Original Title Page

Hampton Roads
Chassis Pool II Agreement

FMC Agreement No. 011884

A Cooperative Working Agreement

Expiration Date: None

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Federal Maritime Commission

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Article 1: Name of Agreement

The name of this agreement shall be the Hampton Roads Chassis Pool II Agreement (hereinafter, the "Agreement").

Article 2: Purpose of Agreement

The purpose of the Agreement is to provide for the formation of a chassis pool that is intended to improve the quality and efficiency of operations relating to chassis at terminals in the Hampton Roads area.

Article 3: Parties to the Agreement

The parties to the Agreement (hereinafter referred to individually as a "party" and collectively as "parties") are the following:

1. Virginia International Terminals Inc. ("VIT")
   600 World Trade Center
   Norfolk, Virginia 23510

2. The Ocean Carrier Equipment Management Association, FMC Agreement No. 011284, an association of ocean carriers, for itself and on behalf of those carriers listed in Appendix A ("OCEMA")
   1850 M Street N.W., Suite 900
   Washington, D.C. 20036

Members of OCEMA not listed in Appendix A shall not be parties hereto and shall have no rights, duties, obligations, or liabilities with respect to this Agreement.

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Article 4: Geographic Scope of Agreement

The scope of this Agreement shall include Norfolk International Terminal, Portsmouth Marine Terminal, Newport News Marine Terminal, the Virginia Inland Port and any other terminal facilities, storage areas, and container depots operated by or on behalf of VIT and any nearby rail-operated depots in the Hampton Roads vicinity (hereinafter collectively referred to as the "Terminals"), with respect to shipments moving in the foreign commerce of the United States.

Article 5: Establishment Of And Adjustments To Chassis Pool

5.1 General. The parties are hereby authorized to discuss, exchange information and data, and agree upon the terms and conditions under which a port-wide chassis pool (the "Chassis Pool") will be established and operated, including but not limited to the following: (i) the Chassis Pool will consist of container chassis (each a "Pool Chassis" and collectively "Pool Chassis") contributed by certain ocean common carriers and other entities; (ii) the Chassis Pool will be operated at the Terminals and ancillary facilities; (iii) the Chassis Pool will charge per diem rates for the use of Pool Chassis by ocean common carriers and others (the entities using Chassis are sometimes referred to herein as "Users"); (iv) a limited liability company will be formed to operate the Chassis Pool, (v) operating rules for the Chassis Pool, and other rates, charges, terms and conditions under which Chassis are contributed to the Chassis Pool and/or are utilized by Users will be established, (vi) the Company shall engage and oversee

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vendors to inspect, maintain, and repair the Pool Chassis on the Terminals, and (vii) insurance, indemnification, and other allocation of liability for claims will be established.

5.2 The Company. The Chassis Pool shall be established by HRCP II, L.L.C. (the "Company"), a Virginia limited liability company organized by VIT and of which VIT may be the sole member. The Company shall own and, through its Manager, operate the Chassis Pool. The Company shall operate the Chassis Pool pursuant to an Operating Agreement and Policies and Procedures or other comparable documents. The Chassis Pool shall be operated on a non-profit basis.

5.3 Pool Chassis. Chassis will be provided for use in the Chassis Pool by (a) those Users willing to provide units to the Chassis Pool; and (b) other chassis providers pursuant to contractual arrangements with the Company (categories a and b above may be referred to hereinafter as "Contributors"). The Company shall have no ownership interest in Pool Chassis, but the Company shall have the right to use and control of such units for Chassis Pool operations during the period they are contributed to the Chassis Pool by the Contributors.

5.4 Pool Inventory/Utilization. The initial target Chassis Pool utilization level will be 80%. The actual utilization level will be supervised and may be adjusted by the Governing Board (as defined in Appendix B hereto) from time to time.

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(a) In the event the Chassis Pool inventory is too high the Governing Board, based on recommendations from and consultations with the Manager (as defined in Appendix B) may request removal of Pool Chassis from the Chassis Pool to bring the inventory to an appropriate level. The number of Pool Chassis each Contributor will be required to remove shall be determined in accordance with operational procedures to be approved by the Governing Board.

(b) In the event the Chassis Pool inventory is too low the Governing Board, based on recommendations from and consultations with the Manger, will determine the additional number of Chassis necessary to bring the inventory to an appropriate level. Except in cases of urgent need, the initial request for additional Chassis shall be made to the Users that are also Contributors. Each such User shall identify and commit any additional Chassis it is willing to contribute to the Chassis Pool within thirty (30) days of the notice given by the Governing Board of the number of Chassis needed by the Chassis Pool. In the event Chassis to be provided by such Contributors are insufficient, the Company shall lease Chassis from other sources, such as leasing companies.

Article 6: Management And Use Of Chassis

6.1 Manager. The Company shall employ a manager (the "Manager") to manage the Chassis Pool at the Terminals on its behalf, to oversee inspection, maintenance and repair of Pool Chassis at the Terminals, to track and reposition Chassis, and to collect fees in connection with Chassis Pool operations.

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6.2 Contribution and Use of Chassis. The Company shall enter into contracts with each Contributor and each User setting forth the rates, terms and conditions of contribution and/or use of Pool Chassis, including liability, insurance, and the condition of the Pool Chassis. Such contracts may allocate the risk of claims and the relative liability of the Company, Contributors, Users, and other parties for loss, injury or damage in connection with the operation of the Chassis Pool or the use of Pool Chassis.

