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FEDERAL MARITIME COMMISSION

"K" LINE / CSAV CAR CARRIER AGREEMENT

FMC AGREEMENT NO. 011905

AGREEMENT TYPE:	SPACE CHARTER AND SAILING AGREEMENT
LAST REPUBLISHED:	NOT APPLICABLE
CURRENT EXPIRATION DATE:	NOT APPLICABLE



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ARTICLE 1 - Name of the Agreement - This Agreement shall be known as the "K Line / CSAV Car Carrier Agreement."

ARTICLE 2 - Purpose - The purpose of this agreement is to further mutual cooperation and the economic operation of the services of each Party to their benefit and the benefit of their customers in connection with the carriage of cargo on terms and conditions agreed to by the Parties in the trade within the geographic scope set forth in Article 4.

ARTICLE 3 - Parties to the Agreement - The Agreement is made by and between the following parties (hereinafter sometimes referred to as "**Carrier(s)**"):

1. **Compañía Sud Americana de Vapores ("CSAV")**, a company organized under the laws of the Republic of Chile, with its principal office at Valparaiso, Chile; and
2. **Kawasaki Kisen Kaisha, Ltd. ("K Line")**, a company organized under the laws of Japan, with its principal office at Tokyo, Japan.

ARTICLE 4 - Geographic Scope of the Agreement - The geographic scope of this Agreement shall extend to the carriage of automobiles, and other vehicles via direct service or transshipment between ports, and inland and coastal points served via such ports, in South America, and United States Atlantic ports, and inland and coastal points served via such ports

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(hereinafter called "the Trade"). A "car" or "vehicle" for purposes of this Agreement shall be defined as **private/public** vehicles, buses, trucks, campers, trailers and any other rolling stock.

ARTICLE 5 - Authority

a. **Carrier Obligations**

Carriers may from time to time transport tendered cargo **and/or** equipment on a capacity-available basis as requested by the other Carrier.

b. **Designation of Carriers as Charterers and Owners**

As used herein, Carriers who from time to time charter vessel capacity from the other Carrier shall be referred to as "Charterer." Carriers whose vessel capacity is chartered by other Carrier for transportation hereunder shall be referred to as 'Owner.'

c. **Compensation**

Compensation for any transportation pursuant to this Agreement shall be as Carriers may from time to time agree.

d. **Scheduling**

The Parties are authorized to jointly establish sailing schedules, port rotations, limit sailings and ports, establish operating details for the car carriers.

e. **Transshipment**

The Parties may use space chartered under this Agreement regardless of the origin or destination of the cargo, including transshipment of cargo to or from an origin or

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destination which is within or outside the scope of this Agreement, whether under a through bill of lading or otherwise, using space chartered hereunder for part of the through movement involved.

f. Subchartering

The Parties may sub-charter space to their fully or partly owned affiliate, subsidiary or related companies without prior approval. Sub-charters to other third parties shall be with prior approval of the Owner. Any such sub-charters are subject to compliance with all applicable laws and the Federal Maritime Commission regulations regarding such charters.

g. Booking, Documentation and Other Administrative Procedure

Procedures for booking vessel capacity, documentation and other administrative matters relating to chartering and transportation provided under this Agreement as well as allocation of responsibilities shall be as Carriers may from time to time agree.

h. Advertising

Each party may separately advertise sailings of the vessels subject to this Agreement, but shall maintain separate marketing organizations.

i. Further Agreements

Pursuant to 46 C.F.R. § 535.408, any further agreement contemplated herein cannot go into effect unless filed and effective under the Shipping Act of 1984, except to the extent that such agreement concerns routine operational or administrative matters. The parties may discuss and agree upon such routing operational and administrative matters and other

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terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from time to time.

j. No Joint Service, Pooling, Pricing

The chartering of space provided hereunder does not create a joint service, partnership or other unincorporated association, permit the Parties to discuss or agree on rates or terms to be offered or charged to the shipping public or permit the Parties to pool cargo or revenue. Nothing contained herein shall authorize the Parties to jointly operate a marine terminal in the United States.

