasonable attorneys' and consultants' fees), fine or penalty. "Loss" shall also include in each instance, but shall not be limited to, all reasonable costs and expenses of investigating and defending any claim or any order, directive, final judgment, compromise, settlement, fine, penalty, court costs or proceeding arising at any time under or from any Government Authority, including all reasonable costs and expenses and court costs incurred in the enforcement of rights under this Article IX. "Loss" shall

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not include any special, consequential, indirect or loss of profit, damages or any Loss for which one Party has assumed responsibility or agreed to indemnify the other Party under Article VII of this Agreement.

9.2 **Indemnification By Seller.** From the Closing Date, in addition to all other obligations of Seller to Buyer set forth in this Agreement, Seller shall indemnify, defend and hold harmless Buyer, Buyer's Affiliates and their respective directors, officers, employees, representatives, successors and assigns from and against any Loss resulting from, related to, or arising out of: (a) the breach by Seller (or any shareholder, officer, director, employee of Seller) of any representation or warranty contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement, (b) the breach by Seller (or any shareholder, officer, director, employee of Seller) of any covenant or agreement contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement, or (c) liabilities constituting a part of, or relating or resulting from, the Exclusions; provided, that, with respect to a loss of the type referred to in clause (a) above, Seller shall have no indemnification obligation for any such Loss if Seller has not received a claim from Buyer (specifying in reasonable detail the basis for such Loss) within one year following the Closing Date, or, if such Loss results from a breach of Section 5.1 (Organization), Section 5.2 (Due Authorization), or 5.12 (Taxes), within the applicable time set forth in Section 10.1. Nothing contained in this Section 9.2 shall modify, amend or supersede any indemnification obligation of Seller contained in any document, instrument, agreement or certificate delivered under this Agreement. A claim for a Loss resulting from the fraud or willful misconduct of Seller may be made at any time without limitation.

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9.3 **Indemnification By Buyer.** From and after the Closing Date, in addition to all other obligations of Buyer to Seller set forth in this Agreement, Buyer shall indemnify, defend and hold harmless Seller, Seller's Affiliates and their respective directors, officers, employees, representatives, successors and assigns from and against any Loss resulting from, related to, or arising out of:

(a) Buyer's ownership or operation of all or any part of the Terminals after Closing, except for any Loss for which Seller has assumed responsibility or agreed to indemnify Buyer under Article VII;

(b) The breach by Buyer or any Affiliate of Buyer (or any shareholder, officer, director, employee of Buyer or such Affiliate) of any representation or warranty contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement; provided that Buyer shall have no indemnification obligation for any such Loss if Buyer has not received a claim from Seller (specifying in reasonable detail the basis for such Loss) within one year following the Closing Date, or if such Loss results from a breach of Section 6.1 (Organization) or Section 6.2 (Due Authorization), within the applicable time set forth in Section 10.1; provided, further, that a claim for a Loss resulting from the fraud or willful misconduct of Buyer may be made at any time without limitation; or

(c) The breach by Buyer or any Affiliate of Buyer (or any shareholder, officer, director, employee of Buyer or such Affiliate) of any covenant or agreement contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement.

9.4 **Conflict.** In the event of any conflict or ambiguity in the language of this Article IX, or any other portion of this Agreement, with the language of Article VII, the Parties agree that Article VII language shall be controlling.

9.5 **Procedures.**

(a) **Notice and Tender.** In the event that any officer or registered agent of either Party hereto receives actual notice of any claim by a third person giving rise to a right of indemnification of such Party under this Article IX (the "Indemnitee"), such Indemnitee shall, within sixty (60) days after receipt of such notice, give written notice thereof to the other Party hereto responsible for such indemnification (the "Indemnitor") setting forth the facts and circumstances giving rise to such claim for indemnification and shall tender the defense of such claim to the Indemnitor. If the Indemnitee fails to give such notice and tender such defense within such 60-day period, the Indemnitee shall be solely responsible for any Loss with respect to such claim to the extent they are attributable to such failure; but failure to give such notice and tender such defense within such 60-day period shall not result in a forfeiture or waiver of any rights to indemnification for any Loss with respect to such claim to the extent they are not attributable to such failure.

(b) **Defense of Claims.** The Indemnitor shall select (subject to the Indemnitee's reasonable approval) the attorneys to defend any matter subject to indemnification and/or taking all actions necessary or appropriate to resolve,

defend, and/or settle such matters, and shall be entitled to contest, on its own behalf and on the Indemnitee's behalf, the existence or amount of any obligation, cost, expense, debt or liability giving rise to such claim. Nothing in this Section 9.5(b) shall be construed as prohibiting the Indemnitee from participating in the defense (which may include hiring its own counsel) in any matter subject to indemnification, as long as the Indemnitee does so at its own expense, unless and to the extent that the Indemnitor or an Affiliate is also subject to such claim and the Indemnitee has determined in good faith that the Indemnitor has a conflict of interest vis-à-vis the Indemnitee and/or the Indemnitee has defenses available to it that are not available to the Indemnitor, in which case the Indemnitor shall be responsible for the expense of the Indemnitee's counsel. The Indemnitor shall keep the Indemnitee fully and timely informed as to actions taken on such matters. The Indemnitee shall cooperate fully with the Indemnitor and its counsel and shall provide them reasonable access to the Indemnitee's employees, consultants, agents, attorneys, accountants, and files to the extent necessary or appropriate to defend or resolve the matter, the Indemnitor reimbursing the Indemnitee with respect to the reasonable cost of any such access. With respect to any matter for which a Party has an indemnification and/or defense obligation under this Agreement, the Parties shall maintain a joint defense privilege, where applicable, in connection with such matters for the Party's post-Closing communications and those of their respective Affiliates and Authorized Representatives, which post-Closing communications concern the matters subject to such indemnification and/or defense obligation.

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(c) **Allocation of Indemnification Liability.** When any Loss for which indemnification is provided under this Article IX results from, relates to, or arises out of the conduct of both Seller and Buyer, the Parties shall indemnify each other in proportion to their respective share of such Loss.

ARTICLE X

SURVIVAL

10.1 **Representations and Warranties.** All representations and warranties made in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement will survive until one year after Closing, except, that, the representations and warranties set forth in 5.1 (Organization), Section 5.2 (Due Authorization), Section 6.1 (Organization) and Section 6.2 (Due Authorization) shall survive indefinitely, and the representations and warranties set forth in Section 5.12 (Taxes) shall survive until ninety (90) days following the termination of the applicable statute of limitations. At the end of such survival period set forth above, such representations and warranties shall terminate and have no further force and effect.

10.2 **Covenants.** Unless otherwise specified in this Agreement, the Parties obligations under the following sections and articles will survive the Closing: Articles I, VII, IX, X, XII, XIII and XV and Sections 3.1, 3.3 and 11.3.

ARTICLE XI

TITLE COMMITMENT; SURVEY; RISK OF LOSS

11.1 **Title Insurance.** Buyer shall promptly place an order to procure a commitment for an ALTA Owner's Title Insurance Policy 2006 Form (or other form of policy available in the jurisdiction and acceptable to Buyer) for the Real Property from

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the Title Company, together with a copy of all documents referenced therein (the "Title Commitments"). Any abstracting, title certification, and charges for title examination will be at Buyer's expense. Buyer shall cause the Title Company to deliver to Buyer, with a copy to Seller, a title commitment setting forth the status of title to the Property on or before the thirtieth (30th) day following the Effective Date (the "Title Commitment").

11.2 **Survey.** Buyer shall promptly cause to be prepared, at its expense, current land title surveys of the Real Property, prepared by a licensed surveyor satisfactory to Buyer and conforming to 2005 Minimum Detail Requirements for ALTA/ACSM Land Title Surveys, including Table A Items Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(1), 7(c), 8, 9, 10, 11(b), 13, 14, 15, 16, 17, 18 and 19 and such other standards as the Title Company and Buyer require as a condition to the removal of any survey exceptions from the Title Policies, and certified by Buyer and the Title Company (the "Survey"). Upon completion of the Survey, Buyer shall deliver promptly three (3) prints thereof to Seller and at least one (1) print to the Title Company. The Survey will (i) show the location of all streets, roads, railroads, creeks or other water courses, fences, easements, rights-of-way and other encumbrances or encroachments on or adjacent to the Property, including all of the title matters shown on the Title Commitment and (ii) set forth a certified legal description of the Property. Seller agrees to furnish the surveyor with copies of all existing deeds.

11.3 **Title Objections.** Within fifteen (15) days after receiving the later of the Title Commitment or the Survey, Buyer shall notify Seller if the Title Commitment or Survey reveals any liens, encumbrances, claims or exceptions that, in Buyer's reasonable judgment, are unacceptable ("Title Objections"). If Seller is unable or unwilling to cure any Title Objections, Seller will provide written notice thereof to Buyer

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within fifteen (15) days following receipt of notice of Title Objections from Buyer and Buyer shall have the right, at its option, by written notice to Seller within fifteen (15) days following receipt of Seller's written notice, either (i) to terminate this Agreement and obtain a refund of the Earnest Money and all interest thereon, whereafter both Parties shall be relieved and discharged of any rights, liabilities or obligations hereunder, or (ii) to waive such defect and proceed to Closing. Buyer's failure to exercise the right to terminate within the said fifteen (15) day period shall constitute a waiver of Buyer's right to terminate with respect to such title matters. However, if Seller elects to cure the Title Objections (although Seller will have no such obligation to do so), Seller shall provide Buyer with notice of its intention to cure same within the fifteen (15) days aforesaid and Seller shall have an opportunity, at its expense, to remove such Title Objections within sixty (60) days following receipt of written notice from Buyer identifying the Title Objections (the "Title Cure Period"). In no event shall Seller have any obligation to commence litigation or to incur costs in excess of One Thousand Dollars (\$1,000.00) to cure or remove any Title Objections. If Seller is unable to cure any Title Objections within the Title Cure Period that, in the reasonable opinion of the Title Company or Buyer, must be cured in order to deliver good and marketable title, Buyer may, as its sole and exclusive remedy, and upon written notice to Seller within fifteen (15) days after expiration of the Title Cure Period, terminate this Agreement, in which event the Earnest Money shall be fully refunded to Buyer.

11.4 **Risk of Loss.** Risk of loss with respect to the Terminals shall be borne by Seller until Closing. The risk of loss of the Terminals shall pass to the Buyer at Closing.

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ARTICLE XII

FURTHER ASSURANCE

From time to time after Closing, Seller and Buyer shall, upon request of the other and without further consideration, execute, acknowledge and deliver such further instruments of transfer, conveyance or assumption and such other documents as Seller or Buyer may reasonably request more effectively to vest in Buyer the right and title to, interest in and enjoyment of, the Terminals or to carry out the transactions and agreements contemplated by this Agreement. Seller shall use its good faith efforts, and shall cause its agents and employees to use their good faith efforts, in effecting the transition of the operations of the Terminals to Buyer, including, but not limited to, assisting in the transfer of permits related to the operation of Terminals to Buyer. In connection with the foregoing, Seller shall provide Buyer and its Affiliates with reasonable access to the agents and employees of Seller who have significant responsibility for the Terminals for the purpose of ensuring a smooth transition.

ARTICLE XIII

COSTS AND EXPENSES

13.1 **Brokerage Commissions**. Neither of the Parties nor, where applicable, any of their respective shareholders, officers, directors, or employees, has employed or will employ any broker, agent, finder or consultant or has incurred or will incur any liability for any brokerage fees, commissions, finders' fees or other fees in connection with the negotiation or consummation of the transactions contemplated by this Agreement.

13.2 **Closing Adjustments**. The following items shall be paid, prorated, or adjusted as of the Closing Date in the manner hereinafter set forth:

(a) All real estate Taxes as well as any Taxes assessed on the Personal Property, due and owing on or before the Closing Date, all penalties and interest thereon, and all special assessments affecting the Terminals, whether payable in installments or not, shall be paid in full by Seller.

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(b) Current ad valorem Taxes including real estate Taxes, special assessments and charges for the current year ("Property Taxes") shall be allocated between Seller and Buyer as of the Closing Date on the basis of no applicable discount. The allocation shall be based on the number of days that each party owns the Terminals during the year of the sale. If the amount of such Property Taxes with respect to any of the Terminals for the calendar year in which the Closing occurs has not been determined as of the Closing Date, then the Property Taxes with respect to such Terminals for the preceding calendar year, on the basis of no applicable discount, shall be used to calculate such allocations, with known changes in valuation applied. Seller's allocated share of the Property Taxes for the current year shall be credited to Buyer at Closing as a reduction in Purchase Price and Buyer shall assume the responsibility to pay the Property Taxes, unless Seller has already paid the current year's Property Taxes, in which case Seller shall be credited at Closing as an increase in Purchase Price with Buyer's allocated share of the Property Taxes. If the actual amount of any such Property Taxes varies by more than Twenty Thousand Dollars (\$20,000) from estimates used at the Closing to prorate such taxes, then the parties shall re-prorate such Property Taxes within ten (10) days following a request by either party based on the actual amount of the tax bills.

(c) Seller shall be responsible for the cost of Terminals utilities up to Closing and Buyer shall be responsible for such costs thereafter.

(d) Buyer shall bear and pay all title insurance premiums and charges.

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(e) Buyer shall bear and pay all realty transfer fees, recording costs and Taxes associated with the conveyance of the Real Property, the Improvements and the Personal Property, except Taxes imposed by reason of capital or income of Seller. Seller and Buyer agree that no sales and use taxes will be reported on any of the Terminals transferred to Buyer since such sale qualifies for an occasional sale exemption.

(f) Seller and Buyer shall each pay their own respective legal fees and expenses and the cost of performance of their respective obligations hereunder.

(g) All amounts due Seller under any assignable revenue-generating contract shall be prorated as of the Closing Date upon the payment cycle established under such revenue-generating contract so that the portion the amounts due Seller from the beginning of such payment cycle to the Closing Date will be credited to Seller at Closing.

(h) The Parties shall make all other adjustments necessary to effectuate the intent of the Parties as set forth in this Agreement.

13.3 **Timing of Adjustments.** All monetary adjustments necessary to achieve the allocations specified in Section 13.2, to the extent reasonably practicable, shall be made at the Closing. To the extent any such adjustments cannot be made at the Closing, the same shall be made after the Closing as and when complete information becomes available. Seller and Buyer agree to cooperate and to use their best efforts to complete such adjustments no later than thirty (30) days after the Closing Date.

ARTICLE XIV

CASUALTY AND CONDEMNATION

14.1 **Notice of Casualty or Condemnation**. In the event that after the date of this Agreement and prior to the Closing:

(a) Any material portion of the Terminals are damaged or destroyed by fire or other casualty or any event or circumstance occurs resulting in a material adverse change to the environmental condition of the Terminals (a "Casualty"), or

(b) Seller receives written notice of any action, suit or proceeding, or threatened or contemplated action, suit or proceeding, to condemn or take all or any material part of the Terminals by eminent domain (a "Condemnation"), Seller shall immediately notify Buyer of the Casualty or Condemnation. In the event of a Casualty, Buyer must (i) retain an insurance adjuster mutually satisfactory to Buyer and Seller within fifteen (15) days after Buyer's receipt of Seller's notice to determine the extent of the Casualty, and (ii) initiate negotiations with Seller to discuss an adjusted Purchase Price for the Terminals if Buyer contemplates making the election in Section 14.2(a) below. If Buyer initiates such negotiations, Buyer and Seller shall negotiate in good faith to try to agree upon an adjusted Purchase Price.

14.2 **Buyer's Election**. Buyer must elect one of the following options and give written notice to Seller of such election within (i) fifteen (15) days after the insurance adjuster's written determination in the case of a Casualty, or (ii) thirty (30) days after Buyer's receipt of Seller's notice of Condemnation in the case of a Condemnation:

(a) Purchase the Terminals in accordance with Article IV of this Agreement at an adjusted Purchase Price agreed upon by Buyer and Seller before Buyer makes this election; or

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(b) Terminate this Agreement, whereupon Seller shall immediately direct the Title Company to pay the Earnest Money, and all interest accrued thereon, to Buyer.

14.3 **Exclusive Remedy.** Notwithstanding any provision to the contrary contained herein, the remedies provided to Buyer under Section 14.2(a) and (b) constitute Buyer's exclusive remedies in connection with the circumstances described therein.

ARTICLE XV

GENERAL; ADDITIONAL COVENANTS

15.1 **Termination.** If this Agreement is terminated by Seller or by Buyer as a matter of right or as permitted under this Agreement, such termination shall be without liability of either Party to the other, or to any of their shareholders, affiliates, directors, officers, employees, agents, consultants or representatives.

This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual consent of SELLER and BUYER;

(b) if the Closing has not occurred by the close of business on September 30, 2008, then by SELLER if any condition specified in Section 8.2 has not been satisfied on or before such close of business, and shall not theretofore have been waived by SELLER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by SELLER to fulfill any undertaking or commitment provided for herein on the part of SELLER that is required to be fulfilled on or prior to Closing; or

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(c) if the Closing has not occurred by the close of business on September 30, 2008, then by BUYER if any condition specified in Section 8.1 has not been satisfied or waived on or before such close of business, and shall not theretofore have been waived by BUYER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by BUYER to fulfill any undertaking or commitment provided for herein on the part of BUYER that is required to be fulfilled on or prior to Closing.

15.2 **Entire Agreement.** This Agreement, including all of the Exhibits and Schedules hereto, constitutes the entire understanding between the Parties with respect to the subject matter contained herein and supersedes any prior understandings, negotiations or agreements, whether written or oral, between them respecting such subject matter.

15.3 **Headings.** The headings in this Agreement are for convenience of reference only and shall not affect its interpretation.

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15.4 **Notices.** Except for notices required under Article VII of this Agreement, all notices or other correspondence required or permitted to be given under this Agreement shall be in writing and addressed to the Party to be notified at the address listed in this Section 15.4. Notice shall be given in person, or shall be sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested) or facsimile with written communication to the Party to be notified at the following address:

| <u>Seller:</u> | <u>Buyer:</u> |
|---|--|
| <u>Mail:</u> ExxonMobil Oil Corporation c/o Mobil Pipe Line Company 3225 Gallows Road Fairfax, VA 22037 Attn: Southern Operations Manager | <u>Mail:</u> Sunoco Partners Marketing & Terminals L.P. 1735 Market Street, Suite LL – 29th Floor Philadelphia, PA 19103 Attn: Vice President & General Counsel |
| <u>Facsimile:</u> 703-846-5955 | <u>Facsimile:</u> 215-246-8287 |
| <u>Phone:</u> 703-846-5257 | <u>Phone:</u> 215-977-3135 |

Either Party may change its address or facsimile number by providing written notice to the other at least ten (10) days prior to the effective date of such change. Notices given in accordance with this Section 15.4 shall be deemed to have been given: (a) at the time of delivery when delivered personally; (b) upon receipt when sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested); or (c) upon completion of successful transmission when sent by facsimile (unless transmission is completed outside recipient's normal working hours, in which case such notice shall be deemed given at the start of recipient's next business day). Notices given in accordance with this Section 15.4 shall concern only those matters not governed by Article VII and shall be separated from Article VII notices, which are governed by Section 7.11.

15.5 **Exhibits and Schedules.** Each Exhibit and Schedule referred to in this Agreement is incorporated into this Agreement by such reference.

15.6 **Severability.** If any provision of this Agreement is held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability will not affect any other provision hereof. This Agreement shall in such circumstances be deemed modified to the extent necessary to render enforceable the provisions hereof.

15.7 **Waiver.** The failure of any Party to insist upon strict performance of any of the terms or conditions of this Agreement will not constitute a waiver of any of its rights hereunder.

15.8 **Assignment.** Neither Party may assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided that, Seller may assign this Agreement to an Affiliate or any entity into which it is merged or combined without the consent of, but subject to notice to, Buyer. Any assignment of this Agreement, by operation of law or otherwise, shall not relieve the assignor of any obligations hereunder. Any assignment made in violation of this Section 15.8 shall be void.

15.9 **Parties in Interest; No Third Party Beneficiary.** This Agreement shall inure to the benefit of and be binding upon Buyer and Seller and their respective successors and permitted assigns. Except as otherwise provided herein, nothing in this Agreement will be construed as conferring upon any person or entity other than Buyer and Seller, and their respective successors in interest and permitted assigns, any right, remedy or claim under or by reason of this Agreement.

15.10 **Governing Law.** This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the internal law of the State of Texas, without regard to conflicts of laws principles thereof that would result in application of substantive laws of any other state.

15.11 **Choice of Forum.** Where Federal subject matter or diversity jurisdiction exists with respect to a dispute which the Parties cannot themselves amicably resolve, the Parties designate the United States District Court for the Southern District of Texas,

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as the exclusive forum for the resolution of that dispute and submit themselves and the dispute to the jurisdiction of that Court. Where Federal subject matter or diversity jurisdiction in respect of such dispute does not exist, the Parties designate the Supreme Court in the State of Texas, County of Harris, as the exclusive forum for the resolution of that dispute and submit themselves and the dispute to the jurisdiction of that Court.

15.12 **WAIVER OF JURY TRIAL**. EACH PARTY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF THE OTHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

15.13 **Commercially Reasonable Efforts; Time of Essence**. Except as otherwise specifically provided herein, Buyer and Seller shall each use commercially reasonable efforts to satisfy the conditions to Closing and otherwise consummate the transactions contemplated by this Agreement as promptly as practical. Time is of the essence with respect to the Closing of this Agreement

15.14 **Amendments**. This Agreement may be amended only by a written instrument that is duly executed by both Parties

15.15 **Counterparts**. This Agreement may be executed in any number of counterparts and any Party hereto may execute any such counterpart, each of which when executed by both Parties and delivered shall be deemed to be an original.

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15.16 **Public Announcements.** The Parties agree that there shall be no press releases or other announcements prior to Closing without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except to the extent required by applicable Laws or rules of any applicable stock exchange. If either Party determines that a press release is required or desired, they will so notify the other in writing and shall consult with each other with regard to the same. The Parties further agree to consult with each other on all press releases and announcements issued at or after Closing concerning the transactions contemplated by this Agreement.

15.17 **Transition Assistance.** For a period of ninety (90) days after Closing, at Buyer's reasonable request, Seller shall assist, at no charge, Buyer in connection with a reasonably orderly transition of the operation of the Terminals.

15.18 **Taxes.** After the Closing Date, if Buyer receives a bill for Taxes assessed against the Terminals that includes Taxes for taxable years or taxable periods on or before the Closing Date (including Taxes assessed for portions of taxable years or periods on or before the Closing Date), Buyer shall forward the bill to Seller for payment. After the Closing Date, if Seller receives a bill for Taxes assessed against the Terminals or each Terminal Inventory that includes Taxes for taxable years or taxable periods after the Closing Date (including Taxes assessed for portions of taxable years or taxable periods after the Closing Date), Seller shall forward the bill to Buyer for payment.

15.19 **Confidentiality.** The Parties acknowledge that they are bound by the terms of the Confidentiality Agreement dated August 9, 2006 between Seller and Buyer and hereby extend the term of such Confidentiality Agreement so that it will expire three years after the Closing Date. In addition, Seller and Buyer agree that they will keep

confidential and not disclose to any non affiliated Third Party any of the terms or provisions of this Agreement for a period of three years after the Closing Date, except for disclosure of information that:

(a) is or becomes publicly available by other than unauthorized disclosure;

(b) is made pursuant to the requirement or request of a Government Authority of competent jurisdiction to the extent such disclosure is required by an applicable law or Order, and sufficient notice is given by the disclosing Party to the other Party to permit the other Party to seek an appropriate protective order or exemption from such requirement or request, if it so desires. If such protective order or other remedy is not obtained, or if the other Party waives compliance with the provisions of this Section 15.19 for this purpose, the disclosing Party shall furnish only that portion of the information that is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded the information by the Government Authority.

15.20 **No Presumption Against Drafter.** Buyer and Seller have each fully participated in the negotiation and drafting of this Agreement. If an ambiguity, question of intent or question of interpretation arises, this Agreement must be construed as if drafted jointly, and there must not be any presumption, inference or conclusion drawn against either Party by virtue of the fact that its representative has authored this Agreement or any of the terms of it.

15.21 **Right of First Offer.** Seller will have a right of first offer to purchase the Terminals before any sale, assignment or other transfer (a "Transfer") of the Terminals to a non-affiliate of Buyer. If Buyer shall desire to effect such a Transfer, it shall first

give notice in writing of such desire to Seller. Seller will then have sixty (60) days from its receipt of such notice to inform Buyer in writing whether Seller wishes to purchase the Terminals, and if it does, the material terms and conditions of such purchase. If Seller informs Buyer that it does not wish to purchase the Terminals (or if Seller fails to respond in writing to Buyer within such sixty (60) day period), or if the Parties are unable, after good faith negotiations, to close the transaction within one hundred and twenty (120) days, then Buyer may Transfer the Terminals to any other person at any time within the next one hundred and eighty (180) days. If Seller notifies Buyer of the purchase price and terms upon which Seller is willing to purchase the Terminals, any such Transfer by Buyer within one hundred and eighty (180) days shall be on terms (including purchase price) that are not materially more favorable to purchaser than those described in Seller's notice. If such Transfer by Buyer is not consummated within such one hundred and eighty (180) day period, then the right of first offer described above shall apply again to a Transfer of the Terminals by Buyer.

15.22 **Hart-Scott Rodino Filing Requirements.** Within thirty (30) days after execution of this Agreement, Seller and Buyer shall file or cause to be filed with the Federal Trade Commission and the United States Department of Justice any notifications required to be filed under the Hart-Scott-Rodino Act and the rules and regulations promulgated thereunder with respect to the transactions contemplated herein. Seller and Buyer shall consult with each other as to the appropriate time for filing such notifications, shall agree upon the timing of such filings and shall, respond promptly to any requests for additional information made by either of such agencies. Buyer shall pay the filing fees under the HSR Act, and shall receive a credit of 50% of such filing fees against the Purchase Price at Closing. Buyer and Seller shall each bear

TERMINALS SALE AND PURCHASE AGREEMENT
(CENTER, HEARNE (EAST), WACO AND WASKOM)
EXECUTION VERSION

their respective costs for the preparation of any filing. Seller and Buyer shall use commercially reasonable efforts to cause any waiting period under the HSR Act with respect to the transactions contemplated herein to expire or terminate at the earliest possible time. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall require Buyer or Seller or any of their respective Affiliates to sell, hold separate or otherwise dispose of or conduct its business in a specified manner, or agree to sell, hold separate or otherwise dispose of or conduct its business in a specified manner, or permit the sale, holding separate or other disposition of, any assets of the Buyer or Seller or their respective Affiliates, whether as a condition of obtaining any approval from a Governmental Authority or any other Person or for any other reason.

15.23 **Insurance.** Seller and Buyer acknowledge that Exxon Mobil Corporation maintains a worldwide program of property and liability insurance coverage for itself and its Affiliates, including Seller. This program has been designed to achieve a coordinated risk-management package for the entire ExxonMobil corporate group. The program consists principally of three types of policies:

- (a) policies issued to Exxon Mobil Corporation or its predecessors;
- (b) policies issued directly to Affiliates by one of ExxonMobil's wholly-owned insurance companies, i.e., Ancon Insurance Company, Inc., Bluefield International Insurance Inc., et al, (herein referred to collectively as "ExxonMobil Captive Insurers"); and
- (c) policies issued to Affiliates by locally admitted insurers which are reinsured by one of the ExxonMobil Captive Insurers.

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All of the insurance policies through which the worldwide program of coverage is presently or has previously been provided by or to Exxon Mobil Corporation , its predecessors or Affiliates are herein referred to collectively as the "ExxonMobil Policies."

It is understood and agreed by Buyer that from and after the Closing:

(d) No insurance coverage shall be provided under the ExxonMobil Policies to Buyer;

(e) Any and all policies insured or reinsured by any of the ExxonMobil Captive Insurers which, but for this provision, would have insured the Terminals shall be deemed terminated, commuted and cancelled *ab initio*;

(f) No claims regarding any matter relating to the Terminals, whether or not arising from events occurring prior to the Closing, shall be made by Buyer against or with respect to any of the ExxonMobil Policies regardless of their date of issuance.

15.24 **Limitations of Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER PARTY SHALL BE LIABLE OR RESPONSIBLE TO ANOTHER PARTY HERETO OR ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, OR FOR LOSS OF PROFITS OR REVENUES (COLLECTIVELY REFERRED TO AS SPECIAL DAMAGES) INCURRED BY SUCH PARTY OR ITS AFFILIATES THAT ARISE OUT OF OR RELATE TO THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES UNDER OR RESULTS FROM CONTRACT, TORT OR STRICT LIABILITY, provided that the foregoing limitation is not intended and shall not affect Special

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Damages imposed in favor of individuals or entities that are not Parties to this Agreement.

[Signature page follows.]

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TERMINALS SALE AND PURCHASE AGREEMENT
(CENTER, HEARNE (EAST), WACO AND WASKOM)
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IN WITNESS WHEREOF, the Parties have executed this Terminals Sale and Purchase Agreement as of the date first above written.