6.3 Use Rates. Rates for the use of Chassis will be based on a per diem charge which shall cover maintenance, repair, inspection, insurance, administration, asset, and other costs, as determined by the Governing Board from time to time. The per diem use rates charged to Contributors shall reflect the value of the use of their Chassis in the Chassis Pool through the application of lower rates or other appropriate means determined by the Governing Board. Per diem charges may also reflect other factors (e.g., utilization of Chassis in excess of set percentages of a Contributor's contribution or of a User's prior estimate of use) as may be determined by the Governing Board from time to time. Charges may be made for damages to or repositioning of Chassis, as well as other expenses, as set forth in the contracts governing the use of Pool Chassis.

6.4 Operational Matters. Company may establish operating rules for the Chassis Pool, or may delegate the authority to establish or administer all or some of such rules to the Manager. Among the operational matters the Company may determine and/or delegate shall be: matters relating to the inspection, maintenance, and repair of

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Chassis; hiring of vendors for maintenance and repair, trucking, or other services or materials; data systems; executing contracts; claims and liability procedures; personnel and facility matters; procedures for the introduction of equipment into or removal of equipment from the Chassis Pool; tracking and reporting of equipment; maintenance of records relating to the Chassis Pool; audit and accounting functions; replacement value of loss Chassis; insurance requirements; indemnification obligations; allocation of Chassis Pool revenues and payment of Chassis Pool expenses; and other matters necessary for the Company to operate the Chassis Pool.

6.5 Advisory Council. The parties are authorized to cooperate to form an advisory council consisting of representatives of ocean common carrier Contributors and Users of the Chassis Pool, which council may provide input to the Company and/or the Manager on issues of interest/concern to such Contributors and Users.

6.6 Role of OCEMA and VIT. OCEMA has no ownership, operational, contractual or other control of or interest in the Company, the Chassis Pool, or Pool Chassis. Membership in OCEMA or this Agreement shall not be construed to imply a contractual relationship between any ocean carrier and the Chassis Pool with respect to Pool Chassis, including the use, contribution, maintenance, repair, or management thereof; such a relationship shall be governed solely by any use, contribution, or other agreement(s) that may exist between an ocean carrier and the Chassis Pool. Upon initiation of the Chassis Pool, in addition to any authority contained elsewhere in this Agreement, OCEMA may

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provide input to the Governing Board and the Manager with regard to Chassis Pool operations on an advisory basis. All management and other decisions and policies regarding the Chassis Pool and its operations are the responsibility of the Company, acting in accordance with its established procedures as set forth in Appendix B hereto and subject to any legal or contractual obligations it may have. VIT's participation in the Company is solely to provide the perspective of the operator of the Terminals and to ensure that the Chassis Pool is structured in a manner that will promote efficient practices at the Terminals with respect to the Chassis. Upon initiation of the Chassis Pool, VIT shall have no role in the operation of the Company other than to designate an individual to serve on the Governing Board. Neither OCEMA, its members, nor VIT are responsible for claims against the Company.

6.7 Operation and Control of Terminals. The Company will have no authority with respect to the operation and control of the Terminals. VIT shall retain control of the management, operations, practices, services, and use of and/or access to facilities at the Terminals, subject to any legal or contractual obligations it may have, provided that the parties hereto may discuss and agree upon any such matters from time to time.

Article 7: Insurance

7.1 Insurance for Company. The Company shall maintain such insurance as the Governing Board may decide from time to time.

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7.2 Insurance for Users. The Company's agreements with Contributors shall provide for each User of Pool Chassis to provide the Manager with evidence that its interchange agreements require insurance limits for bodily injury and property damage, or single limit bodily injury and property damage, of at least a minimum amount established by the Governing Board. Each must provide the Manager with evidence that it has chassis liability insurance of at least a minimum amount established by the Governing Board. All insurance described in this Article 7.2 shall be in form and substance acceptable to the Company to cover liabilities under User Agreements with the Company. The foregoing minimum insurance requirements may be revised by the Governing Board from time to time.

Article 8: Administration And Delegation Of Authority

8.1 Administration. This Agreement shall be administered and implemented by meetings, decisions, memoranda and communications between the parties to enable them to effectuate the purposes of this Agreement.

8.2 Amendments. Amendments to this Agreement shall require the written consent of both VIT and OCEMA.

8.3 Delegation of Authority. The following persons shall have authority on behalf of a party to sign and file this Agreement, any subsequent modifications thereto, and any supporting information with the Federal Maritime Commission or any other governmental entities with mandatory jurisdiction over this Agreement and to respond to

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any requests for information from the FMC, and such persons are also authorized to delegate such authority:

1. A designated senior executive of each party; or
2. Legal counsel for each party.

This Agreement and any subsequent modification hereto may be executed in writing by separate counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

Article 9: Term, Termination, and Withdrawal

9.1 Term. This Agreement shall become effective in accordance with the Shipping Act of 1984, as amended, and shall continue indefinitely thereafter unless terminated by mutual agreement of the parties or in accordance with Article 9.2 hereof.

9.2 Termination. This Agreement shall terminate at such time as the Company shall cease its operation of the Chassis Pool. This Agreement shall also terminate if OCEMA is terminated, effective as of the date of OCEMA's termination.

9.3 Withdrawal of Carriers. Any ocean carrier member of OCEMA that ceases to participate in the Chassis Pool as a chassis contributor or user may withdraw from this Agreement upon thirty (30) days written notice to the other parties hereto.

