PUERTO RICAN CROSS SPACE CHARTER AND SAILING AGREEMENT

FMC AGREEMENT NO. 011795

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| AGREEMENT TYPE: | This Agreement is pursuant to 46 C.F.R. sections 535.104(bb) and (gg) |
| LAST REPUBLISHED: | NOT APPLICABLE |
| CURRENT EXPIRATION DATE: | NOT APPLICABLE |

EFFECTIVE
APR 18 2002
UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission

FMC Agreement No.: 011795-002 Effective Date: Friday, July 2, 2004
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**ARTICLE 1 - Name of the Agreement** - This Agreement shall be known as the Puerto Rican Cross Space Charter and Sailing Agreement.

**ARTICLE 2 - Purpose** - The purpose of this Agreement is to permit CSAV and CCNI to charter vessel space from one another and to utilize other related services 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:

1. Compañia Chilena de Navegación Interoceánica S.A. ("CCNI"), a company organized under the laws of the Republic of Chile, with its principal office at Valparaiso, Chile;

2. Compañia Sudamericana de Vapores S.A. ("CSAV"), a company organized under the laws of the Republic of Chile, with its principal office at Valparaiso, Chile;

CCNI and CSAV are jointly referred to as "the Carriers" or "the Parties."

**ARTICLE 4 - Geographic Scope of the Agreement** - This Agreement shall cover the carriage of cargoes in direct, indirect or transshipment service between ports, including inland and coastal points, on the Mediterranean coasts of Spain, France, Italy, Greece, Turkey, Israel, Cyprus, Egypt, Morocco, the Black Sea Coasts of Romania, the Ukraine, and Turkey, the Caribbean coasts of Jamaica, Venezuela, Panama, and Colombia, and the Pacific coasts of Panama, Colombia, Ecuador, Peru and Chile (including, without limitation, inland and coastal points in Bolivia and Argentina) on the one hand, and ports, including inland and coastal points served via such ports, in Puerto Rico and on the United States Pacific Coast, on the other hand, and vice versa (hereinafter the "Trade").

**ARTICLE 5 – Authority**

5.a. Carrier Operations

CCNI and CSAV shall transport each other's tendered cargo and/or equipment in its general cargo container service in the Trade, providing space as agreed to by the Parties. Equipment includes, without limitation, containers owned or leased by CSAV or CCNI, whether full, partially loaded or empty. The maximum vessel capacity to be operated under this Agreement shall be up to eight vessels of up to 2,500 TEU each. Initially, the Carriers intend to operate five vessels, having nominal capacity of between 1,600 and 1,900 TEUs each. The Parties may jointly establish sailing schedules, port rotations, limits on sailings and ports, and

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the operating characteristics of the vessels in the service. Each Party may charter a maximum of up to 150 TEU slots per sailing from the other Party.

5.b. Designation of Carriers as Charterers and Owners

As used herein, the Carrier hiring space shall be referred to as "Charterers". The Carrier selling space shall be referred to as "Owners."

5.c. Compensation

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

5.d. No Joint Service, Pooling, Pricing or Marine Terminal

Each party hereto shall be solely and singly responsible for the performance of its duties and obligations hereunder. This Agreement is not and shall not be construed as a joint venture, partnership or unincorporated association and no Party is or shall be construed as, deemed to be or found liable for the debts or obligations of any other Party(ies). Nothing in the Agreement authorizes the Parties to discuss or agree on rates or terms to be offered or charged the shipping public or permit the Parties to pool cargo or revenue except as permitted under agreements relating to United States oceanborne commerce of which the Parties are or may become members, which agreements are filed with the FMC and effective pursuant to the Shipping Act of 1984, as amended,. Nothing in this Agreement authorizes the Parties to jointly operate a marine terminal facility.

5.e. Booking and Documentation

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 the Carriers may from time to time agree.

5.f. Equipment

The Parties are authorized to interchange containers, chassis and other equipment with one another on such terms and conditions as they may from time to time agree, and to otherwise cooperate with respect to such interchange.

5.g. Further Agreements

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The authority of the Parties under this Agreement contemplates operations, activities and agreements interstitial to or otherwise in implementation of all such expressed authority or undertaken or entered into with a reasonable basis to conclude that such collective action is covered by this Agreement, as lawfully in effect at the time the action occurred. In accordance with 46 C.F.R. § 535.407, any further agreement contemplated herein cannot go into effect unless filed and effective under the Shipping Act of 1984, as amended, except to the extent that such agreement concerns routine operational or administrative matters. Except as required by law, the terms and conditions of any interstitial agreement shall be confidential to the Parties and no details of such agreement or the contents thereof shall be divulged to any other party without the prior written approval of the other Party.