EXXONMOBIL OIL CORPORATION

By: /s/ Les Rose

Printed

Name: Les Rose

Title: Agent and Attorney-in-Fact

SUNOCO PARTNERS MARKETING & TERMINALS L.P.

By: Sunoco Logistics Partners Operations GP
LLC, its general partner

By: /s/ Christopher W. Keene

Printed

Name: Christopher W. Keene

Title: Vice President

TERMINALS SALE AND PURCHASE AGREEMENT
(CENTER, HEARNE (EAST), WACO AND WASKOM)
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LIST OF EXHIBITS AND SCHEDULES TO TERMINAL SALE AND PURCHASE
AGREEMENT (CENTER, HEARNE (EAST), WACO AND WASKOM) OMITTED
FROM THIS FILING

EXHIBITS

| | |
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| Exhibit A-2 | Real Property Description for Hearne Terminal Sale |
| Exhibit A-3 | Real Property Description for Waco Terminal Sale |
| Exhibit A-4 | Real Property Description for Waskom Terminal Sale |
| Exhibit B | Intentionally Left Blank |
| Exhibit C-1 | List of Personal Property Excluded From Center Terminal |
| Exhibit C-2 | List of Personal Property Excluded From Hearne Terminal |
| Exhibit C-3 | List of Personal Property Excluded From Waco Terminal |
| Exhibit C-4 | Lists of Personal Property Excluded From Waskom Terminal |
| Exhibit D-1 | Books and Records for Center Terminal Sale |
| Exhibit D-2 | Books and Records for Hearne Terminal Sale |
| Exhibit D-3 | Books and Records for Waco Terminal Sale |
| Exhibit D-4 | Books and Records for Waskom Terminal Sale |
| Exhibit E | Material Contracts |
| Exhibit F-1 | Permits for Center Terminal |
| Exhibit F-2 | Permits for Hearne Terminal |
| Exhibit F-3 | Permits for Waco Terminal |
| Exhibit F-4 | Permits for Waskom Terminal |
| Exhibit G | Improvements, Equipment and Goods Located at Center, Hearne, Waco and Waskom Terminals and Not Owned by Seller |
| Exhibit H | Form of Special Warranty Deed - Texas |
| Exhibit I | Form of Bill of Sale |
| Exhibit J | Form of Indemnity Letter to Title Company |
| Exhibit K | Form of Seller's FIRPTA Certification |
| Exhibit L | Form of Parent Guaranty |
| Exhibit M | Form of Terminating Services Agreement |
| Exhibit N | Form of Assignment and Assumption Agreement |
| Exhibit O-1 | Form of RELLC Remediation Agreement |
| Exhibit O-2 | Form of RELLC Letter Agreement |
| Exhibit P | Intentionally Left Blank |
| Exhibit Q | Form of Joint Letter Transferring Responsibility for Remediation Activities |
| Exhibit R-1 | Environmental Permits for Center Terminal |
| Exhibit R-2 | Environmental Permits for Hearne Terminal |
| Exhibit R-3 | Environmental Permits for Waco Terminal |

| | |
|-------------|---|
| Exhibit R-4 | Environmental Permits for Waskom Terminal |
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| Schedule 7.2 | Environmental Documents |

TERMINAL SALE AND PURCHASE AGREEMENT

BETWEEN

EXXON MOBIL CORPORATION,

SELLER

AND

**SUNOCO PARTNERS
MARKETING & TERMINALS L.P.,**

BUYER

Arcadia, LA

TERMINAL

April 28, 2008

TERMINAL SALE AND PURCHASE AGREEMENT
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| Exhibit H | Form of Special Warranty Deed – Louisiana |
| Exhibit I | Form of Bill of Sale |
| Exhibit J | Form of Indemnity Letter to Title Company |
| Exhibit K | Form of Seller’s FIRPTA Certification |
| Exhibit L | Form of Parent Guaranty |
| Exhibit M | Form of Terminating Services Agreement |
| Exhibit N | Form of Assignment and Assumption Agreement |
| Exhibit O | Intentionally Left Blank |
| Exhibit P | Intentionally Left Blank |
| Exhibit Q | Form of Joint Letter Transferring Responsibility for Remediation Activities |
| Exhibit R | Environmental Permits |
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TERMINAL SALE AND PURCHASE AGREEMENT

This Terminal Sale and Purchase Agreement (“Agreement”) is made as of this 28th day of April, 2008 (“Effective Date”), by and between **EXXON MOBIL CORPORATION**, a New Jersey corporation (“Seller”), and **SUNOCO PARTNERS MARKETING & TERMINALS L.P.**, a Texas limited partnership (“Buyer”). In this Agreement, Buyer and Seller are sometimes individually referred to as a “Party” and collectively as the “Parties.”

PRELIMINARY STATEMENTS

Seller owns and operates a petroleum products terminal in Arcadia, Louisiana and now desires to sell and Buyer desires to purchase this facility on the terms and conditions set forth in this Agreement.

TERMS OF AGREEMENT

Seller and Buyer therefore agree as follows:

ARTICLE I

DEFINITIONS

The following terms shall have the meanings set forth below for all purposes of this Agreement:

- 1.1 “Assumed Environmental Liabilities” has the meaning specified in Section 7.4.
- 1.2 “Affiliate” means, with respect to a Party, any individual or legal business entity that, directly or indirectly, controls, is controlled by, or is under common control with, such Party. The term “control” (including the terms “controlled by” and “under common control with”) as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies.
- 1.3 “Authorized Representative” means any employee, agent, representative, consultant, contractor, or subcontractor.

TERMINAL SALE AND PURCHASE AGREEMENT
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- 1.4 "Baseline Condition" of the Terminal has the meaning specified in Section 7.2.
- 1.5 "Books and Records" has the meaning specified in Section 2.1(f).
- 1.6 "Bottoms" has the meaning specified in Section 2.4(a).
- 1.7 "BS&W" means bottom sediment and water, as provided in Section 2.4(a).
- 1.8 "Buyer" means Sunoco Partners Marketing & Terminals L.P., a Texas limited partnership.
- 1.9 "Buyer's Knowledge" means the knowledge of individuals currently employed by Buyer in supervisory positions at any time during the two year period immediately preceding the Closing Date who, in the normal scope of their employment would have knowledge of the matter.
- 1.10 "Casualty" has the meaning specified in Section 14.1(a).
- 1.11 "Closing" has the meaning specified in Section 4.1.
- 1.12 "Closing Date" has the meaning specified in Section 4.1.
- 1.13 "Code" means the Internal Revenue Code of 1986, as amended.
- 1.14 "Condemnation" has the meaning specified in Section 14.1(b).
- 1.15 "Damages" means any and all obligations, liabilities, damages (including, without limitation, physical damage to real or personal property or natural resources), fines, liens, penalties, deficiencies, losses, judgments, settlements, personal injuries (including, without limitation, injuries or death arising from exposure to Regulated Substances), costs and expenses (including, without limitation, accountants' fees, attorneys' fees, fees of engineers, health, safety, environmental and other outside consultants and investigators, and reasonable court costs, appellate costs, and bonding fees), whether based in tort, contract or any local, state or federal law, common law, statute, ordinance or regulation, whether legal or equitable, past, present or future, ascertained or unascertained, known or unknown, suspected or unsuspected, absolute or contingent, liquidated or unliquidated, choate or inchoate or otherwise.
- 1.16 "Effective Date" has the meaning specified in the preamble of this Agreement.
- 1.17 "ExxonMobil Policies" has the meaning specified in Section 2.2(i).
- 1.18 "Environmental Condition" means the existence of Regulated Substances in or on the soil, surface water, groundwater at, on or under the Terminal, or migrating from the Terminal to a contiguous property or properties to the extent the levels of any such Regulated Substances exceeds naturally occurring background levels in such areas.

- 1.19 “Environmental Documents” means those documents that are in Seller’s possession and are, to Seller’s Knowledge, material with respect to Environmental Conditions at the Terminal, a complete list of which is on Schedule 7.2.
- 1.20 “Environmental Law” or “Environmental Laws” means any and all applicable common law, statutes and regulations, of the United States, the State of Louisiana, and local and county areas concerning the environment, preservation or reclamation of natural resources, natural resource damages, prevention or control of spills or pollution, or the management (including, without limitation, generation, treatment, storage, transportation, arrangement for transport, disposal, arrangement for disposal, or other handling), Release or threatened Release of Regulated Substances, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq.), the Hazardous Material Transportation Authorization Act of 1994 (49 U.S.C. §5101 et seq.), the Solid Waste Disposal Act (42 U.S.C. §6901 et seq.) (including the Resource Conservation and Recovery Act of 1976, as amended), the Clean Water Act (33 U.S.C. §1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. §2701 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Emergency Planning and Right-To-Know Act of 1986 (42 U.S.C. §11101 et seq.), the Endangered Species Act of 1973 (16 U.S.C. §1531 et seq.), the Lead-Based Paint Exposure Reduction Act (15 U.S.C. §2681 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. §4321 et seq.), and all State of Louisiana laws and, county and local laws of a similar nature to federal law, and the rules and regulations promulgated thereunder, each as amended and, unless otherwise provided in this Agreement, in effect as of the Closing Date.
- 1.21 “Environmental Liabilities” means any Damages or Proceedings (whether incurred, existing or first occurring on, before or after the Closing Date) relating to or arising out of ownership or operation of the Terminal (whether on, before or after the Closing Date) pursuant to any applicable Environmental Laws as in effect at any time, including without limitation: (i) any Third Party Environmental Claim; (ii) any Governmental Environmental Enforcement Action; or (iii) any Remediation Activities.
- 1.22 “Environmental Permits” shall mean those permits, authorizations, approvals, registrations, certificates, orders, waivers, variances or other approvals and licenses issued by or required to be filed with any Governmental Authority under any applicable Environmental Law that are in the name of Seller, related to the Terminal, a complete list of which is set forth on Exhibit R.

- 1.23 “Excluded Personal Property” has the meaning specified in Section 2.2(g).
- 1.24 “Exclusions” has the meaning specified in Section 2.2.
- 1.25 “Feasibility Study Period” has the meaning specified in Section 7.1.
- 1.26 “Governmental Authority” or “Governmental Authorities” means any federal, state or local governmental authority, administrative agency, regulatory body, board, commission, judicial body or other body having jurisdiction over the matter.
- 1.27 “Governmental Environmental Enforcement Action” means any order, settlement agreement, consent decree, directive, notice of violation, notice of enforcement, letter of notice, notice of noncompliance, corrective action, or similar type of legal requirement or instrument that is issued by, entered into with, or otherwise required by a Governmental Authority with respect to an actual or alleged noncompliance under applicable Environmental Laws.
- 1.28 “Improvements” has the meaning specified in Section 2.1(b).
- 1.29 “Indemnitee” has the meaning specified in Section 9.5(a).
- 1.30 “Indemnity Letter” has the meaning specified in Sections 4.2(g), 5.4(b), and Exhibit J.
- 1.31 “Indemnitor” has the meaning specified in Section 9.5(a).
- 1.32 “Inspector” has the meaning specified in Section 2.4(b).
- 1.33 “IRS” means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.
- 1.34 “Laws” means any provision of any rule, law, regulation, Order or other legal requirement of any Governmental Authority.
- 1.35 “Linefill” has the meaning specified in Section 2.4(a).
- 1.36 “Material Contracts” means all material contracts to which Seller is a party relating to the Terminal, which contracts are described in Exhibit E. The term “Material Contracts” does not include any contracts between Seller and one or more of Seller’s Affiliates, or any revenue-generating contracts related to the Terminal, including, but not limited to, terminaling or throughput agreements, exchange agreements, and lease agreements.
- 1.37 “Off-Site” means those areas contiguous to the Real Property to be conveyed under this Agreement and not considered On-Site.

- 1.38 “Off-Site Disposal Activities” means any off-site transportation, storage, disposal, or treatment, or any arrangement for off-site transportation, storage, disposal, or treatment of any Regulated Substance; provided however, that the term “Off-Site Disposal Activities” shall not include (i) the Off-Site portion of an Environmental Condition that has migrated from the Terminal, (ii) Environmental Conditions on Off-Site contiguous property under Terminal dock lines and dock facilities, if any, and (iii) Environmental Conditions of waterways extending beyond the Terminal’s shoreline, if any.
- 1.39 “Off-Site Remediation Activities” means any Remediation Activities with respect to the Terminal that relates to Off-Site Disposal Activities.
- 1.40 “On-Site” means the Real Property to be conveyed under this Agreement.
- 1.41 “Order” means any current judgment, order, settlement agreement, writ, injunction or decree of any Governmental Authority having jurisdiction over the matter and still in effect as of the Closing Date.
- 1.42 “Party” and “Parties” have the same respective meanings as provided in the opening paragraph of this Agreement.
- 1.43 “Permits” has the meaning specified in Section 2.1(h).
- 1.44 “Permitted Title Exceptions” has the meaning specified in Section 5.4.
- 1.45 “Personal Property” has the meaning specified in Section 2.1(d).
- 1.46 “Proceedings” means any actions, causes of action, written demands, written claims, suits, investigations, and any appeals therefrom.
- 1.47 “Products” has the meaning specified in Section 2.4(a).
- 1.48 “Purchase Price” has the meaning specified in Section 3.1.
- 1.49 “Real Property” has the meaning specified in Section 2.1(a).
- 1.50 “Reasonable Written Notification” means written notice provided within sixty (60) days of any notice of an alleged claim being received in writing by the party seeking indemnity, but in any event prior to the date any formal response to such claim is required. Such written notice shall describe in reasonable detail the nature of the Damages and Proceedings for which indemnification and defense is sought. Notice of any Third Party Environmental Claim or Governmental Environmental Enforcement Action shall include, at a minimum, a copy of the notice received from the Third Party or the Governmental Authority, respectively. Furthermore, if a Party receives notice from a Governmental Authority relating to a matter that may ultimately lead to a settlement agreement, consent decree, or supplemental environmental project, then Reasonable Written Notification

shall be provided on the basis of such first notice, and not delayed until receipt of the ultimate settlement agreement, consent decree or supplemental environmental project.

- 1.51 “Regulated Substance” means any (a) chemical, substance, material, or waste that is designated, classified, or regulated as “industrial waste,” “hazardous waste,” “hazardous material,” “hazardous substance,” “toxic substance,” or words of similar import, under any applicable Environmental Law; (b) petroleum, petroleum hydrocarbons, petroleum products, petroleum substances, crude oil, and components, fractions, derivatives, or by-products thereof; (c) asbestos or asbestos-containing material (regardless of whether in a friable or non-friable condition), or polychlorinated biphenyls; and (d) substance that, whether by its nature or its use, is subject to regulation under any applicable Environmental Law in effect at that time or for which a Governmental Authority requires Remediation Activities with respect to the Terminal.
- 1.52 “Release” shall have the meaning specified in CERCLA; provided, however, that, to the extent the Environmental Laws in effect at any time after the Closing Date establish a meaning for “Release” that is broader than that specified in CERCLA, such broader meaning shall apply to any “Release” occurring after Closing.
- 1.53 “Remediation Activities” means any investigation, study, assessment, testing, monitoring, containment, removal, disposal, closure, corrective action, remediation (regardless of whether active or passive), natural attenuation, bioremediation, response, cleanup or abatement, whether On-Site or Off-Site, of an Environmental Condition to standards required by applicable Environmental Laws in effect at such time or as required by an appropriate Governmental Authority for property used for continued bulk petroleum storage and distribution, including but not limited to maintaining any engineering controls to contain or stabilize Regulated Substances (including without limitation, caps, covers, dikes, trenches, leachate collection systems, signs, fences and access controls).
- 1.54 “Retained Environmental Liabilities” has the meaning specified in Section 7.3.
- 1.55 “Seller” means Exxon Mobil Corporation, a New Jersey corporation.
- 1.56 “Seller’s Knowledge” means the knowledge of individuals currently employed by Seller in supervisory positions at any time during the two year period immediately preceding the Closing Date who, in the normal scope of their employment would have knowledge of the matter.
- 1.57 “Survey” has the meaning specified in Section 11.2.
- 1.58 “Taxes” means any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental,

windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative, add-on minimum and other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever and any interest, penalty, addition or additional amount thereon imposed, assessed or collected by or under the authority of any Governmental Authority or payable under any tax-sharing agreement or any other contract.

- 1.59 "Terminal" has the meaning specified in Section 2.1.
- 1.60 "Terminal Inventory" has the meaning specified in Section 2.4(a).
- 1.61 "Third Party" means any individual or legal business entity other than: (i) a Party; (ii) a Party's Affiliates; (iii) a Party's Authorized Representatives; (iv) employees, officers, directors, agents and representatives and all successors of a Party and its Affiliates; and, (v) a Party's permitted assigns.
- 1.62 "Third Party Environmental Claim" means a Proceeding by any Third Party alleging Damages relating to or arising out of exposure to, or Off-Site migration of, a Regulated Substance (including, without limitation, Damages for Proceedings arising under applicable Environmental Laws in connection with an Environmental Condition and Damages for Remediation Activities undertaken by a Third Party at its property) related to the Terminal. Notwithstanding anything to the contrary in this Agreement, to the extent that Remediation Activities are required by Governmental Entities as a result of a Third Party Environmental Claim, such Remediation Activities shall be governed by the provisions under this Agreement dealing with Remediation Activities.
- 1.63 "Title Commitment" has the meaning specified in Section 11.1.
- 1.64 "Title Company" means Stewart Title Guaranty Company.
- 1.65 "Title Cure Period" has the meaning specified in Section 11.3.
- 1.66 "Title Objections" has the meaning specified in Section 11.3.
- 1.67 "Title Policies" has the meaning specified in Section 8.1(h).
- 1.68 "Transfer" has the meaning specified in Section 15.21.
- 1.69 "Use Restrictions" has the meaning specified in Section 7.9(a).

Capitalized terms defined in this Agreement shall be equally applicable to both the singular and plural forms of such defined terms. As used in this Agreement, (i) "include", "includes" and "including" shall be deemed to be followed by "without

limitation” whether or not they are in fact followed by such words or words of like import, (ii) unless otherwise specified, “hereof”, “herein”, “hereunder” and comparable terms refer to this entire Agreement and not to any particular article, section or other subdivisions, and (iii) pronouns of whatever gender shall include all natural persons, corporations, limited liability companies, partnerships, associations and other entities of every kind and character unless the context otherwise requires.

ARTICLE II

SALE AND PURCHASE OF TERMINAL

2.1 **Terminal.** On the terms and subject to the conditions of this Agreement and for the consideration stated in this Agreement, at the Closing, Buyer shall purchase and receive from Seller, and Seller shall sell, convey and deliver to Buyer, free and clear of any and all liens, pledges and encumbrances except for Permitted Title Exceptions, all of Seller’s right, title and interest in and to the following, which taken together constitutes the “Terminal”:

(a) The real property legally described in Exhibit A (collectively, the “Real Property”) and located in Arcadia, Louisiana;

(b) The improvements (the “Improvements”) located on the Real Property, including, but not limited to, above-ground and underground piping, buildings, underground and above-ground storage tanks, additive systems, fixtures, facilities and appurtenances, and any of Seller’s equipment at the Real Property that Buyer will require to conduct Remediation Activities after Closing, including but not limited to monitoring wells, but excluding the Excluded Personal Property described in Section 2.2(g), Exhibit C and Exhibit G;

(c) All transferable appurtenances, rights, privileges, easements, licenses, and all other transferable real property entitlements benefiting or pertaining to the Real Property;

(d) All supplies, spare parts, tools, drawings, plats, files, equipment, furniture, and other property used solely in connection with the Terminal, including any of the equipment that Seller has used to conduct Remediation Activities at the Terminal before Closing, including but not limited to monitoring wells (the “Personal Property”), but not including those items listed on Exhibit C and Exhibit G;

(e) Any rights of Seller to the warranties and licenses received from manufacturers and sellers of the Personal Property, the Improvements, if any, or otherwise relating to the Terminal excluding the Top Tech terminal automation licenses and any other warranties and licenses of the Personal Property that are not assignable or transferable;

(f) The historical books and records relating to the Terminal's operations that are specified in Exhibit D (the "Books and Records"), including, but not limited to, all non-proprietary records, customer and driver files, drawings, operating manuals and maps used by Seller in its operation of the Terminal and to maintain compliance with any applicable Laws and Orders (but excluding any confidential employee files), and also including any such documents that are stored or maintained in electronic storage format, such as computer disks or tapes, it being understood and agreed that if any of the Books and Records are not delivered to Buyer, Seller, at its expense will provide such copies of the same as are required to comply with such applicable Laws and Orders;

(g) All Material Contracts (and all of Seller's rights and obligations thereunder) to the extent such contracts are assignable listed in Exhibit E (the "Material Contracts") to be assigned and assumed under the Assignment and Assumption Agreement to be executed by the Parties at Closing (the form of which is attached as Exhibit N);

(h) The Environmental Permits and all other permits, licenses, registrations, certificates, consents, orders, notices, approvals or similar rights from any Government Authority that are necessary for the operation or ownership of the Terminal, as described on Exhibit F (the "Permits") and Exhibit R (the "Environmental Permits") to the extent any of the above are assignable or transferable as indicated on Exhibit F and Exhibit R; and

(i) TMS-5 cabinets (and the contents thereof), BOL impact printers, TMS-5 servers, phone systems, and uninterrupted power source units.

2.2 **Exclusions.** The transactions covered by this Agreement consist only of the sale of assets, and not the sale of a business. The Terminal does not include the properties and assets of Seller listed or described below in this Section 2.2 (all such properties and assets are herein referred to as the “Exclusions”):

- (a) Intercompany accounts and contracts of Seller or its Affiliates;
- (b) Cash or bank accounts of Seller or its Affiliates;
- (c) Defenses and claims that Seller or its Affiliates could assert against Third Parties (except to the extent that such defenses and claims relate to liabilities that Buyer is assuming);
- (d) Accounts and notes receivable;
- (e) Accounts payable;
- (f) Trademarks, service marks, logos, insignia, imprints, brand identifications, advertising and trade names of Seller or its Affiliates;
- (g) The items listed on Exhibit C (the “Excluded Personal Property”);
- (h) The improvements, equipment or goods located at the Terminal that are not owned by Seller, which are listed on Exhibit G;
- (i) Any insurance coverage under any insurance policies that relate to the Terminal (the “ExxonMobil Policies”) and any rights under such insurance policies, whether such policies benefit Seller, or any Affiliate of Seller, or any other person or entity, and whether such insurance policies are underwritten by one or more of Seller’s Affiliates, or an unaffiliated third party; any and all such policies that, but for the Closing, would have insured the Terminal are deemed to be terminated, commuted and cancelled as of the moment of Closing; no claims regarding any

matter whatsoever, whether or not arising from events occurring prior to the Closing, shall be made by Buyer against or with respect to any of the ExxonMobil Policies regardless of their date of issuance;

(j) Anything else that is stated in this Agreement as remaining the property or responsibility of Seller, its Affiliates or any Third Party;

(k) Any other property that is owned by Seller or its Affiliates and not used in connection with the Terminal;

(l) Seller's liabilities, if any, under the litigation, as described in Schedule 5.5; and

(m) Any labor, employment, or collective bargaining agreements between Seller and its employees or between an Affiliate of Seller and such Affiliate's employees, or any employee benefit plans of Seller or its Affiliates.

2.3 **Disclaimer.** Buyer acknowledges that it has examined the Terminal, independently and personally. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE TERMINAL SHALL BE SOLD BY SELLER AND ACCEPTED BY BUYER "AS IS, WHERE IS," WITH ALL FAULTS KNOWN AND UNKNOWN, WITH NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED (OTHER THAN AS EXPRESSLY CONTAINED HEREIN), OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONDITION, DESIGN, OPERATION, CAPACITY OR OTHERWISE. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT OR RELATED TO BUYER'S INTENDED OR ACTUAL USE OF THE TERMINAL AFTER CLOSING. IN ADDITION, AND NOT BY WAY OF LIMITATION, SELLER MAKES NO REPRESENTATION OR WARRANTY (OTHER THAN AS EXPRESSLY CONTAINED HEREIN), WITH RESPECT TO THE QUALITY, ACCURACY OR COMPLETENESS OF ANY OPERATING MANUALS CONVEYED AS PART OF THE TERMINAL'S BOOKS AND RECORDS. BUYER'S SUBSEQUENT

USE OF SUCH MANUALS WILL BE AT BUYER'S OWN RISK AND BUYER RELEASES SELLER FROM ANY LOSS, LIABILITY, OR DAMAGE ARISING FROM, ASSOCIATED WITH, OR RELATED TO BUYER'S USE OF SUCH MANUALS. Within ninety (90) days after Closing, Buyer shall convert the Terminal's OPA 90 Plan and SPCC Plan to its company name, and shall make any operational changes to such plans as Buyer in its discretion deems necessary or desirable. Seller will not be responsible for cleaning tanks or removing tank bottoms, including water, sludge, and sediment for tanks that are in service or idle as of the Closing Date, or prior to or after the Closing Date. At Closing, Seller shall execute a Bill of Sale in favor of Buyer, in substantially the form set forth in Exhibit I conveying any improvements, fixtures, equipment and personal property included in the Terminal, which Bill of Sale shall contain special warranties of title and the "AS IS, WHERE IS" provision contained in this Section 2.3.

2.4 Inventory.

(a) Seller shall close or cause to be closed the Terminal to all receipts and deliveries of product at 12:00 a.m. on the Closing Date. Beginning at 6:00 a.m. on the Closing Date, the Parties, or their Authorized Representatives, shall identify, calculate or measure all contents located (i) in above-ground storage tanks at the Terminal, and (ii) in the linefill at the Terminal, all of which contents are hereinafter called the "Terminal Inventory." The calculation of the Terminal Inventory shall be recorded using the following categories of items: (A) all volumes of bottom sediment and water ("BS&W") as measured by hand gauge lines; (B) as measured by hand gauge lines, all volumes of petroleum products in above-ground storage tanks minus those products calculated as Bottoms in accordance with subsection 2.4(a)(C) ("Products"); (C) as determined by minimum tank operating levels established by the Terminal using certified tank strapping charts, all volumes of products below one of the following two points, whichever is physically higher ("Bottoms"): (i) that point

where loading rack or critical transfer pumps lose suction, OR (ii) if so equipped, that point of the tank where the support legs, at low setting, of an internal floating pan are just clear of striking the tank bottom; and (D) all volumes of products in pipelines and other piping at the Terminal ("Linefill"). Seller and Buyer shall agree to the calculation of Linefill prior to Closing. The volumes of petroleum products measured shall be adjusted to 60 degrees Fahrenheit and, as indicated by the separate measurement of BS&W, shall exclude any water.

(b) All gauging, temperature determination, sampling, and testing will be done by an independent petroleum inspection company (the "Inspector") mutually agreeable to the Buyer and Seller. Both parties shall have the right to participate in the physical inventory determination by observing the gauging, temperature readings, sampling, etc. The Inspector will provide all gauging tapes, electronic thermometers, and sampling equipment used in the determination of the Terminal Inventory. The tapes and thermometers will be calibrated and all parties may review the Inspector's calibration records. All parties may witness the verification of the portable electronic thermometers prior to their use for inventory determination. All laboratory equipment used for testing of the inventory samples will also be calibrated / standardized in accordance with industry and manufacturers' procedures.

(c) All gauging, sampling, and testing related to the determination of quality and quantity of the products in each tank shall be done in accordance with the American Petroleum Institute Manual of Petroleum Measurement Standards (API MPMS) (latest revisions) or the American Society for Testing Materials (ASTM) standards (latest revisions). The specific standards to be used shall be determined by the Buyer and Seller in conjunction with the Inspector at the time of selecting the Inspector.

(d) The gauging and temperature determination for a tank shall be done at the agreed time by a team composed of an Inspector and representatives

from the Parties. The Parties shall be deemed to have accepted the accuracy of the gauging and temperature measurements of a tank as recorded by the inspector on the worksheets (either the Inspector's standard tank gauging form or a form mutually developed by the Buyer and Seller) if the Buyer and Seller agree on the individual tank worksheet. All inventory measurements (such as gauges, temperature determination, and sampling) shall be resolved to the best of their abilities by Buyer's and Seller's representatives at the time the measurements are taken. Any disputes will be resolved on-site.

(e) The following items will be measured, recorded, and/or obtained for each atmospheric tank:

1. Tank number.

2. Product stored in the tank.

3. Manual gauge of product reported in feet, inches, and fractions of inches or feet and hundredths of a foot to the minimum increment of the tank calibration table.

4. Digital temperature readings will be determined in accordance with API MPMS Chapter 7.3. If the tank contains more than ten (10) feet of product, temperatures will be reported for the middle of the upper, middle, and lower thirds of the tank product. If the tank contains ten (10) feet or less of product, the temperature of the middle of the product will be reported.

5. The Inspector shall sample all tanks containing liquids. Part of the sample shall be analyzed and the remainder (at least one quart) sealed by the Inspector and retained. The sealed sample shall be held for ninety (90) days, or until disposal is mutually agreed in writing, whichever would occur sooner. All retained samples are available to either party after a three (3) day notice has been tendered to the other party of the first party's intent to break the seal and test the material. Additional samples will be taken by the Inspector upon the request of either party at the sole expense of the requesting party.

