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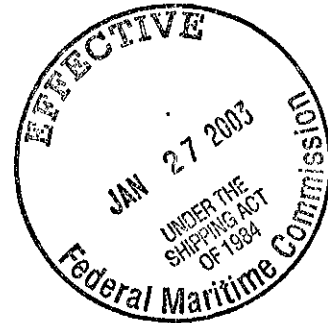
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OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMM

WEST BASIN CONTAINER TERMINAL  
COOPERATIVE WORKING AGREEMENT

(FMC No. 201141)

Cooperative Working Agreement



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**WEST BASIN CONTAINER TERMINAL  
COOPERATIVE WORKING AGREEMENT**

This West Basin Container Terminal Cooperative Working Agreement (the "Agreement") between China Shipping (North America) Holding Co., Ltd. ("CSHC"), a Delaware corporation, Yang Ming Line Holding Co. ("YMHC"), a Delaware corporation, and Marine Terminals Corporation ("MTC"), a Nevada corporation, is entered into as of the 1<sup>st</sup> day of December 2002.

**RECITALS**

CSHC, YMHC and MTC (each a "Party") desire to enter into a joint venture to develop and operate a marine terminal (the "West Basin Terminal") utilizing berths 100-102 and 121-131 at the Port of Los Angeles ("POLA") for use by (i) affiliates CSHC and YMHC (the "Primary Users"), (ii) vessel alliance partners, space sharing carriers, slot charter carriers and customers of the Primary Users ("Secondary Users"), and (iii) independent vessel operating carriers ("Invitees").

In furtherance of the joint venture, CSHC, YMHC, and MTC have formed West Basin Container Terminal LLC, a Delaware limited liability company ("WBCT LLC" or the "Company"), for the purpose of developing and operating the West Basin Terminal. CSHC, YMHC, and MTC have entered into an Operating Agreement (the "Operating Agreement") establishing their respective rights and obligations as Members of WBCT LLC. As used in this Agreement, the term "Members" shall mean CSHC, YMHC and MTC.

To enable WBCT LLC to operate the West Basin Terminal (i) the existing permit (No. 999) for berths 100-102 at the POLA held by CSHC, and the existing permit (No. 787) for berths 121-131 at the POLA held by an affiliate of YMHC, will be combined and transferred to WBCT LLC, (ii) affiliates of CSHC and YMHC will sell or lease to WBCT LLC certain gantry cranes, and (iii) MTC will enter into certain agreements with WBCT LLC to provide certain labor, equipment, management, administrative, computing, and related services to WBCT LLC.

To support the business of WBCT LLC, CSHC and YMHC will each enter into an agreement with WBCT LLC to move a minimum volume of cargo (including cargo moved for the account of Primary Users and Secondary Users) through the West Basin Terminal in exchange for negotiated marine terminal service rates.

THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

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

1.1 Name and Address of the Parties. The following companies are each a Party to this Agreement:

China Shipping (North America) Holding Co., Ltd.  
100 Plaza Drive, 1<sup>st</sup> Floor  
Secaucus, NJ 07094

Yang Ming Line Holding Co.  
C/O Solar International Shipping Agency, Inc.  
525 Washington Blvd., 25<sup>th</sup> Floor  
Jersey City, NJ 07310

Marine Terminals Corporation  
1999 Harrison Street, Suite 550  
Oakland, CA 94612

1.2 Additional Parties. Additional parties may be added to this Agreement if approved by the affirmative vote of Parties to this Agreement owning at least eighty percent (80%) of the ownership interests in WBCT LLC.

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

2.1 Geographic Scope. The geographic scope of this Agreement shall be limited to the container terminal operations of WBCT LLC at the West Basin Terminal in the POLA.

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

3.1 Executive Committee. The business and affairs of WBCT LLC will be conducted by an Executive Committee (the "Executive Committee"), which will consist of five representatives appointed by the Members in accordance with the terms of the Operating Agreement. The Executive Committee will meet at such times and locations as are provided for in the Operating Agreement. All decisions of the Executive Committee will require the affirmative vote of Executive Committee members representing at least eighty percent (80%) of the entire Executive Committee. The Executive Committee will select a Chairman, who shall serve a term of three years. Meetings of the Executive Committee shall be presided over by the Chairman.

