Original Title Page

CARIBBEAN SHIPOWNERS ASSOCIATION

FMC Agreement No. 010979-040
(A Discussion Agreement)

Third Edition

ORIGINAL EFFECTIVE DATE: September 7, 1986

EXPIRATION DATE: None

FMC Agreement No.: 010979-040 Effective Date: Monday, June 14, 2004
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ARTICLE 1. NAME OF THE AGREEMENT

This Agreement (the "Agreement") shall be known as the Caribbean Shipowners Association, hereinafter called the "Association".

ARTICLE 2. PURPOSE

This Association is to provide a forum among ocean common carriers serving the geographic scope as hereinafter defined to discuss and agree on rates, charges, rules, classifications, and practices governing the transportation of cargo, whether moving in all water or in through transportation service under through bill of lading or otherwise, in the t Trade. The objectives of the Association are to establish and maintain competitive, non-destructive liner services in the t Trade for the purpose of fostering commerce and stability in the t Trade while maintaining competition and freedom of carrier action.

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ARTICLE 3. PARTIES TO THE AGREEMENT

The members of the Association (hereinafter referred to collectively as the "members" and individually as a "member") are:

BERNUTH LINES, LTD.
3201 NW 24th Street Road
Miami, FL 33142
Nationality: Grand Cayman

CROWLEY LINER SERVICES, INC.
9487 Regency Square Blvd.
P.O. Box 2110
Jacksonville, FL 32203-2110
Nationality: Delaware, USA

LYKES LINES LIMITED, LLC
401 East Jackson Street, #3300
Tampa, FL 33602
Nationality: Canadian

SEABOARD MARINE, LTD.
8050 NW 79 Avenue
Miami, FL 33166
Nationality: Liberian

SEA STAR LINE, LLC
100 Bell Tell Way, #300
Jacksonville, FL 32216
Nationality: Florida, USA

ZIM ISRAEL NAVIGATION CO. LTD.
~~7-9 Pal-Yam Avenue~~
~~P.O. Box 1723~~
~~Haifa 31016 Israel~~
~~Nationality: Israeli~~

CMA-CGM SA
CMA-CGM THE FRENCH LINE
4 Quai d'Arenc
Marseilles 13215 Cx2, France
Nationality: French

INTERLINE CONNECTION, NV.
BP 680 Rue General de Gaulle
Marigot, St. Martin, 97150
French West Indies
Nationality: Puerto Rican

TMM LINES LIMITED, LLC
401 East Jackson Street, #3300
Tampa, FL 33602
Nationality: Canadian

SEAFREIGHT LINE, LTD.
2800 NW 105 Avenue
Miami, FL 33172
Nationality: Florida, USA

TROPICAL SHIPPING & CONSTRUCTION CO., LTD.
Four East Port Road
Riviera Beach, FL 33404
Nationality: Bahamian

5801 Lake Wright Drive
Norfolk, VA 23502
Nationality: Israeli

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ARTICLE 4. GEOGRAPHIC SCOPE

The geographic scope of the Association extends between Atlantic and Gulf ports of the United States located between Eastport, Maine, and Brownsville, Texas, ports in the Commonwealth of Puerto Rico, on the one hand, and ports located in the Leeward/Windward Islands, Trinidad, Guyana, Suriname, Haiti and Jamaica, on the other hand, including points located within the Continental United States (excluding Hawaii and Alaska) and Puerto Rico and points in nations of the Leeward/Windward Islands, Trinidad, Guyana, Suriname, Haiti and Jamaica via the aforementioned ports. This geographic scope is herein referred to as "the Trade".

DISCUSSION SECTIONS:

a. Service between Continental United States and the Leeward/Windward Islands (Includes Anguilla, Antigua, Barbados, Dominica, Grenada, Guadeloupe & Martinique [French West Indies], Montserrat, Nevis, Peters Island, Saba, St. Barts, St. Eustatius, St. Kitts, St. Lucia, St. Maarten, St. Vincent, Tortola, Trinidad, Virgin Gorda).

b. Service between Puerto Rico and the Leeward/Windward Islands. (Includes Anguilla, Antigua, Barbados, Dominica, Grenada, Guadeloupe & Martinique [French West Indies], Montserrat, Nevis, Peters Island, Saba, St. Barts, St. Eustatius, St. Kitts, St. Lucia, St. Maarten, St. Vincent, Tortola, Trinidad, Virgin Gorda).

c. Service between Continental U.S. and Guyana, Suriname.

d. Service between Continental U.S. and Haiti.

e. Service between Continental U.S. and Jamaica.

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Section A: (Leeward/Windward Islands & Trinidad to/from Continental U.S.)