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Article 10: Notice

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed (by registered or certified mail, postage prepaid) to the address set forth in Article 3 hereof.

Article 11: Applicable Law

Subject to the requirements of the Shipping Act of 1984, as amended, this Agreement and all provisions hereof shall be governed by the laws of the State of Virginia.

Article 12: Non-Assignment

Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

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Hampton Roads Chassis
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Signature Page

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representative as of this 8th day of June 2004.

VIRGINIA INTERNATIONAL TERMINALS, INC.

By:_____

Name:

Title:

OCEAN CARRIER EQUIPMENT MANAGEMENT ASSOCIATION, for itself and on behalf of the carriers listed in Appendix A

By: David F. Smith

Name: David F. Smith

Title: Counsel to OCEMA

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representative as of this 9th day of June 2004.

VIRGINIA INTERNATIONAL TERMINALS, INC.

By: J A Doreto
Name: J A DORETO
Title: CEO

OCEAN CARRIER EQUIPMENT MANAGEMENT ASSOCIATION, for itself and on behalf of the carriers listed in Appendix A

By:
Name:
Title:

APPENDIX A

APL Co. Pte Ltd.
American President Lines, Ltd.
1111 Broadway
Floor 9
Oakland, California 94607

Australia-New Zealand Direct Line, a division of CP Ships (UK) Limited
3601 S. Harbor Boulevard
Santa Ana, CA 92704

Contship Containerlines, a division of CP Ships (UK) Limited
Contship House
Neptune Quay
Ipswich, IP4 IAX
United Kingdom

Lykes Lines Limited LLC
401 East Jackson Street
Suite 3300
Tampa, Florida 33602

TMM Lines Limited, LLC
401 East Jackson Street
Suite 3300
Tampa, Florida 33602

CMA CGM S.A.
4, Quai D'Arenc
P.O. Box 2409
13215 Marseiles Cedex 02
France

Compania Sud Americana de Vapores, S.A.
Plaza Sotomayor 50
2360171 Valparaiso, Chile

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Cosco Container Lines Company Limited
1551-1555, Chang Yang Road
Shanghai, 200090
People's Republic of China

Evergreen Marine Corp. (Taiwan) Ltd.
60 Columbia Road Bldg. B
Morristown, NJ 07960

Hamburg-Sudamerikanische
Dampfschifffahrtsgesellschaft KG
Ost-West-Strasse 59
2000 Hamburg 11 Germany

Hanjin Shipping Co., Ltd.
25-11, Yoido-dong, Youngdeungpo-Ku
Seoul, Korea

Hapag-Lloyd Container Linie GmbH
Ballindam 25
D-20095 Hamburg, Germany

Hyundai Merchant Marine Co., Ltd.
2-15th Floor, Mukyo Hyundai Building
96, Mukyo-Dong, Chung-ku
Seoul, Korea

Mitsui O.S.K. Lines, Ltd.
Minato-ku
Tokyo 105-91, Japan

Nippon Yusen Kaisha Line
3-2, Marunouchi 2-Chome,
Chiyoda-ku
Tokyo 100, Japan

Orient Overseas Container Line Limited
31/F, Harbour Centre
Wanchai, Hong Kong

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P&O Nedlloyd B.V.
P&O Nedlloyd Limited
One Meadowlands Plaza, 12th Floor
East Rutherford, NJ 07073

Yang Ming Marine Transport Corp.
53 Hwai Ning Street, 5th Floor
Taipai, Taiwan 100
Republic of China

Kawasaki Kisen Kaisha, Ltd.
Hibiya Central Building
2-9, Nishi-Shinbashi 1-Chome
Minato-ku, Tokyo 105-91
Japan

Atlantic Container Line
194 Wood Avenue South, Suite 500
Iselin, New Jersey 08830-4120

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APPENDIX B

OPERATING AGREEMENT
of
HRCP II, L.L.C.

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT ("Agreement") is made as of this 9th day of June, 2004, by **Virginia International Terminals, Inc.**, a Virginia corporation ("VIT"), the sole member of **HRCP II, L.L.C.**, a limited liability company organized under the laws of the Commonwealth of Virginia (the "Company"), as follows.

RECITALS

R-1. VIT operates Norfolk International Terminal, Portsmouth Marine Terminal, Newport News Marine Terminal, and the Virginia Inland Port in the Commonwealth of Virginia (collectively the "Terminals"). VIT operates the Terminals on behalf of the Virginia Port Authority, a political subdivision of the Commonwealth of Virginia (the "VPA"), pursuant to a Service Agreement with the VPA. The Terminals provide marine terminal facilities for millions of waterborne containers each year. Chassis are used for the over-the-road portion of the intermodal carriage of the containers. VIT has formed the Company to address increased container and truck traffic at the Terminals and a shortage of land available at the Terminals for the storage of chassis.

R-2 The purpose of the Company is to expand on the success of the prior chassis pool operated at the Terminals by establishing and operating a new and expanded container chassis pool (the "Chassis Pool") for users of chassis at the Terminals. The objectives (the "Objectives") of the Chassis Pool are as follows:

- To standardize the quality of the chassis available at the Terminals at levels specified in the Form Agreements, including standardizing the quality of the maintenance and repair ("M&R") of chassis at the Terminals;
- To increase the speed, efficiency, and safety of the transmodal interchange of containers at the Terminals;
- To increase the flow of commerce at the Terminals;
- To lower the cost of chassis use at the Terminals;
- To establish approved sites for the off-hire of chassis in the Port of Hampton Roads and its hinterland;
- To charge for the use of chassis in the Chassis Pool based on the cost of operating the Chassis Pool, with no profit or excess revenues from the operation of the Chassis Pool to be paid to the Company, its Member, the Lines, CES, any taxable entity, or individual; and
- To encourage efficient practices at the Terminals, in the Lines' services, and for the benefit of the shipping public with regard to the use, maintenance, repair, and

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storage of chassis.

