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FEDERAL MARITIME COMMISSION

FMC Agreement No. 217-011673 - 001

SPACE CHARTER AGREEMENT

BETWEEN

KAMBARA KISEN CO., LTD. AND MARIANA EXPRESS LINES LIMITED

(A space charter agreement as defined in 46 C.F.R. 535.104(gg))



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KAMBARA KISEN CO., LTD./MARIANA EXPRESS LINES LIMITED
SPACE CHARTER AGREEMENT
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THIS AGREEMENT is entered into on this 30th day of July, 1999, by and between KAMBARA KISEN CO., LTD. ("KAMBARA"), a Japanese Corporation, having its Principal place of business at 1083 Tsuneishi, Numakuma-Cho, Fukuyama-City, Hiroshima-Pref, 720-0395, Japan, and MARIANA EXPRESS LINES LIMITED ("MEL"), having its principal place of business at Tropic Isle Building, P.O. Box 438, Road Town, Tortola, British Virgin Islands, on the following terms and conditions.

ARTICLE 1: AGREEMENT NAME

This Agreement's full name is "Space Charter Agreement Between KAMBARA KISEN CO., LTD. and MARIANA EXPRESS LINES LIMITED."

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to permit the parties to achieve efficiencies and economies in conducting their respective Pacific Islands ocean common carrier services by permitting KAMBARA to make use of space on vessels owned, operated or chartered by MEL, and by permitting MEL to make use of space on vessels owned, operated or chartered by KAMBARA, on specified terms and conditions, within the geographic scope of this Agreement as set forth in Article 4 hereof.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to this Agreement are: (1) Kambara Kisen Co., Ltd., a Japanese Corporation and an ocean common carrier in the trade covered hereby, having its principal place of business at 1083 Tsuneishi, Numakuma-Cho, Fukuyama-City, Hiroshima-Pref, 720-0395, Japan and (2) Mariana Express Lines Limited, a British Virgin Islands corporation and an ocean common carrier in the trade covered hereby, having its principal place of business at Tropic Isle Building, P.O. Box 438, Road Town, Tortola, British Virgin Islands.

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of this Agreement shall extend to the trade between ports in Hong Kong, Taiwan, and South East Asia, on the one hand, and ports of Guam, Yap, Koror, and Saipan, on the other hand, whether any such ports or points are served by direct vessel call, relay or transshipment and includes the inland intermodal carriage of cargoes by the parties via such ports (the "Trade").



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ARTICLE 5: OVERVIEW OF AGREEMENT AUTHORITY

- A. KAMBARA and MEL each shall operate one dedicated vessel in the Trade, which may be changed from time to time (the "Dedicated Vessel"). KAMBARA will provide to MEL 155 TEU slots on its Dedicated Vessel in the Trade at no charge to MEL, in exchange for which MEL will provide to KAMBARA 155 TEU slots on its Dedicated Vessel in the Trade at no charge to KAMBARA.
- B. In addition to providing their respective Dedicated Vessels to the Trade, KAMBARA and MEL shall, on an alternating six-month basis, take turns deploying an additional vessel in the trade (the "Third Vessel"). KAMBARA shall provide the Third Vessel in the Trade for the first six months after the lawful effective date of this Agreement, and MEL shall provide the Third Vessel for the six succeeding months, with the parties to take turns providing the Third Vessel on six-month intervals thereafter. Each party providing the Third Vessel shall provide 200 TEU slots on that vessel to the other party, and shall receive compensation ("slotage") from the party not providing the Third Vessel at such rates, and under such terms, as the parties may agree.
- C. Schedule adjustments and/or alterations in service in the Trade, including cancellations or substitutions of ports and/or vessels are at the sole convenience of the party operating the vessel in question. Each party shall give the other party notice of any such adjustments and/or alterations as soon as it is practicable.
- D. The liability and obligations as between KAMBARA and MEL with respect to cargo and containers carried for the account of one party while in the custody of the other party shall be governed by the terms and conditions of the long-form combined transport Bill of Lading of the party having custody at the time as if the party having custody were the "Carrier" and the party not having custody were the "Merchant" referred to therein, except that if the loss of or damage to cargo or containers is due to the act, neglect or default of either of carriers or their agents or servants or merchants or their agents or servants, then the party who is at fault or the party whose merchants, agents or servants are at fault shall bear the loss or liability, subject to the applicable package limitations in the negligent or defaulting party's bill of lading.