6. Both Buyer's and Seller's representatives shall sign the worksheets for each tank inventoried, which shall indicate agreement with all physical measurements recorded on the worksheet.

(f) Prior to the Closing Date:

1. A tank list will be developed by the Seller and will list:

- a) Tank number;
- b) Specific product stored in the tank;
- c) Tank reference gauge height;
- d) Method of tank gauging (ullage or innage), based on how tank calibration table was developed; and
- e) Minimum increments in the tank calibration table (1/8 or 1/16 Inch or 1/100 of a foot).

2. Personnel at the Terminal will provide the Buyer, Seller, and Inspector with copies of all tank calibration tables prior to the Closing Date.

3. Seller will provide Buyer and Inspector with the product volume contained in Terminal linefill.

4. Buyer, Seller and Inspector shall review the tank list and develop a schedule to inventory each tank.

5. All tanks that are deemed inactive may be gauged on the day immediately prior to the Closing Date.

(g) The fees of the Inspector's services, including incidental costs (such as sample cans, sample bombs, seals, etc.), shall be shared equally (50:50 basis) by the Buyer and Seller. Any additional sampling or testing will be charged to the requesting party.

(h) At Closing, for the Terminal, Seller shall transfer or cause to be transferred custody of the Products to Buyer and shall transfer or cause to be transferred title to and custody of the Terminal's BS&W, generic additive, ULSD lubricity additive, TxLED additive and red dye additive to Buyer. Seller shall indemnify, discharge and hold Buyer harmless from any claim by any such third party that it has an inventory balance in excess of the amount of Product apportioned to that Third Party, or any claim by any other person that such person has title to any Product at the Terminal as of the Closing.

(i) At Closing, in addition to the Purchase Price, Buyer shall purchase from Seller all volumes of generic additive, ULSD lubricity additive, TxLED additive and red dye additive owned by Seller as of the Closing for a price of \$7.16 per U.S. gallon for generic additive, \$8.99 per U.S. gallon for ULSD lubricity additive, \$19.84 per U.S. gallon for TxLED additive and \$11.33 per U.S. gallon for red dye additive. Upon receipt of Buyer's payment, Seller shall transfer or cause to be transferred custody thereof and title thereto to Buyer.

(j) At Closing, title to any Party's proprietary additives, if any, shall remain with such party, although custody thereof will transfer to Buyer at Closing.

2.5 **Continued Operation of Terminal.** Until Closing, Seller will continue to operate and maintain the Terminal in accordance with Seller's historic practices and within Seller's normal course of business.

ARTICLE III

PURCHASE PRICE

3.1 **Purchase Price.** The total monetary consideration to be paid by Buyer to Seller for the Terminal shall be four million eight hundred thousand U.S. Dollars (\$4,800,000) (the "Purchase Price"), plus all taxes and fees applicable to bulk sales of petroleum products. Upon Buyer's execution of this Agreement, Buyer will deliver two hundred and forty thousand U.S. Dollars (\$240,000) to the Title Company, to be held by the Title Company in an interest-bearing account ("Earnest Money") for payment to Seller at Closing or otherwise for application as provided in this Agreement. Buyer shall pay the Purchase Price to Seller in accordance with Section 3.2.

3.2 **Payment of Purchase Price.** Subject to adjustment, if any, under Section 13.2, at Closing, Buyer shall pay to Seller the Purchase Price, less: (i) the Earnest Money and any accrued interest thereon and (ii) a credit of 50% of the filing fees under the HSR Act in accordance with Section 15.22, in U.S. Dollars in immediately available federal funds via bank wire transfer to a bank account designated by Seller, which designation shall be given to Buyer in writing at least three (3) business days prior to the Closing Date.

3.3 **Allocation of Purchase Price.** The Purchase Price shall be allocated for tax accounting purposes in accordance with Schedule 3.3 attached hereto. Buyer and Seller agree that they will not take (and will not permit any Affiliate to take), for income tax purposes, any position inconsistent with the allocation on Schedule 3.3.

ARTICLE IV

THE CLOSING

4.1 **Time and Place; Escrow Agent.** Subject to any extension of the Closing Date as may be required in order to accommodate the provisions of Section 11.3 and to satisfaction or waiver of the conditions set forth in Article VIII, the closing of the transaction contemplated hereby (the "Closing") shall be held at the offices of the Seller on or before ninety (90) days after execution of this Agreement (the "Closing Date"), or at such other time or place or in such other manner, including by mail, as Seller and Buyer may mutually agree in writing. Except as may be permitted by Section 11.3, Section 14.2 and Article VIII of this Agreement, if Buyer fails to close on or before the Closing Date for any reason not permitted by this Agreement, Seller shall be entitled, in its discretion to retain all Earnest Money and interest thereon, and neither Party will have any further right or obligation under this Agreement. The Parties reserve the right to close through an escrow agent, mutually acceptable to both Parties. The costs of the escrow agent, if any, will be shared equally by both Parties.

4.2 **Seller's Deliveries.** At the Closing, Seller shall deliver to Buyer the following:

- (a) Special Warranty Deed, or other document of title as may be required under applicable law, for the Real Property, in the form attached as Exhibit H, executed and acknowledged by Seller;
- (b) Bill of Sale, in the form attached as Exhibit I (the "Bill of Sale"), executed by Seller;
- (c) Possession of the Terminal;
- (d) The Books and Records;
- (e) Counterparts executed by Seller of those agreements required by the provisions of Section 4.4;
- (f) Certified copies of appropriate corporate action by Seller authorizing the transactions contemplated by this Agreement and authorizing the person(s) executing the documents listed in this Section 4.2 and Section 4.4 to enter into this Agreement and such other documents on behalf of Seller;
- (g) A copy of the executed Indemnity Letter to the Title Company, in the form attached as Exhibit J, if Seller elects under Section 5.4 to deliver such letter to the Title Company;
- (h) Such affidavits and certificates as the Title Company may reasonably require, including certificates necessary to delete standard title insurance exceptions and to protect Buyer against claims that may give rise to any mechanic's, materialman's or other liens against the Real Property related to Seller;
- (i) A certificate or affidavit that the representations and warranties made by Seller in this Agreement are true and correct in all material respects (except in the case of any representations and warranties qualified by materiality or otherwise, which shall be true and correct in all respects) as of the Closing Date;

- (j) A Non-Foreign (FIRPTA) Certification, in the form attached as Exhibit K, executed by Seller;
- (k) A fully executed Release Agreement in the form of Exhibit S;
- (l) All consents or waivers of any third parties required for the consummation of the transactions as provided in Section 8.2(d); and
- (m) Such other documents, certificates and instruments customarily delivered upon consummation of transactions similar to those contemplated by this Agreement as may reasonably be requested by Buyer.

4.3 **Buyer's Deliveries.** At the Closing, Buyer shall deliver to Seller, or effect the delivery to Seller of, the following:

- (a) The Purchase Price, in accordance with Sections 3.1 and 3.2;
- (b) Counterparts executed by Buyer of all those agreements required by the provisions of Section 4.4;
- (c) Certified copies of appropriate corporate action by Buyer authorizing the transactions contemplated by this Agreement and authorizing the person(s) executing the documents listed in this Section 4.3 and Section 4.4 to enter into this Agreement and such other documents on behalf of Buyer;
- (d) If required by Seller, a Guaranty from Sunoco Logistics Partners L.P., in the form attached as Exhibit L;
- (e) A certificate or affidavit that the representations and warranties made by Buyer in this Agreement are true and correct in all material respects (except in the case of any representations and warranties qualified by materiality or otherwise, which shall be true and correct in all respects) as of the Closing Date;
- (f) A fully executed Release Agreement in the form of Exhibit S; and

(g) Such other documents, certificates and instruments customarily delivered upon consummation of transactions similar to those contemplated by this Agreement as may reasonably be requested by Seller.

4.4 **Ancillary Agreements.** The following agreements shall be entered into between Seller and Buyer on the Closing Date:

1. Assignment and Assumption Agreement in the form of Exhibit N;
2. Joint Letter Transferring Responsibility for Remediation Activities in the form of Exhibit Q; and
3. Terminating Services Agreement in the form of Exhibit M;

4.5 **Effectiveness of Ancillary Agreements.** No agreement described in Section 4.4 shall be effective prior to Closing.

4.6 **Seller's Remedies.** Except as provided in Section 4.1, if Buyer defaults in the performance of its obligations under this Agreement, and Seller elects to terminate this Agreement, the Earnest Money and interest thereon shall be retained by Seller as damages for Buyer's default and as Seller's sole remedy at law or in equity for such default. Seller and Buyer acknowledge that they have made good faith reasonable efforts to determine what Seller's damages would be in the event of Buyer's default, and they agree that such damages would be extremely difficult and impractical to determine. Therefore, the Earnest Money and any accrued interest thereon shall serve as liquidated damages and shall be Seller's sole right to damages for Buyer's failure to complete the purchase or otherwise perform if Buyer is in default.

4.7 **Closing Contingency.** Notwithstanding anything to the contrary in this Agreement, the Parties' respective obligations to close the transactions contemplated by this Agreement are contingent upon the simultaneous closing by the Parties of the Terminal identified herein, along with the simultaneous closing of the sale and purchase of ExxonMobil Oil Corporation's Center, Hearne (East), Waco and Waskom, TX

terminals under a separate agreement, the closing of the sale and purchase of Mobil Pipe Line Company's Hearne (West), TX terminal under a separate agreement, and the closing of the sale and purchase of Mobil Pipeline Company's Magtex Pipeline System, also under a separate agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

5.1 **Organization.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of New York, is duly authorized to do business in, and is in good standing in the State of Louisiana, and has all requisite corporate power and authority to execute, deliver and perform this Agreement and each agreement and instrument to be executed and delivered by Seller pursuant hereto.

5.2 **Due Authorization.** The execution, delivery and performance by Seller of this Agreement and each agreement and instrument to be executed and delivered by Seller pursuant hereto, and the taking by Seller of the actions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of Seller. This Agreement is, and each agreement and instrument to be executed and delivered by Seller pursuant hereto will be, when so executed and delivered, a valid and binding obligation of Seller enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity.

5.3 **No Violation.** The execution, delivery and performance by Seller of this Agreement and each instrument and agreement to be executed and delivered by Seller pursuant hereto and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of Seller's Articles of Incorporation or Bylaws, (b) conflict with or violate any Laws (c) conflict with or result in a breach or default of any agreement (other than a Material Contract), or other

instrument to which Seller is a party or by which it is bound, the adverse consequences of which, either individually or in the aggregate, would impair Seller's ability to consummate the transactions contemplated by this Agreement or materially impair Buyer's ownership, use or operation of the Terminal from and after Closing, (d) violate or breach any Order applicable to Seller, (e) result in a breach, default, termination or acceleration of performance of any Material Contract, or (f) result in the imposition of an encumbrance on the Terminal.

5.4 **Title to Property.** Except as specified in Schedule 5.4, Seller has, and on the Closing Date will have, good, marketable and indefeasible title to the Terminal. Seller has not leased, except as identified on Exhibit T, or otherwise granted to any person the right to use or occupy the Terminal or any portion thereof; and there are no outstanding options, rights of first refusal to purchase the Terminal or any portion thereof or interest therein or any other preferential purchase rights held by any person or entity to purchase or acquire any interest in the Terminal. At Closing, Seller will convey the Terminal to Buyer free and clear of all mortgages, liens (including federal, state and local tax liens), claims, judgments, assessments, charges, pledges, security interests and other encumbrances, subject only to the following items (collectively, the "Permitted Title Exceptions"):

- (a) Those matters specified in Schedule 5.4;
- (b) Any tax, materialmen's and/or mechanic's lien against which Seller elects to indemnify the Title Company by delivering to the Title Company an Indemnity Letter in the form of Exhibit J at Closing as a result of which such liens do not appear as exceptions in the Title Commitment;
- (c) Such other matters as do not interfere in any material respect with the ownership, use, occupancy or operations of Buyer upon the Real Property as used in the normal course of business on the Closing Date; and
- (d) Any other matters approved in writing by Buyer.

5.5 **Litigation.** Except as set forth in Schedule 5.5, there is no suit, action, claim, arbitration, administrative or legal or other proceeding or governmental investigation pending or, to Seller's Knowledge, threatened against or related to the Terminal, and (ii) to Seller's Knowledge, there are no facts or events which can give rise to a claim against Seller related to the Terminal. Except as set forth in Schedule 5.5, there is no Order in effect relating specifically to the Terminal.

5.6 **Condemnation and Zoning.** There is no condemnation or eminent domain proceeding pending or, to Seller's Knowledge, threatened against the Terminal by publication or other writing, nor is there any proceeding pending or, to Seller's Knowledge, threatened, which could materially adversely affect the zoning classification of the Terminal in effect as of the date hereof.

5.7 **Permits.** Exhibit F and Exhibit R list all material Permits and Environmental Permits in effect (and all pending applications therefor) with respect to the Terminal on the date of this Agreement. Except as disclosed on Exhibit F and Exhibit R, neither Seller nor its Affiliates has received any notice of any violation, claim or default relating to the Permits or Environmental Permits. All material Permits and Environmental Permits are final, valid and in full force and effect and the permit holder is in compliance in all material respects therewith.

5.8 **Condition of Terminal.** Seller has continued to maintain and operate the Terminal in the ordinary course of its business, and will continue to do so until Closing.

5.9 **Material Contracts.** Seller has delivered to Buyer true and correct copies of all Material Contracts. The Material Contracts have not been modified except as provided in amendments delivered to Buyer and described on Exhibit E. Neither Seller nor, to Seller's Knowledge, any other party to the Material Contracts, is in breach or default thereunder. Except as disclosed in Schedule 5.9, under the terms of the Material Contracts, the Material Contracts may be assigned to and assumed by Buyer without penalty or expense.

5.10 **Compliance with Laws.** Except (a) to the extent, if any, disclosed on Schedule 5.10 or in the Environmental Documents, (b) as to any matter with respect to which Seller has agreed to be responsible for or indemnify Buyer in Article VII, and (c) as to any matter relating to, arising out of, or resulting in Remediation Activities at the Terminal, to Seller's ownership, use and operation of the Terminal as of the Closing Date will be in compliance in all material respects with all applicable Laws (including but not limited to, all applicable Environmental Laws) in effect and requiring compliance as of the Closing Date and Seller has not received notice from any Government Authority asserting any act of non-compliance.

5.11 **Consents.** Except as set forth on Schedule 5.11, no consent or approval from or filing with any third party is required in connection with the execution and performance by Seller of this Agreement, and there are no options or other preferential purchase rights held by any person or entity not a party to this Agreement to purchase or acquire any interest in the Terminal.

5.12 **Taxes.** For all taxes that are due and payable on or before the Closing Date, Seller has paid, or prior to the Closing Date will pay, all taxes assessed against, arising from or related to the Terminal for all taxable years or taxable periods prior to the Closing Date (including portions of taxable years or periods with respect to which Taxes are due and payable on or before the Closing Date). Seller may incur and will be responsible for taxes that are assessed at the time of the audit for any taxable years prior to the Closing Date.

5.13 **Foreign Person.** Seller is not a "foreign person" as defined in Section 1445 of the Code and the regulations promulgated thereunder. Seller's U.S. tax identification number is 13-540-9005.

5.14 **Sufficiency of Terminal.** The appurtenances, rights, privileges, easements and licenses benefiting or pertaining to the Real Property and included with the Terminal have been sufficient for the operation of the Terminal by Seller for Seller's normal course of business.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

6.1 **Organization.** Buyer is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Texas, is or will be by the Closing Date duly authorized to do business in and is in good standing in the State of Louisiana and has all requisite power and authority to execute, deliver and perform this Agreement and each agreement and instrument to be executed and delivered by Buyer pursuant hereto.

6.2 **Due Authorization.** The execution, delivery and performance by Buyer of this Agreement and each agreement and instrument to be executed and delivered by Buyer pursuant hereto, and the taking by Buyer of the actions contemplated hereby and thereby, have been duly authorized by all necessary action on the part of Buyer. This Agreement is, and each agreement and instrument to be executed and delivered by Buyer pursuant hereto will be, when so executed and delivered, a valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors generally and general principles of equity.

6.3 **No Violation.** The execution, delivery and performance by Buyer of this Agreement and each instrument and agreement to be executed and delivered by Buyer pursuant hereto and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of Buyer's limited partnership agreement, (b) conflict with or violate any Laws, (c) conflict with or result in a breach or default of any agreement or other instrument to which Buyer is a party or by which it is bound, or (d) violate or breach any Order applicable to Buyer.

ARTICLE VII

ENVIRONMENTAL

7.1 **Feasibility Study Period.** Prior to the date of this Agreement Seller has made available to Buyer and its Authorized Representatives the Environmental Documents, Orders, and Environmental Permits. Seller has provided Buyer with timely, reasonable access to Seller's Authorized Representatives with knowledge of any relevant facts relating to the Environmental Documents, the Environmental Conditions, or the Remediation Activities. Seller has provided Buyer and its Authorized Representatives access to the Real Property prior to the signing of this document to inspect and to survey the Real Property and conduct Buyer's due diligence investigations of the Terminal ("Feasibility Study Period"). Seller has provided Buyer and its Authorized Representatives reasonable access during normal business hours to the Terminal to conduct such activities during the Feasibility Study Period, subject to Seller's policies and regulations regarding safety and security.

7.2 **Environmental Documents.** In order to establish the environmental status of the Terminal, Seller, Buyer and its Authorized Representatives have reviewed or acknowledged the existence of the Environmental Documents, which include the results of all tests conducted by Buyer and its Authorized Representatives under Section 7.1, if any. Seller and Buyer have agreed that Schedule 7.2 includes or references all material information, known to exist by either Party, related to, affecting or concerning the Environmental Condition or status of the Terminal as of the Closing Date and that such information shall constitute the "Baseline Condition" of the Terminal. Seller shall not be responsible for any Environmental Condition, whether or not identified as part of the Baseline Condition.

7.3 **Seller's Retained Environmental Liabilities.** Seller shall retain and be solely responsible for the following matters (collectively, "Retained Environmental Liabilities"): Environmental Liabilities in connection with Off-Site Disposal Activities performed by Seller prior to the Closing Date.

7.4 **Buyer's Assumed Environmental Liabilities.** Except for Seller's Retained Environmental Liabilities, Buyer shall assume and be solely responsible for all Environmental Liabilities of Seller relating to or arising out of Seller's ownership or operation of the Terminal, whether existing or asserted before, on, or after the Closing Date, whether known or unknown, whether based on past, present, or future conditions or events, including but not limited to undertaking such Remediation Activities of the Environmental Conditions as may be required by applicable laws, regulations, or government orders ("Assumed Environmental Liabilities").

7.5 **Seller's Environmental Indemnity.** For purposes of this Section 7.5, where Buyer is the indemnified party, the term "Buyer" shall include Buyer and its Affiliates and the directors, officers, employees, agents and representatives, and all successors and assigns of the foregoing. From and after the Closing Date, Seller shall indemnify, hold harmless and defend Buyer from and against any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of the Retained Environmental Liabilities; provided, however, that:

(a) Seller's obligations under this Section 7.5 with respect to Retained Environmental Liabilities shall survive beyond the Closing Date;

(b) Seller shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of such Retained Environmental Liabilities for which Seller has not received Reasonable Written Notification from Buyer;

(c) Seller shall have no liability, indemnity or defense obligation for any Damages or Proceedings asserted against or incurred by Buyer subsequent to any change in the Terminal to a residential use, or other change in the use of the Terminal that results in a materially adverse change in Seller's risk exposure hereunder;

(d) Buyer shall make available all relevant existing information that, based on information and belief formed after reasonable inquiry, are known by Buyer to be in the possession or control of Buyer and provide timely, reasonable access to all personnel of Buyer with knowledge of relevant facts, and shall cooperate in all reasonable respects with Seller in connection with Seller's defense of any Third Party Environmental Claim or Governmental Environmental Enforcement Action under this Section 7.5. Seller shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of such Third Party Environmental Claim or Governmental Environmental Enforcement Action if Buyer unreasonably denies Seller such access; and

(e) To the extent any Third Party Environmental Claim or Governmental Environmental Enforcement Action relates to events or conditions occurring both prior to and after the Closing, then Seller's indemnification and defense obligations for such Third Party Environmental Claim or Governmental Environmental Enforcement Action shall not exceed that portion of Damages and Proceedings attributable to events or conditions occurring prior to the Closing and will not include any attorney's fees or professional fees incurred by Buyer in connection with that part of the Third Party Environmental Claim or Governmental Environmental Enforcement Action attributable to events or circumstances occurring after the Closing.

7.6 **Buyer's Environmental Indemnities.** For purposes of this Section 7.6, where Seller is the indemnified party, the term "Seller" shall include Seller and its Affiliates and the directors, officers, employees, agents and representatives, and all successors and assigns of the foregoing. From and after the Closing Date, Buyer shall indemnify, hold harmless and defend Seller from and against any Damages and Proceedings asserted against or incurred by Seller relating to or arising out of the Assumed Environmental Liabilities, including:

(a) Any Release of any Regulated Substance related to operation of the Terminal occurring on or after the Closing Date;

- (b) Remediation of any Environmental Condition at the Terminal or any areas Off-Site occurring before, on, or after the Closing Date;
- (c) Any Off-Site Disposal Activities or Off-Site Remediation Activities resulting from the ownership or operation of the Terminal at or after the Closing;
- (d) Any Third Party Environmental Claim or Governmental Environmental Enforcement Action related to or arising out of the ownership or operation of the Terminal occurring before, on, or after the Closing Date;
- (e) Failure to comply with any Permit or Order, including transferred or assigned Environmental Permits or Orders identified on Exhibit F and Exhibit R by Buyer or its Authorized Representatives; and
- (f) Buyer's indemnity obligations under this Section 7.6 will be set forth in the deed conveying the Real Property, will be a covenant running with the land, and will bind the successors, heirs and assigns of Buyer.

Buyer shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Seller relating to or arising out of such Assumed Environmental Liabilities for which Buyer has not received Reasonable Written Notification from Seller.

7.7 **Buyer's Release of Seller for Environmental Liabilities.** Except for Seller's Retained Environmental Liabilities, Buyer, in consideration of the negotiated amount of the Purchase Price, hereby unconditionally, completely and forever releases and discharges Seller, its Affiliates, and employees, officers, directors, agents and representatives and all successors and assigns of the foregoing, from all Environmental Liabilities. On the Closing Date, Buyer shall unconditionally, completely, and forever discharge Seller, its Affiliates, employees, officers, directors, agents and representatives, and all successors of the foregoing and the permitted assigns of Seller,

from any obligation by Seller to perform or ensure the performance of any Remediation Activities under this Agreement (but excluding any Remediation Activities related to Seller's Retained Environmental Liabilities). On the Closing Date, Buyer shall execute and deliver to Seller the Release Agreement in the form of Exhibit S. Buyer's obligations to conduct, and to assume responsibility for, Remediation Activities will be set forth in the Special Warranty Deed conveying the Real Property, will be a covenant running with the land, and will bind the successors, heirs and assigns of Buyer.

7.8 Seller's Access to the Terminal.

(a) Upon request by Seller in connection with any written request or demand from any Governmental Authority or in response to any Third Party Environmental Claim, Buyer shall, at no cost to Seller but upon reasonable notice and during normal business hours, permit Seller, its Affiliates, and its Authorized Representatives reasonable access to the Terminal for the purpose, and to the extent, reasonably required to permit Seller to respond to such Governmental Authority request or demand or Third Party Environmental Claim. Seller will make reasonable efforts to minimize impacts on Buyer's operations. Such access shall be subject to such conditions or procedures relating to health and safety as Buyer may reasonably impose, the Buyer's obligations under this Section 7.8(a) will be set forth in the Special Warranty Deed conveying the Real Property and will be a covenant running with the land and will bind the successors and assigns of Buyer. Seller shall be solely responsible for, and shall indemnify and hold Buyer harmless from and against any loss, damage or injury and any and all costs resulting from Seller's access to the Assets pursuant to this Section 7.8(a), except to the extent any such loss, damage or injury or other cost results from Buyer's gross negligence or willful actions and not including any special, consequential, incidental or punitive damages or loss or profits or revenues as further provided in Section 15.24.

(b) Upon written request by Seller, in connection with any request to Seller from any Governmental Authority or in response to any Third Party Claim, Buyer shall provide Seller, at Seller's cost, copies of all reports, correspondence, notices and communications in Buyer's possession or control sent or received from Governmental Authorities regarding the Environmental Condition of the Terminal or any remediation and/or investigation at the Terminal related to the Baseline Condition or other copies of all reports, correspondence, notices and communications in Buyer's possession or control sent to or received from any Third Party concerning conditions that would obligate (financially or otherwise) Seller.

7.9 Other Environmental Issues and Related Use Restrictions.

(a) Buyer acknowledges that the Terminal has been used for the storage, disposal, sale, and transfer of petroleum products or derivatives and Seller hereby advises Buyer that (i) releases of such products into the soil have occurred from time to time in the past; and (ii) the Terminal has contaminated subsurface conditions. Any warranty, covenant or provision in the Deed from Seller to Buyer with respect to the Terminal does not, nor will it be deemed to, extend or apply to any release or presence of petroleum products, derivatives, or any other type of contaminant on, in, under, or about the Terminal including, but not limited to, the surface area, size, and location of such substances and/or the description of the types of contaminants contained therein. As part of the consideration for the sale of the Terminal, Buyer for itself, its successors and permitted assigns, covenants and agrees that neither the Real Property, nor any part thereof shall at any time be used for any of the following specifically listed facilities or uses, or any similar facility or use: (1) any residential use, (2) any purpose that would constitute a "Permitted Use" under any of the "residence" or "residential" zones, districts, or classifications set forth in any applicable municipal, county or state zoning laws in effect on the date of the Special Warranty Deed, (3) any school or other educational facility, (4) any group

day-care center, child care center, nursery, nursing home, rehabilitation or convalescent facility or other facility which is intended to house or provide care for children, the elderly or the infirm, (5) any playground or recreational park, (6) any health care clinic, hospital or other medical facility, (7) any place of worship, (8) any agricultural use, or (9) any handling of fresh food. In addition, Buyer agrees that it will not at any time construct or install any basements or any water wells for any purpose (collectively the "Use Restrictions"); provided, however, that none of the Use Restrictions contained herein shall in any way limit or restrict Buyer's right to maintain, repair and replace all water wells in use at the property immediately prior to the date of Closing. Any water wells found on the property by Buyer will be plugged in accordance with state or local regulations; provided, however, that all water wells in use at the property immediately prior to Closing will explicitly not be required to be plugged. Buyer also agrees to implement and maintain any institutional controls on the property that either are or may be required by federal, state or local agencies. Buyer agrees that these covenants and agreements shall survive the Closing; that these covenants and agreements are to run with the Real Property; that these Use Restrictions and the agreement to evaluate and utilize, if required, engineering and institutional controls as set forth in Exhibit H will be inserted in the Special Warranty Deed to be delivered at the Closing and that similar restrictive covenants shall be inserted in any deed, lease or other instrument conveying or demising the Real Property or any part thereof. Furthermore, Buyer for itself, its successors and permitted assigns agrees to execute any documents required by any Governmental Authority having jurisdiction over the Terminal that are consistent with the above Use Restrictions.

(b) The terms and provisions of this Agreement, and all test information, reports and other materials concerning the environmental or other condition of the Terminal shall be maintained by Buyer and its Authorized Representatives as confidential, other than any such information (i) that is in the public domain through a source other than Buyer, or (ii) that is compelled in any judicial, administrative, regulatory or arbitration proceeding or otherwise required by law or by a governmental authority. Buyer may, however, share environmental information under a comparable confidentiality agreement with any affiliated companies, potential subsequent purchasers of the Terminal or a potential joint venture owner of the Terminal.

(c) If Closing does not occur within the time required by this Agreement, or upon earlier termination of this Agreement, then upon Seller's request, Buyer shall promptly deliver to Seller all originals and copies (whether written or electronic) that are in Buyer's or its Authorized Representatives' possession of the information, reports, or materials including specifically those concerning the environmental or other condition of the Terminal together with all information, reports, or material furnished to Buyer by Seller, and Buyer shall promptly cause any Third Party to deliver to Seller such materials that are in their possession.

(d) The Environmental Documents, including those generated by Buyer, may be used by Seller to prepare and file reports, where applicable, with the appropriate Governmental Authorities.

(e) Seller's responsibilities in this Article VII shall inure to the benefit of Buyer solely and do not transfer to Buyer's heirs and assigns. In the event Seller agrees to the transfer and assignment of Seller's responsibilities in this Article VII, which agreement shall only be effective if provided in writing by Seller, Buyer's obligations under this Article VII shall be incorporated into any lease or subsequent sales agreement for the Terminal and any tenant or subsequent buyer shall be required to fulfill all obligations of Buyer set forth in this Article VII. In no event shall Buyer's obligations under this Article VII terminate upon the lease or sale of the Terminal. Any attempt to assign Seller's responsibilities in this Article VII without the express prior written approval of Seller as set forth above shall be void and of no effect.