R-3 The Company intends to achieve the Objectives by operating a chassis pool, overseeing the maintenance, inspection and repair of the chassis, and making available the chassis to the Lines and other users of the Terminal.

R-4 Virginia Intermodal Management, L.L.C. ("VIM"), a Virginia limited liability company, will be the initial manager of the Company and operate the Chassis Pool for the Company subject to oversight by the Company's Governing Board.

R-5 The following terms shall have the following meanings in this Agreement:

"Alternate" shall mean the Alternates for the Board described in the Policies and Procedures.
"Arbitration" shall mean the mediation and arbitration procedure in Article 6.4 of this Agreement.
"Board" shall mean the Governing Board established pursuant to Section 1.1 of this Agreement.
"CES" shall mean a chassis equipment supplier.
"Form Agreements" shall mean the agreements attached to this Agreement as **Form Agreements A, B, C, and D**.
"Line" or "Lines" shall mean vessel operating common carrier or carriers actively contributing chassis to the Chassis Pool and/or utilizing chassis in the Chassis Pool pursuant to a use agreement with the Company.
"Management Agreement" shall mean that certain Hampton Roads Chassis Pool Management and Agency Agreement attached to this Agreement as **Form Agreement A**.
"Manager" shall mean Virginia Intermodal Management , L.L.C. and its successors appointed by the Board from time to time.
"Objectives" shall have the meaning stated above.
"Policies and Procedures" shall mean the Policies and Procedures attached to this Agreement as **Appendix 1**.
"Super Majority" shall mean with respect to a vote of the Board, the vote of VIT and a majority of the other Board members.

"Target Utilization Rate" shall mean the percentage determined by dividing the average number of chassis in the Chassis Pool used over a stated time period divided by the average number of chassis in the Chassis Pool for the stated time period.

Now, therefore, in consideration of the foregoing, VIT hereby agrees as follows:

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ARTICLE 1: GOVERNANCE OF THE COMPANY

1.1 Governing Board. A Governing Board of the Company shall be established as follows. The Governing Board shall initially have up to nine (9) members. All members of the Board shall be individuals who hold senior executive positions with their respective organizations. One member of the Board shall be from and appointed by VIT. Up to three (3) members of the Board shall be representatives of CES's which supply, or have agreed to supply, chassis to the Chassis Pool. Five (5) members of the Board shall be representatives of different Lines. (The maximum number of Board members shall be reduced to eight (8) and the number of Line Members on the Board shall be reduced to four (4) on July 31, 2006. The maximum number of Board members shall be reduced to seven (7) and the number of Line Members on the Board shall be reduced to three (3) after the later of (i) July 31, 2007, or (ii) at such time as the percentage of Line owned or leased chassis in the Chassis Pool is below 25%.) The initial Members (the "Initial Members") of the Board shall be the following:

Name	Title	Organization	Expiration of Term
VIT			
1. Joseph Dorto	Gen. Manager	VIT	7/31/06
VIT Alternate			
1. Richard Knapp	Asst. Gen. Manager		7/31/06
Line Members			
1. George Hearn	VP, APL		7/31/06
2. William Payne	Sr VP, NYK		7/31/06
3. Steve Rubin	VP, K Line		7/31/06
4. Brian McBride	VP, ACL		7/31/06
5. Edward O'Callaghan	Sr VP, CMA CGM		7/31/06
Line Alternates			
1. Mike Wilson	VP, Hamburg Sud		7/31/06
2. James Yang	Deputy Sr. VP, Evergreen		7/31/06
CES Members			
1. Jordan Ayers	Pres., Xtra		7/31/06
2. TBD 7/31/06			
3. TBD			
CES Alternate			

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1. Doug Hoehn VP Sales & Marketing, Xtra 7/31/06
2. TBD

Each of the Initial Members shall serve until the expiration of his term, unless the Initial Member resigns or is unable to serve or is otherwise no longer qualified to serve as provided for hereunder. Subsequent Members of the Board shall be elected, appointed, and removed according to the Policies and Procedures.

1.1.1 Chair, Vice Chair and Recording Secretary. The Board shall select Members of the Board to act as its Chair and Vice-Chair who shall serve as provided in the Policies and Procedures and shall be eligible for re-election. VIT shall provide a person to act as Recording Secretary of meetings and to record the minutes of meetings of the Board.