3.2 Officers and Staff. Subject to the rights, powers and policies of the Executive Committee, the officers of WBCT LLC shall initially consist of the following:

- (i) a President, to be initially appointed by YMHC;
- (ii) a Chief Financial Officer, to be initially appointed by CSHC; and
- (iii) a Terminal General Manager, to be appointed by the President, subject to the approval of the Executive Committee.

Other corporate, finance, accounting and administrative staff ("Staff") shall be employed or subcontracted as deemed necessary by the President, subject to the approval of the Executive Committee. Subject to the rights and powers of the Executive Committee, the Officers and the Staff shall conduct the day-to-day operations of WBCT LLC.

3.3 Persons Authorized to File Agreement Modifications and Supporting Materials.

The following officials, as well as counsel to each of the Parties, shall have the authority to file modifications of this Agreement, to submit associated supporting materials, and to delegate such authority to others:

CSHC -- President or any Senior Vice President

YMHC -- Chairman

MTC -- President or any Senior Vice President

**ARTICLE 4. Overview of Agreement Authority.**

4.1 General Authority. WBCT LLC shall be authorized to conduct container stevedoring and terminal operations at the West Basin Terminal, to be located at berths 100-102 and 121-131 in the POLA.

4.2 Specific Authority. WBCT LLC, acting by and through the Officers and the Staff, subject to the authority and supervision of the Executive Committee, shall be authorized to do the following:

- (a) Hold permits and leases as necessary for the operation of the West Basin Terminal;
- (b) Establish operating procedures for the West Basin Terminal in accordance with International Organization for Standardization 9002 registration standards;
- (c) Establish rates, charges, and competitive practices with respect to the operation of the West Basin Terminal;
- (d) Publish marine terminal tariffs;
- (e) Negotiate and enter into agreements concerning marine terminal facilities and/or services, marine terminal conference agreements, and/or agreements to provide stevedoring, maintenance, and repair and other related services, including agreements with Parties to this Agreement and their affiliates;
- (f) Either directly or through subcontractors, own and/or lease and operate all cranes, lift machines, trucks, and other equipment and gear incident to the operation of the West Basin Terminal;

- (g) Engage in such other activities as are customary for a marine terminal operation;
- (h) Implement the decisions of the Executive Committee;
- (i) Manage its legal, accounting, and tax affairs, and perform all functions necessary to operate a Delaware limited liability company, including but not limited to, maintenance of company books and records, preparation of financial statements, filing of tax returns and other tax information as required, establishment of bank accounts and investments, maintenance of offices and hiring and management of personnel, indemnification of managers and officers, and maintenance of insurance;
- (j) Preserve, maintain, and distribute WBCT LLC funds in accordance with the provisions of the Operating Agreement;
- (k) Contract for the services of independent contractors, including attorneys, accountants, and other professional service providers; and
- (l) Execute any and all agreements, documents, certificates, and instruments necessary or convenient in connection with the management and operation of the West Basin Terminal or in connection with the business of WBCT LLC.

**ARTICLE 5. Implementation and Effectuation of the Agreement.**

5.1 Combination of Permits and Terminals. CSHC will transfer to WBCT LLC permit No. 999. YMHC will cause its affiliate to transfer to WBCT permit No. 787. The



parent companies of CSHC and YMHC will guarantee the obligations of WBCT LLC under the permits. WBCT LLC will agree to indemnify CSHC, YMHC, and their affiliates for claims arising out of the operation of the West Basin Terminal by WBCT LLC.

5.2 West Basin Terminal Equipment and Gantry Cranes. To the extent practicable as determined by the Executive Committee, all container yard and related equipment necessary to operate the West Basin Terminal will be provided by MTC through an Equipment Service Agreement between WBCT LLC and MTC on such terms, and subject to such conditions, as WBCT LLC and MTC shall agree from time to time. WBCT LLC will purchase four (4) one hundred (100) foot gauge gantry cranes owned by an affiliate of CSHC and located at berths 100-102 in the POLA, and five (5) fifty (50) foot gauge gantry cranes owned by an affiliate of YMHC and located at berths 121-131 in the POLA, provided that acceptable financing can be arranged. If acceptable financing is unavailable, WBCT LLC will enter into negotiations with the respective owners of the aforementioned cranes to establish a usage fee.