(f) Buyer and Seller shall cooperate with each other in all reasonable respects as to the transfer or assignment of the Environmental Permits or Orders that can be transferred or assigned under applicable Environmental Laws and the making of any filings or notifications or obtaining any authorizations required under applicable Environmental Laws in connection with the transfer of the Terminal to Buyer. Seller shall take the lead on all initial notifications to applicable Governmental Authorities requesting such transfer or assignment of any Environmental Permits or Orders. Buyer, however, shall be solely responsible for all subsequent communications and filings needed to follow through and complete the timely transfer or assignment of such Environmental Permits or Orders. If the assignment of any Environmental Permit is denied by the applicable Governmental Authority, Exhibit R of this Agreement will be deemed automatically amended, and Buyer shall apply for the issuance of a new Environmental Permit as soon as reasonably possible. With respect to any Environmental Permits or Orders issued under applicable Environmental Laws prior to the Closing Date and Buyer's obligations for Remediation Activities, Seller and Buyer, within ten (10) calendar days after the Closing Date shall submit a joint letter to each applicable Governmental Authority acknowledging that Buyer is assuming the obligations of Seller under such Order and/or Remediation Activities, such letter to be in the form of Exhibit Q. Along with the joint letter and with respect to obligations for Remediation Activities set forth in such joint letter that Buyer is assuming, Buyer shall also execute and deliver to Seller the Release Agreement for remediation liability for all Environmental Conditions in the form of Exhibit S.

(g) As between Buyer and Seller, Buyer and Seller shall share equally in all filing costs and administrative expenses associated with such transfer or assignment of any Environmental Permits or Orders pursuant to this Agreement. Buyer, however, shall be solely responsible for all costs and expenses relating to or arising out of any change in terms or conditions of such Environmental Permits or Orders resulting from any transfer, assignment or reissuance of such Environmental Permits or Orders to Buyer, except for any such costs and expenses related to or arising out of Seller's non-compliance with such Environmental Permits or Orders (which costs and expenses shall be borne solely by Seller). With respect to those Environmental Permits or Orders that cannot be transferred or assigned under applicable Environmental Laws, Buyer will use reasonable efforts at Buyer's cost and expense to obtain new permits or orders.

(h) After the Closing Date, Buyer shall be solely responsible for the filing of any post-Closing reports or notices required by any Governmental Authority regardless of whether the reporting period began or occurred prior to the Closing Date (as long as the required submission deadline for such reports or notices is not prior to the Closing Date). Such reports may include, but are not limited to, Annual Air Emissions Report, Air Permit Reports (excluding Title V semi-annual and annual certifications, which are addressed below), SARA 313 Form R Reports, annual hazardous waste reports, gasoline maximum achievable control technology (GMACT) certifications and ground water monitoring reports required under state above ground storage tank regulations. At least 10 days prior to the Closing Date, Seller will provide Buyer with a listing of all such material reports and notices required to be filed with any Governmental Authority that are due within sixty (60) days after the Closing Date. Within thirty (30) days after the Closing Date, Seller shall provide to Buyer records relating to operation of the Terminal through the Closing Date needed to complete all such material reports. As to any information

that must be provided to any Governmental Authority as part of a routine report submitted in relation to a Title V semi-annual or annual certification, if the Closing Date occurs during the required reporting period, each Party agrees to be responsible and liable for the collection, compilation and submission of such certification with respect to that portion of the reporting period falling under such Party's ownership. Each Party shall cooperate fully with the other and shall provide the other Party with reasonable access to its employees and files to the extent necessary or appropriate to assist the other Party in preparing its report. In the event that the Closing Date occurs on or after the end of the required reporting period but before such report is due, Seller will be responsible and liable for the collection, compilation and submission of such report as it concerns Seller's operation of the Terminal. In that instance, Buyer shall cooperate fully with Seller and shall provide Seller with reasonable access to Buyer's employees and files to the extent necessary or appropriate to assist Seller in preparing the report. Buyer shall be solely responsible and liable for all subsequently submitted reports.

7.10 **Arbitration Procedures.** Except as otherwise provided herein, any dispute between the Parties under this Article VII shall be resolved by arbitration in Fairfax, Virginia in accordance with the rules of the American Arbitration Association and subject to the provisions of this Section 7.10.

(a) If good faith efforts to resolve any such dispute fail, either Party may commence arbitration after thirty (30) days written notice of that Party's intent to commence arbitration. Seller shall appoint one arbitrator and Buyer shall appoint one arbitrator. The two arbitrators so appointed shall select a third arbitrator. All arbitrators for non-engineering disputes must be licensed attorneys. If either Seller or Buyer fails to appoint an arbitrator within twenty (20) days after a request for such an appointment is made by the other Party in writing, or if the arbitrators so appointed fail within twenty (20) days after the appointment of the second of them to agree on a third arbitrator, the arbitrator or arbitrators necessary to complete a panel of three arbitrators shall be appointed by the American Arbitration Association upon application thereto by either Party.

(b) The panel so constituted shall fix a reasonable time and place for a hearing of the dispute. Each of the Parties shall submit to the panel of arbitrators at the hearing such Party's proposed resolution of the dispute, together with such supporting evidence as such Party may desire to present to the panel of arbitrators. The panel of arbitrators shall consider only the proposed resolutions and evidence as presented by the Parties.

(c) Within thirty (30) days of such hearing, the panel of arbitrators shall select the proposed resolution presented by a Party that most closely achieves the intention of the Parties as expressed in this Article VII. The Panel must choose either the resolution of the dispute proposed by Buyer or the resolution of the dispute proposed by Seller. The panel of arbitrators is not empowered to select a compromise of any kind between either proposal. If more than one dispute is between the arbitrators at any one time, the arbitrators shall resolve each such dispute independently of the other dispute.

(d) The action of a majority of the members of the panel of arbitrators shall govern and their decision in writing shall be final and binding on the Parties.

(e) All arbitrators appointed under this procedure shall be disinterested individuals who are not and never have been officers, directors, employees, consultants, or attorneys of Seller or of Buyer or of any of Seller's or Buyer's Affiliates. Such individuals must be experienced in the environmental aspects of the petroleum and chemical industries and competent to pass judgment on the issues in dispute. The losing Party shall bear all reasonable and customary fees and expenses (Seller's and Buyer's) of the entire arbitration process.

7.11 **Environmental Notices.** Except as otherwise stated in this Article VII, all notices or correspondence required or permitted to be given under this Article VII shall be in writing. Notices may be given in person, or may be sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested) or facsimile with written confirmation to the Party to be notified at the following address:

If to Seller: Exxon Mobil Corporation
Global Remediation
Attn: Global Major Projects Manager
3225 Gallows Road
Fairfax, VA 22037
703/846-6051 Telephone
703/846-5298 Facsimile

If to Buyer: Sunoco Partners Marketing & Terminals L.P.
Attn: Vice President & General Counsel
1735 Market Street, Suite LL – 29th Floor
Philadelphia, PA 19103
215-977-3135 Telephone
215-246-8287 Facsimile

Either Party may change its address or facsimile number by providing written notice to the other at least ten (10) days prior to the effective date of such change. Notices given in accordance with this Article VII shall concern only those matters governed by this Article VII. Notices given in accordance with this Section 7.11 shall be deemed to have been given: (a) at the time of delivery when delivered personally; (b) upon receipt when sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested); or (c) upon completion of successful transmission when sent by facsimile (unless transmission is completed outside recipient's normal working hours, in which case such notice shall be deemed given at the start of recipient's next business day). Any notice required or permitted to be given under any other Article of this Agreement shall be separated from Article VII notices, and shall be given in accordance with Section 15.4 of this Agreement.

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(ARCADIA)
EXECUTION VERSION

ARTICLE VIII

CONDITIONS PRECEDENT TO CLOSING

8.1 **Obligation of Buyer to Close.** The obligation of Buyer to consummate the purchase of the Terminal on the Closing Date is subject to (i) the satisfaction of the following conditions on or prior to the Closing Date and/or (ii) Buyer's written waiver of any such conditions as remain unsatisfied as of the Closing Date:

(a) **Accuracy of Representations.** All representations and warranties made by Seller in this Agreement shall be true and correct in all material respects (except in the case of any representation or warranties qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Closing Date;

(b) **No Default.** Seller shall have complied in all material respects with each covenant and agreement to be performed by Seller under this Agreement by or on the Closing Date;

(c) **Disclosure.** Buyer shall have received from Seller all Environmental Documents received or generated by Seller or its Affiliates after the date of this Agreement and prior to the Closing Date;

(d) **Agreements.** Seller shall have executed, or is prepared to execute or cause the execution of simultaneously with Closing, all documents and agreements provided for in this Agreement, including the documents and agreements listed in Sections 4.2 and 4.4, duly notarized and in recordable form where applicable;

(e) **Required Consents.** The Parties shall have obtained the consent (if required) of any applicable Government Authority or Third Party to the assignment to and the assumption by Buyer of any assignable Permit and Environmental Permit, and the assignment or the novation of all Material Contracts, under which as of the Closing Date Buyer assumes Seller's rights and obligations and Seller is released from any and all such obligations.

(f) **Transfer of Documents**. Seller has delivered, or is prepared to simultaneously deliver to Buyer at Closing, all Books and Records, as stated in Section 2.1(f) of this Agreement;

(g) **Defects in Title**. Any Title Objections shall be resolved in accordance with the provisions of Section 11.3, and Buyer shall not have terminated this Agreement under Section 11.3;

(h) **Title Commitment**. Buyer shall have obtained title insurance policies (which may be in the form of a mark-up of a pro forma of the Title Commitments) in accordance with the Title Commitments, insuring the Buyer's fee simple title to the Real Property as of the Closing Date (including all recordable appurtenant easements insured as separate legal parcels) with gap coverage from Seller through the date of recording, subject only to Permitted Title Exceptions (the "Title Policies"). Each of the Title Policies shall have the creditor's rights exception deleted, and shall include an extended coverage endorsement (insuring over the general or standard exceptions), comprehensive endorsement, access endorsement, contiguity endorsement, and all other endorsements reasonably requested by Buyer, in form and substance reasonably satisfactory to Buyer;

(i) **No Termination**. Buyer shall not have terminated this Agreement under Section 14.2;

(j) **Hart Scott Rodino**. Seller and Buyer shall have filed (in accordance with Section 15.22), and received all necessary approvals or clearances, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

(k) **Simultaneous Closings**. The transactions contemplated by Section 4.7, shall be consummated simultaneously with the Closing; and

(l) **Seller's Deliveries**. Buyer shall have received all of Seller's Deliveries under Section 4.2.

8.2 **Obligation of Seller to Close.** The obligation of Seller to consummate the sale of the Terminal on the Closing Date shall be subject to (i) the satisfaction of the following conditions on or prior to the Closing Date and/or (ii) Seller's written waiver of any such conditions as remain unsatisfied as of the Closing Date:

(a) **Accuracy of Representations.** All representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects (except in the case of any representation or warranties qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Closing Date;

(b) **No Default.** Buyer shall have complied in all material respects with each covenant and agreement to be performed by Buyer under this Agreement by or on the Closing Date;

(c) **Agreements.** Buyer shall have executed, or is prepared to execute simultaneously with Closing, all documents and agreements provided for in this Agreement to be signed by Buyer, including the documents and agreements listed in Sections 4.3 and 4.4;

(d) **Required Consents.** The Parties shall have obtained the consent (if required) of any applicable Government Authority or Third Party to the assignment to and the assumption by Buyer of any assignable Permit and Environmental Permit, and the assignment or the novation of all Material Contracts, under which as of the Closing Date, Buyer assumes Seller's rights and obligations and Seller is released from any and all such obligations;

(e) **Hart Scott Rodino.** Buyer and Seller shall have filed (in accordance with Section 15.22), and received all necessary approvals or clearances, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

- (f) **Simultaneous Closings.** The transactions contemplated by Section 4.7 shall be consummated simultaneously with the Closing; and
- (g) **Buyer's Deliveries.** Seller shall have received all of Buyer's Deliveries under Section 4.3.

ARTICLE IX

INDEMNIFICATION

9.1 **Definitions.** As used in this Article IX, "Loss" shall mean any claim, liability, obligation, expense, cost or other damage or loss (including without limitation, reasonable attorneys' and consultants' fees), fine or penalty. "Loss" shall also include in each instance, but shall not be limited to, all reasonable costs and expenses of investigating and defending any claim or any order, directive, final judgment, compromise, settlement, fine, penalty, court costs or proceeding arising at any time under or from any Government Authority, including all reasonable costs and expenses and court costs incurred in the enforcement of rights under this Article IX. "Loss" shall not include any special, consequential, indirect or loss of profit, damages or any Loss for which one Party has assumed responsibility or agreed to indemnify the other Party under Article VII of this Agreement.

9.2 **Indemnification By Seller.** From the Closing Date, in addition to all other obligations of Seller to Buyer set forth in this Agreement, Seller shall indemnify, defend and hold harmless Buyer, Buyer's Affiliates and their respective directors, officers, employees, representatives, successors and assigns from and against any Loss resulting from, related to, or arising out of: (a) the breach by Seller (or any shareholder, officer, director, employee of Seller) of any representation or warranty contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement, (b) the breach by Seller (or any shareholder, officer, director, employee of Seller) of any covenant or agreement contained in this Agreement, in any Exhibit or Schedule to this Agreement,

or in any document, instrument, agreement or certificate delivered under this Agreement, or (c) liabilities constituting a part of, or relating or resulting from, the Exclusions; provided, that, with respect to a loss of the type referred to in clause (a) above, Seller shall have no indemnification obligation for any such Loss if Seller has not received a claim from Buyer (specifying in reasonable detail the basis for such Loss) within one year following the Closing Date, or, if such Loss results from a breach of Section 5.1 (Organization), Section 5.2 (Due Authorization), or 5.12 (Taxes), within the applicable time set forth in Section 10.1. Nothing contained in this Section 9.2 shall modify, amend or supersede any indemnification obligation of Seller contained in any document, instrument, agreement or certificate delivered under this Agreement. A claim for a Loss resulting from the fraud or willful misconduct of Seller may be made at any time without limitation.

9.3 **Indemnification By Buyer.** From and after the Closing Date, in addition to all other obligations of Buyer to Seller set forth in this Agreement, Buyer shall indemnify, defend and hold harmless Seller, Seller's Affiliates and their respective directors, officers, employees, representatives, successors and assigns from and against any Loss resulting from, related to, or arising out of:

(a) Buyer's ownership or operation of the Terminal after Closing, except for any Loss for which Seller has assumed responsibility or agreed to indemnify Buyer under Article VII;

(b) The breach by Buyer or any Affiliate of Buyer (or any shareholder, officer, director, employee of Buyer or such Affiliate) of any representation or warranty contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement; provided that Buyer shall have no indemnification obligation for any such Loss if Buyer has not received a claim from Seller (specifying in reasonable detail the basis for such Loss) within one year following the Closing Date, or if such

Loss results from a breach of Section 6.1 (Organization) or Section 6.2 (Due Authorization), within the applicable time set forth in Section 10.1; provided, further, that a claim for a Loss resulting from the fraud or willful misconduct of Buyer may be made at any time without limitation; or

(c) The breach by Buyer or any Affiliate of Buyer (or any shareholder, officer, director, employee of Buyer or such Affiliate) of any covenant or agreement contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement.

9.4 **Conflict.** In the event of any conflict or ambiguity in the language of this Article IX, or any other portion of this Agreement, with the language of Article VII, the Parties agree that Article VII language shall be controlling.

9.5 **Procedures.**

(a) **Notice and Tender.** In the event that any officer or registered agent of either Party hereto receives actual notice of any claim by a third person giving rise to a right of indemnification of such Party under this Article IX (the "Indemnitee"), such Indemnitee shall, within sixty (60) days after receipt of such notice, give written notice thereof to the other Party hereto responsible for such indemnification (the "Indemnitor") setting forth the facts and circumstances giving rise to such claim for indemnification and shall tender the defense of such claim to the Indemnitor. If the Indemnitee fails to give such notice and tender such defense within such 60-day period, the Indemnitee shall be solely responsible for any Loss with respect to such claim to the extent they are attributable to such failure; but failure to give such notice and tender such defense within such 60-day period shall not result in a forfeiture or waiver of any rights to indemnification for any Loss with respect to such claim to the extent they are not attributable to such failure.

(b) **Defense of Claims.** The Indemnitor shall select (subject to the Indemnitee's reasonable approval) the attorneys to defend any matter subject to

indemnification and/or taking all actions necessary or appropriate to resolve, defend, and/or settle such matters, and shall be entitled to contest, on its own behalf and on the Indemnitee's behalf, the existence or amount of any obligation, cost, expense, debt or liability giving rise to such claim. Nothing in this Section 9.5(b) shall be construed as prohibiting the Indemnitee from participating in the defense (which may include hiring its own counsel) in any matter subject to indemnification, as long as the Indemnitee does so at its own expense, unless and to the extent that the Indemnitor or an Affiliate is also subject to such claim and the Indemnitee has determined in good faith that the Indemnitor has a conflict of interest vis-à-vis the Indemnitee and/or the Indemnitee has defenses available to it that are not available to the Indemnitor, in which case the Indemnitor shall be responsible for the expense of the Indemnitee's counsel. The Indemnitor shall keep the Indemnitee fully and timely informed as to actions taken on such matters. The Indemnitee shall cooperate fully with the Indemnitor and its counsel and shall provide them reasonable access to the Indemnitee's employees, consultants, agents, attorneys, accountants, and files to the extent necessary or appropriate to defend or resolve the matter, the Indemnitor reimbursing the Indemnitee with respect to the reasonable cost of any such access. With respect to any matter for which a Party has an indemnification and/or defense obligation under this Agreement, the Parties shall maintain a joint defense privilege, where applicable, in connection with such matters for the Party's post-Closing communications and those of their respective Affiliates and Authorized Representatives, which post-Closing communications concern the matters subject to such indemnification and/or defense obligation.

(c) **Allocation of Indemnification Liability.** When any Loss for which indemnification is provided under this Article IX results from, relates to, or arises out of the conduct of both Seller and Buyer, the Parties shall indemnify each other in proportion to their respective share of such Loss.

ARTICLE X

SURVIVAL

10.1 **Representations and Warranties.** All representations and warranties made in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement will survive until one year after Closing, except, that, the representations and warranties set forth in 5.1 (Organization), Section 5.2 (Due Authorization), Section 6.1 (Organization) and Section 6.2 (Due Authorization) shall survive indefinitely, and the representations and warranties set forth in Section 5.12 (Taxes) shall survive until ninety (90) days following the termination of the applicable statute of limitations. At the end of such survival period set forth above, such representations and warranties shall terminate and have no further force and effect.

10.2 **Covenants.** Unless otherwise specified in this Agreement, the Parties obligations under the following sections and articles will survive the Closing: Articles I, VII, IX, X, XII, XIII and XV and Sections 3.1, 3.3 and 11.3.

ARTICLE XI

TITLE COMMITMENT; SURVEY; RISK OF LOSS

11.1 **Title Insurance.** Buyer shall promptly place an order to procure a commitment for an ALTA Owner's Title Insurance Policy 2006 Form (or other form of policy available in the jurisdiction and acceptable to Buyer) for the Real Property from the Title Company, together with a copy of all documents referenced therein (the "Title Commitments"). Any abstracting, title certification, and charges for title examination will be at Buyer's expense. Buyer shall cause the Title Company to deliver to Buyer, with a copy to Seller, a title commitment setting forth the status of title to the Property on or before the thirtieth (30th) day following the Effective Date (the "Title Commitment").

11.2 **Survey.** Buyer shall promptly cause to be prepared, at its expense, current land title surveys of the Real Property, prepared by a licensed surveyor satisfactory to Buyer and conforming to 2005 Minimum Detail Requirements for

ALTA/ACSM Land Title Surveys, including Table A Items Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(l), 7(c), 8, 9, 10, 11(b), 13, 14, 15, 16, 17, 18 and 19 and such other standards as the Title Company and Buyer require as a condition to the removal of any survey exceptions from the Title Policies, and certified by Buyer and the Title Company (the "Survey"). Upon completion of the Survey, Buyer shall deliver promptly three (3) prints thereof to Seller and at least one (1) print to the Title Company. The Survey will (i) show the location of all streets, roads, railroads, creeks or other water courses, fences, easements, rights-of-way and other encumbrances or encroachments on or adjacent to the Property, including all of the title matters shown on the Title Commitment and (ii) set forth a certified legal description of the Property. Seller agrees to furnish the surveyor with copies of all existing deeds.

11.3 **Title Objections.** Within fifteen (15) days after receiving the later of the Title Commitment or the Survey, Buyer shall notify Seller if the Title Commitment or Survey reveals any liens, encumbrances, claims or exceptions that, in Buyer's reasonable judgment, are unacceptable ("Title Objections"). If Seller is unable or unwilling to cure any Title Objections, Seller will provide written notice thereof to Buyer within fifteen (15) days following receipt of notice of Title Objections from Buyer and Buyer shall have the right, at its option, by written notice to Seller within fifteen (15) days following receipt of Seller's written notice, either (i) to terminate this Agreement and obtain a refund of the Earnest Money and all interest thereon, whereafter both Parties shall be relieved and discharged of any rights, liabilities or obligations hereunder, or (ii) to waive such defect and proceed to Closing. Buyer's failure to exercise the right to terminate within the said fifteen (15) day period shall constitute a waiver of Buyer's right to terminate with respect to such title matters. However, if Seller elects to cure the Title Objections (although Seller will have no such obligation to do so), Seller shall provide Buyer with notice of its intention to cure same within the fifteen (15) days aforesaid and Seller shall have an opportunity, at its expense, to remove such Title Objections within

sixty (60) days following receipt of written notice from Buyer identifying the Title Objections (the "Title Cure Period"). In no event shall Seller have any obligation to commence litigation or to incur costs in excess of One Thousand Dollars (\$1,000.00) to cure or remove any Title Objections. If Seller is unable to cure any Title Objections within the Title Cure Period that, in the reasonable opinion of the Title Company or Buyer, must be cured in order to deliver good and marketable title, Buyer may, as its sole and exclusive remedy, and upon written notice to Seller within fifteen (15) days after expiration of the Title Cure Period, terminate this Agreement, in which event the Earnest Money shall be fully refunded to Buyer.

11.4 **Risk of Loss.** Risk of loss with respect to the Terminal shall be borne by Seller until Closing. The risk of loss of the Terminal shall pass to the Buyer at Closing.

ARTICLE XII

FURTHER ASSURANCE

From time to time after Closing, Seller and Buyer shall, upon request of the other and without further consideration, execute, acknowledge and deliver such further instruments of transfer, conveyance or assumption and such other documents as Seller or Buyer may reasonably request more effectively to vest in Buyer the right and title to, interest in and enjoyment of, the Terminal or to carry out the transactions and agreements contemplated by this Agreement. Seller shall use its good faith efforts, and shall cause its agents and employees to use their good faith efforts, in effecting the transition of the operations of the Terminal to Buyer, including, but not limited to, assisting in the transfer of permits related to the operation of Terminal to Buyer. In connection with the foregoing, Seller shall provide Buyer and its Affiliates with reasonable access to the agents and employees of Seller who have significant responsibility for the Terminal for the purpose of ensuring a smooth transition.

ARTICLE XII

COSTS AND EXPENSES

13.1 **Brokerage Commissions.** Neither of the Parties nor, where applicable, any of their respective shareholders, officers, directors, or employees, has employed or will employ any broker, agent, finder or consultant or has incurred or will incur any liability for any brokerage fees, commissions, finders' fees or other fees in connection with the negotiation or consummation of the transactions contemplated by this Agreement.

13.2 **Closing Adjustments.** The following items shall be paid, prorated, or adjusted as of the Closing Date in the manner hereinafter set forth:

(a) All real estate Taxes as well as any Taxes assessed on the Personal Property, due and owing on or before the Closing Date, all penalties and interest thereon, and all special assessments affecting the Terminal, whether payable in installments or not, shall be paid in full by Seller.

(b) Current ad valorem Taxes including real estate Taxes, special assessments and charges for the current year ("Property Taxes") shall be allocated between Seller and Buyer as of the Closing Date on the basis of no applicable discount. The allocation shall be based on the number of days that each party owns the Terminal during the year of the sale. If the amount of such Property Taxes with respect to the Terminal for the calendar year in which the Closing occurs has not been determined as of the Closing Date, then the Property Taxes with respect to the Terminal for the preceding calendar year, on the basis of no applicable discount, shall be used to calculate such allocations, with known changes in valuation applied. Seller's allocated share of the Property Taxes for the current year shall be credited to Buyer at Closing as a reduction in Purchase Price and Buyer shall assume the responsibility to pay the Property Taxes, unless Seller has already paid the current year's Property Taxes, in which case Seller shall be credited at Closing as an increase in Purchase Price with Buyer's allocated share of the Property Taxes. If

the actual amount of any such Property Taxes varies by more than Twenty Thousand Dollars (\$20,000) from estimates used at the Closing to prorate such taxes, then the parties shall re-prorate such Property Taxes within ten (10) days following a request by either party based on the actual amount of the tax bills.

(c) Seller shall be responsible for the cost of the Terminal's utilities up to Closing and Buyer shall be responsible for such costs thereafter.

(d) Buyer shall bear and pay all title insurance premiums and charges.

(e) Buyer shall bear and pay all realty transfer fees, recording costs and Taxes associated with the conveyance of the Real Property, the Improvements and the Personal Property, except Taxes imposed by reason of capital or income of Seller. Seller and Buyer agree that no sales and use taxes will be reported in connection with the transfer of the Terminal to Buyer since such sale qualifies for an occasional sale exemption.

(f) Seller and Buyer shall each pay their own respective legal fees and expenses and the cost of performance of their respective obligations hereunder.

(g) All amounts due Seller under any assignable revenue-generating contract shall be prorated as of the Closing Date upon the payment cycle established under such revenue-generating contract so that the portion the amounts due Seller from the beginning of such payment cycle to the Closing Date will be credited to Seller at Closing.

(h) The Parties shall make all other adjustments necessary to effectuate the intent of the Parties as set forth in this Agreement.

13.3 **Timing of Adjustments.** All monetary adjustments necessary to achieve the allocations specified in Section 13.2, to the extent reasonably practicable, shall be made at the Closing. To the extent any such adjustments cannot be made at the Closing, the same shall be made after the Closing as and when complete information becomes available. Seller and Buyer agree to cooperate and to use their best efforts to complete such adjustments no later than thirty (30) days after the Closing Date.

ARTICLE XIV

CASUALTY AND CONDEMNATION

14.1 **Notice of Casualty or Condemnation**. In the event that after the date of this Agreement and prior to the Closing:

(a) Any material portion of the Terminal is damaged or destroyed by fire or other casualty or any event or circumstance occurs resulting in a material adverse change to the environmental condition of the Terminal (a "Casualty"), or

(b) Seller receives written notice of any action, suit or proceeding, or threatened or contemplated action, suit or proceeding, to condemn or take all or any material part of the Terminal by eminent domain (a "Condemnation"), Seller shall immediately notify Buyer of the Casualty or Condemnation. In the event of a Casualty, Buyer must (i) retain an insurance adjuster mutually satisfactory to Buyer and Seller within fifteen (15) days after Buyer's receipt of Seller's notice to determine the extent of the Casualty, and (ii) initiate negotiations with Seller to discuss an adjusted Purchase Price for the Terminal if Buyer contemplates making the election in Section 14.2(a) below. If Buyer initiates such negotiations, Buyer and Seller shall negotiate in good faith to try to agree upon an adjusted Purchase Price.

14.2 **Buyer's Election**. Buyer must elect one of the following options and give written notice to Seller of such election within (i) fifteen (15) days after the insurance adjuster's written determination in the case of a Casualty, or (ii) thirty (30) days after Buyer's receipt of Seller's notice of Condemnation in the case of a Condemnation:

(a) Purchase the Terminal in accordance with Article IV of this Agreement at an adjusted Purchase Price agreed upon by Buyer and Seller before Buyer makes this election; or

(b) Terminate this Agreement, whereupon Seller shall immediately direct the Title Company to pay the Earnest Money, and all interest accrued thereon, to Buyer.

14.3 **Exclusive Remedy.** Notwithstanding any provision to the contrary contained herein, the remedies provided to Buyer under Section 14.2(a) and (b) constitute Buyer's exclusive remedies in connection with the circumstances described therein.

ARTICLE XV

GENERAL; ADDITIONAL COVENANTS

15.1 **Termination.** If this Agreement is terminated by Seller or by Buyer as a matter of right or as permitted under this Agreement, such termination shall be without liability of either Party to the other, or to any of their shareholders, affiliates, directors, officers, employees, agents, consultants or representatives.