1.1.2 Duties and Authority of the Governing Board. The Board shall have the following duties and authority:

(i) to establish, oversee, and revise as necessary, the Target Utilization Rate for the Chassis Pool, and the number of chassis to be contributed to or removed from the Chassis Pool by the Lines;

(ii) to establish the daily rental rates and other charges to be billed by the Company to Chassis Pool users;

(iii) to establish standards for admission of chassis into the Chassis Pool, which standards of quality shall not be lower than as required by law;

(iv) to establish standards for the M&R of the chassis in the Chassis Pool;

(v) to respond to the Advisory Council on issues of the operation of the Chassis Pool;

(vi) to establish and amend from time to time rules and procedures for the operation of the Chassis Pool;

(vii) to oversee performance by the Manager;

(viii) to oversee overall Chassis Pool performance, operations, costs, and budget;

(ix) to approve Major Contracts of the Chassis Pool;

(x) to approve financial statements, arrange for the filing of tax returns, and the hiring of auditors, attorneys, and consultants;

(xi) to approve loans, assessments and other methods for meeting the Company's working capital requirements;

(xii) to engage outside auditors to perform and audit of the Company annually;

(xiii) to approve sites for the off-hire of chassis; and

(xiv) to exercise all other authority and duties set forth elsewhere in this Agreement and otherwise permitted under the law applicable to limited liability companies.

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1.1.3 Policies and Procedures of the Board. The policies and procedures for meetings, elections, and other aspects of Company operations are in the Policies and Procedures.

1.1.4 Changes in Form Agreements. By a vote of a Super Majority, the Board may authorize a change in the form of one or more of the Form Agreements. A copy of all such amendments shall be sent to the members of the Advisory Council.

1.1.5 Protection of the Terminals. The Governing Board shall act in furtherance of the Objectives and shall take no action which (a) materially disrupts or is likely to materially disrupt the operation or competitiveness of one or more of the Terminals, and is not intended to further the Objectives or prudent and efficient operation of the Chassis Pool, or (b) materially threatens the Company's or VIT's tax exempt status. The Board shall take all action necessary to prevent a change to the Company's or VIT's tax exempt status. If VIT believes the Board has acted or failed to act in violation of this limitation, then VIT shall have the right to challenge such action or inaction pursuant to Arbitration.

1.1.6 By a vote of a Super Majority, the Board may authorize the Company to borrow money for the working capital needs of the Company and to encumber assets of the Company in connection with such credit.

1.2 Advisory Council

1.2.1 An Advisory Council to the Company shall be established as provided for in the Policies and Procedures.

1.2.2 The purposes of the Advisory Council are to (i) inform the Governing Board of issues affecting the Chassis Pool, contributors, and users of chassis, and (ii) to nominate certain members of the Board pursuant to the Policies and Procedures.

1.2.3 The Advisory Council shall have a Chairperson who shall be appointed and serve as stated in the Policies and Procedures.

ARTICLE 2: MANAGEMENT AND OPERATION OF THE CHASSIS POOL

2.1 Duties and Responsibilities of the Manager. The Manager shall manage the day to day operation at the Terminals and other facilities in accordance with and pursuant to the Management Agreement.

2.2 Authority of the Manager. Except as may be set forth in this Agreement and in the Management and Agency Agreement, the Manager shall have authority to enter into agreements on behalf of the Company with regard to maintenance, repair, storage, inspection, tracking and repositioning of equipment; provided, however, that the Board may decide to require its advance approval of certain contracts prior to the Manager entering into such contract on behalf of the Chassis Pool. Written notice of the necessity for such Board approval for such contract(s) shall be given to the Manager in writing. Upon the vote of a Super Majority, the Manager shall have authority to execute promissory notes, security agreements, and other

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documents evincing loans procured by the Company.

2.3 Replacement of the Manager. The company serving as the Manager may be terminated or replaced only upon a vote of a Super Majority.

2.4 Reports. The Manager shall provide monthly, quarterly and annual reports of Chassis Pool performance and financial results as provided for in the Management Agreement.

ARTICLE 3: SUPPLY, USE, AND M&R OF CHASSIS

3.1 Chassis Contribution Agreements. Lines may contribute chassis to the Chassis Pool. The form of agreement between the Company and the Lines for the contribution of chassis to the Chassis Pool shall be substantially the same as the Master Chassis Contribution Agreement form attached as **Form Agreement B** to this Agreement.

3.2 Chassis Usage Agreements. The Company shall make available for use chassis from the Chassis Pool to users of the Terminals. The form of agreement between the Company and users of the Chassis Pool chassis shall be substantially the same as the form attached as the Master Chassis Use Agreement form attached as **Form Agreement C** to this Agreement.

3.3 M&R Vendors; M&R Agreements. The Manager shall recommend to the Board M&R Vendors to perform maintenance and repair on the chassis in the Chassis Pool. The Board shall choose the M&R Vendors to perform maintenance and repair on the chassis in the Pool from time to time. The form of agreement between the Company and M&R Vendors for the M&R of Chassis Pool chassis shall be substantially the same as the form of the M&R Agreement attached as **Form Agreement D** to this Agreement.

3.4 CES Supply Agreements. The Board may authorize the Manager to contract with CES's designated by the Board to supply chassis to the Pool from time to time. The form of agreement between the Company and CES's for the supply of chassis to the Chassis Pool shall be substantially the same as the form approved by the Board for such purpose.

ARTICLE 4: LIMITED LIABILITY COMPANY PROVISIONS; CAPITALIZATION

4.1. Limited Liability. Except to the extent applicable law mandates liability despite provisions to the contrary in this Agreement, VIT, the Manager, a Line or user, and Board Members, shall not be liable to any third party for any debt, obligation or liability of the Company.