ARTICLE 6: OFFICIALS OF THE AGREEMENT AND DELEGATION OF AUTHORITY

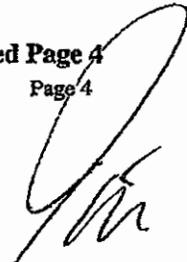
There are no officials of the Agreement. Legal counsel for the parties are hereby authorized to file and process this Agreement, together with any subsequent amendments thereto adopted by the parties, with the U.S. Federal Maritime Commission.

ARTICLE 7: MEMBERSHIP WITHDRAWAL READMISSION AND EXPULSION

None

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ARTICLE 8: VOTING

None

ARTICLE 9: DURATION AND TERMINATION

A. This Agreement shall continue in effect until terminated by either party giving written notice to the other not less than sixty (60) days prior to the termination date specified in that notice, provided that no notice of termination shall be given by either party before December 1, 1999, unless a mutual decision to terminate is agreed by the parties; and further provided that as to any voyage begun while this Agreement is in effect but not completed at the time of this Agreement's termination, this Agreement shall remain applicable to such voyage until completed. Termination of this Agreement shall not relieve the parties of any obligations which they incurred under this Agreement prior to the termination date.

B. Upon termination of this Agreement, the parties shall promptly so notify the U.S. Federal Maritime Commission.

ARTICLE 10: EFFECTIVE DATE

This Agreement shall be effective on the earliest date it may lawfully be carried out under the U.S. Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998.

ARTICLE 11: FORCE MAJEURE

Neither party to this Agreement shall be held responsible with respect to its failure to perform any term or condition of this Agreement if such failure is due to civil commotion, invasion, rebellion, hostilities, sabotage, strikes, labor disputes, work slowdowns or work stoppages; governmental (national, state, territorial, prefectural, municipal, or other) regulation, controls or actions, acts of God, or any other cause whatsoever beyond the control of the party.

ARTICLE 12: LIMITATIONS

A. Each party to this Agreement shall issue its own Bill of Lading applicable to its cargoes and each party shall maintain individually its own tariff unless the parties should each be members of the same Conference or Rate Agreement.



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ARTICLE 13: NOTICES

A. Any notices or other communication between the parties in connection with this Agreement shall be sent by first class airmail, postage prepaid, addressed as follows:

Kambara Kisen Co., Ltd.
1083 Tsuneishi, Numakuma-Cho,
Fukuyama-City, Hiroshima-Pref 720-0395
JAPAN

Mariana Express Lines Limited
c/o Rico Maritime Limited
Room 2704-6 Bonham Trade Centre 50-54, Bonham Strand East
Sheung Wan, Hong Kong 93-103, CHINA

B. Notices provided under paragraph A of this Article shall be effective as of the date of the notice.

ARTICLE 14: GOVERNING LAW AND ARBITRATION

Any and all any and all difference and disputes of whatever nature arising out of this Agreement shall be arbitrated in Tokyo. This Agreement shall be governed by the laws of Japan. The parties expressly choose the above-described to the exclusion of all other laws or choice-of-law rules which might otherwise be applicable. The parties agree that any such arbitration shall be before a board of three persons consisting of one arbitrator to be appointed by each party and one by the two so chosen. Either party may call for arbitration by service upon the other of a written notice specifying the name and address of the arbitrator chosen by the first party and description of the dispute or differences which that party desires to put to arbitration. If the other party shall not, by notice served within twenty days of the service of such first notice, appoint its arbitrator to arbitrate the disputes or differences specified, then the first party shall have the right without further notice to appoint a second arbitrator who shall be a disinterested person with precisely the same force and effect as if said second arbitrator had been appointed by the other party. The selection of all arbitrators under this Article shall be accomplished within 90 days following the original notice calling for arbitration. Any award of the arbitrators under this Article shall be binding upon the parties and enforceable as a rule of court in any court of competent jurisdiction. Nothing provided in this Article shall be constructed to relieve the parties from any duties or obligations under the laws of the United States, including but not limited to, the Shipping Act of 1984, as amended.