This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual consent of SELLER and BUYER;

(b) if the Closing has not occurred by the close of business on September 30, 2008, then by SELLER if any condition specified in Section 8.2 has not been satisfied on or before such close of business, and shall not theretofore have been waived by SELLER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by SELLER to fulfill any undertaking or commitment provided for herein on the part of SELLER that is required to be fulfilled on or prior to Closing; or

(c) if the Closing has not occurred by the close of business on September 30, 2008, then by BUYER if any condition specified in Section 8.1 has not been satisfied or waived on or before such close of business, and shall not theretofore have been waived by BUYER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by BUYER to fulfill any undertaking or commitment provided for herein on the part of BUYER that is required to be fulfilled on or prior to Closing.

15.2 **Entire Agreement.** This Agreement, including all of the Exhibits and Schedules hereto, constitutes the entire understanding between the Parties with respect to the subject matter contained herein and supersedes any prior understandings, negotiations or agreements, whether written or oral, between them respecting such subject matter.

15.3 **Headings.** The headings in this Agreement are for convenience of reference only and shall not affect its interpretation.

15.4 **Notices.** Except for notices required under Article VII of this Agreement, all notices or other correspondence required or permitted to be given under this Agreement shall be in writing and addressed to the Party to be notified at the address listed in this Section 15.4. Notice shall be given in person, or shall be sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested) or facsimile with written communication to the Party to be notified at the following address:

Seller:

Mail: Exxon Mobil Corporation

c/o Mobil Pipe Line Company

3225 Gallows Road

Fairfax, VA 22037

Attn: Southern Operations Manager

Facsimile: 703-846-5955

Phone: 703-846-5257

Buyer:

Mail: Sunoco Partners Marketing
& Terminals L.P.

1735 Market Street, Suite LL – 29th Floor

Philadelphia, PA 19103

Attn: Vice President & General Counsel

Facsimile: 215-246-8287

Phone: 215-977-3135

Either Party may change its address or facsimile number by providing written notice to the other at least ten (10) days prior to the effective date of such change. Notices given in accordance with this Section 15.4 shall be deemed to have been given: (a) at the time of delivery when delivered personally; (b) upon receipt when sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested); or (c) upon completion of successful transmission when sent by facsimile (unless transmission is completed outside recipient's normal working hours, in which case such notice shall be deemed given at the start of recipient's next business day). Notices given in accordance with this Section 15.4 shall concern only those matters not governed by Article VII and shall be separated from Article VII notices, which are governed by Section 7.11.

15.5 **Exhibits and Schedules.** Each Exhibit and Schedule referred to in this Agreement is incorporated into this Agreement by such reference.

15.6 **Severability.** If any provision of this Agreement is held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability will not affect any other provision hereof. This Agreement shall in such circumstances be deemed modified to the extent necessary to render enforceable the provisions hereof.

15.7 **Waiver.** The failure of any Party to insist upon strict performance of any of the terms or conditions of this Agreement will not constitute a waiver of any of its rights hereunder.

15.8 **Assignment.** Neither Party may assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided that, Seller may assign this Agreement to an Affiliate or any entity into which it is merged or combined without the consent of, but subject to notice to, Buyer. Any assignment of this Agreement, by operation of law or otherwise, shall not relieve the assignor of any obligations hereunder. Any assignment made in violation of this Section 15.8 shall be void.

15.9 **Parties in Interest; No Third Party Beneficiary.** This Agreement shall inure to the benefit of and be binding upon Buyer and Seller and their respective successors and permitted assigns. Except as otherwise provided herein, nothing in this Agreement will be construed as conferring upon any person or entity other than Buyer and Seller, and their respective successors in interest and permitted assigns, any right, remedy or claim under or by reason of this Agreement.

15.10 **Governing Law.** This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the internal law of the State of Texas, without regard to conflicts of laws principles thereof that would result in application of substantive laws of any other state.

15.11 **Choice of Forum.** Where Federal subject matter or diversity jurisdiction exists with respect to a dispute which the Parties cannot themselves amicably resolve, the Parties designate the United States District Court for the Southern District of Texas, as the exclusive forum for the resolution of that dispute and submit themselves and the dispute to the jurisdiction of that Court. Where Federal subject matter or diversity jurisdiction in respect of such dispute does not exist, the Parties designate the Supreme Court in the State of Texas, County of Harris, as the exclusive forum for the resolution of that dispute and submit themselves and the dispute to the jurisdiction of that Court.

15.12 **WAIVER OF JURY TRIAL.** EACH PARTY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF THE OTHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

15.13 **Commercially Reasonable Efforts; Time of Essence.** Except as otherwise specifically provided herein, Buyer and Seller shall each use commercially reasonable efforts to satisfy the conditions to Closing and otherwise consummate the transactions contemplated by this Agreement as promptly as practical. Time is of the essence with respect to the Closing of this Agreement

15.14 **Amendments.** This Agreement may be amended only by a written instrument that is duly executed by both Parties

15.15 **Counterparts.** This Agreement may be executed in any number of counterparts and any Party hereto may execute any such counterpart, each of which when executed by both Parties and delivered shall be deemed to be an original.

15.16 **Public Announcements.** The Parties agree that there shall be no press releases or other announcements prior to Closing without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except to the extent required by applicable Laws or rules of any applicable stock exchange. If either Party determines that a press release is required or desired, they will so notify the other in writing and shall consult with each other with regard to the same. The Parties further agree to consult with each other on all press releases and announcements issued at or after Closing concerning the transactions contemplated by this Agreement.

15.17 **Transition Assistance.** For a period of ninety (90) days after Closing, at Buyer's reasonable request, Seller shall assist, at no charge, Buyer in connection with a reasonably orderly transition of the operation of the Terminal.

15.18 **Taxes.** After the Closing Date, if Buyer receives a bill for Taxes assessed against the Terminal that includes Taxes for taxable years or taxable periods on or before the Closing Date (including Taxes assessed for portions of taxable years or periods on or before the Closing Date), Buyer shall forward the bill to Seller for payment. After the Closing Date, if Seller receives a bill for Taxes assessed against the Terminal or the Terminal Inventory that includes Taxes for taxable years or taxable periods after the Closing Date (including Taxes assessed for portions of taxable years or taxable periods after the Closing Date), Seller shall forward the bill to Buyer for payment.

15.19 **Confidentiality.** The Parties acknowledge that they are bound by the terms of the Confidentiality Agreement dated August 9, 2006 between Seller and Buyer and hereby extend the term of such Confidentiality Agreement so that it will expire three years after the Closing Date. In addition, Seller and Buyer agree that they will keep confidential and not disclose to any non affiliated Third Party any of the terms or provisions of this Agreement for a period of three years after the Closing Date, except for disclosure of information that:

(a) is or becomes publicly available by other than unauthorized disclosure;

(b) is made pursuant to the requirement or request of a Government Authority of competent jurisdiction to the extent such disclosure is required by an applicable law or Order, and sufficient notice is given by the disclosing Party to the other Party to permit the other Party to seek an appropriate protective order or exemption from such requirement or request, if it so desires. If such protective order or other remedy is not obtained, or if the other Party waives compliance with the provisions of this Section 15.19 for this purpose, the disclosing Party shall furnish only that portion of the information that is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded the information by the Government Authority.

15.20 **No Presumption Against Drafter.** Buyer and Seller have each fully participated in the negotiation and drafting of this Agreement. If an ambiguity, question of intent or question of interpretation arises, this Agreement must be construed as if drafted jointly, and there must not be any presumption, inference or conclusion drawn against either Party by virtue of the fact that its representative has authored this Agreement or any of the terms of it.

15.21 **Right of First Offer.** Seller will have a right of first offer to purchase the Terminal before any sale, assignment or other transfer (a “Transfer”) of the Terminal to a non-affiliate of Buyer. If Buyer shall desire to effect such a Transfer, it shall first give notice in writing of such desire to Seller. Seller will then have sixty (60) days from its receipt of such notice to inform Buyer in writing whether Seller wishes to purchase the Terminal, and if it does, the material terms and conditions of such purchase. If Seller informs Buyer that it does not wish to purchase the Terminal (or if Seller fails to respond in writing to Buyer within such sixty (60) day period), or if the Parties are unable, after good faith negotiations, to close the transaction within one hundred and twenty (120) days, then Buyer may Transfer the Terminal to any other person at any time within the next one hundred and eighty (180) days. If Seller notifies Buyer of the purchase price and terms upon which Seller is willing to purchase the Terminal, any such Transfer by Buyer within one hundred and eighty (180) days shall be on terms (including purchase price) that are not materially more favorable to purchaser than those described in Seller’s notice. If such Transfer by Buyer is not consummated within such one hundred and eighty (180) day period, then the right of first offer described above shall apply again to a Transfer of the Terminal by Buyer.

15.22 **Hart-Scott Rodino Filing Requirements.** Within thirty (30) days after execution of this Agreement, Seller and Buyer shall file or cause to be filed with the Federal Trade Commission and the United States Department of Justice any notifications required to be filed under the Hart-Scott-Rodino Act and the rules and regulations promulgated thereunder with respect to the transactions contemplated herein. Seller and Buyer shall consult with each other as to the appropriate time for filing such notifications, shall agree upon the timing of such filings and shall, respond promptly to any requests for additional information made by either of such agencies.

Buyer shall pay the filing fees under the HSR Act, and shall receive a credit of 50% of such filing fees against the Purchase Price at Closing. Buyer and Seller shall each bear their respective costs for the preparation of any filing. Seller and Buyer shall use commercially reasonable efforts to cause any waiting period under the HSR Act with respect to the transactions contemplated herein to expire or terminate at the earliest possible time. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall require Buyer or Seller or any of their respective Affiliates to sell, hold separate or otherwise dispose of or conduct its business in a specified manner, or agree to sell, hold separate or otherwise dispose of or conduct its business in a specified manner, or permit the sale, holding separate or other disposition of, any assets of the Buyer or Seller or their respective Affiliates, whether as a condition of obtaining any approval from a Governmental Authority or any other Person or for any other reason.

15.23 **Insurance.** Seller and Buyer acknowledge that Seller maintains a worldwide program of property and liability insurance coverage for itself and its Affiliates, including Seller. This program has been designed to achieve a coordinated risk-management package for the entire ExxonMobil corporate group. The program consists principally of three types of policies:

- (a) policies issued to Seller or its predecessors;
- (b) policies issued directly to Affiliates by one of ExxonMobil's wholly-owned insurance companies, i.e., Ancon Insurance Company, Inc., Bluefield International Insurance Inc., et al, (herein referred to collectively as "ExxonMobil Captive Insurers"); and
- (c) policies issued to Affiliates by locally admitted insurers which are reinsured by one of the ExxonMobil Captive Insurers.

All of the insurance policies through which the worldwide program of coverage is presently or has previously been provided by or to Seller, its predecessors or Affiliates are herein referred to collectively as the "ExxonMobil Policies."

It is understood and agreed by Buyer that from and after the Closing:

(d) No insurance coverage shall be provided under the ExxonMobil Policies to Buyer;

(e) Any and all policies insured or reinsured by any of the ExxonMobil Captive Insurers which, but for this provision, would have insured the Terminal shall be deemed terminated, commuted and cancelled *ab initio*;

(f) No claims regarding any matter relating to the Terminal, whether or not arising from events occurring prior to the Closing, shall be made by Buyer against or with respect to any of the ExxonMobil Policies regardless of their date of issuance.

15.24 **Limitations of Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER PARTY SHALL BE LIABLE OR RESPONSIBLE TO ANOTHER PARTY HERETO OR ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, OR FOR LOSS OF PROFITS OR REVENUES (COLLECTIVELY REFERRED TO AS SPECIAL DAMAGES) INCURRED BY SUCH PARTY OR ITS AFFILIATES THAT ARISE OUT OF OR RELATE TO THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES UNDER OR RESULTS FROM CONTRACT, TORT OR STRICT LIABILITY, provided that the foregoing limitation is not intended and shall not affect Special Damages imposed in favor of individuals or entities that are not Parties to this Agreement.

[Signature page follows.]

-60-

TERMINAL SALE AND PURCHASE AGREEMENT
(ARCADIA)
EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have executed this Terminal Sale and Purchase Agreement as of the date first above written.

EXXON MOBIL CORPORATION

By: /s/ Les Rose

Printed

Name: Les Rose

Title: Agent and Attorney-in-Fact

SUNOCO PARTNERS MARKETING & TERMINALS L.P.

By: Sunoco Logistics Partners Operations GP LLC, its general partner

By: /s/ Christopher W. Keene

Printed

Name: Christopher W. Keene

Title: Vice President

TERMINAL SALE AND PURCHASE AGREEMENT
(ARCADIA)
EXECUTION VERSION

LIST OF EXHIBITS AND SCHEDULES TO TERMINAL SALE AND PURCHASE
AGREEMENT (ARCADIA) OMITTED FROM THIS FILINGEXHIBITS

| | |
|-----------|---|
| Exhibit A | Real Property Description |
| Exhibit B | Intentionally Left Blank |
| Exhibit C | List of Excluded Personal Property |
| Exhibit D | Books and Records |
| Exhibit E | Material Contracts |
| Exhibit F | Permits |
| Exhibit G | Improvements, Equipment and Goods Located at Terminal and Not Owned by Seller |
| Exhibit H | Form of Special Warranty Deed – Louisiana |
| Exhibit I | Form of Bill of Sale |
| Exhibit J | Form of Indemnity Letter to Title Company |
| Exhibit K | Form of Seller’s FIRPTA Certification |
| Exhibit L | Form of Parent Guaranty |
| Exhibit M | Form of Terminating Services Agreement |
| Exhibit N | Form of Assignment and Assumption Agreement |
| Exhibit O | Intentionally Left Blank |
| Exhibit P | Intentionally Left Blank |
| Exhibit Q | Form of Joint Letter Transferring Responsibility for Remediation Activities |
| Exhibit R | Environmental Permits |
| Exhibit S | Form of Release |
| Exhibit T | Non-Material or Revenue-Generating Contracts |

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| Schedule 5.10 | Exceptions to Compliance With Laws |
| Schedule 5.11 | Exceptions to Required Consents |
| Schedule 7.2 | Environmental Documents |

TERMINAL SALE AND PURCHASE AGREEMENT

BETWEEN

MOBIL PIPE LINE COMPANY,

SELLER

AND

**SUNOCO PARTNERS
MARKETING & TERMINALS L.P.,**

BUYER

Hearne, TX (West)

TERMINAL

April 28, 2008

TERMINAL SALE AND PURCHASE AGREEMENT
(HEARNE (WEST))
EXECUTION VERSION

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| Exhibit H | Form of Special Warranty Deed – Texas |
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| Exhibit J | Form of Indemnity Letter to Title Company |
| Exhibit K | Form of Seller’s FIRPTA Certification |
| Exhibit L | Form of Parent Guaranty |
| Exhibit M | Form of Terminating Services Agreement |
| Exhibit N | Form of Assignment and Assumption Agreement |
| Exhibit O-1 | Form of RELLC Remediation Agreement |
| Exhibit O-2 | Form of RELLC Letter Agreement |
| Exhibit P | Intentionally Left Blank |
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| Exhibit R | Environmental Permits |
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| Schedule 5.4 | Permitted Title Exceptions |
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| Schedule 5.10 | Exceptions to Compliance With Laws |
| Schedule 5.11 | Exceptions to Required Consents |
| Schedule 7.2 | Environmental Documents |

TERMINAL SALE AND PURCHASE AGREEMENT

This Terminal Sale and Purchase Agreement (“Agreement”) is made as of this 28th day of April, 2008 (“Effective Date”), by and between **MOBIL PIPE LINE COMPANY**, a Delaware corporation (“Seller”), and **SUNOCO PARTNERS MARKETING & TERMINALS L.P.**, a Texas limited partnership (“Buyer”). In this Agreement, Buyer and Seller are sometimes individually referred to as a “Party” and collectively as the “Parties.”

PRELIMINARY STATEMENTS

Seller owns and operates a petroleum products terminal in Hearne, Texas and now desires to sell and Buyer desires to purchase this facility on the terms and conditions set forth in this Agreement.

TERMS OF AGREEMENT

Seller and Buyer therefore agree as follows:

ARTICLE I

DEFINITIONS

The following terms shall have the meanings set forth below for all purposes of this Agreement:

- 1.1 “Assumed Environmental Liabilities” has the meaning specified in Section 7.4.
- 1.2 “Affiliate” means, with respect to a Party, any individual or legal business entity that, directly or indirectly, controls, is controlled by, or is under common control with, such Party. The term “control” (including the terms “controlled by” and “under common control with”) as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies.
- 1.3 “Authorized Representative” means any employee, agent, representative, consultant, contractor, or subcontractor.

TERMINAL SALE AND PURCHASE AGREEMENT
(HEARNE (WEST))
EXECUTION VERSION

- 1.4 "Baseline Condition" of the Terminal has the meaning specified in Section 7.2.
- 1.5 "Books and Records" has the meaning specified in Section 2.1(f).
- 1.6 "Bottoms" has the meaning specified in Section 2.4(a).
- 1.7 "BS&W" means bottom sediment and water, as provided in Section 2.4(a).
- 1.8 "Buyer" means Sunoco Partners Marketing & Terminals L.P., a Texas limited partnership.
- 1.9 "Buyer's Knowledge" means the knowledge of individuals currently employed by Buyer in supervisory positions at any time during the two year period immediately preceding the Closing Date who, in the normal scope of their employment would have knowledge of the matter.
- 1.10 "Casualty" has the meaning specified in Section 14.1(a).
- 1.11 "Closing" has the meaning specified in Section 4.1.
- 1.12 "Closing Date" has the meaning specified in Section 4.1.
- 1.13 "Code" means the Internal Revenue Code of 1986, as amended.
- 1.14 "Condemnation" has the meaning specified in Section 14.1(b).
- 1.15 "Damages" means any and all obligations, liabilities, damages (including, without limitation, physical damage to real or personal property or natural resources), fines, liens, penalties, deficiencies, losses, judgments, settlements, personal injuries (including, without limitation, injuries or death arising from exposure to Regulated Substances), costs and expenses (including, without limitation, accountants' fees, attorneys' fees, fees of engineers, health, safety, environmental and other outside consultants and investigators, and reasonable court costs, appellate costs, and bonding fees), whether based in tort, contract or any local, state or federal law, common law, statute, ordinance or regulation, whether legal or equitable, past, present or future, ascertained or unascertained, known or unknown, suspected or unsuspected, absolute or contingent, liquidated or unliquidated, choate or inchoate or otherwise.
- 1.16 "Effective Date" has the meaning specified in the preamble of this Agreement.
- 1.17 "ExxonMobil Policies" has the meaning specified in Section 2.2(i).
- 1.18 "Environmental Condition" means the existence of Regulated Substances in or on the soil, surface water, groundwater at, on or under the Terminal, or migrating from the Terminal to a contiguous property or properties to

the extent the levels of any such Regulated Substances exceeds naturally occurring background levels in such areas.

- 1.19 “Environmental Documents” means those documents that are in Seller’s possession and are, to Seller’s Knowledge, material with respect to Environmental Conditions at the Terminal, a complete list of which is on Schedule 7.2.
- 1.20 “Environmental Law” or “Environmental Laws” means any and all applicable common law, statutes and regulations, of the United States, the State of Texas, and local and county areas concerning the environment, preservation or reclamation of natural resources, natural resource damages, prevention or control of spills or pollution, or the management (including, without limitation, generation, treatment, storage, transportation, arrangement for transport, disposal, arrangement for disposal, or other handling), Release or threatened Release of Regulated Substances, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §9601 et seq.), the Hazardous Material Transportation Authorization Act of 1994 (49 U.S.C. §5101 et seq.), the Solid Waste Disposal Act (42 U.S.C. §6901 et seq.) (including the Resource Conservation and Recovery Act of 1976, as amended), the Clean Water Act (33 U.S.C. §1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. §2701 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Emergency Planning and Right-To-Know Act of 1986 (42 U.S.C. §11101 et seq.), the Endangered Species Act of 1973 (16 U.S.C. §1531 et seq.), the Lead-Based Paint Exposure Reduction Act (15 U.S.C. §2681 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. §4321 et seq.), and all State of Texas laws and, county and local laws of a similar nature to federal law, and the rules and regulations promulgated thereunder, each as amended and, unless otherwise provided in this Agreement, in effect as of the Closing Date.
- 1.21 “Environmental Liabilities” means any Damages or Proceedings (whether incurred, existing or first occurring on, before or after the Closing Date) relating to or arising out of ownership or operation of the Terminal (whether on, before or after the Closing Date) pursuant to any applicable Environmental Laws as in effect at any time, including without limitation: (i) any Third Party Environmental Claim; (ii) any Governmental Environmental Enforcement Action; or (iii) any Remediation Activities.
- 1.22 “Environmental Permits” shall mean those permits, authorizations, approvals, registrations, certificates, orders, waivers, variances or other approvals and licenses issued by or required to be filed with any Governmental Authority under any applicable Environmental Law that are in the name of Seller, related to the Terminal, a complete list of which is set forth on Exhibit R.

- 1.23 “Excluded Personal Property” has the meaning specified in Section 2.2(g).
- 1.24 “Exclusions” has the meaning specified in Section 2.2.
- 1.25 “Feasibility Study Period” has the meaning specified in Section 7.1.
- 1.26 “Governmental Authority” or “Governmental Authorities” means any federal, state or local governmental authority, administrative agency, regulatory body, board, commission, judicial body or other body having jurisdiction over the matter.
- 1.27 “Governmental Environmental Enforcement Action” means any order, settlement agreement, consent decree, directive, notice of violation, notice of enforcement, letter of notice, notice of noncompliance, corrective action, or similar type of legal requirement or instrument that is issued by, entered into with, or otherwise required by a Governmental Authority with respect to an actual or alleged noncompliance under applicable Environmental Laws.
- 1.28 “Improvements” has the meaning specified in Section 2.1(b).
- 1.29 “Indemnitee” has the meaning specified in Section 9.5(a).
- 1.30 “Indemnity Letter” has the meaning specified in Sections 4.2(g), 5.4(b), and Exhibit J.
- 1.31 “Indemnitor” has the meaning specified in Section 9.5(a).
- 1.32 “Inspector” has the meaning specified in Section 2.4(b).
- 1.33 “IRS” means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.
- 1.34 “Laws” means any provision of any rule, law, regulation, Order or other legal requirement of any Governmental Authority.
- 1.35 “Linefill” has the meaning specified in Section 2.4(a).
- 1.36 “Material Contracts” means all material contracts to which Seller is a party relating to the Terminal, which contracts are described in Exhibit E. The term “Material Contracts” does not include any contracts between Seller and one or more of Seller’s Affiliates, or any revenue-generating contracts related to the Terminal, including, but not limited to, terminaling or throughput agreements, exchange agreements, and lease agreements.
- 1.37 “Off-Site” means those areas contiguous to the Real Property to be conveyed under this Agreement and not considered On-Site.

- 1.38 "Off-Site Disposal Activities" means any off-site transportation, storage, disposal, or treatment, or any arrangement for off-site transportation, storage, disposal, or treatment of any Regulated Substance; provided however, that the term "Off-Site Disposal Activities" shall not include (i) the Off-Site portion of an Environmental Condition that has migrated from the Terminal, (ii) Environmental Conditions on Off-Site contiguous property under Terminal dock lines and dock facilities, if any, and (iii) Environmental Conditions of waterways extending beyond the Terminal's shoreline, if any.
- 1.39 "Off-Site Remediation Activities" means any Remediation Activities with respect to the Terminal that relates to Off-Site Disposal Activities.
- 1.40 "On-Site" means the Real Property to be conveyed under this Agreement.
- 1.41 "Order" means any current judgment, order, settlement agreement, writ, injunction or decree of any Governmental Authority having jurisdiction over the matter and still in effect as of the Closing Date.
- 1.42 "Party" and "Parties" have the same respective meanings as provided in the opening paragraph of this Agreement.
- 1.43 "Permits" has the meaning specified in Section 2.1(h).
- 1.44 "Permitted Title Exceptions" has the meaning specified in Section 5.4.
- 1.45 "Personal Property" has the meaning specified in Section 2.1(d).
- 1.46 "Proceedings" means any actions, causes of action, written demands, written claims, suits, investigations, and any appeals therefrom.
- 1.47 "Products" has the meaning specified in Section 2.4(a).
- 1.48 "Purchase Price" has the meaning specified in Section 3.1.
- 1.49 "Real Property" has the meaning specified in Section 2.1(a).
- 1.50 "Reasonable Written Notification" means written notice provided within sixty (60) days of any notice of an alleged claim being received in writing by the party seeking indemnity, but in any event prior to the date any formal response to such claim is required. Such written notice shall describe in reasonable detail the nature of the Damages and Proceedings for which indemnification and defense is sought. Notice of any Third Party Environmental Claim or Governmental Environmental Enforcement Action shall include, at a minimum, a copy of the notice received from the Third Party or the Governmental Authority, respectively. Furthermore, if a Party receives notice from a Governmental Authority relating to a matter that may ultimately lead to a settlement agreement, consent decree, or supplemental environmental project, then Reasonable Written Notification

shall be provided on the basis of such first notice, and not delayed until receipt of the ultimate settlement agreement, consent decree or supplemental environmental project.

- 1.51 “Regulated Substance” means any (a) chemical, substance, material, or waste that is designated, classified, or regulated as “industrial waste,” “hazardous waste,” “hazardous material,” “hazardous substance,” “toxic substance,” or words of similar import, under any applicable Environmental Law; (b) petroleum, petroleum hydrocarbons, petroleum products, petroleum substances, crude oil, and components, fractions, derivatives, or by-products thereof; (c) asbestos or asbestos-containing material (regardless of whether in a friable or non-friable condition), or polychlorinated biphenyls; and (d) substance that, whether by its nature or its use, is subject to regulation under any applicable Environmental Law in effect at that time or for which a Governmental Authority requires Remediation Activities with respect to the Terminal.
- 1.52 “Release” shall have the meaning specified in CERCLA; provided, however, that, to the extent the Environmental Laws in effect at any time after the Closing Date establish a meaning for “Release” that is broader than that specified in CERCLA, such broader meaning shall apply to any “Release” occurring after Closing.
- 1.53 “Remediation Activities” means any investigation, study, assessment, testing, monitoring, containment, removal, disposal, closure, corrective action, remediation (regardless of whether active or passive), natural attenuation, bioremediation, response, cleanup or abatement, whether On-Site or Off-Site, of an Environmental Condition to standards required by applicable Environmental Laws in effect at such time or as required by an appropriate Governmental Authority for property used for continued bulk petroleum storage and distribution, including but not limited to maintaining any engineering controls to contain or stabilize Regulated Substances (including without limitation, caps, covers, dikes, trenches, leachate collection systems, signs, fences and access controls).
- 1.54 “Retained Environmental Liabilities” has the meaning specified in Section 7.3.
- 1.55 “Seller” means Mobil Pipe Line Company, a Delaware corporation.
- 1.56 “Seller’s Knowledge” means the knowledge of individuals currently employed by Seller in supervisory positions at any time during the two year period immediately preceding the Closing Date who, in the normal scope of their employment would have knowledge of the matter.
- 1.57 “Survey” has the meaning specified in Section 11.2.
- 1.58 “Taxes” means any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental,

windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, alternative, add-on minimum and other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever and any interest, penalty, addition or additional amount thereon imposed, assessed or collected by or under the authority of any Governmental Authority or payable under any tax-sharing agreement or any other contract.

- 1.59 "Terminal" has the meaning specified in Section 2.1.
- 1.60 "Terminal Inventory" has the meaning specified in Section 2.4(a).
- 1.61 "Third Party" means any individual or legal business entity other than: (i) a Party; (ii) a Party's Affiliates; (iii) a Party's Authorized Representatives; (iv) employees, officers, directors, agents and representatives and all successors of a Party and its Affiliates; and, (v) a Party's permitted assigns.
- 1.62 "Third Party Environmental Claim" means a Proceeding by any Third Party alleging Damages relating to or arising out of exposure to, or Off-Site migration of, a Regulated Substance (including, without limitation, Damages for Proceedings arising under applicable Environmental Laws in connection with an Environmental Condition and Damages for Remediation Activities undertaken by a Third Party at its property) related to the Terminal. Notwithstanding anything to the contrary in this Agreement, to the extent that Remediation Activities are required by Governmental Entities as a result of a Third Party Environmental Claim, such Remediation Activities shall be governed by the provisions under this Agreement dealing with Remediation Activities.
- 1.63 "Title Commitment" has the meaning specified in Section 11.1.
- 1.64 "Title Company" means Stewart Title Guaranty Company.
- 1.65 "Title Cure Period" has the meaning specified in Section 11.3.
- 1.66 "Title Objections" has the meaning specified in Section 11.3.
- 1.67 "Title Policies" has the meaning specified in Section 8.1(h).
- 1.68 "Transfer" has the meaning specified in Section 15.21.
- 1.69 "Use Restrictions" has the meaning specified in Section 7.9(a).

Capitalized terms defined in this Agreement shall be equally applicable to both the singular and plural forms of such defined terms. As used in this Agreement, (i) "include", "includes" and "including" shall be deemed to be followed by "without

limitation” whether or not they are in fact followed by such words or words of like import, (ii) unless otherwise specified, “hereof”, “herein”, “hereunder” and comparable terms refer to this entire Agreement and not to any particular article, section or other subdivisions, and (iii) pronouns of whatever gender shall include all natural persons, corporations, limited liability companies, partnerships, associations and other entities of every kind and character unless the context otherwise requires.