4.2. Transfer of Membership Interest in the Company. VIT may not Transfer, in whole or in part, with or without consideration, its membership interest in the Company or any right to participate in the management of the business and the affairs of the Company without the consent of a Super Majority, which consent may be granted, denied and/or conditioned in the sole and absolute discretion of each of such parties. For purposes hereof, "Transfer" shall mean any and all types of transfers including, but not limited to, any sale, conveyance, assignment, disposition, distribution, encumbrance, pledge, mortgage, hypothecation or gift. Notwithstanding the foregoing, however, the Company's membership interest may be

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transferred to and owned by only one or more entities whose income is excluded from gross income under Section 115 of the Internal Revenue Code.

4.3. Capital Account. The Company shall be capitalized pursuant to a contribution of capital by VIT of $10,000. The capital account of the Member(s) shall be established, maintained and adjusted in accordance with the provisions of 26 U.S.C. Section 704(b) and Treasury Regulation Section 1.704-l(b)(2) (as amended or any successor thereto), and to the extent any provision of this Agreement is inconsistent with said regulations, the said regulations shall control.

4.4. Dissolution. The Company shall be dissolved and wound up upon the occurrence of any one of the following events: (i) the occurrence of an event causing dissolution under applicable law unless the remaining members of the Company holding a majority-in-interest of the membership interests in the Company elect to continue the business of the Company, or (ii) upon the vote of a Super Majority for dissolution of the Company. If the Company dissolves for any reason, the Company shall be wound up by the Manager on behalf of the members of the Company in accordance with applicable law, and the proceeds thereof shall be distributed as provided by section 13.1-1049 of the code of Virginia, as amended. In connection with any winding up of the Company, the Manager shall, to the extent reasonably possible, make adequate provisions (i) for compliance by the Company of its outstanding contracts and obligations, and (ii) to assure there is no interruption in the supply of chassis to customers of the Terminals. Notwithstanding anything in this Agreement to the contrary, however, all assets remaining in the Company after payment of the Company's liabilities shall be distributed exclusively as may be required to maintain the Company's tax exempt status.

ARTICLE FIVE - LIMITATION OF LIABILITY AND INDEMNIFICATION.

5.1 Limitation of Liability. No member of the Board or the Manager shall be liable to the Company or its Member(s) for monetary damages with respect to any transaction, occurrence, or course of conduct in any action brought by the Company or its member(s) except for liability resulting from the Member or Manager's engaging in willful misconduct or a knowing violation of the criminal law.

5.2 Indemnification. The Company shall indemnify, defend, and hold harmless to the fullest extent permitted by, directed by, and permissible under, the laws of the Commonwealth of Virginia, any individual (and the heirs, executors, administrators and estate of such individual) made, or threatened to be made, a party to any claim, action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he is or was a member of the Board of the Company, against expenses (including without limitation attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such claim, action, suit or proceeding. The Board in its discretion shall have the power on behalf of the Company to indemnify similarly any person, other than a member of the Board, made a party to any action, suit or proceeding by reason of the fact that he or it is or was an employee or agent of the Company. The provisions of this section shall be applicable to persons who have ceased to be a member of the Board or agents of the Company.

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5.3 Insurance. The Board shall carry insurance for the members of the Board insuring claims against them arising from their membership on the Board.

ARTICLE 6: GENERAL PROVISIONS

6.1 Applicable Law. This Agreement and all provisions hereof shall be governed by the laws of the Commonwealth of Virginia.

6.2 Amendment. No modification or amendment to this Agreement shall be made unless reduced to writing and executed by a Super Majority.

6.3 Severability. Should any terms, covenant, condition or provision in this Agreement be held invalid, illegal or unenforceable, the remainder of this Agreement shall not be affected thereby and each term, covenant, provision or condition of the Agreement shall be valid and enforceable to the extent permitted by law.

6.4 Dispute Resolution. All disputes, claims, offset, disagreements or deadlocks arising out of, related to, or based on this Agreement, including without limitation the governance of the Company and the Policies and Procedures, either directly or indirectly, shall be resolved exclusively by the following mediation and arbitration procedure.

6.4.1 The party seeking relief shall give written notice to the other party(ies) to such dispute or who could be affected by the dispute.

6.4.2 The parties to the dispute shall, within ten (10) days thereafter or such time as may otherwise be agreed upon or be reasonable under the circumstances, meet to resolve this matter through discussion and compromise.

6.4.3 If such meeting does not resolve the issue, the parties shall submit the dispute to mediation by a mediator appointed by the Society of Maritime Arbitrators in New York, New York, or, if the parties to the dispute can agree otherwise in advance, by another mediator or mediation group. All signatories agree that such mediation shall be conducted without publicity and in utmost confidence and the costs of said mediation will be divided by the parties in dispute.

6.4.4 If after thirty (30) days the mediation is not successful, except as provided below, the parties' sole remedy shall be to seek arbitration by the Society of Maritime Arbitrators (SMA) under SMA rules. Any party may demand arbitration in writing. A neutral arbitrator shall be selected by alternatively striking names from a list provided by the SMA. The arbitrator shall be a person having experience in intermodal marine terminal operations. The selection of an arbitrator shall be accomplished within twenty (20) days after the failed mediation. The parties to the arbitration shall split evenly the cost of such arbitration. Such arbitration shall be conducted without publicity and in utmost confidence. VIT may be present and present argument at any such arbitration whether or not, it is a party. The decision of the Arbitrator

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shall be final and binding on the parties and be enforceable in accordance with the Virginia Uniform Arbitration Act. All remedies available in court are available in arbitration.