**ARTICLE 6 - Officials and Delegations of Authority** - Legal Counsel for 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**

7.a. New Parties to this Agreement may be added with the consent of both Parties to this Agreement, provided that it is understood that this Agreement is non-exclusive and either Party may charter space to or from any other carrier in the Trade, under any separate Agreement in accordance with the Shipping Act of 1984, as amended, and regulations of the Federal Maritime Commission. The addition of any new Party to this Agreement shall become effective after an amendment noticing its admission has been filed with the Federal Maritime Commission and become effective under the Shipping Act of 1984, as amended.

7.b. Notwithstanding any other provision of this Agreement, any party may withdraw from this Agreement at any time after giving thirty (30) days written notice to the other Parties, subject to the following terms and conditions:

7.b.(i) Any withdrawal shall be without prejudice to the Parties' respective accrued obligations to one another as of the date of withdrawal. In no event shall any Party be liable to another for consequential damages arising from withdrawal from this Agreement;

7. b.(ii) The withdrawing party will promptly notify the Federal Maritime Commission of its withdrawal pursuant to this Article.

**ARTICLE 8 - Voting** - All authority under the Agreement shall be exercised by mutual agreement of the Parties.

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**ARTICLE 9 - Duration and Termination**

9.a. This Agreement shall remain in effect for an indefinite period from the date on which it first becomes effective under the Shipping Act of 1984, as amended. If there are two (2) parties to this Agreement, it shall terminate on the withdrawal of any one party after it has given at least 30 days written notice. Otherwise, if any one party withdraws, the Agreement shall remain in effect indefinitely.

9.b. Any Party's termination of participation shall be without prejudice to the Parties' respective accrued obligations to one another as of the effective date of the withdrawal.

9.c. In the event of the following Events of Default occurring, the party(ies) for which the Events of Default do not occur (in this clause referred to as the "Non-defaulting Party(ies)") may immediately terminate this Agreement in relation to the Party in default ("Defaulting Party"):

9.c.(i) failing to perform or observe any covenant, undertaking, condition or provision contained in this Agreement (including but not limited to failure to make any payment due under this Agreement) and such failure continuing for a period of ten (10) days following the service via facsimile or telex by the Non-Defaulting Party to the Defaulting Party of notice requiring such failure to be remedied; or

9.c.(ii) becoming bankrupt or insolvent, or appointing a receiver or liquidator or trustee or assignee in bankruptcy or insolvency, or commencement of the business under a receiver for benefit of any of its creditors, or making a general assignment for the benefit of any of its creditors, or petition being presented or convening a meeting for the purpose of considering a resolution, or other step being taken for the winding up or liquidation of the Defaulting Party (otherwise than for the purpose of a merger, amalgamation or reconstruction to the terms whereof approval in writing by the Non-Defaulting Party shall have been previously given, which shall not be unreasonably withheld), or occurring of any event similar to any of the above under the laws of the Defaulting Party's country of incorporation.

Any Party which, notwithstanding a Default by the other Party, continues to participate in the Agreement, shall not be deemed to have waived its right of immediate withdrawal under this Article, unless and until the Defaulting Party shall have cured any default in accordance with those Articles.

**ARTICLE 10 - Arbitration and Governing Law**

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10.a. Applicable Law.

The interpretation, construction and enforcement of this Agreement, and all rights and obligations between the Parties under this Agreement, shall be governed by the general maritime law of the United States and to the extent not inconsistent therewith, the law of the State of New York, provided, however, that nothing herein shall relieve the Parties of obligations to comply with the Shipping Act of 1984, as amended.

10.b. Arbitration.

Except as otherwise provided herein, 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, by a panel of three arbitrators familiar 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").