ARTICLE II

SALE AND PURCHASE OF TERMINAL

2.1 **Terminal.** On the terms and subject to the conditions of this Agreement and for the consideration stated in this Agreement, at the Closing, Buyer shall purchase and receive from Seller, and Seller shall sell, convey and deliver to Buyer, free and clear of any and all liens, pledges and encumbrances except for Permitted Title Exceptions, all of Seller’s right, title and interest in and to the following, which taken together constitutes the “Terminal”:

(a) The real property legally described in Exhibit A (collectively, the “Real Property”) and located in Hearne, Texas;

(b) The improvements (the “Improvements”) located on the Real Property, including, but not limited to, above-ground and underground piping, buildings, underground and above-ground storage tanks, additive systems, fixtures, facilities and appurtenances, and any of Seller’s equipment at the Real Property that Buyer will require to conduct Remediation Activities after Closing, including but not limited to monitoring wells, but excluding the Excluded Personal Property described in Section 2.2(g), Exhibit C and Exhibit G;

(c) All transferable appurtenances, rights, privileges, easements, licenses, and all other transferable real property entitlements benefiting or pertaining to the Real Property;

(d) All supplies, spare parts, tools, drawings, plats, files, equipment, furniture, and other property used solely in connection with the Terminal, including any of the equipment that Seller has used to conduct Remediation Activities at the

Terminal before Closing, including but not limited to monitoring wells (the "Personal Property"), but not including those items listed on Exhibit C and Exhibit G;

(e) Any rights of Seller to the warranties and licenses received from manufacturers and sellers of the Personal Property, the Improvements, if any, or otherwise relating to the Terminal excluding the Top Tech terminal automation licenses and any other warranties and licenses of the Personal Property that are not assignable or transferable;

(f) The historical books and records relating to the Terminal's operations that are specified in Exhibit D (the "Books and Records"), including, but not limited to, all non-proprietary records, customer and driver files, drawings, operating manuals and maps used by Seller in its operation of the Terminal and to maintain compliance with any applicable Laws and Orders (but excluding any confidential employee files), and also including any such documents that are stored or maintained in electronic storage format, such as computer disks or tapes, it being understood and agreed that if any of the Books and Records are not delivered to Buyer, Seller, at its expense will provide such copies of the same as are required to comply with such applicable Laws and Orders;

(g) All Material Contracts (and all of Seller's rights and obligations thereunder) to the extent such contracts are assignable listed in Exhibit E (the "Material Contracts") to be assigned and assumed under the Assignment and Assumption Agreement to be executed by the Parties at Closing (the form of which is attached as Exhibit N);

(h) The Environmental Permits and all other permits, licenses, registrations, certificates, consents, orders, notices, approvals or similar rights from any Government Authority that are necessary for the operation or ownership of the Terminal, as described on Exhibit F (the "Permits") and Exhibit R (the

“Environmental Permits”) to the extent any of the above are assignable or transferable as indicated on Exhibit F and Exhibit R; and

(i) TMS-5 cabinets (and the contents thereof), BOL impact printers, TMS-5 servers, phone systems, and uninterrupted power source units.

2.2 **Exclusions.** The transactions covered by this Agreement consist only of the sale of assets, and not the sale of a business. The Terminal does not include the properties and assets of Seller listed or described below in this Section 2.2 (all such properties and assets are herein referred to as the “Exclusions”):

(a) Intercompany accounts and contracts of Seller or its Affiliates;

(b) Cash or bank accounts of Seller or its Affiliates;

(c) Defenses and claims that Seller or its Affiliates could assert against Third Parties (except to the extent that such defenses and claims relate to liabilities that Buyer is assuming);

(d) Accounts and notes receivable;

(e) Accounts payable;

(f) Trademarks, service marks, logos, insignia, imprints, brand identifications, advertising and trade names of Seller or its Affiliates;

(g) The items listed on Exhibit C (the “Excluded Personal Property”);

(h) The improvements, equipment or goods located at the Terminal that are not owned by Seller, which are listed on Exhibit G;

(i) Any insurance coverage under any insurance policies that relate to the Terminal (the “ExxonMobil Policies”) and any rights under such insurance policies, whether such policies benefit Seller, or any Affiliate of Seller, or any other person or entity, and whether such insurance policies are underwritten by one or more of Seller’s Affiliates, or an unaffiliated third party; any and all such policies that, but for the Closing, would have insured the Terminal are deemed to be terminated, commuted and cancelled as of the moment of Closing; no claims regarding any

matter whatsoever, whether or not arising from events occurring prior to the Closing, shall be made by Buyer against or with respect to any of the ExxonMobil Policies regardless of their date of issuance;

(j) Anything else that is stated in this Agreement as remaining the property or responsibility of Seller, its Affiliates or any Third Party;

(k) Any other property that is owned by Seller or its Affiliates and not used in connection with the Terminal;

(l) Seller's liabilities, if any, under the litigation, as described in Schedule 5.5; and

(m) Any labor, employment, or collective bargaining agreements between Seller and its employees or between an Affiliate of Seller and such Affiliate's employees, or any employee benefit plans of Seller or its Affiliates.

2.3 **Disclaimer.** Buyer acknowledges that it has examined the Terminal, independently and personally. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE TERMINAL SHALL BE SOLD BY SELLER AND ACCEPTED BY BUYER "AS IS, WHERE IS," WITH ALL FAULTS KNOWN AND UNKNOWN, WITH NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED (OTHER THAN AS EXPRESSLY CONTAINED HEREIN), OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONDITION, DESIGN, OPERATION, CAPACITY OR OTHERWISE. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT OR RELATED TO BUYER'S INTENDED OR ACTUAL USE OF THE TERMINAL AFTER CLOSING. IN ADDITION, AND NOT BY WAY OF LIMITATION, SELLER MAKES NO REPRESENTATION OR WARRANTY (OTHER THAN AS EXPRESSLY CONTAINED HEREIN), WITH RESPECT TO THE QUALITY, ACCURACY OR COMPLETENESS OF ANY OPERATING MANUALS CONVEYED AS PART OF THE TERMINAL'S BOOKS AND RECORDS. BUYER'S SUBSEQUENT

USE OF SUCH MANUALS WILL BE AT BUYER'S OWN RISK AND BUYER RELEASES SELLER FROM ANY LOSS, LIABILITY, OR DAMAGE ARISING FROM, ASSOCIATED WITH, OR RELATED TO BUYER'S USE OF SUCH MANUALS. Within ninety (90) days after Closing, Buyer shall convert the Terminal's OPA 90 Plan and SPCC Plan to its company name, and shall make any operational changes to such plans as Buyer in its discretion deems necessary or desirable. Seller will not be responsible for cleaning tanks or removing tank bottoms, including water, sludge, and sediment for tanks that are in service or idle as of the Closing Date, or prior to or after the Closing Date. At Closing, Seller shall execute a Bill of Sale in favor of Buyer, in substantially the form set forth in Exhibit I conveying any improvements, fixtures, equipment and personal property included in the Terminal, which Bill of Sale shall contain special warranties of title and the "AS IS, WHERE IS" provision contained in this Section 2.3.

2.4 Inventory.

(a) Seller shall close or cause to be closed the Terminal to all receipts and deliveries of product at 12:00 a.m. on the Closing Date. Beginning at 6:00 a.m. on the Closing Date, the Parties, or their Authorized Representatives, shall identify, calculate or measure all contents located (i) in above-ground storage tanks at the Terminal, and (ii) in the linefill at the Terminal, all of which contents are hereinafter called the "Terminal Inventory." The calculation of the Terminal Inventory shall be recorded using the following categories of items: (A) all volumes of bottom sediment and water ("BS&W") as measured by hand gauge lines; (B) as measured by hand gauge lines, all volumes of petroleum products in above-ground storage tanks minus those products calculated as Bottoms in accordance with subsection 2.4(a)(C) ("Products"); (C) as determined by minimum tank operating levels established by the Terminal using certified tank strapping charts, all volumes of products below one of the following two points, whichever is physically higher ("Bottoms"): (i) that point

where loading rack or critical transfer pumps lose suction, OR (ii) if so equipped, that point of the tank where the support legs, at low setting, of an internal floating pan are just clear of striking the tank bottom; and (D) all volumes of products in pipelines and other piping at the Terminal ("Linefill"). Seller and Buyer shall agree to the calculation of Linefill prior to Closing. The volumes of petroleum products measured shall be adjusted to 60 degrees Fahrenheit and, as indicated by the separate measurement of BS&W, shall exclude any water.

(b) All gauging, temperature determination, sampling, and testing will be done by an independent petroleum inspection company (the "Inspector") mutually agreeable to the Buyer and Seller. Both parties shall have the right to participate in the physical inventory determination by observing the gauging, temperature readings, sampling, etc. The Inspector will provide all gauging tapes, electronic thermometers, and sampling equipment used in the determination of the Terminal Inventory. The tapes and thermometers will be calibrated and all parties may review the Inspector's calibration records. All parties may witness the verification of the portable electronic thermometers prior to their use for inventory determination. All laboratory equipment used for testing of the inventory samples will also be calibrated / standardized in accordance with industry and manufacturers' procedures.

(c) All gauging, sampling, and testing related to the determination of quality and quantity of the products in each tank shall be done in accordance with the American Petroleum Institute Manual of Petroleum Measurement Standards (API MPMS) (latest revisions) or the American Society for Testing Materials (ASTM) standards (latest revisions). The specific standards to be used shall be determined by the Buyer and Seller in conjunction with the Inspector at the time of selecting the Inspector.

(d) The gauging and temperature determination for a tank shall be done at the agreed time by a team composed of an Inspector and representatives

from the Parties. The Parties shall be deemed to have accepted the accuracy of the gauging and temperature measurements of a tank as recorded by the inspector on the worksheets (either the Inspector's standard tank gauging form or a form mutually developed by the Buyer and Seller) if the Buyer and Seller agree on the individual tank worksheet. All inventory measurements (such as gauges, temperature determination, and sampling) shall be resolved to the best of their abilities by Buyer's and Seller's representatives at the time the measurements are taken. Any disputes will be resolved on-site.

(e) The following items will be measured, recorded, and/or obtained for each atmospheric tank:

1. Tank number.
2. Product stored in the tank.

3. Manual gauge of product reported in feet, inches, and fractions of inches or feet and hundredths of a foot to the minimum increment of the tank calibration table.

4. Digital temperature readings will be determined in accordance with API MPMS Chapter 7.3. If the tank contains more than ten (10) feet of product, temperatures will be reported for the middle of the upper, middle, and lower thirds of the tank product. If the tank contains ten (10) feet or less of product, the temperature of the middle of the product will be reported.

5. The Inspector shall sample all tanks containing liquids. Part of the sample shall be analyzed and the remainder (at least one quart) sealed by the Inspector and retained. The sealed sample shall be held for ninety (90) days, or until disposal is mutually agreed in writing, whichever would occur sooner. All retained samples are available to either party after a three (3) day notice has been tendered to the other party of the first party's intent to break the seal and test the

material. Additional samples will be taken by the Inspector upon the request of either party at the sole expense of the requesting party.

6. Both Buyer's and Seller's representatives shall sign the worksheets for each tank inventoried, which shall indicate agreement with all physical measurements recorded on the worksheet.

(f) Prior to the Closing Date:

1. A tank list will be developed by the Seller and will list:

- a) Tank number;
- b) Specific product stored in the tank;
- c) Tank reference gauge height;
- d) Method of tank gauging (ullage or innage), based on how tank calibration table was developed; and
- e) Minimum increments in the tank calibration table (1/8 or 1/16 Inch or 1/100 of a foot).

2. Personnel at the Terminal will provide the Buyer, Seller, and Inspector with copies of all tank calibration tables prior to the Closing Date.

3. Seller will provide Buyer and Inspector with the product volume contained in Terminal linefill.

4. Buyer, Seller and Inspector shall review the tank list and develop a schedule to inventory each tank.

5. All tanks that are deemed inactive may be gauged on the day immediately prior to the Closing Date.

(g) The fees of the Inspector's services, including incidental costs (such as sample cans, sample bombs, seals, etc.), shall be shared equally (50:50 basis) by the Buyer and Seller. Any additional sampling or testing will be charged to the requesting party.

(h) At Closing, for the Terminal, Seller shall transfer or cause to be transferred custody of the Products to Buyer and shall transfer or cause to be transferred title to and custody of the Terminal's BS&W, generic additive, ULSD lubricity additive, TxLED additive and red dye additive to Buyer. Seller shall indemnify, discharge and hold Buyer harmless from any claim by any such third party that it has an inventory balance in excess of the amount of Product apportioned to that Third Party, or any claim by any other person that such person has title to any Product at the Terminal as of the Closing.

(i) At Closing, in addition to the Purchase Price, Buyer shall purchase from Seller all volumes of generic additive, ULSD lubricity additive, TxLED additive and red dye additive owned by Seller as of the Closing for a price of \$7.16 per U.S. gallon for generic additive, \$8.99 per U.S. gallon for ULSD lubricity additive, \$19.84 per U.S. gallon for TxLED additive and \$11.33 per U.S. gallon for red dye additive. Upon receipt of Buyer's payment, Seller shall transfer or cause to be transferred custody thereof and title thereto to Buyer.

(j) At Closing, title to any Party's proprietary additives, if any, shall remain with such party, although custody thereof will transfer to Buyer at Closing.

2.5 **Continued Operation of Terminal.** Until Closing, Seller will continue to operate and maintain the Terminal in accordance with Seller's historic practices and within Seller's normal course of business.

ARTICLE III

PURCHASE PRICE

3.1 **Purchase Price.** The total monetary consideration to be paid by Buyer to Seller for the Terminal shall be four million five hundred thousand U.S. Dollars (\$4,500,000) (the "Purchase Price"), plus all taxes and fees applicable to bulk sales of petroleum products. Upon Buyer's execution of this Agreement, Buyer will deliver two hundred and twenty five thousand U.S. Dollars (\$225,000) to the Title Company, to be held by the Title Company in an interest-bearing account ("Earnest Money") for payment to Seller at Closing or otherwise for application as provided in this Agreement. Buyer shall pay the Purchase Price to Seller in accordance with Section 3.2.

3.2 **Payment of Purchase Price.** Subject to adjustment, if any, under Section 13.2, at Closing, Buyer shall pay to Seller the Purchase Price, less: (i) the Earnest Money and any accrued interest thereon and (ii) a credit of 50% of the filing fees under the HSR Act in accordance with Section 15.22, in U.S. Dollars in immediately available federal funds via bank wire transfer to a bank account designated by Seller, which designation shall be given to Buyer in writing at least three (3) business days prior to the Closing Date.

3.3 **Allocation of Purchase Price.** The Purchase Price shall be allocated for tax accounting purposes in accordance with Schedule 3.3 attached hereto. Buyer and Seller agree that they will not take (and will not permit any Affiliate to take), for income tax purposes, any position inconsistent with the allocation on Schedule 3.3.

ARTICLE IV

THE CLOSING

4.1 **Time and Place; Escrow Agent.** Subject to any extension of the Closing Date as may be required in order to accommodate the provisions of Section 11.3 and to satisfaction or waiver of the conditions set forth in Article VIII, the closing of the transaction contemplated hereby (the "Closing") shall be held at the offices of the Seller on or before ninety (90) days after execution of this Agreement (the "Closing Date"), or at such other time or place or in such other manner, including by mail, as Seller and Buyer may mutually agree in writing. Except as may be permitted by Section 11.3, Section 14.2 and Article VIII of this Agreement, if Buyer fails to close on or before the Closing Date for any reason not permitted by this Agreement, Seller shall be entitled, in its discretion to retain all Earnest Money and interest thereon, and neither Party will have any further right or obligation under this Agreement. The Parties reserve the right to close through an escrow agent, mutually acceptable to both Parties. The costs of the escrow agent, if any, will be shared equally by both Parties.

4.2 **Seller's Deliveries.** At the Closing, Seller shall deliver to Buyer the following:

- (a) Special Warranty Deed, or other document of title as may be required under applicable law, for the Real Property, in the form attached as Exhibit H, executed and acknowledged by Seller;
- (b) Bill of Sale, in the form attached as Exhibit I (the "Bill of Sale"), executed by Seller;
- (c) Possession of the Terminal;
- (d) The Books and Records;
- (e) Counterparts executed by Seller of those agreements required by the provisions of Section 4.4;
- (f) Certified copies of appropriate corporate action by Seller authorizing the transactions contemplated by this Agreement and authorizing the person(s) executing the documents listed in this Section 4.2 and Section 4.4 to enter into this Agreement and such other documents on behalf of Seller;
- (g) A copy of the executed Indemnity Letter to the Title Company, in the form attached as Exhibit J, if Seller elects under Section 5.4 to deliver such letter to the Title Company;
- (h) Such affidavits and certificates as the Title Company may reasonably require, including certificates necessary to delete standard title insurance exceptions and to protect Buyer against claims that may give rise to any mechanic's, materialman's or other liens against the Real Property related to Seller;
- (i) A certificate or affidavit that the representations and warranties made by Seller in this Agreement are true and correct in all material respects (except in the case of any representations and warranties qualified by materiality or otherwise, which shall be true and correct in all respects) as of the Closing Date;

- (j) A Non-Foreign (FIRPTA) Certification, in the form attached as Exhibit K, executed by Seller;
- (k) A fully executed Release Agreement in the form of Exhibit S;
- (l) All consents or waivers of any third parties required for the consummation of the transactions as provided in Section 8.2(d); and
- (m) Such other documents, certificates and instruments customarily delivered upon consummation of transactions similar to those contemplated by this Agreement as may reasonably be requested by Buyer.

4.3 **Buyer's Deliveries.** At the Closing, Buyer shall deliver to Seller, or effect the delivery to Seller of, the following:

- (a) The Purchase Price, in accordance with Sections 3.1 and 3.2;
- (b) Counterparts executed by Buyer of all those agreements required by the provisions of Section 4.4;
- (c) Certified copies of appropriate corporate action by Buyer authorizing the transactions contemplated by this Agreement and authorizing the person(s) executing the documents listed in this Section 4.3 and Section 4.4 to enter into this Agreement and such other documents on behalf of Buyer;
- (d) If required by Seller, a Guaranty from Sunoco Logistics Partners L.P., in the form attached as Exhibit L;
- (e) A certificate or affidavit that the representations and warranties made by Buyer in this Agreement are true and correct in all material respects (except in the case of any representations and warranties qualified by materiality or otherwise, which shall be true and correct in all respects) as of the Closing Date;
- (f) A fully executed Release Agreement in the form of Exhibit S; and

(g) Such other documents, certificates and instruments customarily delivered upon consummation of transactions similar to those contemplated by this Agreement as may reasonably be requested by Seller.

4.4 **Ancillary Agreements.**

(a) The following agreements shall be entered into between Seller and Buyer on the Closing Date:

1. Assignment and Assumption Agreement in the form of Exhibit N;
2. Joint Letter Transferring Responsibility for Remediation Activities in the form of Exhibit Q; and
3. Terminating Services Agreement in the form of Exhibit M.

(b) The following agreement shall be entered into between Resource Environmental LLC and Buyer on the Closing Date:

1. RELLC Remediation Agreement in the form of Exhibit O.

4.5 **Effectiveness of Ancillary Agreements.** No agreement described in Section 4.4 shall be effective prior to Closing.

4.6 **Seller's Remedies.** Except as provided in Section 4.1, if Buyer defaults in the performance of its obligations under this Agreement, and Seller elects to terminate this Agreement, the Earnest Money and interest thereon shall be retained by Seller as damages for Buyer's default and as Seller's sole remedy at law or in equity for such default. Seller and Buyer acknowledge that they have made good faith reasonable efforts to determine what Seller's damages would be in the event of Buyer's default, and they agree that such damages would be extremely difficult and impractical to determine. Therefore, the Earnest Money and any accrued interest thereon shall serve as liquidated damages and shall be Seller's sole right to damages for Buyer's failure to complete the purchase or otherwise perform if Buyer is in default.

4.7 **Closing Contingency.** Notwithstanding anything to the contrary in this Agreement, the Parties' respective obligations to close the transactions contemplated by this Agreement are contingent upon the simultaneous closing by the Parties of the Terminal identified herein, along with the simultaneous closing of the sale and purchase of ExxonMobil Oil Corporation's Center, Hearne (East), Waco and Waskom, TX terminals under a separate agreement, the closing of the sale and purchase of Exxon Mobil Corporation's Arcadia, LA terminal under a separate agreement, and the closing of the sale and purchase of Mobil Pipeline Company's Magtex Pipeline System, also under a separate agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

5.1 **Organization.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the Delaware, is duly authorized to do business in, and is in good standing in the State of Texas, and has all requisite corporate power and authority to execute, deliver and perform this Agreement and each agreement and instrument to be executed and delivered by Seller pursuant hereto.

5.2 **Due Authorization.** The execution, delivery and performance by Seller of this Agreement and each agreement and instrument to be executed and delivered by Seller pursuant hereto, and the taking by Seller of the actions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of Seller. This Agreement is, and each agreement and instrument to be executed and delivered by Seller pursuant hereto will be, when so executed and delivered, a valid and binding obligation of Seller enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity.

5.3 **No Violation.** The execution, delivery and performance by Seller of this Agreement and each instrument and agreement to be executed and delivered by Seller pursuant hereto and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of Seller's Articles of Incorporation or Bylaws, (b) conflict with or violate any Laws (c) conflict with or result in a breach or default of any agreement (other than a Material Contract), or other instrument to which Seller is a party or by which it is bound, the adverse consequences of which, either individually or in the aggregate, would impair Seller's ability to consummate the transactions contemplated by this Agreement or materially impair Buyer's ownership, use or operation of the Terminal from and after Closing, (d) violate or breach any Order applicable to Seller, (e) result in a breach, default, termination or acceleration of performance of any Material Contract, or (f) result in the imposition of an encumbrance on the Terminal.

5.4 **Title to Property.** Except as specified in Schedule 5.4, Seller has, and on the Closing Date will have, good, marketable and indefeasible title to the Terminal. Seller has not leased, except as identified on Exhibit T, or otherwise granted to any person the right to use or occupy the Terminal or any portion thereof; and there are no outstanding options, rights of first refusal to purchase the Terminal or any portion thereof or interest therein or any other preferential purchase rights held by any person or entity to purchase or acquire any interest in the Terminal. At Closing, Seller will convey the Terminal to Buyer free and clear of all mortgages, liens (including federal, state and local tax liens), claims, judgments, assessments, charges, pledges, security interests and other encumbrances, subject only to the following items (collectively, the "Permitted Title Exceptions"):

(a) Those matters specified in Schedule 5.4;

(b) Any tax, materialmen's and/or mechanic's lien against which Seller elects to indemnify the Title Company by delivering to the Title Company an Indemnity Letter in the form of Exhibit J at Closing as a result of which such liens do not appear as exceptions in the Title Commitment;

(c) Such other matters as do not interfere in any material respect with the ownership, use, occupancy or operations of Buyer upon the Real Property as used in the normal course of business on the Closing Date; and

(d) Any other matters approved in writing by Buyer.

5.5 **Litigation.** Except as set forth in Schedule 5.5, there is no suit, action, claim, arbitration, administrative or legal or other proceeding or governmental investigation pending or, to Seller's Knowledge, threatened against or related to the Terminal, and (ii) to Seller's Knowledge, there are no facts or events which can give rise to a claim against Seller related to the Terminal. Except as set forth in Schedule 5.5, there is no Order in effect relating specifically to the Terminal.

5.6 **Condemnation and Zoning.** There is no condemnation or eminent domain proceeding pending or, to Seller's Knowledge, threatened against the Terminal by publication or other writing, nor is there any proceeding pending or, to Seller's Knowledge, threatened, which could materially adversely affect the zoning classification of the Terminal in effect as of the date hereof.

5.7 **Permits.** Exhibit F and Exhibit R list all material Permits and Environmental Permits in effect (and all pending applications therefor) with respect to the Terminal on the date of this Agreement. Except as disclosed on Exhibit F and Exhibit R, neither Seller nor its Affiliates has received any notice of any violation, claim or default relating to the Permits or Environmental Permits. All material Permits and Environmental Permits are final, valid and in full force and effect and the permit holder is in compliance in all material respects therewith.

5.8 **Condition of Terminal.** Seller has continued to maintain and operate the Terminal in the ordinary course of its business, and will continue to do so until Closing.

5.9 **Material Contracts.** Seller has delivered to Buyer true and correct copies of all Material Contracts. The Material Contracts have not been modified except as provided in amendments delivered to Buyer and described on Exhibit E. Neither Seller nor, to Seller's Knowledge, any other party to the Material Contracts, is in breach or default thereunder. Except as disclosed in Schedule 5.9, under the terms of the Material Contracts, the Material Contracts may be assigned to and assumed by Buyer without penalty or expense.

5.10 **Compliance with Laws.** Except (a) to the extent, if any, disclosed on Schedule 5.10 or in the Environmental Documents, (b) as to any matter with respect to which Seller has agreed to be responsible for or indemnify Buyer in Article VII, and (c) as to any matter relating to, arising out of, or resulting in Remediation Activities at the Terminal, to Seller's ownership, use and operation of the Terminal as of the Closing Date will be in compliance in all material respects with all applicable Laws (including but not limited to, all applicable Environmental Laws) in effect and requiring compliance as of the Closing Date and Seller has not received notice from any Government Authority asserting any act of non-compliance.

5.11 **Consents.** Except as set forth on Schedule 5.11, no consent or approval from or filing with any third party is required in connection with the execution and performance by Seller of this Agreement, and there are no options or other preferential purchase rights held by any person or entity not a party to this Agreement to purchase or acquire any interest in the Terminal.

5.12 **Taxes.** For all taxes that are due and payable on or before the Closing Date, Seller has paid, or prior to the Closing Date will pay, all taxes assessed against, arising from or related to the Terminal for all taxable years or taxable periods prior to the Closing Date (including portions of taxable years or periods with respect to which Taxes are due and payable on or before the Closing Date). Seller may incur and will be responsible for taxes that are assessed at the time of the audit for any taxable years prior to the Closing Date.

5.13 **Foreign Person.** Seller is not a “foreign person” as defined in Section 1445 of the Code and the regulations promulgated thereunder. Seller’s U.S. tax identification number is 75-040-9450.

5.14 **Sufficiency of Terminal.** The appurtenances, rights, privileges, easements and licenses benefiting or pertaining to the Real Property and included with the Terminal have been sufficient for the operation of the Terminal by Seller for Seller’s normal course of business.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

6.1 **Organization.** Buyer is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Texas, is or will be by the Closing Date duly authorized to do business in and is in good standing in the State of Texas and has all requisite power and authority to execute, deliver and perform this Agreement and each agreement and instrument to be executed and delivered by Buyer pursuant hereto.

6.2 **Due Authorization.** The execution, delivery and performance by Buyer of this Agreement and each agreement and instrument to be executed and delivered by Buyer pursuant hereto, and the taking by Buyer of the actions contemplated hereby and thereby, have been duly authorized by all necessary action on the part of Buyer. This Agreement is, and each agreement and instrument to be executed and delivered by Buyer pursuant hereto will be, when so executed and delivered, a valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors generally and general principles of equity.

6.3 **No Violation.** The execution, delivery and performance by Buyer of this Agreement and each instrument and agreement to be executed and delivered by Buyer pursuant hereto and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or violate any provision of Buyer's limited partnership agreement, (b) conflict with or violate any Laws, (c) conflict with or result in a breach or default of any agreement or other instrument to which Buyer is a party or by which it is bound, or (d) violate or breach any Order applicable to Buyer.

ARTICLE VII

ENVIRONMENTAL

7.1 **Feasibility Study Period.** Prior to the date of this Agreement Seller has made available to Buyer and its Authorized Representatives the Environmental Documents, Orders, and Environmental Permits. Seller has provided Buyer with timely, reasonable access to Seller's Authorized Representatives with knowledge of any relevant facts relating to the Environmental Documents, the Environmental Conditions, or the Remediation Activities. Seller has provided Buyer and its Authorized Representatives access to the Real Property prior to the signing of this document to inspect and to survey the Real Property and conduct Buyer's due diligence investigations of the Terminal ("Feasibility Study Period"). Seller has provided Buyer and its Authorized Representatives reasonable access during normal business hours to the Terminal to conduct such activities during the Feasibility Study Period, subject to Seller's policies and regulations regarding safety and security.

7.2 **Environmental Documents.** In order to establish the environmental status of the Terminal, Seller, Buyer and its Authorized Representatives have reviewed or acknowledged the existence of the Environmental Documents, which include the results of all tests conducted by Buyer and its Authorized Representatives under Section 7.1, if any. Seller and Buyer have agreed that Schedule 7.2 includes or references all material information, known to exist by either Party, related to, affecting or

concerning the Environmental Condition or status of the Terminal as of the Closing Date and that such information shall constitute the “Baseline Condition” of the Terminal. Seller shall not be responsible for any Environmental Condition, whether or not identified as part of the Baseline Condition.