Bernuth Lines, Ltd.
CMA-CGM SA
Crowley Liner Services, Inc.
CGM Interline Connection, NV
Lykes Lines Limited, LLC
Seaboard Marine, Ltd.
SeaFreight Line, Ltd.
Sea Star Line, LLC
TMM Lines Limited, LLC
Tropical Shipping & Construction Co., Ltd.

Section B: (Leeward/Windward Islands & Trinidad to/from Puerto Rico)

Crowley Liner Services, Inc.
CGM Interline Connection, NV
Tropical Shipping & Construction Co., Ltd.

Section C: (Guyana and Suriname to/from Continental United States)

Bernuth Lines, Ltd.
CMA-CGM SA
Seaboard Marine, Ltd.
SeaFreight Line, Ltd.
Tropical Shipping & Construction Co., Ltd.

Section D: (Haiti to/from Continental U.S.)

CMA-CGM SA
Seaboard Marine, Ltd.
Zim Israel Navigation Co. Ltd.

Section E: (Jamaica to/from Continental U.S.)

CMA-CGM SA
Crowley Liner Services, Inc.
Seaboard Marine, Ltd.
SeaFreight Line, Ltd.
Zim Israel Navigation Co. Ltd.

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ARTICLE 5. AUTHORITY

Any two or more members ~~parties~~ shall have the authority on a voluntary basis to:

A. Discuss, ~~;~~ exchange information relating to, agree upon, and establish uniform or differential rates, charges, classifications, rules and regulations ~~applicable thereto (hereinafter "tariff provisions")~~ in connection with the transportation of cargo moving within the all-water and intermodal Association authority ~~to be established by the parties via their respective routes~~ including ~~tariff~~ provisions relating to cargo space accommodations; inland factors; surcharges; arbitraries; absorptions; equalization; currency adjustment factors; alternate port service; proportional rates, through rates, joint through rates or other intermodal rates, time/volume rates; ~~the opening and closing of rates with or without a floor/ceiling;~~ service contracts (excluding specific individual service contracts, existing or proposed); receipt, handling, delivering, and storing of cargo; consolidation and allowances applicable thereto; designation of base ports; terminal and port charges, wharfage, container detention, free time, per diem, cargo demurrage; positioning of containers, chassis and related equipment; container yards, depots, and freight stations; interchange with connecting carriers; payment for services rendered or received including credit rules and privileges and the enforcement (including suspension and restoration of credit privileges thereof among the members ~~lines~~), commission, brokerage and freight forwarder compensation and conditions thereof, and any other ancillary services in connection with ocean transportation of cargo;

B. discuss and enter into agreements with other carriers serving the trade not members of this Association or other conferences serving the trade or the foreign destinations of the t Trade; provided, however, such agreements shall not be implemented until filed and effective pursuant to the terms of the Shipping Act of ~~,~~ 1984, as amended (The "Shipping Act");

C. discuss and exchange information including statistics or compilations or analyses thereof, relating to transportation conditions in the t Trade~~;~~ including the expected supply of and/or demand for liner transportation services in the Trade;

D. implement this authority through individual tariffs and/or service contracts as provided for in this Agreement;

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ARTICLE 5. AUTHORITY (Continued)

E. negotiate with any shipper's association as defined in Section 3(22 ~~24~~) of the Shipping Act~~, 1984~~;

F. Charter space to, from or among each other on an ad hoc basis on vessels owned or operated by them in the ~~t~~ Trade on such terms and conditions as they shall agree and may also jointly establish sailing schedules, port rotation, limit sailing and jointly advertise each others vessels. The Association shall submit to the FMC separate and sequentially numbered confidential records on a quarterly calendar year basis reporting all ad hoc, sporadic or emergency charter arrangements entered into between or among the ~~M~~ members pursuant thereto and specifying, for each such arrangement, (i) the names of the chartering and underlying carrier parties; (ii) the amount of space chartered expressed in twenty foot equivalent container units (TEUs); (iii) the commencement and termination dates; and (iv) the port or ports from or to which it applies. Any ongoing or long-term charter arrangements between or among Association members shall be filed with the Federal Maritime Commission as a separate and discrete agreement.

G. Enter into service contracts as provided in Article 11 hereof.

ARTICLE 6. OFFICIALS AND DELEGATIONS OF AUTHORITY

The members of the Association, in authorized meetings, shall constitute the plenary authority. An authorized meeting shall include, in addition to meetings of the members, discussions and agreements between or among any two or more members. The Association shall appoint an Executive Director who shall serve at the pleasure of the Association.