5.3 Terminal Operations. WBCT LLC will enter into one or more agreements with MTC under which MTC will provide personnel (including supervisory personnel and ILWU personnel) and services required to operate the West Basin Terminal upon such terms and conditions, and at such rates, as the parties may from time to time agree. Services provided under such agreement(s) may include (i) all planning and administrative activities associated with stevedoring operations at the West Basin Terminal, (ii) employment of marine planning, yard, gate, and rate employees, as well as supervisory personnel (iii)

provision of computer services and software necessary to support the West Basin Terminal operations, and (iv) employment of security personnel to protect cargo, containers, equipment, and property at the West Basin Terminal.

5.4 Usage Agreements. CSHC and YMHC each agree to support WBCT LLC by entering into individual Minimum Annual Guarantee and Volume Incentive Agreements, under which CSHC and YMHC will agree to move a minimum volume of cargo through the West Basin Terminal in exchange for negotiated rates.

5.5 Effective Date. The various agreements to be entered into between the Parties and WBCT LLC shall not be implemented by the parties until filed with the Federal Maritime Commission and effective under the Shipping Act of 1984, as amended, unless otherwise exempt from the filing requirements of the Act as implemented by the regulations of the Federal Maritime Commission.

#### **ARTICLE 6. Term of the Agreement and Termination.**

6.1 Effective Date. The Agreement shall become effective on the later of (i) the date of this Agreement, or (ii) the date it becomes effective under the Shipping Act of 1984, as amended.

6.2 Term. This Agreement shall remain in effect until terminated by affirmative vote of the Parties hereto owning at least eighty percent (80%) of the ownership interests in WBCT LLC.

6.3 Liquidation of WBCT LLC. In the event WBCT LLC is liquidated, the assets of the Company, including the licenses and leases necessary to operate the West Basin Terminal, shall be distributed to the Members in such manner and upon such terms and conditions as the Members may agree, and the Members shall further discuss and agree on the transition to providing service to their respective customers.

**ARTICLE 7. Miscellaneous.**

7.1 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

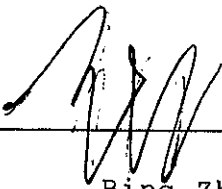
7.2 Governing Law. This Agreement and the legal relations among the Parties shall be governed by and construed in accordance with the laws of the State of California without regard to its conflicts of law doctrine.

7.3 Disputes. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, which can not be settled by the good faith negotiations of the Parties, shall be settled by binding arbitration in the State of California, City of Los Angeles. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The attorneys' fees and costs of the prevailing Party or Parties shall be paid by the non-prevailing Party or Parties.

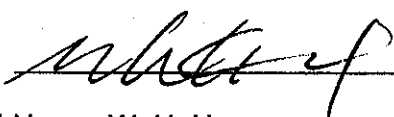
7.4 Amendments. The provisions of this Agreement may not be waived, amended, or repealed, in whole or in part, by any of the Parties hereto, except with the written consent of each of the Parties hereto.

IN WITNESS WHEREOF, the Parties have entered into this Cooperative Working Agreement as of the date first above written.

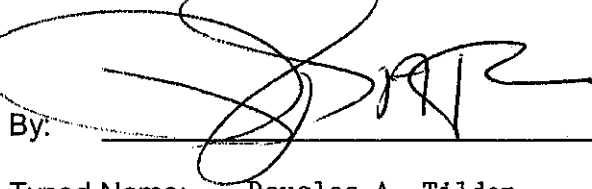
**CHINA SHIPPING (NORTH AMERICA) HOLDING CO., LTD.**

By:  \_\_\_\_\_  
Typed Name: Bing Zhang  
Title: President  
Dated: December 11, 2002

**YANG MING LINE HOLDING CO.**

By:  \_\_\_\_\_  
Typed Name: W. H. Huang  
Title: Director  
Dated: 2002/DEC/6  
2002/DEC/6

**MARINE TERMINALS CORPORATION**

By:  \_\_\_\_\_  
Typed Name: Douglas A. Tilden  
Title: President and CEO

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FMC Agreement No. \_\_\_\_\_

ORIGINAL PAGE NO. 13

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