7.3 **Seller’s Retained Environmental Liabilities.** Seller shall retain and be solely responsible for the following matters (collectively, “Retained Environmental Liabilities”): Environmental Liabilities in connection with Off-Site Disposal Activities performed by Seller prior to the Closing Date.

7.4 **Buyer’s Assumed Environmental Liabilities.** Except for Seller’s Retained Environmental Liabilities, Buyer shall assume and be solely responsible for all Environmental Liabilities of Seller relating to or arising out of Seller’s ownership or operation of the Terminal, whether existing or asserted before, on, or after the Closing Date, whether known or unknown, whether based on past, present, or future conditions or events, including but not limited to undertaking such Remediation Activities of the Environmental Conditions as may be required by applicable laws, regulations, or government orders (“Assumed Environmental Liabilities”).

7.5 **Seller’s Environmental Indemnity.** For purposes of this Section 7.5, where Buyer is the indemnified party, the term “Buyer” shall include Buyer and its Affiliates and the directors, officers, employees, agents and representatives, and all successors and assigns of the foregoing. From and after the Closing Date, Seller shall indemnify, hold harmless and defend Buyer from and against any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of the Retained Environmental Liabilities; provided, however, that:

(a) Seller’s obligations under this Section 7.5 with respect to Retained Environmental Liabilities shall survive beyond the Closing Date;

(b) Seller shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of such Retained Environmental Liabilities for which Seller has not received Reasonable Written Notification from Buyer;

(c) Seller shall have no liability, indemnity or defense obligation for any Damages or Proceedings asserted against or incurred by Buyer subsequent to any change in the Terminal to a residential use, or other change in the use of the Terminal that results in a materially adverse change in Seller's risk exposure hereunder;

(d) Buyer shall make available all relevant existing information that, based on information and belief formed after reasonable inquiry, are known by Buyer to be in the possession or control of Buyer and provide timely, reasonable access to all personnel of Buyer with knowledge of relevant facts, and shall cooperate in all reasonable respects with Seller in connection with Seller's defense of any Third Party Environmental Claim or Governmental Environmental Enforcement Action under this Section 7.5. Seller shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Buyer relating to or arising out of such Third Party Environmental Claim or Governmental Environmental Enforcement Action if Buyer unreasonably denies Seller such access; and

(e) To the extent any Third Party Environmental Claim or Governmental Environmental Enforcement Action relates to events or conditions occurring both prior to and after the Closing, then Seller's indemnification and defense obligations for such Third Party Environmental Claim or Governmental Environmental Enforcement Action shall not exceed that portion of Damages and Proceedings attributable to events or conditions occurring prior to the Closing and will not include any attorney's fees or professional fees incurred by Buyer in connection with that part of the Third Party Environmental Claim or Governmental Environmental Enforcement Action attributable to events or circumstances occurring after the Closing.

7.6 **Buyer's Environmental Indemnities.** For purposes of this Section 7.6, where Seller is the indemnified party, the term "Seller" shall include Seller and its Affiliates and the directors, officers, employees, agents and representatives, and all successors and assigns of the foregoing. From and after the Closing Date, Buyer shall indemnify, hold harmless and defend Seller from and against any Damages and Proceedings asserted against or incurred by Seller relating to or arising out of the Assumed Environmental Liabilities, including:

- (a) Any Release of any Regulated Substance related to operation of the Terminal occurring on or after the Closing Date;
- (b) Remediation of any Environmental Condition at the Terminal or any areas Off-Site occurring before, on, or after the Closing Date;
- (c) Any Off-Site Disposal Activities or Off-Site Remediation Activities resulting from the ownership or operation of the Terminal at or after the Closing;
- (d) Any Third Party Environmental Claim or Governmental Environmental Enforcement Action related to or arising out of the ownership or operation of the Terminal occurring before, on, or after the Closing Date;
- (e) Failure to comply with any Permit or Order, including transferred or assigned Environmental Permits or Orders identified on Exhibit F and Exhibit R by Buyer or its Authorized Representatives; and
- (f) Buyer's indemnity obligations under this Section 7.6 will be set forth in the deed conveying the Real Property, will be a covenant running with the land, and will bind the successors, heirs and assigns of Buyer.

Buyer shall have no indemnification or defense obligation for any Damages and Proceedings asserted against or incurred by Seller relating to or arising out of such Assumed Environmental Liabilities for which Buyer has not received Reasonable Written Notification from Seller.

7.7 Buyer's Release of Seller for Environmental Liabilities. Except for Seller's Retained Environmental Liabilities, Buyer, in consideration of the negotiated amount of the Purchase Price, hereby unconditionally, completely and forever releases and discharges Seller, its Affiliates, and employees, officers, directors, agents and representatives and all successors and assigns of the foregoing, from all Environmental Liabilities. On the Closing Date, Buyer shall unconditionally, completely, and forever discharge Seller, its Affiliates, employees, officers, directors, agents and representatives, and all successors of the foregoing and the permitted assigns of Seller, from any obligation by Seller to perform or ensure the performance of any Remediation Activities under this Agreement (but excluding any Remediation Activities related to Seller's Retained Environmental Liabilities). On the Closing Date, Buyer shall execute and deliver to Seller the Release Agreement in the form of Exhibit S. Buyer's obligations to conduct, and to assume responsibility for, Remediation Activities will be set forth in the Special Warranty Deed conveying the Real Property, will be a covenant running with the land, and will bind the successors, heirs and assigns of Buyer.

7.8 Seller's Access to the Terminal.

(a) Upon request by Seller in connection with any written request or demand from any Governmental Authority or in response to any Third Party Environmental Claim, Buyer shall, at no cost to Seller but upon reasonable notice and during normal business hours, permit Seller, its Affiliates, and its Authorized Representatives reasonable access to the Terminal for the purpose, and to the extent, reasonably required to permit Seller to respond to such Governmental Authority request or demand or Third Party Environmental Claim. Seller will make reasonable efforts to minimize impacts on Buyer's operations. Such access shall be subject to such conditions or procedures relating to health and safety as Buyer may reasonably impose, the Buyer's obligations under this Section 7.8(a) will be set forth in the Special Warranty Deed conveying the Real Property and will be a covenant

running with the land and will bind the successors and assigns of Buyer. Seller shall be solely responsible for, and shall indemnify and hold Buyer harmless from and against any loss, damage or injury and any and all costs resulting from Seller's access to the Assets pursuant to this Section 7.8(a), except to the extent any such loss, damage or injury or other cost results from Buyer's gross negligence or willful actions and not including any special, consequential, incidental or punitive damages or loss or profits or revenues as further provided in Section 15.24.

(b) Upon written request by Seller, in connection with any request to Seller from any Governmental Authority or in response to any Third Party Claim, Buyer shall provide Seller, at Seller's cost, copies of all reports, correspondence, notices and communications in Buyer's possession or control sent or received from Governmental Authorities regarding the Environmental Condition of the Terminal or any remediation and/or investigation at the Terminal related to the Baseline Condition or other copies of all reports, correspondence, notices and communications in Buyer's possession or control sent to or received from any Third Party concerning conditions that would obligate (financially or otherwise) Seller.

7.9 Other Environmental Issues and Related Use Restrictions.

(a) Buyer acknowledges that the Terminal has been used for the storage, disposal, sale, and transfer of petroleum products or derivatives and Seller hereby advises Buyer that (i) releases of such products into the soil have occurred from time to time in the past; and (ii) the Terminal has contaminated subsurface conditions. Any warranty, covenant or provision in the Deed from Seller to Buyer with respect to the Terminal does not, nor will it be deemed to, extend or apply to any release or presence of petroleum products, derivatives, or any other type of contaminant on, in, under, or about the Terminal including, but not limited to, the surface area, size, and location of such substances and/or the description of the types of contaminants contained therein. As part of the consideration for the sale of

the Terminal, Buyer for itself, its successors and permitted assigns, covenants and agrees that neither the Real Property, nor any part thereof shall at any time be used for any of the following specifically listed facilities or uses, or any similar facility or use: (1) any residential use, (2) any purpose that would constitute a "Permitted Use" under any of the "residence" or "residential" zones, districts, or classifications set forth in any applicable municipal, county or state zoning laws in effect on the date of the Special Warranty Deed, (3) any school or other educational facility, (4) any group day-care center, child care center, nursery, nursing home, rehabilitation or convalescent facility or other facility which is intended to house or provide care for children, the elderly or the infirm, (5) any playground or recreational park, (6) any health care clinic, hospital or other medical facility, (7) any place of worship, (8) any agricultural use, or (9) any handling of fresh food. In addition, Buyer agrees that it will not at any time construct or install any basements or any water wells for any purpose (collectively the "Use Restrictions"); provided, however, that none of the Use Restrictions contained herein shall in any way limit or restrict Buyer's right to maintain, repair and replace all water wells in use at the property immediately prior to the date of Closing. Any water wells found on the property by Buyer will be plugged in accordance with state or local regulations; provided, however, that all water wells in use at the property immediately prior to Closing will explicitly not be required to be plugged. Buyer also agrees to implement and maintain any institutional controls on the property that either are or may be required by federal, state or local agencies. Buyer agrees that these covenants and agreements shall survive the Closing; that these covenants and agreements are to run with the Real Property; that these Use Restrictions and the agreement to evaluate and utilize, if required, engineering and institutional controls as set forth in Exhibit H will be inserted in the Special Warranty Deed to be delivered at the Closing and that similar restrictive covenants shall be inserted in any deed, lease or other instrument

conveying or demising the Real Property or any part thereof. Furthermore, Buyer for itself, its successors and permitted assigns agrees to execute any documents required by any Governmental Authority having jurisdiction over the Terminal that are consistent with the above Use Restrictions.

(b) The terms and provisions of this Agreement, and all test information, reports and other materials concerning the environmental or other condition of the Terminal shall be maintained by Buyer and its Authorized Representatives as confidential, other than any such information (i) that is in the public domain through a source other than Buyer, or (ii) that is compelled in any judicial, administrative, regulatory or arbitration proceeding or otherwise required by law or by a governmental authority. Buyer may, however, share environmental information under a comparable confidentiality agreement with any affiliated companies, potential subsequent purchasers of the Terminal or a potential joint venture owner of the Terminal.

(c) If Closing does not occur within the time required by this Agreement, or upon earlier termination of this Agreement, then upon Seller's request, Buyer shall promptly deliver to Seller all originals and copies (whether written or electronic) that are in Buyer's or its Authorized Representatives' possession of the information, reports, or materials including specifically those concerning the environmental or other condition of the Terminal together with all information, reports, or material furnished to Buyer by Seller, and Buyer shall promptly cause any Third Party to deliver to Seller such materials that are in their possession.

(d) The Environmental Documents, including those generated by Buyer, may be used by Seller to prepare and file reports, where applicable, with the appropriate Governmental Authorities.

(e) Seller's responsibilities in this Article VII shall inure to the benefit of Buyer solely and do not transfer to Buyer's heirs and assigns. In the event Seller agrees to the transfer and assignment of Seller's responsibilities in this Article VII, which agreement shall only be effective if provided in writing by Seller, Buyer's obligations under this Article VII shall be incorporated into any lease or subsequent sales agreement for the Terminal and any tenant or subsequent buyer shall be required to fulfill all obligations of Buyer set forth in this Article VII. In no event shall Buyer's obligations under this Article VII terminate upon the lease or sale of the Terminal. Any attempt to assign Seller's responsibilities in this Article VII without the express prior written approval of Seller as set forth above shall be void and of no effect.

(f) Buyer and Seller shall cooperate with each other in all reasonable respects as to the transfer or assignment of the Environmental Permits or Orders that can be transferred or assigned under applicable Environmental Laws and the making of any filings or notifications or obtaining any authorizations required under applicable Environmental Laws in connection with the transfer of the Terminal to Buyer. Seller shall take the lead on all initial notifications to applicable Governmental Authorities requesting such transfer or assignment of any Environmental Permits or Orders. Buyer, however, shall be solely responsible for all subsequent communications and filings needed to follow through and complete the timely transfer or assignment of such Environmental Permits or Orders. If the assignment of any Environmental Permit is denied by the applicable Governmental Authority, Exhibit R of this Agreement will be deemed automatically amended, and Buyer shall apply for the issuance of a new Environmental Permit as soon as reasonably possible. With respect to any Environmental Permits or Orders issued under applicable Environmental Laws prior to the Closing Date and Buyer's obligations for Remediation Activities, Seller and Buyer, within ten (10) calendar

days after the Closing Date shall submit a joint letter to each applicable Governmental Authority acknowledging that Buyer is assuming the obligations of Seller under such Order and/or Remediation Activities, such letter to be in the form of Exhibit Q. Along with the joint letter and with respect to obligations for Remediation Activities set forth in such joint letter that Buyer is assuming, Buyer shall also execute and deliver to Seller the Release Agreement for remediation liability for all Environmental Conditions in the form of Exhibit S.

(g) As between Buyer and Seller, Buyer and Seller shall share equally in all filing costs and administrative expenses associated with such transfer or assignment of any Environmental Permits or Orders pursuant to this Agreement. Buyer, however, shall be solely responsible for all costs and expenses relating to or arising out of any change in terms or conditions of such Environmental Permits or Orders resulting from any transfer, assignment or reissuance of such Environmental Permits or Orders to Buyer, except for any such costs and expenses related to or arising out of Seller's non-compliance with such Environmental Permits or Orders (which costs and expenses shall be borne solely by Seller). With respect to those Environmental Permits or Orders that cannot be transferred or assigned under applicable Environmental Laws, Buyer will use reasonable efforts at Buyer's cost and expense to obtain new permits or orders.

(h) After the Closing Date, Buyer shall be solely responsible for the filing of any post-Closing reports or notices required by any Governmental Authority regardless of whether the reporting period began or occurred prior to the Closing Date (as long as the required submission deadline for such reports or notices is not prior to the Closing Date). Such reports may include, but are not limited to, Annual Air Emissions Report, Air Permit Reports (excluding Title V semi-annual and annual certifications, which are addressed below), SARA 313 Form R Reports, annual hazardous waste reports, gasoline maximum achievable control technology

(GMACT) certifications and ground water monitoring reports required under state above ground storage tank regulations. At least 10 days prior to the Closing Date, Seller will provide Buyer with a listing of all such material reports and notices required to be filed with any Governmental Authority that are due within sixty (60) days after the Closing Date. Within thirty (30) days after the Closing Date, Seller shall provide to Buyer records relating to operation of the Terminal through the Closing Date needed to complete all such material reports. As to any information that must be provided to any Governmental Authority as part of a routine report submitted in relation to a Title V semi-annual or annual certification, if the Closing Date occurs during the required reporting period, each Party agrees to be responsible and liable for the collection, compilation and submission of such certification with respect to that portion of the reporting period falling under such Party's ownership. Each Party shall cooperate fully with the other and shall provide the other Party with reasonable access to its employees and files to the extent necessary or appropriate to assist the other Party in preparing its report. In the event that the Closing Date occurs on or after the end of the required reporting period but before such report is due, Seller will be responsible and liable for the collection, compilation and submission of such report as it concerns Seller's operation of the Terminal. In that instance, Buyer shall cooperate fully with Seller and shall provide Seller with reasonable access to Buyer's employees and files to the extent necessary or appropriate to assist Seller in preparing the report. Buyer shall be solely responsible and liable for all subsequently submitted reports.

7.10 **Arbitration Procedures.** Except as otherwise provided herein, any dispute between the Parties under this Article VII shall be resolved by arbitration in Fairfax, Virginia in accordance with the rules of the American Arbitration Association and subject to the provisions of this Section 7.10.

(a) If good faith efforts to resolve any such dispute fail, either Party may commence arbitration after thirty (30) days written notice of that Party's intent to commence arbitration. Seller shall appoint one arbitrator and Buyer shall appoint one arbitrator. The two arbitrators so appointed shall select a third arbitrator. All arbitrators for non-engineering disputes must be licensed attorneys. If either Seller or Buyer fails to appoint an arbitrator within twenty (20) days after a request for such an appointment is made by the other Party in writing, or if the arbitrators so appointed fail within twenty (20) days after the appointment of the second of them to agree on a third arbitrator, the arbitrator or arbitrators necessary to complete a panel of three arbitrators shall be appointed by the American Arbitration Association upon application thereto by either Party.

(b) The panel so constituted shall fix a reasonable time and place for a hearing of the dispute. Each of the Parties shall submit to the panel of arbitrators at the hearing such Party's proposed resolution of the dispute, together with such supporting evidence as such Party may desire to present to the panel of arbitrators. The panel of arbitrators shall consider only the proposed resolutions and evidence as presented by the Parties.

(c) Within thirty (30) days of such hearing, the panel of arbitrators shall select the proposed resolution presented by a Party that most closely achieves the intention of the Parties as expressed in this Article VII. The Panel must choose either the resolution of the dispute proposed by Buyer or the resolution of the dispute proposed by Seller. The panel of arbitrators is not empowered to select a compromise of any kind between either proposal. If more than one dispute is between the arbitrators at any one time, the arbitrators shall resolve each such dispute independently of the other dispute.

(d) The action of a majority of the members of the panel of arbitrators shall govern and their decision in writing shall be final and binding on the Parties.

(e) All arbitrators appointed under this procedure shall be disinterested individuals who are not and never have been officers, directors, employees, consultants, or attorneys of Seller or of Buyer or of any of Seller's or Buyer's Affiliates. Such individuals must be experienced in the environmental aspects of the petroleum and chemical industries and competent to pass judgment on the issues in dispute. The losing Party shall bear all reasonable and customary fees and expenses (Seller's and Buyer's) of the entire arbitration process.

7.11 **Environmental Notices.** Except as otherwise stated in this Article VII, all notices or correspondence required or permitted to be given under this Article VII shall be in writing. Notices may be given in person, or may be sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested) or facsimile with written confirmation to the Party to be notified at the following address:

If to Seller: Exxon Mobil Corporation
Global Remediation
Attn: Global Major Projects Manager
3225 Gallows Road
Fairfax, VA 22037
703/846-6051 Telephone
703/846-5298 Facsimile

If to Buyer: Sunoco Partners Marketing & Terminals L.P.
Attn: Vice President & General Counsel
1735 Market Street, Suite LL – 29th Floor
Philadelphia, PA 19103
215-977-3135 Telephone
215-246-8287 Facsimile

Either Party may change its address or facsimile number by providing written notice to the other at least ten (10) days prior to the effective date of such change. Notices given in accordance with this Article VII shall concern only those matters governed by this Article VII. Notices given in accordance with this Section 7.11 shall be deemed to have been given: (a) at the time of delivery when delivered personally; (b) upon receipt when

sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested); or (c) upon completion of successful transmission when sent by facsimile (unless transmission is completed outside recipient's normal working hours, in which case such notice shall be deemed given at the start of recipient's next business day). Any notice required or permitted to be given under any other Article of this Agreement shall be separated from Article VII notices, and shall be given in accordance with Section 15.4 of this Agreement.

ARTICLE VIII

CONDITIONS PRECEDENT TO CLOSING

8.1 **Obligation of Buyer to Close.** The obligation of Buyer to consummate the purchase of the Terminal on the Closing Date is subject to (i) the satisfaction of the following conditions on or prior to the Closing Date and/or (ii) Buyer's written waiver of any such conditions as remain unsatisfied as of the Closing Date:

(a) **Accuracy of Representations.** All representations and warranties made by Seller in this Agreement shall be true and correct in all material respects (except in the case of any representation or warranties qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Closing Date;

(b) **No Default.** Seller shall have complied in all material respects with each covenant and agreement to be performed by Seller under this Agreement by or on the Closing Date;

(c) **Disclosure.** Buyer shall have received from Seller all Environmental Documents received or generated by Seller or its Affiliates after the date of this Agreement and prior to the Closing Date;

(d) **Agreements.** Seller shall have executed, or is prepared to execute or cause the execution of simultaneously with Closing, all documents and agreements provided for in this Agreement, including the documents and

agreements listed in Sections 4.2 and 4.4, duly notarized and in recordable form where applicable;

(e) **Required Consents.** The Parties shall have obtained the consent (if required) of any applicable Government Authority or Third Party to the assignment to and the assumption by Buyer of any assignable Permit and Environmental Permit, and the assignment or the novation of all Material Contracts, under which as of the Closing Date Buyer assumes Seller's rights and obligations and Seller is released from any and all such obligations.

(f) **Transfer of Documents.** Seller has delivered, or is prepared to simultaneously deliver to Buyer at Closing, all Books and Records, as stated in Section 2.1(f) of this Agreement;

(g) **Defects in Title.** Any Title Objections shall be resolved in accordance with the provisions of Section 11.3, and Buyer shall not have terminated this Agreement under Section 11.3;

(h) **Title Commitment.** Buyer shall have obtained title insurance policies (which may be in the form of a mark-up of a pro forma of the Title Commitments) in accordance with the Title Commitments, insuring the Buyer's fee simple title to the Real Property as of the Closing Date (including all recordable appurtenant easements insured as separate legal parcels) with gap coverage from Seller through the date of recording, subject only to Permitted Title Exceptions (the "Title Policies"). Each of the Title Policies shall have the creditor's rights exception deleted, and shall include an extended coverage endorsement (insuring over the general or standard exceptions), comprehensive endorsement, access endorsement, contiguity endorsement, and all other endorsements reasonably requested by Buyer, in form and substance reasonably satisfactory to Buyer;

(i) **No Termination.** Buyer shall not have terminated this Agreement under Section 14.2;

(j) **Hart Scott Rodino.** Seller and Buyer shall have filed (in accordance with Section 15.22), and received all necessary approvals or clearances, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

(k) **Simultaneous Closings.** The transactions contemplated by Section 4.7, shall be consummated simultaneously with the Closing; and

(l) **Seller's Deliveries.** Buyer shall have received all of Seller's Deliveries under Section 4.2.

8.2 **Obligation of Seller to Close.** The obligation of Seller to consummate the sale of the Terminal on the Closing Date shall be subject to (i) the satisfaction of the following conditions on or prior to the Closing Date and/or (ii) Seller's written waiver of any such conditions as remain unsatisfied as of the Closing Date:

(a) **Accuracy of Representations.** All representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects (except in the case of any representation or warranties qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Closing Date;

(b) **No Default.** Buyer shall have complied in all material respects with each covenant and agreement to be performed by Buyer under this Agreement by or on the Closing Date;

(c) **Agreements.** Buyer shall have executed, or is prepared to execute simultaneously with Closing, all documents and agreements provided for in this Agreement to be signed by Buyer, including the documents and agreements listed in Sections 4.3 and 4.4;

(d) **Required Consents.** The Parties shall have obtained the consent (if required) of any applicable Government Authority or Third Party to the assignment to and the assumption by Buyer of any assignable Permit and Environmental Permit,

and the assignment or the novation of all Material Contracts, under which as of the Closing Date, Buyer assumes Seller's rights and obligations and Seller is released from any and all such obligations;

(e) **Hart Scott Rodino**. Buyer and Seller shall have filed (in accordance with Section 15.22), and received all necessary approvals or clearances, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

(f) **Simultaneous Closings**. The transactions contemplated by Section 4.7 shall be consummated simultaneously with the Closing; and

(g) **Buyer's Deliveries**. Seller shall have received all of Buyer's Deliveries under Section 4.3.

ARTICLE IX

INDEMNIFICATION

9.1 **Definitions**. As used in this Article IX, "Loss" shall mean any claim, liability, obligation, expense, cost or other damage or loss (including without limitation, reasonable attorneys' and consultants' fees), fine or penalty. "Loss" shall also include in each instance, but shall not be limited to, all reasonable costs and expenses of investigating and defending any claim or any order, directive, final judgment, compromise, settlement, fine, penalty, court costs or proceeding arising at any time under or from any Government Authority, including all reasonable costs and expenses and court costs incurred in the enforcement of rights under this Article IX. "Loss" shall not include any special, consequential, indirect or loss of profit, damages or any Loss for which one Party has assumed responsibility or agreed to indemnify the other Party under Article VII of this Agreement.

9.2 **Indemnification By Seller**. From the Closing Date, in addition to all other obligations of Seller to Buyer set forth in this Agreement, Seller shall indemnify, defend and hold harmless Buyer, Buyer's Affiliates and their respective directors, officers,

employees, representatives, successors and assigns from and against any Loss resulting from, related to, or arising out of: (a) the breach by Seller (or any shareholder, officer, director, employee of Seller) of any representation or warranty contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement, (b) the breach by Seller (or any shareholder, officer, director, employee of Seller) of any covenant or agreement contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement, or (c) liabilities constituting a part of, or relating or resulting from, the Exclusions; provided, that, with respect to a loss of the type referred to in clause (a) above, Seller shall have no indemnification obligation for any such Loss if Seller has not received a claim from Buyer (specifying in reasonable detail the basis for such Loss) within one year following the Closing Date, or, if such Loss results from a breach of Section 5.1 (Organization), Section 5.2 (Due Authorization), or 5.12 (Taxes), within the applicable time set forth in Section 10.1. Nothing contained in this Section 9.2 shall modify, amend or supersede any indemnification obligation of Seller contained in any document, instrument, agreement or certificate delivered under this Agreement. A claim for a Loss resulting from the fraud or willful misconduct of Seller may be made at any time without limitation.

9.3 Indemnification By Buyer. From and after the Closing Date, in addition to all other obligations of Buyer to Seller set forth in this Agreement, Buyer shall indemnify, defend and hold harmless Seller, Seller's Affiliates and their respective directors, officers, employees, representatives, successors and assigns from and against any Loss resulting from, related to, or arising out of:

(a) Buyer's ownership or operation of the Terminal after Closing, except for any Loss for which Seller has assumed responsibility or agreed to indemnify Buyer under Article VII;

(b) The breach by Buyer or any Affiliate of Buyer (or any shareholder, officer, director, employee of Buyer or such Affiliate) of any representation or warranty contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement; provided that Buyer shall have no indemnification obligation for any such Loss if Buyer has not received a claim from Seller (specifying in reasonable detail the basis for such Loss) within one year following the Closing Date, or if such Loss results from a breach of Section 6.1 (Organization) or Section 6.2 (Due Authorization), within the applicable time set forth in Section 10.1; provided, further, that a claim for a Loss resulting from the fraud or willful misconduct of Buyer may be made at any time without limitation; or

(c) The breach by Buyer or any Affiliate of Buyer (or any shareholder, officer, director, employee of Buyer or such Affiliate) of any covenant or agreement contained in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement.

9.4 **Conflict.** In the event of any conflict or ambiguity in the language of this Article IX, or any other portion of this Agreement, with the language of Article VII, the Parties agree that Article VII language shall be controlling.

9.5 **Procedures.**

(a) **Notice and Tender.** In the event that any officer or registered agent of either Party hereto receives actual notice of any claim by a third person giving rise to a right of indemnification of such Party under this Article IX (the "Indemnitee"), such Indemnitee shall, within sixty (60) days after receipt of such notice, give written notice thereof to the other Party hereto responsible for such indemnification (the "Indemnitor") setting forth the facts and circumstances giving rise to such claim for indemnification and shall tender the defense of such claim to the Indemnitor. If the Indemnitee fails to give such notice and tender such defense

within such 60-day period, the Indemnitee shall be solely responsible for any Loss with respect to such claim to the extent they are attributable to such failure; but failure to give such notice and tender such defense within such 60-day period shall not result in a forfeiture or waiver of any rights to indemnification for any Loss with respect to such claim to the extent they are not attributable to such failure.

(b) **Defense of Claims.** The Indemnitor shall select (subject to the Indemnitee's reasonable approval) the attorneys to defend any matter subject to indemnification and/or taking all actions necessary or appropriate to resolve, defend, and/or settle such matters, and shall be entitled to contest, on its own behalf and on the Indemnitee's behalf, the existence or amount of any obligation, cost, expense, debt or liability giving rise to such claim. Nothing in this Section 9.5(b) shall be construed as prohibiting the Indemnitee from participating in the defense (which may include hiring its own counsel) in any matter subject to indemnification, as long as the Indemnitee does so at its own expense, unless and to the extent that the Indemnitor or an Affiliate is also subject to such claim and the Indemnitee has determined in good faith that the Indemnitor has a conflict of interest vis-à-vis the Indemnitee and/or the Indemnitee has defenses available to it that are not available to the Indemnitor, in which case the Indemnitor shall be responsible for the expense of the Indemnitee's counsel. The Indemnitor shall keep the Indemnitee fully and timely informed as to actions taken on such matters. The Indemnitee shall cooperate fully with the Indemnitor and its counsel and shall provide them reasonable access to the Indemnitee's employees, consultants, agents, attorneys, accountants, and files to the extent necessary or appropriate to defend or resolve the matter, the Indemnitor reimbursing the Indemnitee with respect to the reasonable cost of any such access. With respect to any matter for which a Party has an indemnification and/or defense obligation under this Agreement, the Parties shall maintain a joint defense privilege, where applicable, in connection with such matters

for the Party's post-Closing communications and those of their respective Affiliates and Authorized Representatives, which post-Closing communications concern the matters subject to such indemnification and/or defense obligation.