6.4.5 The arbitrator shall decide whether he/she has jurisdiction over the subject matter. A court of competent jurisdiction shall decide, however, any dispute over the arbitrability of the dispute. All doubts as to arbitrability should be resolved in favor of arbitration. The court is not to consider the merits of the underlying controversy in deciding whether it should be submitted to arbitration. The only issue for the court is whether the agreement to arbitrate encompasses the dispute, and if so, whether the law permits arbitration of the dispute.

6.4.6 This dispute resolution process is the exclusive manner of resolving disputes hereunder, expressly in lieu of litigation in any state or federal court. All such mediation, arbitration, and/or enforcement proceedings shall occur in Norfolk, Virginia; provided, however, if a party entitled to relief requires immediate relief to avoid material irreparable harm before the mediation and arbitration can occur, then the party may seek a temporary injunction pending the arbitration.

6.4.7 The sole venue for any court proceeding brought based on or related to this Agreement shall be the federal district court or circuit court located in Norfolk, Virginia.

IN WITNESS WHEREOF, the party hereto has caused these presents to be executed by its respective duly authorized officer as of the date first written above.

VIRGINIA INTERNATIONAL TERMINALS, INC.

BY:_____(SEAL)
Joseph A. Dorto, General Manager

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POLICIES AND PROCEDURES
(to the Operating Agreement of HRCP II, L.L.C.)

These Policies and Procedures supplement and are made a part of that certain Operating Agreement of **HRCP II, L.L.C.**, a Virginia limited liability company. Capitalized terms in these Policies and Procedures shall have the same meanings as in the Operating Agreement.

SECTION MEETINGS OF THE GOVERNING BOARD.

1.1 A majority of the Members of the Board qualified to vote must be present to constitute a quorum. No action shall be considered the action of the Board unless authorized by a vote of a majority (or in the specified cases, a Super Majority) of the Members present at a duly noticed meeting of the Board at which a quorum is present.

1.2 The Board shall meet no less frequently than quarterly with all meetings taking place during business hours at such locations at or near the Terminals as the Chair shall determine, unless otherwise agreed by the Board. Meetings shall be called by the Chair or VIT with no less than ten (10) days written advance notice being provided to all Members and Alternates. Meetings shall also be called by the Chairman upon the written request of four (4) Board members. Written notice shall be accomplished by facsimile or e-mail transmission, with a copy sent by first class mail. In situations where the Chair or VIT shall determine that circumstances mandate immediate Board action a meeting shall be called by the Chair with advance notice of at least one (1) business day which notice shall be sent by facsimile or e-mail with telephone confirmation on the day of facsimile or e-mail transmission.

1.3 One or more Members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other. Participation in a meeting pursuant to this section shall constitute "presence" at the meeting.

1.4 The minutes of the meetings of the Board as maintained by the Recording Secretary shall be the official records of the Company and shall be deemed correct absent manifest error.

SECTION II ORGANIZATION AND ELECTION OF THE GOVERNING BOARD

2.1 Each Member of the Board, except for the Member designated by VIT, shall be designated either as a "Line Member" or "CES Member".

2.2 Each Member of the Board shall serve a term of two (2) years. A Member whose term has expired shall continue to serve beyond his term until a replacement Member has been designated pursuant hereto.

SECTION III LINE - LINE MEMBERS OF THE BOARD

3.1(a) At least ninety (90) days prior to the expiration of a term of a Line Member of the Board, the Board shall solicit nominations from the Advisory Council of individuals to replace the Member whose term is expiring. Future Board nominees shall be senior executives from Lines. The Advisory Council shall within thirty (30) days after such solicitation nominate one (1) person for each expiring Board position.

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3.1(b) At least sixty (60) days prior to the expiration of the Line Member's term, the Board shall elect one or more nominees submitted by the Advisory Council and/or request additional nominees for the expiring seat(s).

3.1(c) If the Board requests additional nominees, the Advisory Council shall nominate additional individuals to fill the expiring seats within thirty (30) days after such request. Within thirty 30 days of receipt of additional nominees, such nominees shall be elected unless rejected by a Supermajority, in which event the Board shall designate the new Board Line Member(s) for the open positions.

3.2 An individual shall be eligible to be elected to and hold a position as a Line Member of the Board only if and as long as he or she holds a senior executive position (i.e., President, Vice President, General Manager) of a Line. No more than one Board Member may be an employee of a single Line (which shall include Lines under common control). The Line Members shall include a representative from at least one user of each of the three primary Terminals.

3.3 Subject to Section 3.1, if an individual Line Member of the Board leaves the employ of the Line for whom he or she works but continues to hold a senior executive position with a different Line which is a Chassis Pool user, and if that Line is not currently represented by a Line Member on the Board, then that individual may continue to serve the remainder of his or her term on the Board. Otherwise, the individual shall be deemed to have resigned from the Board when the individual's employment as a senior executive for the Line ceases.

3.4 If a Line Member of the Board resigns, changes employers such that he or she is no longer eligible to serve as a Line Member of the Board, or otherwise is unable to serve, then the other Line Board Members shall appoint a replacement who shall serve until the expiration of that Line Member's term.

3.5 If a Board Member is employed by a Line that ceases direct vessel service to the port or ceases to participate in the Chassis Pool, he or she shall be deemed to have resigned his or her Board Membership upon notice from the Line to VIT or the Company of its intent to terminate participation in the Chassis Pool or direct vessel service to the port.

SECTION IV CES MEMBERS OF THE GOVERNING BOARD

4.1 The Board shall have three (3) CES Member positions. Meetings and votes of the Board may continue to take place even if not all CES Members have been appointed, elected, or qualified to vote.