The Executive Director shall carry out all decisions of the Association, including but not limited to obtaining and maintaining office facilities and retaining a staff; maintaining records as required by law or the Association; filing reports as required by law or the Association; receiving and acting upon shippers' requests and complaints;~~ filing of tariffs and amendments thereto if~~

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ARTICLE 6. OFFICIALS AND DELEGATIONS OF AUTHORITY (Continued)

~~applicable;~~ negotiating routine housekeeping contracts; and such other duties as the Association requires in the efficient, lawful function of the Association.

The Association meetings shall include meetings of the members and may, from time to time, establish standing, ad hoc, and any other committees and sub-committees ("committees") as they consider necessary to conduct the business of the Association and the decision of the committees shall be deemed the decision of the Association, unless specifically limited by the Association.

Unless otherwise unanimously agreed, each member shall be entitled to full and equal membership on any committee established by the Association and, subject to the following limitation for Executive Committee meetings, may designate the person or persons selected to represent it for said purposes. Executive Committee Meetings shall convene, at least, three times annually and be attended only by one or more senior executives of the member without the presence of its agent. The Association may also conduct its business through oral, written, telephone, telegraphic, ~~and~~ telex, or other electronic polls upon which Association action is taken.

The Executive Director, or a member of the Association staff designated by him, shall chair meetings of the Association and its committees. Provided, however, that in the absence of the Chairman, or the staff member so designated at any such meeting upon the decision of the members, any person representing a member at a meeting may be appointed by the members to chair that meeting.

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ARTICLE 7. MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

A. Any ocean common carrier serving the ~~t~~ Trade may become a member of this Agreement.

B. Each member shall pay a reasonable admission fee, as determined from time to time by the Association (but in no event to exceed the total annual projected budget of the Association divided by the number of members). Each new member shall pay the then current admission fee upon application, and this fee is not refundable. The Federal Maritime Commission shall be advised of the amount of such admission fee no later than thirty (30) days after the establishment thereof.

C. Any member may resign, including from a section of the Association, upon at least thirty (30) days written notice to the Executive Director. During this written notice period such member shall not be entitled to vote (if applicable) on any matter. Notice of resignation will be effective in accordance with the ~~applicable~~ requirements of the Shipping Act ~~law~~.

D. Any former member may be readmitted without penalty provided, however, that previous debts to the Association, if any, are fully paid and it meets the conditions set forth in subparagraphs A and B hereof.

E. Any member can be expelled for failure to maintain an ocean common carrier service in the ~~t~~ Trade for a period of one hundred twenty (120) consecutive days, force majeure and strike periods excepted; or for failure to abide by the terms of the ~~a~~ Agreement. An explanation will be served upon that member with copy to the appropriate office of the Federal Maritime Commission detailing the basis for expulsion prior to its effective date.

F. The filing of a notice of resignation does not, until the resignation becomes effective relieve a member of its obligations under this Agreement. Computation of outstanding obligations of any resigning member shall include any amount reflecting pro-rata share of continuing obligations for six months subsequent to the effective date of the member's resignation with respect to the ~~Agreement's~~ Association's expenses and liabilities incurred prior to the receipt of the notice of resignation by the Executive Director.

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ARTICLE 8. VOTING PROCEDURES

Decisions reached under this Agreement ~~Section~~ shall be by unanimous ~~mutual~~ agreement of all participating members, it being fully understood that no member is required to adhere, other than voluntarily, to any decision reached. Any discussion between or among any two or more members of a Discussion Section in which agreements are reached, shall be by mutual agreement of those members participating, it being fully understood that no member is required to adhere, other than voluntarily, to any decision reached.

ARTICLE 9. DURATION AND TERMINATION

This Agreement shall be effective upon its filing with the Federal Maritime Commission and effectiveness pursuant to the Shipping Act~~, 1984~~ and shall remain in effect until terminated. This Agreement may be terminated by the unanimous vote less one of the Association members entitled to vote or by the resignation of all members less one.

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~~ARTICLE 10. PROHIBITED ACTS~~

~~The Association shall not boycott or take any other action resulting in a refusal to deal, or engage in any predatory practice designed to eliminate the participation, or deny entry in a particular trade, of a common carrier not a member of the Association, a group of common carriers, an ocean tramp, or a bulk carrier.~~

ARTICLE 10 ~~11~~. CONSULTATION, SHIPPERS' REQUESTS AND COMPLAINTS

Rules implementing requests for consultation and shippers requests or complaints (hereinafter collectively referred to as shipper requests) shall be published in the tariff(s). Shipper requests will be received by the Executive Director or any member line which will immediately transmit it to the Executive Director. Upon receipt by the Executive Director, the Executive Director shall place the shipper request on the next Association agenda for action by the Association. The Executive Director shall promptly inform the shipper of the disposition of its request upon Association consideration.