(c) **Allocation of Indemnification Liability.** When any Loss for which indemnification is provided under this Article IX results from, relates to, or arises out of the conduct of both Seller and Buyer, the Parties shall indemnify each other in proportion to their respective share of such Loss.

ARTICLE X

SURVIVAL

10.1 **Representations and Warranties.** All representations and warranties made in this Agreement, in any Exhibit or Schedule to this Agreement, or in any document, instrument, agreement or certificate delivered under this Agreement will survive until one year after Closing, except, that, the representations and warranties set forth in 5.1 (Organization), Section 5.2 (Due Authorization), Section 6.1 (Organization) and Section 6.2 (Due Authorization) shall survive indefinitely, and the representations and warranties set forth in Section 5.12 (Taxes) shall survive until ninety (90) days following the termination of the applicable statute of limitations. At the end of such survival period set forth above, such representations and warranties shall terminate and have no further force and effect.

10.2 **Covenants.** Unless otherwise specified in this Agreement, the Parties obligations under the following sections and articles will survive the Closing: Articles I, VII, IX, X, XII, XIII and XV and Sections 3.1, 3.3 and 11.3.

ARTICLE XI

TITLE COMMITMENT; SURVEY; RISK OF LOSS

11.1 **Title Insurance.** Buyer shall promptly place an order to procure a commitment for an ALTA Owner's Title Insurance Policy 2006 Form (or other form of policy available in the jurisdiction and acceptable to Buyer) for the Real Property from

the Title Company, together with a copy of all documents referenced therein (the "Title Commitments"). Any abstracting, title certification, and charges for title examination will be at Buyer's expense. Buyer shall cause the Title Company to deliver to Buyer, with a copy to Seller, a title commitment setting forth the status of title to the Property on or before the thirtieth (30th) day following the Effective Date (the "Title Commitment").

11.2 **Survey.** Buyer shall promptly cause to be prepared, at its expense, current land title surveys of the Real Property, prepared by a licensed surveyor satisfactory to Buyer and conforming to 2005 Minimum Detail Requirements for ALTA/ACSM Land Title Surveys, including Table A Items Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(1), 7(c), 8, 9, 10, 11(b), 13, 14, 15, 16, 17, 18 and 19 and such other standards as the Title Company and Buyer require as a condition to the removal of any survey exceptions from the Title Policies, and certified by Buyer and the Title Company (the "Survey"). Upon completion of the Survey, Buyer shall deliver promptly three (3) prints thereof to Seller and at least one (1) print to the Title Company. The Survey will (i) show the location of all streets, roads, railroads, creeks or other water courses, fences, easements, rights-of-way and other encumbrances or encroachments on or adjacent to the Property, including all of the title matters shown on the Title Commitment and (ii) set forth a certified legal description of the Property. Seller agrees to furnish the surveyor with copies of all existing deeds.

11.3 **Title Objections.** Within fifteen (15) days after receiving the later of the Title Commitment or the Survey, Buyer shall notify Seller if the Title Commitment or Survey reveals any liens, encumbrances, claims or exceptions that, in Buyer's reasonable judgment, are unacceptable ("Title Objections"). If Seller is unable or unwilling to cure any Title Objections, Seller will provide written notice thereof to Buyer within fifteen (15) days following receipt of notice of Title Objections from Buyer and Buyer shall have the right, at its option, by written notice to Seller within fifteen (15) days following receipt of Seller's written notice, either (i) to terminate this Agreement and

obtain a refund of the Earnest Money and all interest thereon, whereafter both Parties shall be relieved and discharged of any rights, liabilities or obligations hereunder, or (ii) to waive such defect and proceed to Closing. Buyer's failure to exercise the right to terminate within the said fifteen (15) day period shall constitute a waiver of Buyer's right to terminate with respect to such title matters. However, if Seller elects to cure the Title Objections (although Seller will have no such obligation to do so), Seller shall provide Buyer with notice of its intention to cure same within the fifteen (15) days aforesaid and Seller shall have an opportunity, at its expense, to remove such Title Objections within sixty (60) days following receipt of written notice from Buyer identifying the Title Objections (the "Title Cure Period"). In no event shall Seller have any obligation to commence litigation or to incur costs in excess of One Thousand Dollars (\$1,000.00) to cure or remove any Title Objections. If Seller is unable to cure any Title Objections within the Title Cure Period that, in the reasonable opinion of the Title Company or Buyer, must be cured in order to deliver good and marketable title, Buyer may, as its sole and exclusive remedy, and upon written notice to Seller within fifteen (15) days after expiration of the Title Cure Period, terminate this Agreement, in which event the Earnest Money shall be fully refunded to Buyer.

11.4 **Risk of Loss.** Risk of loss with respect to the Terminal shall be borne by Seller until Closing. The risk of loss of the Terminal shall pass to the Buyer at Closing.

ARTICLE XII

FURTHER ASSURANCE

From time to time after Closing, Seller and Buyer shall, upon request of the other and without further consideration, execute, acknowledge and deliver such further instruments of transfer, conveyance or assumption and such other documents as Seller or Buyer may reasonably request more effectively to vest in Buyer the right and title to, interest in and enjoyment of, the Terminal or to carry out the transactions and agreements contemplated by this Agreement. Seller shall use its good faith efforts, and

shall cause its agents and employees to use their good faith efforts, in effecting the transition of the operations of the Terminal to Buyer, including, but not limited to, assisting in the transfer of permits related to the operation of Terminal to Buyer. In connection with the foregoing, Seller shall provide Buyer and its Affiliates with reasonable access to the agents and employees of Seller who have significant responsibility for the Terminal for the purpose of ensuring a smooth transition.

ARTICLE XIII

COSTS AND EXPENSES

13.1 **Brokerage Commissions.** Neither of the Parties nor, where applicable, any of their respective shareholders, officers, directors, or employees, has employed or will employ any broker, agent, finder or consultant or has incurred or will incur any liability for any brokerage fees, commissions, finders' fees or other fees in connection with the negotiation or consummation of the transactions contemplated by this Agreement.

13.2 **Closing Adjustments.** The following items shall be paid, prorated, or adjusted as of the Closing Date in the manner hereinafter set forth:

(a) All real estate Taxes as well as any Taxes assessed on the Personal Property, due and owing on or before the Closing Date, all penalties and interest thereon, and all special assessments affecting the Terminal, whether payable in installments or not, shall be paid in full by Seller.

(b) Current ad valorem Taxes including real estate Taxes, special assessments and charges for the current year ("Property Taxes") shall be allocated between Seller and Buyer as of the Closing Date on the basis of no applicable discount. The allocation shall be based on the number of days that each party owns the Terminal during the year of the sale. If the amount of such Property Taxes with respect to the Terminal for the calendar year in which the Closing occurs has not been determined as of the Closing Date, then the Property Taxes with respect to the

Terminal for the preceding calendar year, on the basis of no applicable discount, shall be used to calculate such allocations, with known changes in valuation applied. Seller's allocated share of the Property Taxes for the current year shall be credited to Buyer at Closing as a reduction in Purchase Price and Buyer shall assume the responsibility to pay the Property Taxes, unless Seller has already paid the current year's Property Taxes, in which case Seller shall be credited at Closing as an increase in Purchase Price with Buyer's allocated share of the Property Taxes. If the actual amount of any such Property Taxes varies by more than Twenty Thousand Dollars (\$20,000) from estimates used at the Closing to prorate such taxes, then the parties shall re-prorate such Property Taxes within ten (10) days following a request by either party based on the actual amount of the tax bills.

(c) Seller shall be responsible for the cost of the Terminal's utilities up to Closing and Buyer shall be responsible for such costs thereafter.

(d) Buyer shall bear and pay all title insurance premiums and charges.

(e) Buyer shall bear and pay all realty transfer fees, recording costs and Taxes associated with the conveyance of the Real Property, the Improvements and the Personal Property, except Taxes imposed by reason of capital or income of Seller. Seller and Buyer agree that no sales and use taxes will be reported in connection with the transfer of the Terminal to Buyer since such sale qualifies for an occasional sale exemption.

(f) Seller and Buyer shall each pay their own respective legal fees and expenses and the cost of performance of their respective obligations hereunder.

(g) All amounts due Seller under any assignable revenue-generating contract shall be prorated as of the Closing Date upon the payment cycle established under such revenue-generating contract so that the portion the amounts due Seller from the beginning of such payment cycle to the Closing Date will be credited to Seller at Closing.

(h) The Parties shall make all other adjustments necessary to effectuate the intent of the Parties as set forth in this Agreement.

13.3 **Timing of Adjustments.** All monetary adjustments necessary to achieve the allocations specified in Section 13.2, to the extent reasonably practicable, shall be made at the Closing. To the extent any such adjustments cannot be made at the Closing, the same shall be made after the Closing as and when complete information becomes available. Seller and Buyer agree to cooperate and to use their best efforts to complete such adjustments no later than thirty (30) days after the Closing Date.

ARTICLE XIV

CASUALTY AND CONDEMNATION

14.1 **Notice of Casualty or Condemnation.** In the event that after the date of this Agreement and prior to the Closing:

(a) Any material portion of the Terminal is damaged or destroyed by fire or other casualty or any event or circumstance occurs resulting in a material adverse change to the environmental condition of the Terminal (a "Casualty"), or

(b) Seller receives written notice of any action, suit or proceeding, or threatened or contemplated action, suit or proceeding, to condemn or take all or any material part of the Terminal by eminent domain (a "Condemnation"), Seller shall immediately notify Buyer of the Casualty or Condemnation. In the event of a Casualty, Buyer must (i) retain an insurance adjuster mutually satisfactory to Buyer and Seller within fifteen (15) days after Buyer's receipt of Seller's notice to determine the extent of the Casualty, and (ii) initiate negotiations with Seller to discuss an adjusted Purchase Price for the Terminal if Buyer contemplates making the election in Section 14.2(a) below. If Buyer initiates such negotiations, Buyer and Seller shall negotiate in good faith to try to agree upon an adjusted Purchase Price.

14.2 **Buyer's Election.** Buyer must elect one of the following options and give written notice to Seller of such election within (i) fifteen (15) days after the insurance adjuster's written determination in the case of a Casualty, or (ii) thirty (30) days after Buyer's receipt of Seller's notice of Condemnation in the case of a Condemnation:

(a) Purchase the Terminal in accordance with Article IV of this Agreement at an adjusted Purchase Price agreed upon by Buyer and Seller before Buyer makes this election; or

(b) Terminate this Agreement, whereupon Seller shall immediately direct the Title Company to pay the Earnest Money, and all interest accrued thereon, to Buyer.

14.3 **Exclusive Remedy.** Notwithstanding any provision to the contrary contained herein, the remedies provided to Buyer under Section 14.2(a) and (b) constitute Buyer's exclusive remedies in connection with the circumstances described therein.

ARTICLE XV

GENERAL; ADDITIONAL COVENANTS

15.1 **Termination.** If this Agreement is terminated by Seller or by Buyer as a matter of right or as permitted under this Agreement, such termination shall be without liability of either Party to the other, or to any of their shareholders, affiliates, directors, officers, employees, agents, consultants or representatives.

This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual consent of SELLER and BUYER;

(b) if the Closing has not occurred by the close of business on September 30, 2008, then by SELLER if any condition specified in Section 8.2 has not been satisfied on or before such close of business, and shall not theretofore have been waived by SELLER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by SELLER to fulfill any undertaking or commitment provided for herein on the part of SELLER that is required to be fulfilled on or prior to Closing; or

(c) if the Closing has not occurred by the close of business on September 30, 2008, then by BUYER if any condition specified in Section 8.1 has not been satisfied or waived on or before such close of business, and shall not theretofore have been waived by BUYER, provided that the failure to consummate the transactions contemplated hereby on or before such date did not result from the failure by BUYER to fulfill any undertaking or commitment provided for herein on the part of BUYER that is required to be fulfilled on or prior to Closing.

15.2 **Entire Agreement.** This Agreement, including all of the Exhibits and Schedules hereto, constitutes the entire understanding between the Parties with respect to the subject matter contained herein and supersedes any prior understandings, negotiations or agreements, whether written or oral, between them respecting such subject matter.

15.3 **Headings.** The headings in this Agreement are for convenience of reference only and shall not affect its interpretation.

15.4 **Notices.** Except for notices required under Article VII of this Agreement, all notices or other correspondence required or permitted to be given under this Agreement shall be in writing and addressed to the Party to be notified at the address listed in this Section 15.4. Notice shall be given in person, or shall be sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested) or facsimile with written communication to the Party to be notified at the following address:

Seller:

Mail: Mobil Pipe Line Company
800 Bell Street,
Houston, Texas 77002
Attn: Business Development Manager

Buyer:

Mail: Sunoco Partners Marketing & Terminals L.P.
1735 Market Street, Suite LL – 29th Floor
Philadelphia, PA 19103
Attn: Vice President & General Counsel
Facsimile: 215-246-8287
Phone: 215-977-3135

Either Party may change its address or facsimile number by providing written notice to the other at least ten (10) days prior to the effective date of such change. Notices given in accordance with this Section 15.4 shall be deemed to have been given: (a) at the time of delivery when delivered personally; (b) upon receipt when sent by nationally-recognized overnight courier, registered or certified mail (postage prepaid and return receipt requested); or (c) upon completion of successful transmission when sent by facsimile (unless transmission is completed outside recipient's normal working hours, in which case such notice shall be deemed given at the start of recipient's next business day). Notices given in accordance with this Section 15.4 shall concern only those matters not governed by Article VII and shall be separated from Article VII notices, which are governed by Section 7.11.

15.5 **Exhibits and Schedules.** Each Exhibit and Schedule referred to in this Agreement is incorporated into this Agreement by such reference.

15.6 **Severability.** If any provision of this Agreement is held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability will not affect any other provision hereof. This Agreement shall in such circumstances be deemed modified to the extent necessary to render enforceable the provisions hereof.

15.7 **Waiver.** The failure of any Party to insist upon strict performance of any of the terms or conditions of this Agreement will not constitute a waiver of any of its rights hereunder.

15.8 **Assignment.** Neither Party may assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided that, Seller may assign this Agreement to an Affiliate or any entity into which it is merged or combined without the consent of, but subject to notice to, Buyer. Any assignment of this Agreement, by operation of law or otherwise, shall not relieve the assignor of any obligations hereunder. Any assignment made in violation of this Section 15.8 shall be void.

15.9 **Parties in Interest; No Third Party Beneficiary.** This Agreement shall inure to the benefit of and be binding upon Buyer and Seller and their respective successors and permitted assigns. Except as otherwise provided herein, nothing in this Agreement will be construed as conferring upon any person or entity other than Buyer and Seller, and their respective successors in interest and permitted assigns, any right, remedy or claim under or by reason of this Agreement.

15.10 **Governing Law.** This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the internal law of the State of Texas, without regard to conflicts of laws principles thereof that would result in application of substantive laws of any other state.

15.11 **Choice of Forum.** Where Federal subject matter or diversity jurisdiction exists with respect to a dispute which the Parties cannot themselves amicably resolve, the Parties designate the United States District Court for the Southern District of Texas, as the exclusive forum for the resolution of that dispute and submit themselves and the dispute to the jurisdiction of that Court. Where Federal subject matter or diversity jurisdiction in respect of such dispute does not exist, the Parties designate the Supreme

Court in the State of Texas, County of Harris, as the exclusive forum for the resolution of that dispute and submit themselves and the dispute to the jurisdiction of that Court.

15.12 **WAIVER OF JURY TRIAL.** EACH PARTY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF THE OTHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

15.13 **Commercially Reasonable Efforts; Time of Essence.** Except as otherwise specifically provided herein, Buyer and Seller shall each use commercially reasonable efforts to satisfy the conditions to Closing and otherwise consummate the transactions contemplated by this Agreement as promptly as practical. Time is of the essence with respect to the Closing of this Agreement

15.14 **Amendments.** This Agreement may be amended only by a written instrument that is duly executed by both Parties

15.15 **Counterparts.** This Agreement may be executed in any number of counterparts and any Party hereto may execute any such counterpart, each of which when executed by both Parties and delivered shall be deemed to be an original.

15.16 **Public Announcements.** The Parties agree that there shall be no press releases or other announcements prior to Closing without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except to the extent required by applicable Laws or rules of any applicable stock exchange. If either Party determines that a press release is required or desired, they will so notify the other in writing and shall consult with each other with regard to the same. The Parties further

agree to consult with each other on all press releases and announcements issued at or after Closing concerning the transactions contemplated by this Agreement.

15.17 **Transition Assistance.** For a period of ninety (90) days after Closing, at Buyer's reasonable request, Seller shall assist, at no charge, Buyer in connection with a reasonably orderly transition of the operation of the Terminal.

15.18 **Taxes.** After the Closing Date, if Buyer receives a bill for Taxes assessed against the Terminal that includes Taxes for taxable years or taxable periods on or before the Closing Date (including Taxes assessed for portions of taxable years or periods on or before the Closing Date), Buyer shall forward the bill to Seller for payment. After the Closing Date, if Seller receives a bill for Taxes assessed against the Terminal or the Terminal Inventory that includes Taxes for taxable years or taxable periods after the Closing Date (including Taxes assessed for portions of taxable years or taxable periods after the Closing Date), Seller shall forward the bill to Buyer for payment.

15.19 **Confidentiality.** The Parties acknowledge that they are bound by the terms of the Confidentiality Agreement dated August 9, 2006 between Seller and Buyer and hereby extend the term of such Confidentiality Agreement so that it will expire three years after the Closing Date. In addition, Seller and Buyer agree that they will keep confidential and not disclose to any non affiliated Third Party any of the terms or provisions of this Agreement for a period of three years after the Closing Date, except for disclosure of information that:

(a) is or becomes publicly available by other than unauthorized disclosure;

(b) is made pursuant to the requirement or request of a Government Authority of competent jurisdiction to the extent such disclosure is required by an applicable law or Order, and sufficient notice is given by the disclosing Party to the other Party to permit the other Party to seek an appropriate protective order or

exemption from such requirement or request, if it so desires. If such protective order or other remedy is not obtained, or if the other Party waives compliance with the provisions of this Section 15.19 for this purpose, the disclosing Party shall furnish only that portion of the information that is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded the information by the Government Authority.

15.20 **No Presumption Against Drafter.** Buyer and Seller have each fully participated in the negotiation and drafting of this Agreement. If an ambiguity, question of intent or question of interpretation arises, this Agreement must be construed as if drafted jointly, and there must not be any presumption, inference or conclusion drawn against either Party by virtue of the fact that its representative has authored this Agreement or any of the terms of it.

15.21 **Right of First Offer.** Seller will have a right of first offer to purchase the Terminal before any sale, assignment or other transfer (a "Transfer") of the Terminal to a non-affiliate of Buyer. If Buyer shall desire to effect such a Transfer, it shall first give notice in writing of such desire to Seller. Seller will then have sixty (60) days from its receipt of such notice to inform Buyer in writing whether Seller wishes to purchase the Terminal, and if it does, the material terms and conditions of such purchase. If Seller informs Buyer that it does not wish to purchase the Terminal (or if Seller fails to respond in writing to Buyer within such sixty (60) day period), or if the Parties are unable, after good faith negotiations, to close the transaction within one hundred and twenty (120) days, then Buyer may Transfer the Terminal to any other person at any time within the next one hundred and eighty (180) days. If Seller notifies Buyer of the purchase price and terms upon which Seller is willing to purchase the Terminal, any such Transfer by Buyer within one hundred and eighty (180) days shall be on terms (including purchase price) that are not materially more favorable to purchaser than those described in Seller's notice. If such Transfer by Buyer is not consummated within such one hundred and eighty (180) day period, then the right of first offer described above shall apply again to a Transfer of the Terminal by Buyer.

15.22 **Hart-Scott Rodino Filing Requirements.** Within thirty (30) days after execution of this Agreement, Seller and Buyer shall file or cause to be filed with the Federal Trade Commission and the United States Department of Justice any notifications required to be filed under the Hart-Scott-Rodino Act and the rules and regulations promulgated thereunder with respect to the transactions contemplated herein. Seller and Buyer shall consult with each other as to the appropriate time for filing such notifications, shall agree upon the timing of such filings and shall, respond promptly to any requests for additional information made by either of such agencies. Buyer shall pay the filing fees under the HSR Act, and shall receive a credit of 50% of such filing fees against the Purchase Price at Closing. Buyer and Seller shall each bear their respective costs for the preparation of any filing. Seller and Buyer shall use commercially reasonable efforts to cause any waiting period under the HSR Act with respect to the transactions contemplated herein to expire or terminate at the earliest possible time. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall require Buyer or Seller or any of their respective Affiliates to sell, hold separate or otherwise dispose of or conduct its business in a specified manner, or agree to sell, hold separate or otherwise dispose of or conduct its business in a specified manner, or permit the sale, holding separate or other disposition of, any assets of the Buyer or Seller or their respective Affiliates, whether as a condition of obtaining any approval from a Governmental Authority or any other Person or for any other reason.

15.23 **Insurance.** Seller and Buyer acknowledge that Exxon Mobil Corporation maintains a worldwide program of property and liability insurance coverage for itself and its Affiliates, including Seller. This program has been designed to achieve a coordinated risk-management package for the entire ExxonMobil corporate group. The program consists principally of three types of policies:

- (a) policies issued to Exxon Mobil Corporation or its predecessors;

(b) policies issued directly to Affiliates by one of ExxonMobil's wholly-owned insurance companies, i.e., Ancon Insurance Company, Inc., Bluefield International Insurance Inc., et al, (herein referred to collectively as "ExxonMobil Captive Insurers"); and

(c) policies issued to Affiliates by locally admitted insurers which are reinsured by one of the ExxonMobil Captive Insurers.

All of the insurance policies through which the worldwide program of coverage is presently or has previously been provided by or to Exxon Mobil Corporation, its predecessors or Affiliates are herein referred to collectively as the "ExxonMobil Policies."

It is understood and agreed by Buyer that from and after the Closing:

(d) No insurance coverage shall be provided under the ExxonMobil Policies to Buyer;

(e) Any and all policies insured or reinsured by any of the ExxonMobil Captive Insurers which, but for this provision, would have insured the Terminal shall be deemed terminated, commuted and cancelled *ab initio*;

(f) No claims regarding any matter relating to the Terminal, whether or not arising from events occurring prior to the Closing, shall be made by Buyer against or with respect to any of the ExxonMobil Policies regardless of their date of issuance.

15.24 **Limitations of Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER PARTY SHALL BE LIABLE OR RESPONSIBLE TO ANOTHER PARTY HERETO OR ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, OR FOR LOSS OF

PROFITS OR REVENUES (COLLECTIVELY REFERRED TO AS SPECIAL DAMAGES) INCURRED BY SUCH PARTY OR ITS AFFILIATES THAT ARISE OUT OF OR RELATE TO THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES UNDER OR RESULTS FROM CONTRACT, TORT OR STRICT LIABILITY, provided that the foregoing limitation is not intended and shall not affect Special Damages imposed in favor of individuals or entities that are not Parties to this Agreement.

[Signature page follows.]

-61- TERMINAL SALE AND PURCHASE AGREEMENT
 (HEARNE (WEST))
 EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have executed this Terminal Sale and Purchase Agreement as of the date first above written.

MOBIL PIPE LINE COMPANY

By: /s/ T J Adams

Printed

Name: T J Adams

Title: Vice President

SUNOCO PARTNERS MARKETING & TERMINALS L.P.

By: Sunoco Logistics Partners Operations GP LLC, its general partner

By: /s/ Christopher W. Keene

Printed

Name: Christopher W. Keene

Title: Vice President

TERMINAL SALE AND PURCHASE AGREEMENT
(HEARNE (WEST))
EXECUTION VERSION

LIST OF EXHIBITS AND SCHEDULES TO TERMINAL SALE AND PURCHASE
AGREEMENT (HEARNE (WEST)) OMITTED FROM THIS FILINGEXHIBITS

| | |
|-------------|---|
| Exhibit A | Real Property Description |
| Exhibit B | Intentionally Left Blank |
| Exhibit C | List of Excluded Personal Property |
| Exhibit D | Books and Records |
| Exhibit E | Material Contracts |
| Exhibit F | Permits |
| Exhibit G | Improvements, Equipment and Goods Located at Terminal and Not Owned by Seller |
| Exhibit H | Form of Special Warranty Deed – Texas |
| Exhibit I | Form of Bill of Sale |
| Exhibit J | Form of Indemnity Letter to Title Company |
| Exhibit K | Form of Seller’s FIRPTA Certification |
| Exhibit L | Form of Parent Guaranty |
| Exhibit M | Form of Terminating Services Agreement |
| Exhibit N | Form of Assignment and Assumption Agreement |
| Exhibit O-1 | Form of RELLC Remediation Agreement |
| Exhibit O-2 | Form of RELLC Letter Agreement |
| Exhibit P | Intentionally Left Blank |
| Exhibit Q | Form of Joint Letter Transferring Responsibility for Remediation Activities |
| Exhibit R | Environmental Permits |
| Exhibit S | Form of Release |
| Exhibit T | Non-Material or Revenue-Generating Contracts |

SCHEDULES

| | |
|---------------|------------------------------------|
| Schedule 3.3 | Allocation of Purchase Price |
| Schedule 5.4 | Permitted Title Exceptions |
| Schedule 5.5 | Litigation |
| Schedule 5.9 | Material Contracts |
| Schedule 5.10 | Exceptions to Compliance With Laws |
| Schedule 5.11 | Exceptions to Required Consents |
| Schedule 7.2 | Environmental Documents |

Sunoco Partners LLC
Independent Director Compensation Summary Sheet
for 2008

Directors who are employees of Sunoco Partners LLC or its affiliates receive no additional compensation for service on the general partner's board of directors or any committees of the board. The table below summarizes compensation program for independent directors of Sunoco Partners LLC, effective as of April 1, 2008.

2008 INDEPENDENT DIRECTOR COMPENSATION SUMMARY

| <u>Component</u> | <u>Amount (\$)</u> | <u>Medium of Payment</u> | <u>Timing of Payment</u> |
|--|--------------------|--------------------------|--|
| Annual Retainer | 41,000 per year | Restricted Units | \$10,250 credited quarterly ¹ |
| | 41,000 per year | Cash | \$10,250 paid quarterly |
| Board Meeting Fee | 1,500 per meeting | Cash | Paid quarterly |
| Committee Meeting Fee | 1,000 per meeting | Cash | Paid quarterly |
| Compensation Committee Chair Retainer | 3,500 per year | Cash | \$ 875 paid quarterly |
| Audit/Conflicts Committee Chair Retainer | 8,000 per year | Cash | \$2,000 paid quarterly |

Note to table:

- (1) The fair market value of each quarterly payment of Restricted Units is calculated as of the payment date. The portion of the annual retainer paid in the form of Restricted Units is required to be deferred, and is credited to each independent director's account in the Sunoco Partners LLC Directors' Deferred Compensation Plan.

In addition to the foregoing, each independent director is reimbursed for out-of-pocket expenses in connection with attending meetings of the board of directors or committees

STATEMENT OF COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(UNAUDITED)

Sunoco Logistics Partners L.P.

| | <u>Six Months Ended</u> <u>June 30, 2008</u> |
|---|---|
| Fixed Charges: | |
| Interest cost and debt expense | \$ 17,406 |
| Interest allocable to rental expense (a) | 984 |
| Total | <u>\$ 18,390</u> |
| Earnings: | |
| Income before income tax expense | \$ 88,826 |
| Equity in income of less than 50 percent owned affiliated companies | (11,880) |
| Dividends received from less than 50 percent owned affiliated companies | 10,915 |
| Fixed charges | 18,390 |
| Interest capitalized | (1,636) |
| Amortization of previously capitalized interest | 123 |
| Total | <u>\$ 104,738</u> |
| Ratio of Earnings to Fixed Charges | <u>5.70</u> |

(a) Represents one-third of the total operating lease rental expense which is that portion deemed to be interest.

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Deborah M. Fretz, President and Chief Executive Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 of Sunoco Logistics Partners L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated entities, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2008

/s/ DEBORAH M. FRETZ

Name: Deborah M. Fretz

Title: President and Chief Executive Officer

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Neal E. Murphy, Vice President and Chief Financial Officer of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 of Sunoco Logistics Partners L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated entities, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2008

/s/ NEAL E. MURPHY

Name: Neal E. Murphy

Title: Vice President and Chief Financial Officer

CERTIFICATION
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, the undersigned Deborah M. Fretz, President and Chief Executive Officer, of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of Sunoco Logistics Partners L.P.

Date: August 6, 2008

/s/ DEBORAH M. FRETZ

Name: Deborah M. Fretz

Title: President and Chief Executive Officer

CERTIFICATION
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, the undersigned Neal E. Murphy, Vice President and Chief Financial Officer, of Sunoco Partners LLC, the general partner of the registrant Sunoco Logistics Partners L.P., hereby certify that the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of Sunoco Logistics Partners L.P.

Date: August 6, 2008

/s/ NEAL E. MURPHY

Name: Neal E. Murphy

Title: Vice President and Chief Financial Officer