ARTICLE 6 - Officials and Delegations of Authority - Legal counsel to the Parties are appointed as U.S. representatives of the Agreement and are authorized to file with the Governmental Authorities the Agreement and any amendments hereto, as well as to submit associated supporting materials.

ARTICLE 7 - Membership, Withdrawal, Readmission and Expulsion - Membership is limited to the Parties hereto, except that additional parties may be admitted or readmitted by unanimous consent of the members and by amendment of the Agreement pursuant to the Shipping Act of 1984.

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ARTICLE 8 - Voting - All exercise of authority under the Agreement shall be by the unanimous consent of the Parties.

ARTICLE 9 - Duration and Termination - The effective date of the Agreement shall be the day the Agreement becomes effective pursuant to Sections 5 and 6 of the Shipping Act of 1984. The first period of the agreement will commence on the effective date, and will end on the 31st of December 2005. **Thereafter**, the Agreement shall be automatically renewed for periods of one calendar year. Effective at the end of any period of the Agreement, any Party may terminate its participation in the Agreement by giving sixty (60) day written notice to the other Party, and by furnishing a copy of that notice to the Federal Maritime Commission or successor agency. The Agreement may also be terminated at any time by mutual consent.

ARTICLE 10 - Compliance with Chilean and United States Regulations - The provisions and implementation of this Agreement will fully comply with the Chilean Maritime Regulations, and the U.S. Maritime Regulations, including but not limited to the statutes administered by the Federal Maritime Commission of the United States.

ARTICLE 11 - Arbitration and Governing Law - Any dispute or claim arising hereunder which is not amicably settled by the Parties shall be settled by arbitration.

Arbitration shall be held in New York, New York, before a panel of three arbitrators familiar

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with ocean container shipping, unless the Parties can agree on a single arbitrator, none of which shall have any interest in or with any Party. Upon agreement of the Parties, arbitration may be held in any other place. Arbitration shall be conducted in accordance with the arbitration rules of the New York Society of Maritime Arbitrators, Inc. (the "SMA"). The arbitrators' written decision shall be final and conclusive, shall be rendered within **90** days of the final submissions of the Parties, including briefs, and may be enforced in a court of competent jurisdiction. A copy of such decision shall be served by the arbitrators on the Parties. The Agreement shall be interpreted and construed in accordance with the laws of New York State and is also **governed** by the federal maritime law, where applicable.,

ARTICLE 12 - **Notices**

All notices and other communications pertaining to the Agreement, except as the Parties may otherwise provide, shall be sent by airmail, postage prepaid and addressed as follows:

COMPAÑÍA SUD AMERICANA DE VAPORES S.A.
P.O. Box 49-V
Plaza Sotomayor **50**
Valparaiso, Chile

KAWASAKI KISEN KAISHA, LTD.
C/O "**K**"LINE AMERICA, INC.
8730 Stony Point Parkway, Suite **400**,
Richmond, VA **23235**
U.S.A.

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Priority notices and communications may be sent by e-mail and confirmed by airmail.

ARTICLE 13 - Signature - The Agreement is executed by the following Parties, by their authorized representatives. This Agreement may be executed and delivered by exchange of facsimile copies showing the signatures of each Party, and the original signatures need not be affixed to the same copy.

Dated: February 18, 2005

COMPAÑÍA SUD AMERICANA DE VAPORES S.A.

By: Walter H. Lion
Name: Walter H. Lion
Title: Attorney

KAWASAKI KISEN KAISHA, LTD.

By: Yoshiyuki Aoki
Name: Yoshiyuki Aoki

Title: Senior Vice President, "K" Line America, Inc.
on behalf of KAWASAKI KISEN KAISHA, LTD.