10.b.(i) Any Party may call for such arbitration by service upon the Party with whom it has the dispute of a notice specifying the name and address of the arbitrator chosen by the first moving Party and a brief description of the disputes or differences which such Party desires to put to arbitration. If the other Party shall not, by notice to first moving Party within thirty days of the service of such first notice, appoint its arbitrator to arbitrate the dispute or differences specified, the arbitrator appointed by the first moving Party shall act as the sole arbitrator, with full power to act hereunder. In the event that the two arbitrators fail to appoint a third arbitrator within twenty days of the appointment of the second arbitrator, either Party may petition the President of the SMA for the appointment of the third arbitrator, whereupon the third arbitrator shall be appointed by such President. In the event that the President of the SMA fails to appoint the third arbitrator within twenty days of the date on which such President receives the petition, either party may apply to a Judge of any court of competent jurisdiction in New York, New York (or, the alternate location for the arbitration agreed to by the Parties) for the appointment of a third arbitrator, and the appointment of such arbitrator by such President or Judge on such application shall have precisely the same force and effect as if such arbitrator had been appointed by the two arbitrators. Until such time as the arbitrators finally close the hearings, either Party shall have the right by written notice served on the arbitrators and on the other Party to specify further disputes or differences under this Space Charter Agreement for hearing and determination.

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10.b.(ii) If there are more than two parties to the arbitration, the complaining party or parties shall submit a written request, in which the party or parties complained against shall be given the opportunity to join, to the President of SMA for a list of arbitrators, the number of which shall be three times the number of parties to the arbitration plus an additional three, and all of which shall be former or current officers or directors of SMA. Upon receipt of such list, the parties to the arbitration shall confer and, acting, in alphabetical order, shall seriatim strike one arbitrator from the list until there remain only three arbitrators, who shall arbitrate the dispute. Until such time as the arbitrators finally close the hearings, either Party shall have the right by written notice served on the arbitrators and on the other Party to specify further disputes or differences under this Space Charter Agreement for hearing and determination.

10.b.(iii) The arbitrators, by majority vote in writing, may award damages and expenses which they deem proper. In addition, the arbitrators shall assess the costs of the arbitration including interest, pre-judgment interest, their fees and reasonable attorney's fees against either Party, or both, in such manner as they shall set forth in their written findings of facts and conclusions. Such 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. The arbitrators may not award exemplary or punitive damages, however, they may order specific performance. A copy of such decision shall be served by the arbitrators on the Parties.

10.c. Notwithstanding anything to the contrary in the Agreement or in law, any Party shall have the right to apply to any Court of competent jurisdiction to obtain any pre-judgment remedy to which it may be entitled against another.

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**ARTICLE 11 – 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:

COMPAÑIA CHILENA DE NAVEGACIÓN
INTEROCEÁNICA S.A.
Plaza de la Justicia, Piso 9
Valparaiso, Chile
Telex: 240486
Fax: 56-2-6984542
Attention: Atlantic Div. Line Director

COMPAÑIA SUD AMERICANA DE VAPORES S.A.
Plaza Sotomayor 50
Valparaiso, Chile
Fax: 56-2-203___
Attention: Line Manager

Priority notices and communications may be sent by fax and confirmed by registered airmail.

**ARTICLE 12 - Assignment and Exclusivity** – The Parties agree that neither Party hereto shall have the right to assign any of its rights or obligations to any third-party without the written consent of the other Party(ies) hereto, except that the Parties hereby expressly consent to any assignment or sub-charter of space obtained hereunder by any Party to its controlling parent, subsidiary, or any affiliate having at least 50% common ownership with such Party. The Charterer may sub-charter space to other unaffiliated vessel operating common carriers, provided that prior approval of the Owner is obtained, and such subcharter is duly authorized by an agreement filed at the Federal Maritime Commission, or by the regulations of the Federal Maritime Commission.

**ARTICLE 13 – Enforceability** - If at any time during the performance of any transportation under the provisions of the Agreement, any term, covenant, condition or proviso contained in the Agreement or the application thereto to any person or circumstances shall be held to be invalid, illegal or unenforceable, the remainder of the Agreement or the application of such term, covenant, condition or proviso to persons or circumstances other than those to which it is invalid, illegal or unenforceable shall not be affected thereby and each term covenant, proviso or condition of the Agreement shall be Valid and be enforceable to the full extent permitted by law.

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**Signature** - The Agreement is executed by the following Parties, by their authorized representatives.

Dated: June 2, 2004

COMPAÑIA CHILENA DE NAVEGACIÓN INTEROCEÁNICA S.A.

By: _____
Name: John P. Vayda
Title: Attorney

COMPAÑIA SUD AMERICANA DE VAPORES S.A.

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