~~ARTICLE 12. INDEPENDENT ACTION~~

~~Each member may take Independent Action without notification to the other members or Association.~~

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ARTICLE 11 ~~13~~. SERVICE CONTRACTS

A. The Association may enter into and implement service contracts as defined in Section 3(19) of the Shipping Act ~~of 1984~~ including, but not limited to, service contracts covering excepted commodities. Any such service contract will be a contract of the Association on behalf of any one or more of its members. Members may elect not to participate, or to limit their participation, in any Association service contract by appropriate written notification to the Executive Director prior to execution of any such contract specifying their election not to participate or the limitation on their participation. Any Association service contract shall specify those members not participating, or if participating in a limited manner, the limitation of the participation. A member which has initially elected not to participate in an Association service contract or to limit its participation may, prior to the service contract's expiration, elect to participate or remove its limitation as to its participation by notifying the Executive Director in writing which shall include the effective date that its participation shall begin or the limitation is removed. ~~Any Member may, individually or jointly with other members, separately and independently from the Association, enter into service contracts for cargo moving within the Trade. Any member's individual contract may also include cargo moving outside the Trade, but only to the extent that the volume of such cargo will be applied toward the aggregate volume committed by the shipper; and the Members are authorized, but not required, to discuss the terms of such service contracts.~~

B. Any member may, individually or jointly with any other member or members, separately and independently from the Association, enter into service contracts for cargo moving within the Trade. The members are authorized, but not required, to discuss, adopt, repeal or amend voluntary guidelines relating to the terms and procedures of all or a portion of their individual service contracts (excluding any specific individual service contract, existing or proposed). Any voluntary guidelines adopted shall be confidentially submitted to the Federal Maritime Commission and shall explicitly state the right of the members not to follow any or all of the guidelines adopted. ~~Members may elect not to participate, or to limit their participation, in any Association service contract by appropriate written notification to the Executive Director prior to execution of any such contract specifying their election not to participate or the limitation on their participation. Any service contract shall specify those Members not participating, or if participating in a limited manner, the limitation of their participation. A Member which has initially elected not to participate in an Agreement service contract or to limit its participation may, prior to the service contract's expiration, elect to participate or remove its limitation as to its participation by notifying the Executive Director in writing which shall include the effective date that its participation shall begin or the limitation is removed.~~

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ARTICLE 12 ~~14~~. MEETINGS AND PROCEDURES

A. Regular Association meetings shall be held as agreed upon by the members. Upon the request of at least two (2) members and upon forty-eight (48) hours notice, the Executive Director shall call special meetings. In all other respects, the Association shall determine notice for other meetings, contents of agenda, and meeting procedures.

B. Notwithstanding sub-paragraph (a) hereof, any two (2) or more parties may hold meetings with one another pursuant to the authority of this Agreement.

C. Any agreement reached at meetings taking place pursuant to sub-paragraph (b) hereof shall be minuted in writing and copies of such meetings shall be delivered to the Executive Director for distribution to the other members of the Agreement and to the Federal Maritime Commission.

ARTICLE 13 ~~15~~. EXPENSES AND OFFICE ARRANGEMENTS

Expenses of the Association shall be apportioned among the members as they agree from time to time. The Executive Director shall maintain all financial records including checking accounts. The Executive Director shall sign all checks on behalf of the Association.

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ARTICLE 14 ~~16~~. DEFINITIONS

Words defined in the Shipping Act ~~of 1984~~ and the Federal Maritime Commission regulations promulgated pursuant thereto ~~to the Act~~ have the same definition and meaning when used in this Agreement.

ARTICLE 15 ~~17~~. FILING AGENT

Each member hereof appoints, in writing, the Association Executive Director as its representative on behalf of such member to file with the Federal Maritime Commission this Agreement and all amendments or republications thereof. The Executive Director may delegate this authority to counsel for the Agreement. The Agreement and each amendment or republication of the Agreement may be executed in one or more counterparts, and all such counterparts shall constitute one Agreement, notwithstanding that all parties are not signatory to the same counterpart.

ARTICLE 16 ~~18~~. ADMINISTRATIVE REGULATIONS

The members may implement this ~~the Association~~ Agreement through administrative regulations, resolutions and decisions.

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IN WITNESS WHEREOF, the Members have executed these revisions as of this ____ day of April 2004.

CARIBBEAN SHIPOWNERS ASSOCIATION

By: _____
Philip F. Busby
Executive Director

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