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**COOPERATIVE WORKING AGREEMENT**  
**BETWEEN**  
**STEVEDORING SERVICES OF AMERICA, INC.,**  
**AND**  
**MATSON TERMINALS, INC.**  
**(FMC No. 224-201079)**

**Cooperative Working Agreement**

**This Agreement has not been Published Previously**

**Expiration Date: None**



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**COOPERATIVE WORKING AGREEMENT  
(FMC No. 224-201079)**

This Cooperative Working Agreement (the "Agreement") between Stevedoring Services of America, Inc. ("SSA"), Matson Terminals, Inc. ("MTI"), a wholly owned subsidiary of Matson Navigation Company, Inc. ("Matson") (jointly, the "parties"), and Matson, is entered into as of the 11th day of June, 1999.

**RECITALS**

SSA and Matson will establish and become the sole owners, either themselves or through subsidiary corporations, of SSA Terminals, LLC ("SSAT"), a limited liability company, to be organized to provide container stevedoring, terminal and related services in the states of California, Oregon and Washington (the "U.S. West Coast");

The parties desire that SSAT conduct container stevedore, terminal and related services in ports and other locations on the U.S. West Coast, including certain of such operations now conducted by SSA and by MTI;

SSA and MTI will agree, with certain exceptions, not to compete with SSAT with respect to its operations on the U.S. West Coast and MTI will cease its operations in such states; and

SSA will provide certain management, administrative, computing, vessel planner and related services to SSAT.

NOW, THEREFORE, SSA, MTI, and Matson agree as follows:

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**ARTICLE 1. Parties to the Agreement.**

The companies participating in this Agreement are as follows:

Stevedoring Services of America, Inc.  
1131 SW Klickitat Way  
Seattle, WA 96134

Matson Terminals, Inc.  
333 Market Street  
San Francisco, CA 94014  
mail address: P. O. Box 7452  
San Francisco, CA 94120

Matson Navigation Company, Inc.  
333 Market Street  
San Francisco, CA 94014  
mail address: P.O. Box 7452  
San Francisco, CA 94120

**ARTICLE 2. Geographic Scope of the Agreement.**

The geographic scope of the Agreement applies to the container terminal, stevedoring and related container operations of the parties on the U.S. West Coast.

**ARTICLE 3. Officials of the Agreement and Delegations of Authority.**

The following individuals have the authority to file agreements and modifications of the Agreement and to submit associated supporting materials and to delegate such authority:

Stevedoring Services of America, Inc.  
J. Hemingway, President, or  
C. Sadoski, Senior Vice President

Matson Terminals, Inc.  
G. J. North, President, or  
K. C. O'Rourke, Vice President

Matson Navigation Company, Inc.  
K. C. O'Rourke, Vice President

**ARTICLE 4. Operations of SSAT**

SSAT shall conduct container stevedoring, terminal, container freight station, maintenance and repair, and vehicle processing operations in ports and other locations on the U.S. West Coast, including certain of such operations now conducted by SSA and MTI in such states. SSAT may do the following:

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- (a) Establish rates, charges and competitive practices;
- (b) Publish marine terminal tariffs;
- (c) Enter into agreements concerning marine terminal facilities and/or services, marine terminal conference agreements and/or agreements to provide stevedoring, container freight station, vehicle processing, maintenance and repair and other related services;
- (d) Own and/or lease and operate all cranes, lift machines, trucks and other equipment and gear incident to its purposes;
- (e) Operate, pursuant to lease, sublease, assignment, purchase or acquisition, including by stock or asset acquisition, any marine terminal facilities and operations connected with such facilities on the U.S. West Coast;
- (f) Enter into agreements to obtain services and materials required for such operations; and
- (g) Engage in such other activities as are customary for a marine terminal operation.

**ARTICLE 5. Contributions of Assets to SSAT and Non-competition.**

(a) Except as set forth in this paragraph, SSA shall contribute to SSAT assets, leases and other contracts with respect to existing container operations of SSA at Terminal 18 in Seattle, Howard Terminal in Oakland, and Terminal C-60 in Long Beach (the "SSA Terminals"); provided that SSA could continue to independently undertake the following:

- (i) to provide stevedoring and terminal services to COSCO Line in

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Southern California;

(ii) to participate in Centennial Stevedoring Services, Inc. in Oakland and Los Angeles;

(iii) to provide container stevedoring and terminal services at Terminal 2 in Portland, Oregon; and

(iv) to provide stevedoring and terminal services for breakbulk, bulk cargo and other handling operations unrelated to container services.

(b) MTI would contribute to SSAT assets, leases and other contracts with respect to its existing operations at Terminal 25 in Seattle, Berths 32-34 in Oakland, and Berths 206-209 in Los Angeles.

(c) Except as set forth in this Article, without giving SSAT a first opportunity to engage in any proposed business transaction or arrangement that would expand SSAT's operations, SSA and MTI shall not compete with SSAT on the U.S. West Coast without the consent of the other.

**ARTICLE 6. Other Agreements among the Parties.**

(a) SSA shall provide the following services: management, administrative, computing, vessel planner and related services to SSAT.

(b) MTI, either directly or through Matson, shall license certain software and other technologies and shall provide certain interim utilities, leases and other support services to SSAT and/or SSA.

(c) The parties shall agree upon mutual indemnities; capital contributions,

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distribution of profits and other financial matters; insurance; and other operational and administrative matters regarding the formation and operation of SSAT. Specifically, the parties shall distribute profits in accordance with ownership interests in SSAT; provided that the parties may agree from time to time to make preferential distributions based on the economic value of the assets contributed to SSAT. Further, the parties agree that each party shall indemnify the other party and SSAT against existing liabilities relating to assets contributed by such party to SSAT.

**ARTICLE 7. Effective Date; Term and Termination**

(a) The Agreement shall become effective as provided for under the Shipping Act of 1984, as amended.

(b) The Agreement shall continue in effect until terminated pursuant to agreement of the parties.

**ARTICLE 8. Miscellaneous.**

(a) Assignment. The Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither the Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties.

(b) Governing Law. The Agreement and the legal relations among the subscribers hereto shall be governed by and construed in accordance with the laws of the State of California without regard to its conflicts of law doctrine.

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STEVEDORING SERVICES OF AMERICA,  
INC.

By 

Typed Name: Charles F. Sadoski

Title: Senior Vice President

Dated: 6/30/99

MATSON TERMINALS, INC.

By \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

MATSON NAVIGATION COMPANY,  
INC.

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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COOPERATIVE WORKING AGREEMENT  
FMC Agreement No. 224-2021079

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**STEVEDORING SERVICES OF AMERICA,  
INC.**

By \_\_\_\_\_  
Typed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_

**MATSON TERMINALS, INC.**

By *K. C. O'Rourke*  
Typed Name: KEVIN C. O'ROURKE  
Title: Vice President  
Dated: 6/29/99

**MATSON NAVIGATION COMPANY,  
INC.**

By *K. C. O'Rourke*  
Typed Name: Vice President  
Title: \_\_\_\_\_  
Dated: 6/29/99

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