4.2 Each of the three CES Members shall have one vote on the Board. No more than one Board Member may be an employee of a single CES (which shall include CES's under common control).

4.3 Upon (i) the expiry of a CES Member's term or its resignation from the Board, and (ii) a request by a CES for membership on the Board, VIT may appoint another CES Member qualifying under the terms hereof.

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SECTION V ADDITIONAL TERMS RELATING TO THE GOVERNING BOARD

5.1 The duties and obligations of the Members of the Board to the Company shall be the same as those of a director of a corporation under the law of the Commonwealth of Virginia. Accordingly, all Members of the Board shall have a fiduciary duty to the Company, including without limitation, duties of good faith, fair dealing and full disclosure. To be eligible to serve as a Member of the Board, a proposed Member must execute an acknowledgement of these duties and obligations and a consent to dispute resolution pursuant to the procedure in the Operating Agreement in form and substance acceptable to VIT.

5.2 Without limiting the foregoing, no Line or CES Member may participate in Board discussions or votes regarding (a) contracts in which that Member's company is expected to be an offeror on a solicitation for equipment, goods or services to be provided to the Chassis Pool or Manager, or (b) any specific contract or tort dispute relating to breach of a contract or claims for monetary damages in which legal action is threatened or pending between the Chassis Pool (or Manager) and that Member's individual company. This paragraph shall not apply to Line contributions of chassis to, or use of chassis from, the Chassis Pool.

5.3 The Board shall elect its successor Chair and Vice Chair annually at its first quarterly meeting held after January 1, 2006. The initial Chair and the initial Vice-Chair have been elected. The Chair shall preside at all meetings, and if the Chair is not available, the Vice Chair shall preside and otherwise have the authority to act in the Chair's stead.

5.4 If in the discretion of VIT a Member of the Board is failing to discharge his or her duties with the diligence and cooperation required for the Company to be operated properly, VIT, upon a majority vote of all voting Members of the Board, may require that the company employing that Member replace the Member with another person meeting the requirements stated in the Operating Agreement and these Policies and Procedures.

5.5 The Company shall reimburse the Members of the Board for their reasonable out of pocket expenses incurred in performing their duties as Members of the Board and a per diem attendance fee established by the Board.

SECTION VI ALTERNATES

The CES Members of the Board shall each designate one Alternate and the Line Members of the Board collectively may designate two Alternates. Alternates may (i) participate in meetings, and (ii) vote on behalf of an unavailable Line Member or CES Member, as applicable, in the Member's absence. For an Alternate to qualify for such participation and voting, the Alternate must (a) have been designated to vote in writing by the Lines, CES, or VIT Member as applicable, to the Recording Secretary of the Board, and (b) otherwise meet the requirements for a voting Member of the Board.

SECTION VII - ADVISORY COUNCIL

7.1. An Advisory Council to the Company shall be formed. The Advisory Council shall consist of one representative from each user of the Chassis Pool who chooses to be a Member of the Advisory Council. The Manager shall keep a current list of the Members of the Advisory Council and communicate that list to the Chairman of the Advisory Council and the Governing Board at least quarterly.

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7.2 The Advisory Council shall consist of voting and non voting Members. In order to be a voting Member of the Advisory Council, an entity must be a vessel operating common carrier which has signed a chassis usage agreement with the Chassis Pool and which has used at least 15,000 chassis usage days in the prior year at a VIT operated terminal.

7.3 Decisions of the Advisory Council shall be made on a majority basis with each voting Member having one vote.

7.4. The Board shall appoint a Chairman from the voting Members of the Advisory Council willing to serve in such capacity. The Chairman's responsibilities shall be to (i) oversee the nomination of the Line Members of the Board as provided by the Operating Agreement and (ii) solicit feedback from the Members of the Council concerning the operation of the Chassis Pool and to convey that feedback to the Board. The Manager shall endeavor to keep the Advisory Council informed of material developments in connection with the Chassis Pool. The Manager shall provide a summary report of pool performance to the Council's Chairman at least quarterly. The Chairman shall attend at least one meeting of the Board Annually.

SECTION VIII - ADDITIONAL POOL OBJECTIVES

The Company shall have the following objectives as part of its anticipated future operations:

8.1 (a) On or before January 1, 2006, the Chassis Pool shall seek to have the capability to interchange chassis directly with motor carriers, shippers and consignees, in addition to Line users. Such interchange shall be separate from the interchange of the container by the Line with a shipper, consignee, motor carrier or other person.

(b) In furtherance of the above, the Chassis Pool shall seek to develop an insurance program for the Chassis Pool which covers risks associated with the use and provision of equipment (other than those relating to systematic maintenance and repair of equipment covered by the M&R vendor) under which the user is covered, with the costs of such coverage included in the per diem usage charge.

8.2 The Chassis Pool shall seek to develop an insurance program in which additional insurance is available to cover the motor carrier's liabilities under prevalent interchange agreements in excess of insurance currently required under such interchange agreement. Such additional insurance shall be in an amount greater than amounts currently required with premium cost to be paid for on a per diem basis.

Section IX Operating Procedures

The Board may from time to time approve operating procedures of the Chassis Pool proposed by the Manager. Except as may be expressly stated in the Agreements, such operating procedures shall not affect the rights of the parties to the Agreements. In any event, if there is a conflict between the operating procedures and the Agreements, the terms of the Agreements shall control.

[END OF POLICIES AND PROCEDURES]

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